

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

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

Present: Chair Brandy Gray; Lorraine Bond, Secretary/Treasurer; Donna Altman; B.G. "Pat" O'Neal; John Rogers; Bill Singleton; Mark Snyder and Charlie White.

Absent: Michael Bell, Vice-Chair and Jim Carlen.

Guests: Paul Sommerville, Vice-Chairman, Beaufort County Council (District 7-Ladys Island/Beaufort); Brian Flewelling, Beaufort County Council (District 9-Burton), Gerald Dawson (District 6-Sheldon/Dale/Lobeco) and Skeet Von Harten.

BJWSA Members of Staff: Dean Moss, General Manager; Ed Saxon, Deputy GM, O&M; Dottie Hofmann, CFO; John Wells, Director of Administrative Services/HR Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Mandy Abbott, Communications Administrative Assistant, and Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, Esq.

CALL TO ORDER

Chair, Brandy Gray, called the meeting to order at 9:04am and announced that a quorum was present. Dr. Bill Singleton gave the invocation and the Pledge of Allegiance followed.

APPROVAL OF MINUTES

Chair, Brandy Gray, requested a motion to approve the September 23, 2010 Minutes.

Motion: Gen. Pat O'Neal, moved, seconded by Charlie White, to approve the Minutes of the regular meeting of September 23, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chair Brandy Gray, welcomed and recognized the attending guests.

Councilman Gerald Dawson asked for an update on the Dale, CDBG project. Dean Moss indicated that he will give an update in his General Managers report.

Councilman Brian Flewelling asked for the Boards support of the Regional Economic Development Plan.

GENERAL MANAGERS REPORT

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

- September Safety Report. There were 90 calendar days since the last preventable lost time case as of September 30. The Safety Team will be sponsoring a Fall Safety Breakfast including fire extinguisher training on Friday, November 5 from 7:30-9:00am at the Administration Building parking lot. All Board Members were invited to attend. *Safety Report for the month of September 2010 is attached to these minutes and made a part hereof.*
- United Way Campaign. The employees of BJWSA exceeded the donation goal in dollars and had a 52% participation rate. The total donation from employees was \$16,427, which exceeded the goal of \$14,500.
- City of Hardeeville Retreat. Ed Saxon and Dean Moss will be attending the City's Annual Retreat to discuss planning.
- Thad Coleman Fund. The Beaufort County's contribution of funding was received.
- Port Royal Railroad Corridor. Photos were distributed of areas along Paige Point and Chisolm Road. A separate contract will soon be negotiated to have the rails removed at the highway crossings. Asphalt will be laid over some of the smaller crossings and the rails removed at the larger crossings.
- BJWSA Holiday Sharing. Is an all day event in which departments bring a covered dish for breakfast, lunch or snack The employees visit various departments to taste the prepared food and share camaraderie. The event will be held December 03, 2010 beginning at 7:30am. Dean Moss invited all Board members to attend.
- Holiday Schedule. Libby Breland had emailed to the Board Members the schedule of the dates of the committee meetings and board meetings for the Holiday months. Dean Moss reminded everyone that the High Level Strategic Initiative Plan review meeting would follow the Board meeting on November 18th.

Public Affairs Report

Dean Moss reported on the following issues:

Community Projects Update.

➤ Beaufort County

Dale Area (CDBG) - Waterline Extension, Phase III – Flushing and pressure testing of the lines have begun in that area. BJWSA's staff, Linda Tillery, Customer Service Supervisor, Liz Jacapraro, Customer Service Representative, and Thomas Mike, Inspector, helped with the

efforts of reaching out to residents to ensure that they are connected to the waterline. All of the LMI residents are being connected.

Christine Place (Front Foot Assessment) – Retro-sewering Project – The community has decided to vote on a retro-sewering project, and the project is estimated at \$9,583 for construction plus \$2,760 for capacity fees per person. Ballots will go out next week.

- ***Town of Bluffton, Simmonsville/Buck Island Rd. (CDBG) – Waterline Extension – Buck Island Rd.*** – The gravity sewer main is complete and the water service connections should be done by the end of the month. Once the DHEC Permit to Operate is received, the contractor will begin to decommission the septic systems at the LMI parcels and connect them to the sewer laterals at the property lines. Simmonsville Road – the water and sewer design is nearing completion and the engineer is in the process of obtaining his permits prior to construction.

BJWSA Website. From September 20-October 20, there were over 9,000 visits, with about 55% of those being “new visits”. About 64% of those visits were direct traffic (meaning they didn’t get here via search engine or referral...they typed in www.bjwsa.org). An enhanced site search feature will be added that will make it even easier to use.

Free Chlorine Switch. The switch to Free Chlorine for flushing purposes will begin at the end of November. The military will be notified, as well as the press. It will also be added to the front page of the website during that time.

