

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON APRIL 26, 2012.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, April 26, 2012 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; David Lott; BG Pat O'Neal; John Rogers; James Scott; Dr. William Singleton; Skeet Von Harten.

Members of the Authority absent: Charlie White due to illness.

Staff in attendance: Ken Griffin, General Manager; Ed Saxon, Deputy General Manager/Engineering & Operations; John Wells, Director of Administrative Services; Dottie Hofmann, CFO; Julie Voges, HR Manager; Charles Sexton, Director of Engineering; Chris Petry, Director of Treatment; Tricia Kilgore, Capital Projects Manager; Matthew Brady, Communications Manager; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Libby Breland, Executive Assistant/Clerk to Board.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley and Dean, P.A.

Guest in attendance: Gerald Dawson, Beaufort County Council, (District 6–Sheldon/Dale/Lobeco).

CALL TO ORDER

Chairman Brandy Gray called the meeting to order at 8:00a.m. and announced that a quorum was present. Vice-President Michael Bell gave the invocation and the Pledge of Allegiance followed.

APPROVAL OF MINUTES

Motion: Moved by John Rogers, Second by Skeet Von Harten, to approve the March 22, 2012 Board Minutes.

Motion Passed Unanimously.

PUBLIC COMMENT

There were no public comments at this time.

RECOGNITION OF MARK C. SNYDER

Chairman Brandy Gray deferred this presentation until the May Board Meeting.

GENERAL MANAGERS REPORT

Ken Griffin, General Manager, reported on the following issues:

- BJWSA Safety Report. BJWSA another good month. There have been 68 calendar days since the last preventable lost time case as of March 2012 with 0 recordable injuries, 2 Near Miss reports and 227 Take Twos completed. *The Safety Report for March 2012 is attached to these minutes and is made a part hereof.*
- Financial Position. After 10 months in FY2012, expenses are down and revenues are up. Positive swing of \$1.16M that will likely come down a little as we close out the fiscal year. This helps reduce our operating loss which we project to come in at \$1.9M vs. 2.4M for FY11-12.
- Whale Branch Railroad Trestle Removal. Once the contractor, Cape Romain, dismantled the trestle, a center pier remained. Discussion occurred whether to add lighting to the center pier. Skeet Von Harten was concerned whether it would become a navigational hazard and also the liability that could incur which may or may not increase the responsibility of the Authority. Vice-Chairman Michael Bell recommended that General Counsel review any liability issues and render an opinion.
- SC Congressional Delegation Meetings. He and Ed Saxon met with the SC Congressional Delegation and their staff to discuss possibilities for federal funding assistance for our Phase I & II infrastructure projects that are part of our salt water intrusion reduction initiative.
- AMWA's 2012 Water Policy Conference. He moderated one of the General Sessions: "EPA's Perspective on Hydraulic Fracturing" and "The Nation's Infrastructure Challenges and How Communities Are Responding". He also chaired AMWA's Legislative Committee meeting.
- Speaking Engagements. He gave a presentation to the Greater Island Counsel on BJWSA's plan to address the salt water intrusion in the Floridian aquifer and the effects to Hilton Head Island. He will also give a similar presentation to the Hilton Head/Bluffton/Sun City of the National Active and Retired Federal Employees in the upcoming week on various issues.
- Water Quality. Chris Petry and his staff have had excellent success in handling the elevated manganese levels in our Chelsea and Purrysburg Water Treatment reservoirs due to the spring turnover. Chris Petry and his staff skillfully used pH adjustment to precipitate the Mn, followed by filtration for removal. Resulting finished water Mn concentrations were well below maximum levels.

Public Affairs Report. Matthew Brady provided a summary sheet dated April 17, 2012 identifying several projects taking place throughout the service area and highlighted the following projects and community events:

- Burton CDBG Waterline Extension. The initial design for this waterline extension is complete and being reviewed by staff. Construction is expected to begin in the next couple of months.
- Beaufort Downtown Waterline Rehab. Making good progress, this project should be complete within 30-45 days. The project has affected over 1,000 customers.
- Bluffton CDBG Sewer Line Extension. This project will serve approximately 60 customers. Working to make connections in Phase II, Phase III is in design. The renaissance part is being done and will tie-in approximately 15 more properties.

