

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON
SEPTEMBER 22, 2011.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, September 22, 2011 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 in attendance: Brandy Gray, Chairman; Michael Bell, Vice-Chairman; Lorraine Bond, Secretary/Treasurer; Donna Altman; John Rogers; David Lott (telephonically); B.G. "Pat" O'Neal; Dr. Bill Singleton; Mark Snyder; Skeet Von Harten and Charlie White.

Staff in attendance: Dean Moss, General Manager; Ken Griffin, General Manager; Ed Saxon, Deputy General Manager; Dottie Hofmann, CFO; Matthew Brady, Communications Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Mike Jones, Revenue and Billing Manager; Tricia Kilgore, Capital Projects Manager; Marty Curry, Information Technology Manager; Jon Lohr, IT Specialist; Beth Lowther, IT Specialist; Earl Sheppard, Chief Wastewater Operator; Port Royal Island Water Reclamation Facility; Chris Spencer, Chief Wastewater Operator; Cherry Point Wastewater Facility and Libby Breland, Executive Assistant/Clerk to Board.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley and Dean, P.A. and Margaret Pope, Lawrence Flynn, Joe Lucas, Pope Ziegler, LLC.

Guests in attendance: Councilman Brian Flewelling, Beaufort County, (District 9-Burton) and Councilman Gerald Dawson, Beaufort County, (District 6-Sheldon/Dale/Lobeco).

CALL TO ORDER

Chairman Brandy Gray called the meeting to order at 8:00 a.m. and announced that a quorum was present. Dr. William Singleton gave the invocation and the Pledge of Allegiance followed.

AMEND THE AGENDA

Chairman Brandy Gray asked for a motion to amend the Agenda to add an Executive Session to discuss Personnel Matters.

Motion: Moved by Donna Altman and seconded by Lorraine Bond to amend the Agenda to add an Executive Session to discuss Personnel Matters.

Motion passed unanimously.

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 **David Lott** is attending this meeting telephonically*".

WELCOME KEN GRIFFIN, NEW GENERAL MANAGER

Chair, Brandy Gray, welcomed Ken Griffin and alluded to his impeccable credentials, experience and leadership.

APPROVAL OF MINUTES

Motion: Moved by Charlie White and seconded by John Rogers, to approve the Minutes of the Annual Board of Directors meeting of July 28, 2011.

Motion passed unanimously.

Motion: Moved by Lorraine Bond and seconded by John Rogers, to approve the Minutes of the Regular Board of Directors meeting of August 15, 2011.

Motion passed unanimously.

PUBLIC COMMENT

Chairman Brandy Gray welcomed and recognized the attending guests. Councilman Gerald Dawson, on behalf of the Council of Beaufort County, welcomed and congratulated Ken Griffin as new General Manager of BJWSA and looked forward to a valuable working relationship as the Council has had with Dean Moss.

GENERAL MANAGERS REPORT

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

- August 2011 Safety Report. There were 121 calendar days since the last preventable lost time case as of September 1, 2011 with 2 recordable injuries, 3 Near Miss reports and 144 Take Twos completed. Feedback training sessions are scheduled for October and November and are designed to focus principally on safety and have peers to be able to alert each other to safety. *The Safety Report for the month of September 1, 2011 is attached to these minutes and is made a part hereof.*
- Congressman Joe Wilson Visit. A visit from Congressman Joe Wilson and key staff is planned on September 30 to tour the Parris Island facilities at the invitation of BJWSA.
- 16" Line Break. Monday morning a major leak in the 16" line resulted in a loss approximately 3,000 gallons per minute. BJWSA responded very quickly. The leak happened around 12 midnight, and water pressures NOB were reduced. Service was fully restored by 9am. Staff installed a temporary patch and the line will be replaced with a directional drill under the marsh. The cause of break was determined to be a very old line, suspended over the marsh, and the salt over time induced corrosion that permeated the pipe. Discussion followed regarding whether a better inspection process could have identified the need for repairs or replacement before the problem occurred.
- Beaufort County Contribution Request for a Rail to Trails Project. A request was received from Beaufort County for BJWSA to donate \$100,000 to help fund engineering for development of a pedestrian and bike trail on the RoW. Michael Bell noted that he had received a letter dated September 12, 2011 from Mayor Lisa Sulka, Town of Bluffton, supporting the Counties effort for this project. Michael Bell recommended supporting this request at a minimal in-kind level. Since this was not an agenda item, Chairman Brandy Gray deferred the Counties request to the Finance

Committee. John Rogers cautioned that the Authority should be sensitive and careful about monies being used that do not directly benefit the rate payers.

