MINUTES OF THE BOARD OF DIRECTORS ANNUAL MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON JULY 22, 2010.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Annual Meeting Thursday, July 22, 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:

Present: Brandy M. Gray, Chair; Lorraine W. Bond, Secretary/Treasurer; Donna L. Altman; BG James P. "Pat" O'Neal, (Retired); Dr. William Singleton; Mark C. Snyder, (attended telephonically) and Charlie White.

Absent: Michael L. Bell, Vice-Chair; James A. "Jim" Carlen and John D. Rogers.

Guests: Beaufort County Councilmen Paul Sommerville, (District 7-Lady's Island/Beaufort); and Gerald Dawson (District 6-Sheldon/Dale/Lobeco) and Billie Lindsay, Beaufort County Planning.

BJWSA Members of Staff: Dean Moss, General Manager; Dottie Hofmann, CFO; John Wells, Director of Administrative Services/HR Manager; Matthew Brady, Communications Manager; Chris Petry, Treatment Director; Tricia Kilgore, Capital Projects Manager; Sarah Linkimer, Controller and Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, Esq.

CALL TO ORDER

Chair Brandy Gray, called the meeting to order at 9:00am. Charlie White gave the invocation and the Pledge of Allegiance followed.

TELEPHONIC STATEMENT

Chair Brandy Gray, gave the following statement: *"I Brandy Gray, Chair, announce that a quorum for this Meeting is physically present and that Mark Snyder is attending this meeting telephonically".*

APPROVAL OF MINUTES

Chair Brandy Gray, requested a motion to approve the June 24, 2010 Minutes.

Motion: General Pat O'Neal, made a motion, seconded by Charlie White, to approve the Minutes of the regular meeting of June 24, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chair Brandy Gray, welcomed and recognized the attending guests. Billie Lindsay, (Beaufort County Planning Department), reported that Beaufort County was awarded a multi-jurisdiction grant for the Okatie Watershed Project and that part of the funds will be used for education, and about repair work on septic systems in that watershed. BJWSA is a cooperating partner on the project.

GENERAL MANAGERS REPORT

Dean Moss, General Manager, reported on the following issues:

- June Safety Report. 303 calendar days since the last preventable lost time case as of June 30. Unfortunately, in early July, an employee was involved in a vehicular accident sustaining severe injuries. The incident was not his fault, nor was he ticketed. It happened when two other vehicles collided and one of those vehicle collided with our employee's vehicle. The Safety Celebration was a great event. *Safety Report for the month of June 2010 is attached to these minutes and made a part hereof.*
- Hurricane Information for the Board of Directors. The information included a discussion of the Authority's hurricane strategy and re-entry 800-telephone number and evacuation routes for Beaufort and surrounding areas. Approval of a Resolution giving the General Manager emergency powers during emergency and recovery when the Board of Directors are not available will be brought under New Business.
- Rail Road Right-of-Way. No proposals were received by the County for a tourist train project. BJWSA has received bids for the salvage of the rails and the approval of an award to the salvage company will be brought forward as an Agenda item. General Pat O'Neal asked the staff of their plans for the disposition of the Whale Branch swing bridge and suggested that it could be dropped off shore and made into a reef. *Dean Moss indicated that he would contact Board of Director, Chair, Michael McShane, and see if Department of Natural Resources had an interest to use the scrap for a reef.* BJWSA will be contacting the residents along the right-of-way to advise them of the future salvage operations.
- Hampton County Water & Sewer. Dean Moss met with the Town of Yemassee, Mayor Goodwin, and Council Members. Hampton County intends to support the development of a large industrial site near the Low Country Industrial Park in Yemassee and the Town of Yemassee wants to enter into a lease agreement with BJWSA to ensure high quality water and wastewater services are provided to that new industrial site. Ed Saxon will inspect the infrastructure of the Industrial Park and Highway 68. Dean Moss is working with Legal Counsel, Ray Williams on a draft Lease Agreement between the Town of Yemassee and BJWSA and will bring it before the Board for review.
- Legal Counsel RFP. The deadline for proposals is August 6th. Dean Moss recommended that an Ad Hoc Committee be selected to review the proposals. Chair Brandy Gray assigned the Executive Committee to review the RFP's and bring a recommendation to the Board. *Dean Moss indicated that he would prepare a timeline for the reviewing process.*

- August Board Meeting. Dean Moss asked the Members if an August Board Meeting was needed, and advised that he was going to be on vacation during this time. Chair Brandy Gray, also indicated that there would not be July interims due to the upcoming financial audit. It was decided to wait a week before Committee meetings to see if any action generated to warrant the need of Committee meetings or a Board meeting.