- Purrysburg CDBG Gravity Wastewater Extension. Will serve approximately 40 customers. Construction should start mid-June, as Commerce is approving the contract now.
- Stuart Point Proposed Waterline. This was a proposed waterline extension project that could serve up to 150 customers, (mostly LMI). Lowcountry Council of Governments (LCOG) and Beaufort County has decided not to apply for funding this year for this project. Unfortunately, LCOG did not have enough residents return their income surveys to make for a competitive application. Residents in the area have either been notified or are being notified now about the status of the project, the reasons why an application was not made, and potential next steps. Depending on the will of County Council and the residents, an application may be made next year.
- Earth Day Events. Participated in the Habersham Farmers Market, Port Royal Farmers Market and Elliott's Beach, Parris Island events.
- AWWA Drinking Water Week, May 8-12. Light refreshments will be provided, along with small gifts and a raffle in the Lucille Fripp Horry Community Room. Posters will be submitted by students from area schools for a poster contest. Jim Scott has accepted the invitation to judge the winners. The Board Members were invited to visit the lobby and view all of the posters that will be displayed along the hallway.
- Company Picnic. He reminded the Board Members to attend the Company picnic on Saturday, 28 and provided tee shirts for each Member.
- Customer Splash Newsletter and Consumer Confidence Report (CCR). The newsletter and the CCR will be distributed end of May.
- Bluffton Today, "The Welcome Guide for the Military". Information booklets were shared.

Vice-Chairman Michael Bell gave recognition to the staff who made presentations on various BJWSA projects and to all the award recipients during the SC Environmental Conference.

A copy of the memo to Ken Griffin, from Matthew Brady dated April 17, 2012 is attached to these minutes and is made a part hereof.

COMMITTEE REPORTS

Executive Committee

Chairman Brandy Gray reported that the Executive Committee did not meet, therefore had no report at this time.

Capital Projects

Committee Chair Skeet Von Harten reported that the Capital Projects met on Wednesday, April 18, 2012 and received an update on CIP and developer project activity, and a legislative report. The Committee reviewed the Capital Purchases and has no objection. No action is necessary during New Business. *A copy of the Capital Improvement Plan Update is attached to these minutes and is made a part hereof.*

Finance

Secretary/Treasurer Lorraine Bond reported that the Committee met on Thursday, April 19, and received the following information:

- Interim Financial Statements. The March 2012 financial statements were reviewed along with key ratios. Total revenues are \$738 thousand above budget, while total operating expenses (including depreciation) are \$351 thousand under budget through March. Capacity fees received in March were \$843 thousand (due to the Riverport final payment) and are \$1.8 million year to date.
- Call Center Metrics. Total calls received increased 9% compared to last month. Average customer wait time was 2.31 minutes and the abandonment rate was 11.68%. The last customer service vacancy has been filled and once she is trained, we will have a full staff. Focus continues to be placed on reducing the wait times and abandonment rate.
- FY2013 Budget Preview. Operating revenue is budgeted to increase 2.2% or \$1.0 million over current year projections and 425 new water and sewer customers have been forecasted. Operating expenses before depreciation are budgeted to increase 3.6% or \$862 thousand above projected FY2012 expenses primarily due to an increase in wages, benefits and chemicals. A 1% COLA and 2% merit increase are proposed along with funding 4 new FTE's. FY2013 budget results in Net Income of \$513 thousand and anticipated ending operating cash is \$15.9 million, which is well above the policy minimum of 3 months operating cash or \$9.8 million. The Debt Service target for FY2013 is 1.72. The committee discussed the remaining budget schedule. Sarah Linkimer will present the FY2013 proposed budget at the May Board meeting. There will be a public hearing on Tuesday June 19 and the Board will vote to adopt the budget at the June Board meeting.
- Purchasing Policy Changes. The Committee reviewed the final changes to the purchasing procedures and will present a Resolution to adopt the changes under New Business in today's meeting.