- Sewer Use Regulation-Draft. Staff has been reviewing several polices and making minor changes. The documents will be presented through committees. A public hearing will be necessary to adopt the documents, which will be posted on the website along with a press release.
- Analysis of Residential Water usage for the month of July. He highlighted the residential water usage for the month of July.
- IT Master Plan. Marty Curry and Jon Lohr gave a power point presentation on the proposed IT Master Plan. The first plan was developed in 2002 with a completion goal of 5 years. BJWSA has successfully accomplished most of the key objectives and have started identifying projects for the next 5-year plan. General O'Neal recommended that the plan be revised to include goals that can be measured. The plan will be revised and presented to the General Manager for approval.
- Water Treatment Video. The Board viewed a professional video of the Purrysburg Water Treatment Plant process produced by Stephen Wollwerth. This video will also aid in educational training. Another video is budgeted for the water reclamation facilities.
- Dean's Vacation. Dean Moss will be going on vacation immediately following the Board meeting today and officially turning over the management of BJWSA to Ken Griffin. A Press Release will be prepared announcing that Ken Griffin has assumed the responsibility of the operations of BJWSA.
- NACWA Awards, Chris Spencer and Earl Sheppard were recognized for their achievements on receiving a Gold and Silver Peak Performance Award.

Public Affairs Report

Matthew Brady reported on the following issues:

- Sewer Use Regulations Communications Plan. As reported in the GM Report, a Public Hearing will be necessary for adoption of the documents, a press release will be issued, a memo will be sent to municipal and county managers, the document will be placed on the website, through social media and also made available in the main lobby of the administration building. The engineering and operations department will also broadcast an email to multiple contacts.
- Hardeeville Catfish Festival. Participated in the festival by manning a booth at the Hardeeville High School and answered questions from the students and the community.
- Beaufort High School Chemistry Class. Students from Beaufort High School were provided a tour of the Chelsea Water Treatment Plant. They were very interested in the process and had lots of questions. Matthew wanted to recognize the operators and lab staff for taking the time to answer the student's questions.
- Community Projects Update. A one-page update is now being included in the Board packets of several projects taking place throughout the community in the service area. *A copy of the memo to Dean Moss and from Matthew Brady dated September 12, 2011 is attached to these minutes and is made a part hereof.*

COMMITTEE REPORTS

Capital Projects

Committee Chairman, Skeet Von Harten, reported that the Committee met with staff on September 14, and reviewed the status of the CIP. Items requiring action by the full Board will be presented under New Business. The next committee meeting is planned to be held at the Port Royal Island Water Reclamation Facility.

Finance

Committee Chair, Lorraine Bond, reported that the Committee met on Thursday, September 15, and received the following updates:

- Interim Financial Statements. The Financial Statements and the key ratios were reviewed. Total revenues are \$171 thousand above budget through August and \$744 thousand higher than prior year. This includes only 1 month of the rate increase as most customers were billed in August for July usage. Total Operating expenses (including depreciation) are \$102.6 thousand under budget through August. Capacity fees are \$207 thousand under budget year-to-date. Operating Cash of \$13.5M remains well above the 3-month minimum of \$9.35M.
- FY 2011 Audit. Dottie Hofmann reported that the audit fieldwork was completed early with no known audit adjustments. We are on schedule for the audit results presentation to the Finance Committee in October and the CAFR presentation to the full Board in November.
- Call Center Metrics. July and August call center metrics were reviewed. August showed a large jump in calls received due to high consumption and payment arrangements. Call wait times and the abandonment rate were lower than prior year despite taking more calls.

