

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON JANUARY 28, 2010.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, January 28, 2010 at the Beaufort-Jasper Water & Sewer Authority Administration Building. This meeting met the notice requirements of, and was properly constituted pursuant to, Chapter 4, Title 30 of the Code of Laws for South Carolina, 1976, as amended, commonly known as the "Freedom of Information Act".

ATTENDANCE

Members of the Authority: Chairman David Taub, Vice-Chairman Brandy Gray; Secretary/Treasurer Mark Snyder, Michael Bell; Lorraine W. Bond; B.G. Pat O'Neal; John Rogers and Charlie White. Absent were new prospective member Donna Altman (due to illness) and Jim Carlen.

Guest:

Brian Flewelling, Member Beaufort County Council District 9 and Stu Rodman, Member, Beaufort County Council District 3 and Robert F. (Bobby) Clair, Senior Vice President, SC Marketing Program Manager of HDR Engineering, Inc. of the Carolinas.

BJWSA Members of Staff: Ed Saxon, Deputy GM, Operations and Engineering; Dottie Hofmann, CFO; John Wells, Director of Administrative Services; Paula Power, Purchasing Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Matthew Brady, Communication Manager; Libby Breland, Administrative Assistant, and Mandy Abbott, Communications Administrative Assistant.

Legal Counsel: Raymond H. Williams, General Counsel to the Board.

CALL TO ORDER

Chairman David Taub called the meeting to order at 9:05 am announced that a quorum was present. Vice-Chairman Brandy Gray gave the invocation and the Pledge of Allegiance followed.

APPROVAL OF MINUTES

Chairman David Taub requested a motion to approve the December 17, 2009 Minutes.

Motion: Brandy Gray made a motion, seconded by Charlie White, to approve the Minutes of the regular meeting of December 17, 2009. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chairman David Taub recognized the attending guests:

Councilman Brian Flewelling asked if the delay in the project design of the Bluffton Parkway Phase 5A, fly over bridge, would impact BJWSA's contract approval under New Business today. Ed Saxon said that it would not have any impact in the contract award approval today. Councilman Flewelling also asked if the Authority had any similar assistance programs or local charities like a round-up program. Vice-Chairman Gray stated that the Authority did have a program in place called the Thad Coleman Fund which assists eligible customers with the installation of water and sewer services. Michael Bell noted that the County also commits to an annual contribution.

GENERAL MANAGERS REPORT

Ed Saxon, Deputy General Manager, reported on the following issues:

- November Safety Report. 122 calendar days since the last preventable lost time case. 3 recordable injuries have been reported. Three Near Miss reports and 29 Take Two's were completed. *The Safety Report for the month of December 2009 is attached to these minutes and made a part hereof.*
- Weather Issues. During the 15 day record cold spell in January, there were over 200 events involving frozen pipes and on one day, a record 27 leaks were reported. The costs associated with these repairs totaled \$50,000
- RR ROW Easement Update. The Clarendon Lease Agreement was signed by both parties. Robert Franzen of Steam Services of America presented his vision to the County (Northern Regional Implementation Committee) regarding the rails. Councilman Brian Flewelling briefed the Board regarding the discussions of that meeting and expressed that the County would have liked to have received a cost analysis. The County has submitted a TIGER (Transportation Investment Generating Economic Recovery) grant.
- Retirement of Employee. John Smalls will be retiring at the end of this month with 30 years of service. John worked in the Meter Division.
- Beaufort County Council and City of Beaufort Council Retreats. The Councils of the City of Beaufort and Beaufort County will be holding their 3-day retreat in the board room at BJWSA during the month of February.
- Enclosures in Board Packets. Libby Breland provided a copy of the monthly Committee meeting dates and Board of Directors meeting dates and also a list of BJWSA Key Words Defined. This provides definitions of various key words and acronyms used by the Authority.
- Commendation Letter from SCE&G. A letter was received from Steve Palmer, SCE&G, commending Joe DeVito and his staff on their efforts helping to repair a raw water line leak at the Jasper Power Station in Hardeeville. This was clearly SCE&G's problem to repair, but Mr.

Palmer had asked Joe DeVito for assistance and without any hesitancy, Joe DeVito had his crews over to inspect the leak and assisted with temporary repairs. Mr. Palmer was very appreciative, in particular, to Joe DeVito, on his outstanding response.

- Statement of Economics Interest Filing for 2010. A statement is required by all Board Members for reporting year 2009. These statements can be submitted electronically and Libby Breland will glad to assist in the process. The EIS filing is due by April 15, 2010.

COMMITTEE REPORTS

Executive

Chairman David Taub reported on the High Level Strategic Planning Workshop and reported that the workshop was very productive. Dean Moss will be assigning Strategic Initiative's (SI's) for workgroups.

Capital Projects

Committee Chair Michael Bell reported that the committee met and discussed developer activities. Action items will be presented under New Business. *The Memorandum from Charles Sexton dated January 19, 2010, CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Committee Chairperson Brandy Gray reported that the Committee met on January 21, and she reported on the following issues:

- Financial Report December 31, 2009. Revenues were under budget through Dec. 09. Operating Expenses without depreciation are \$413K under budget and with depreciation is \$149,000 over budget.
- 1999 and 2000 Bonds. Bond Counsel attorney, Margaret Pope advised of a significant cost savings of refunding BJWSA's Bonds. There would be an opportunity to save approximately \$1 million in interest over the next 10 years. The staff will begin the refunding process and preparing the Official Statement.
- Call Center Update. Total calls received increased 3.5% due to the holidays and customer payments arrangements. The average customer wait time increased 28 seconds and abandonment rate increased 1% due to staffing over the holidays.