A copy of the Financial Reports dated March 31, 2012 is attached to these minutes and is made a part hereof.

Personnel

Committee Chair Dr. Bill Singleton provided the following status report of committee activity held on April 17th:

- Introduction of Julie Voges, Human Resources Manager.
- Take Two Procedures. Ed Saxon and Ken Jordan provided the committee an update on the Take Two Think Two Form modifications and explained the new criteria for when a Take Two is required. A short discussion followed with questions from several members regarding the good companywide Safety performance for the month of March, the changes to the current Take Two Think Two Form including supervisor and manager reviews, and a memo from Ed to the workforce outlining the new criteria found in the program.
- Recruiting and Hiring Actions. The Customer Service Representative position was filled by Margaret Smith; the Filed Operator I position was filled by Timothy Dobbs; the Process Analyst position, Database Analyst position, Wastewater Operator I position and two (2) Field Operator I positions are vacant and in various stages of recruitment. All positions should be filled within the next several weeks.
- FY 13 Human Resources Budget Recommendations as follows:
 - continuation of non-funding of five (5) positions for FY13;

- approval of two (2) positions from the non-funded to the funded category;
- approval of two (2) new positions for FY13 with funding;
- approval of one (1) part-time, temporary IT position;
- approval of one (1) temporary summer intern;
- approval for a 1% COLA and a 2% merit increase;
- approval to maintain training expenses for FY13 at current level;
- approval to maintain funding for employee benefit related expenditures such as Employee Picnic, Safety Celebration, Annual Health Screening, Tuition Reimbursement, etc.
- approval to begin employee collection of \$25 per month for health insurance expense.

The Committee members asked several questions and recommended approval of staff's recommendation. Skeet Von Harten complimented the staff on the budget process.

OLD BUSINESS

There was no Old Business to discuss.

NEW BUSINESS

Resolution – Adopting Revisions to the Purchasing Procedures.

Vice-Chairman Michael Bell asked for clarification on several items in the document. After review, it was recommended that the adoption be deferred. Will Bettis will incorporate the recommended changes and bring back to the May meeting for approval.

Reuse Water Master Plan.

Tricia Kilgore, Capital Projects Manager, gave a power point presentation on the Reuse Water Master Plan, titled: "Reclaimed Water Master Plan for the Western Portion of the US 278 Corridor". This plan is part of the High Level Strategic Initiatives. *A copy of the Power Point presentation titled: "Reclaimed Water Master Plan for the Western Portion of the US 278 Corridor" is attached to these minutes and is made a part thereof.*

PUBLIC COMMENT

Councilman Gerald Dawson thanked the Board for their efforts in trying to get the Stuart Point waterline project approved and hopefully the community can try again in the future.

EXECUTIVE SESSION (9:03)

Motion: Moved by Vice-Chairman Michael Bell, Second by John Rogers, to go into Executive Session to discuss Personnel Matters: GM Priorities; GM Summary Letter.

Motion Passed unanimously.

RECONVENE

Motion: Moved by Secretary/Treasurer Lorraine Bond, Second by Gen. Pat O'Neal, to go into regular session.

Motion passed unanimously.

ACTION TAKEN

Motion: Moved by Secretary/Treasurer Lorraine Bond, Second by Gen. Pat O’Neal, to approve the Board Leadership Award nomination as discussed in Executive Session.

Motion passed unanimously.

Motion: Moved by Donna Altman, Second by Gen. Pat O’Neal, to approve the GM Priority Document.

Motion passed unanimously.

Motion: Moved by Donna Altman, Second by Dr. Bill Singleton, to approve the GM Evaluation Letter.

Motion passed unanimously

ADJOURNMENT

Motion: Moved by Gen. Pat O’Neal, Second by Secretary/Treasurer Lorraine Bond, to adjourn the meeting.

Motion passed unanimously

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*Respectfully submitted by:
Libby Breland, Clerk to Board*

Attachments on file.