Dottie Hofmann introduced Mike Jones, the new Revenue & Billing Manager.

Personnel

Committee Chairman, Dr. Bill Singleton, reported that the Personnel Committee met with staff on September 13 and received the following updates:

- Recruiting and Hiring Actions. Various positions have been filled.
- Presentation of the new Affirmative Action software. A general discussion followed about the future expected changes by the federal government as it relates to those with disabilities and veterans.
- IT Master Plan. Marty Curry and Jon Lohr with the IT department provided the committee a power point presentation that explained the origin, achievements and future work.
- Recess Plantation and Beaufort County Council Request. Dean answered a few questions about the contribution request for Recess Plantation and the County Council request for support of the rail-to-trail efforts.
- Flu Vaccinations. Flu shots are being offered today to all employees and Board Members.
- Supervisor and Manager Training. Training will be held September through November.

- Employee Benefits Open Enrollment. The open enrollment period for employee benefits changes and addition is October.

OLD BUSINESS

There was no Old Business discussed.

NEW BUSINESS

Capital Improvement Program.

Committee Chairman, Skeet Von Harten asked Charles Sexton to present the following CIP requests before the Board:

1. CIP Project Scope and Budget Additions FY 12-14.

- CIP #21637 Burton CDBG in the amount of \$450,000. This project consists of installing water lines along part of Ramsey Road, Ramsey Loop, Glaze Drive and Ramblin Road to provide drinking water and fire protection to primarily LMI residents in the area. This project is funded with a grant via Beaufort County.

Motion: Moved by Committee Chair, Skeet Von Harten, (no second required) that CIP #21637, be added to the FY12-FY14 CIP Plan, in the amount of \$450,000, as presented and referenced in the Memorandum to Ed Saxon, and from Charles Sexton dated September 12, 2011.

Motion passed unanimously. *A copy of the referenced Memorandum dated September 12, 2011 is attached to these minutes and is made a part hereof.*

- CIP #22137 MCAS Bldg 591 Fire Line in the amount of \$15,560. This project involves installation of a 6" fire line to Building 591 via a direction drill. This work has been submitted for a contract mod to NAVFAC SE and is pending approval.

Motion: Moved by Committee Chair, Skeet Von Harten, (no second required) that CIP #22137, be added to the FY12-FY14 CIP Plan, in the amount of \$15,560, and be reimbursed by NAVFAC as presented and referenced in the Memorandum to Ed Saxon, from Charles Sexton dated September 12, 2011.

Motion passed unanimously. *A copy of the referenced Memorandum dated September 12, 2011 is attached to these minutes and is made a part hereof.*

2. Contract Change Order

- CIP #22115 ISM Group 2 Pump Station Rehab. The original scope of this project included constructing a wooden fence around pump station PI33. The base made several requests after the bidding was complete. At their request the wet well diameter was increased at PI33 and the fence at PI33 changed from wood to brick and enlarged to include the electrical transformers, requiring additional site and electrical work. Also changes were made to the electrical system at PI14 and PI11. The associated change orders cover all additional costs related to the fence, the wet wells and the transformers. The additional work will be included into BRW Construction Group's contract with two change orders. Staff is requesting the approval of these two change orders totaling \$137,126.60.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that CIP #22115, be approved in the amount of \$137,126.60, as presented and referenced

in the Memorandum to Charles Sexton, and from Brian Chemsak dated April 15, 2011.

Motion passed unanimously. *A copy of the referenced Memorandum dated April 15, 2011 is attached to these minutes and is made a part hereof.*

3. *Contract Awards*

- CIP 21359 Project Award, Pump Station Rehabilitation SS03. This project consists of the rehabilitation of pump station SS03 on First Blvd. in Beaufort. The project will be funded from sewer capital.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that CIP #21359, be approved in the amount of \$136,426, to BRW Construction and in the amount of \$123,561, to Tencarva for the Gorman-Rupp pumps as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton and from Tricia Kilgore dated September 12, 2011.