Public Affairs Report

Matthew Brady, Communications Manager, reported on the following issues:

- Community Projects Update.
  - ***Beaufort County, Dale Area (CDBG) -*** W***aterline Extension, Phase III*** – Construction has started. Applications will be sent to low-to-moderate income (LMI) and non-LMI residents regarding connecting to the waterline.
- Water Service Scam. BJWSA was notified by several customers that they had received an after-hours caller asking the customer for their credit card information to pay a past-due balance to avoid interruption of their water service. The Authority immediately issued a press release advising customers not to provide credit card information and to immediately call the water authority and law enforcement. The Authority does not place collection calls for nonpayment and does not call customers after 5 p.m.
- Code Red (Emergency Alert System). BJWSA has renewed its contract with Code Red, but will be researching other options to improve costs, effectiveness with Call Experts who currently receives the after hour calls.
- 55th Annual Beaufort Water Festival. BJWSA's employees participated in three events: Raft Race, Children's Day and the Parade. The Raft Race Team (Sewer Ratz) did not fare so well, but gave it their all. The Children's Day was very successful, in spite of free *VitaminWater* being given out. The spray truck was well received at the Parade as always.
- Sun City Neighborhood Association. A meeting was held with a group of Sun City residents. General questions were answered including how to locate a water meter shut off valve.

COMMITTEE REPORTS

Executive

Chair Brandy Gray, reported that the Executive Committee did meet and discussed the General Managers Performance Review. This will be discussed in Executive Session.

Capital Projects
General Pat O'Neal, on behalf of the Capital Projects Committee, reported that the Committee met on July 14 and received an update on CIP and Developer activity and was updated on the Parris Island equalization tank. The construction of this tank utilizes a new innovative construction approach. *The Memorandum from Charles Sexton dated July 12, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Personnel
Committee Chair, Charlie White reported that the Committee met on July 13 and received an update on the following:

- Recruiting and Hiring Actions. A selection was made for the GIS Coordinator.
- Strategic Initiatives. Chris Petry gave a report on the draft Statements of Policy and Program Direction and a decision will be made under New Business on how to move forward.
- Railroad Right-of-Way. Dean Moss gave the same report as in his General Manager's report.
- General Manager Metrics and Salary. Will be discussed in Executive Session.

Finance
Committee Chair, Brandy Gray reported that the Auditors had met with the Committee on July 15, and gave a timeline of the Audit process. A preliminary Audit would be brought before committees in October and a formal presentation to the Board in November.

OLD BUSINESS
Port Royal Railroad Right-of-Way.
Seven bids were received for the disassembly, removal, and disposition of approximately 24 miles of salvageable rail bed materials and removal of a steel bridge at the Whale Branch River. Dean Moss recommended award approval to DM Enterprises, Salem Ohio, in the amount of $1,539,777.

Motion: **Lorraine W. Bond moved, seconded by Charlie White, to authorize Dean Moss, General Manager, to execute the salvage contract (Bill of Sale) to DM Enterprises in the amount of $1,539,777.00.**

Discussion: *General Pat O'Neal asked how the residents along the right-of-way were going to be notified about the salvage project and what they can do in the right-of-way. Dean Moss responded that the best way was by the press and media. Donna Altman asked how long the project would take to complete. Dean Moss responded that the contract requires removal within 180 days after the Bill of Sale is executed.*
Vote: **A vote was held and the motion passed unanimously.**

High Level Strategic Initiatives.
Dean Moss presented the draft Proposed Statements of Policy and Program Direction from BJWSA's High Level Strategic Planning Team and suggested two options for consideration and adoption of each Initiative (Demand Management, Maximizing Reuse

Water, Retro Sewering and Source Water Protection). General Pat O'Neal recommended that these policies be monitored as an ongoing effort and reviewed at least annually.