The Financial Report for December 31, 2009 is attached to these minutes and made a part hereof.

Personnel

Charlie White reported that the Personnel Committee met on January 19, 2010 and he reported on the following issues:

- Recruiting and Hiring updates. Communications Manager position has been filled by Matthew Brady and Sarah Linkimer as the Controller.
- Brown Bag Lunch & Learn Training. A webcast is being offered to all employees today titled "*Beyond Time Management: Leveraging Your Productivity*". This is

an ongoing effort in a series of webcasts to provide professional development training at no cost to the employee or the Authority.

- Revised Employee Handbook Sessions. Several training sessions have been conducted with the employees explaining the new policy additions and changes. Each employee is provided a new copy of the handbook and acknowledges receipt for it.
- H1N1 Vaccinations. Vaccinations were provided on a voluntary basis at no cost to the Authority or to the employees. 52 employees were vaccinated for the H1N1 strand.

OLD BUSINESS

No old business to report.

NEW BUSINESS

A. FY 09-11 Capital Improvement Plan Project Additions.

1. CIP 21620 – Levy Station Intersection Relocation in the amount of \$150,000. SCODOT is improving the intersection at Levy Station and adding a turn lane. The new storm drain is in conflict with the waterline along the east side of Hwy170A. Approximately 1500LF of 8-inch and 10-inch waterline and appurtenance must be relocated to accommodate the new storm drain. This project will be funded from water capital.

Motion: Michael Bell moved, seconded by Lorraine Bond, to approve CIP 21620 as presented and referenced in the Memorandum to Ed Saxon from Tricia Kilgore dated January 15, 2010. A vote was held and the motion passed unanimously.

B. Contract Awards.

2. CIP 21609 – Bluffton Parkway Phase 5A Part 2 Pipeline Relocations.
- Contract Award to DuPriest Construction Company in the amount of \$362,300.
 - Budget Increase in the amount of \$350,000. (Original Budget was \$250,000)

This project is part of the Beaufort County 1% Tax Roadway Upgrades. Phase 1, which dealt with utility relocations in conflict with Santee Cooper transmission poles, was completed in September 2009. Phase 2 deals with the balance of utility conflicts that must be relocated away from the proposed roadway, storm drains and storm structures. Bids for the project were opened and the low bidder was DuPriest Construction Company in the amount of **\$362,300**. The original budget for this project was **\$250,000**. The budget was established prior to completion of the design by the County's engineer and now must be increased to fund the work required. Beaufort County has agreed to reimburse BJWSA for these relocations costs. The project budget should be increased in the amount of \$350,000.

Motion: John Rogers moved, seconded by Brandy Gray, to approve CIP 21609 as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Dick Deuel dated January 14, 2010. A vote was held and the motion passed unanimously.

3. CIP 22002, 22005-Military Wastewater Consolidation Project Contract Award to B&B Demolition Specialists in the amount of \$454,750. This project will consist of demolition of the existing wastewater treatment plants on the Air Station and Parris Island after the consolidation pump stations are online. The demolition contract was required to be bid before the closing of the SRF loan. Bids were certified and staff recommends award to B&B Demolition Specialists in the amount of: \$454,750.00.

Motion: Michael Bell moved, seconded by Charlie White, to approve CIP 22002, 22005 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Brian Chemsak dated January 19, 2010. A vote was held and the motion passed unanimously.

C. Hilton Head PSD #1 Amendment to Off-Peak Rate Agreement – Term Extension.

This Agreement is to extend the term of the Off-Peak Rate Agreement executed on 9/22/09 from five years to ten years. At the end of the initial 5 year period, BJWSA will recalculate the Base Off-Peak rate based on current costs and then adjust annually during the next 5 year period based upon changes to the Consumer Price Index (CPI.) In addition, BJWSA will on a case by case basis, consider making the Off-Peak rate effective on 10/1 and extending the rate through March if supply capacity is available. All other terms of the 9/22/09 Agreement shall remain in effect.

Motion: John Rogers moved, seconded by Michael Bell, to approve the Amendment for the Hilton Head PSD #1 Off-Peak Rate Agreement. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Councilman Stu Rodman gave a brief overview of the 1% Sales Tax Road projects and noted that the Transportation Advisory Committee unanimously recommended to Council that they finish all of the projects with the exception of four projects and that the Hwy 278 widening from Bulkwalter to Hwy 170 be included due to the need for an alternate hurricane evacuation route and to delay the fly-over bridge connection to the Bluffton Parkway. He discussed different uses for the Rails that would generate revenue for the County. Chairman Taub reminded the group that BJWSA has a Memorandum of Understanding with the municipalities that BJWSA's policy would be not to take a position on the surface uses along the rails and that it will be the decision of the County and the municipalities.

EXECUTIVE SESSION (Time 10:00am)

Chairman David Taub requested a motion to go into Executive Session for the purpose of discussing personnel matters.

Motion: Brandy Gray moved, seconded by Charlie White, to adjourn into Executive Session for the purpose of discussing personnel matters. Non debatable motion, motion carried.

RECONVENE

The meeting reconvened and there was no action taken by the Board.

ADJOURNMENT

The meeting adjourned at 10:50am.

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Attachments: Safety Report dated December 09, CIP and Developer Update Memo dated January 19, 2010, Financial Report dated December 31, 2009.