Motion passed unanimously. *A copy of the referenced Memorandum dated September 12, 2011 is attached to these minutes and is made a part hereof.*

- CIP 22118 MCRD Parris Island Weapons Battalion Water Line Extension. The project was established in response to a request for water and sewer service to a new barracks in the Weapons Battalion at MCRD Parris Island. This project is being funded by the Department of Defense and NAVFAC SE as a MILCON project and construction is scheduled to start in November 2011.

Motion: Moved by Committee Chair, Skeet Von Harten, (no second required) to approve CIP 22118, in the amount of \$107,989.00, to DuPriest Construction Company, Port Royal, SC as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton and from Dick Deuel dated September 13, 2011.

Motion passed unanimously. *A copy of the referenced Memorandum dated September 13, 2011 is attached to these minutes and is made a part hereof.*

Resolutions for Adoption. Lawrence Flynn, Bond Counsel presented the following Resolutions to the Board for approval:

1. Resolution Authorizing Participation in the Local Government Investment Pool (LGIP) Managed by the State Treasurer's Office and Investment of Certain Funds Therein; and Other Matters Related Thereto. This Resolution asserts that participation in, and the investment of funds in the LGIP, would be in the best interest of BJWSA and authorizes the participation by BJWSA in the LGIP for the purpose of making investments and authorizes its Chief Financial Officer to do all things necessary in order to participate in the LGIP.

Motion: Moved by Finance Committee Chair, Lorraine Bond, (no second required) to approve the Resolution authorizing BJWSA's participation in the Local Government Investment Pool managed by the State Treasurer's Office and Investment of certain funds as presented by Lawrence Flynn, Bond Counsel.

Motion passed unanimously.

2. “2011A Series Resolution” Approving the Financing of the Acquisition and Rehabilitation of the Tansi Village Sewer System through the Borrowing of not exceeding \$411,418 from the SC Water Quality Revolving Fund.

Motion: Moved by Finance Committee Chair, Lorraine Bond, (no second required) to approve the 2011A Series Resolution approving the financing of the acquisition and rehabilitation of the Tansi Village Sewer System through the borrowing of not exceeding \$411,418 from the SC Water Quality Revolving Fund as presented by Lawrence Flynn, Bond Counsel.

Motion Passed Unanimously.

3. “2011B Series Resolution” Approving the Financing of the Rehabilitation of Four Existing Sewer Collection Systems through the Borrowing of not exceeding \$4,013,125 from the SC Water Quality Revolving Fund. This Resolution is necessary to undertake certain improvements to BJWSA’s wastewater system.

Motion: Moved by Finance Committee Chair, Lorraine Bond, (no second required) to approve the 2011B Series Resolution approving the financing of the rehabilitation of four existing sewer collection systems through the borrowing of not exceeding \$4,013,125 from the SC Water Quality Revolving Fund as presented by Lawrence Flynn, Bond Counsel.

Motion passed unanimously.

4. Resolution Authorizing BJWSA to Reimburse Itself with Bond Proceeds, if Bonds are Issued, in Connection with the Acquisition of Certain Real Property Related to the North of Broad Operations Center; and Other Matters Relating Thereto. Lawrence Flynn indicated that there is a three-year limit to effect the reimbursement.

Motion: Moved by Finance Committee Chair, Lorraine Bond, (no second required) to approve the Resolution authorizing BJWSA to reimburse itself with bond proceeds if necessary in connection with the acquisition of certain real property related to the NOB Operations Center.

Motion passed unanimously.

PUBLIC COMMENT

Councilman Brian Flewelling, suggested that the water treatment video could be played on the County Channel.

EXECUTIVE SESSION

Motion: Moved by Donna Altman and seconded by Charlie White to move into Executive Session to discuss personnel matters.

Motion passed unanimously.

RECONVENE

The meeting reconvened, there was no action taken.

TELEPHONIC STATEMENT

Chair Brandy Gray, made the following statement: “I, Brandy Gray, the Presiding Officer of this Meeting have previously stated that **David Lott** 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

Chair, Brandy Gray adjourned the meeting at 9:30a.m.

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Respectfully submitted by:
Libby Breland, Clerk to Board

Attachments on file.