Motion: **Charlie White moved, seconded by Lorraine W. Bond to hold a second work shop with the Board and Mangers to review and adopt all of the initiatives at the same time. A vote was held and the motion passed unanimously.**

Dean Moss indicated that he would share the draft document with the public, Counties and Municipalities, and the major stake holders. He will schedule a workshop sometime in October after the financial Audit. Chair Brandy Gray, commended the staff on their hard work on the development of these Policies.

NEW BUSINESS
FY 09-11 Capital Improvement Program.

Additions

1. CIP #21621 – Red Water Line Replacements in the Amount of $750,000.00.

This project consists of replacing approximately 6,000 feet of waterline on Washington Street, North Street, Church Street, and Craven Street. The existing waterlines are made of unlined cast iron pipe and are suffering significant corrosion. Some of these pipes are over 100 years old. There are low chlorine residuals in the projects area. Replacing the pipes provides greater reliability in the water supply to these residents and tourists and also a safer water supply with less opportunity for bacteria with better chlorine residuals. This project will be funded with an SRF loan.

Motion: **General Pat O'Neal, on behalf of the Capital Projects Committee moved, seconded by Lorraine Bond, to approve CIP 21621 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Tricia Kilgore dated July 12, 2010. A vote was held and the motion passed unanimously.**

Approval of General Managers Performance Measurers for FY11.

The Board received a copy of the General Manager Performance Measurers for FY 11 for review. There was no further discussion.

Motion: **Lorraine Bond moved, seconded by Charlie White, to approve the General Managers Performance Measurers for FY11 as presented. A vote was held and the motion passed unanimously.**

Committee Assignments for FY11.

Chair Brandy Gray, proposed the following chairs and members of each standing committee:

Executive Committee: *Chair, Brandy Gray; Michael Bell; Lorraine Bond; General Pat O'Neal (At Large)*

Finance Committee: *Chair, Lorraine Bond; Donna Altman; Brandy Gray; Mark Snyder*

Capital Projects Committee: *Chair, John Rogers; Jim Carlen; General Pat O'Neal; Charlie White; Skeet Von Harten (Pending Governors approval)*
Personnel Committee: *Chair, Michael Bell; William Singleton; David Lott (Pending Governors approval)*

In concurrence of a majority, the committees stand as presented.

Resolution – Emergency Powers.
Dean Moss reported that the staff held a meeting using the scenario of a hurricane disaster and during this process determined that a Resolution was necessary to authorize the General Manager to make those decisions he determines necessary in connection with the emergency and its recovery. He read for the record items 1, 2, 3, and 4 of the draft Resolution.

Motion: Lorraine Bond moved, seconded by Bill Singleton, to approve the Resolution giving the GM emergency powers as presented in the Resolution. A vote was held and the motion passed unanimously.

PUBLIC COMMENT
There were no public comments.

EXECUTIVE SESSION
Chair Brandy Gray, asked for a motion to go into Executive Session.

Motion: General Pat O'Neal moved, seconded by Charlie White, to move into Executive Session to discuss the General Manager's Performance Review for FY10 and Salary. A vote was held and the motion passed unanimously.

RECONVENE
Motion: Lorraine Bond moved, seconded by Bill Singleton, to reconvene into regular session and the following action was taken:

Motion: Chair Brandy Gray moved, seconded by Charlie White, to approve the General Managers Performance Review FY10. A vote was held and the motion passed unanimously.

Motion: General Pat O'Neal moved, seconded by Bill Singleton, to approve the salary recommendation. A vote was held and the motion passed unanimously.

TELEPHONIC STATEMENT
Chair Brandy Gray, made the following statement: *"I, Brandy Gray, the Presiding Officer of this Meeting have previously stated that Mark Snyder was attending this meeting telephonically. This Meeting is in full compliance with the criteria for the attendance of this Meeting telephonically as set forth in Article II Section II of the Bylaws."*

ADJOURNMENT

The Annual Board of Directors meeting of July 22, 2010 adjourned at 10:20am.

Attachments: Safety Report dated July 2010, CIP and Developer Update Memo dated July 12, 2010.