Customer Service Manual. Public Relations is working with Customer Service to create an electronic reference manual. This should save them time and update them on necessary information.

COMMITTEE REPORTS

Executive

Chair, Brandy Gray, reported that the Executive committee did not meet, therefore no report was given.

Capital Projects

Committee Chair, John Rogers, reported that the Capital Projects Committee met on October 20 and that several action items will be presented under new business. *The Memorandum from Charles Sexton dated September 12, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Committee Chair, Lorraine Bond, reported that the Committee met on October 21, and she reported on the following issues:

- Financial Report. Total revenues are \$461 thousand above budget and total operating expenses (including depreciation) are \$171.6 thousand over budget.

Operating Cash of \$12.3 million remains well above the 3 month minimum of \$8.9 million. Capacity fees are \$46.9 thousand above budget through September. Capacity fees received in September were \$29 thousand. Debt service coverage is healthy at 2.23 with capacity fees and 2.05 without.

- Audit Process. Bonnie L. Cox, CPA, Partner and Jennifer Heath of Cherry, Bekaert & Holland, L.L.P., presented the Audit to the committee with no audit adjustments and an unqualified and clean opinion. The CAFR and audit overview will be presented to the full Board in November. Donna Altman commended the Financial Staff on their efforts.
- Bank Draft . Customers continue to sign up for bank draft on their account.

The financial report dated September 30, 2010 is attached to these minutes and made a part hereof.

Personnel

Dr. Singleton reported that the Committee met on October 19, 2010 and received an update on the following:

- Recruiting and Hiring Actions. Two (2) vacancies had been filled, the Meter Reader and BioSolids Transport Operator and there were four other vacancies in various stages of the recruitment process.
- Employee Certifications. Received detailed information about employee certifications for the past fiscal year focusing mostly on the environmental licenses.
- Upcoming Events. Received information on the United Way Campaign, Fall Safety Festival and the Holiday Sharing.
- Training. Received information on several upcoming training events including Defensive Driving, Confined Space Entry and an Environmental Math class.
- Railroad Right-of-Way, General Counsel Negotiations and Military Consolidation. Dean Moss provided the Committee an update on these projects.

OLD BUSINESS

No old business to discuss.

NEW BUSINESS

A. FY 09-11 Capital Improvement Program.

Contract Awards.

1. CIP #22115 – ISM Parris Island Group 2 Division I Pump Stations Contract Award to BRW Construction Group in the Amount of \$1,014,194.00. This project will rehab pump stations PI-11, 14, 15 & 33. The existing pump station building structure will be removed and the existing wet wells will be rehabbed and converted to accommodate submersible pumps. The staff is requesting that the contract be awarded to BRW Construction Group in the amount of \$1,014,194.00.

Motion: On behalf of the Capital Projects Committee Chair, John Rogers moved, to approve CIP 22115 as presented and referenced in the Memorandum to Charles Sexton, from Brian Chemsak dated October 12, 2010. A second was not required, a vote was held and the motion passed unanimously.

2. CIP 22116 – ISM Parris Island Group 2 Division II Pump Stations Contract Award to Dupriest Construction Company in the Amount of \$2,661,800.65. This project includes constructing a new deep pump station with 2,600 feet of force main on Parris Island that will allow for the installation of 12,400 feet of gravity and eliminate 8 pump stations. The staff recommends award to Dupriest Construction Company in the amount of \$2,661,800.65.

Motion: On behalf of the Capital Projects Committee Chair, John Rogers moved, to approve CIP 22116 as presented and referenced in the Memorandum to Charles Sexton, from Brian Chemsak dated October 12, 2010. A second was not required, a vote was held and the motion passed unanimously.

Change Orders.

1. CIP # 22086 - ISM Project Change Order to Jacobs/JJ&G in the Amount of \$350,000 and Budget Increase. JJ&G's original proposal included prices and scope to design all of Group I and Group II projects with an option to renegotiate the Group II projects once the final scope for the Group II projects was approved by NAVFAC. Several scope changes have resulted in a need to increase JJ&G's contract in the amount of \$350,000. In addition to the JJ&G contract, the contract with Atlantic South for the valve and hydrant replacement project at the Naval Hospital and Parris Island requires that BJWSA perform the survey work. To accommodate this additional work and associated cost, the staff is requesting that the total project budget be increased to \$2,050,000.

Motion: On behalf of the Capital Projects Committee Chair, John Rogers moved, to approve CIP 22086 Change Order as presented and referenced in the Memorandum to Ed Saxon, from Charles Sexton, dated October 18, 2010. A seconded was not required, a vote was held and the motion passed unanimously.

2. CIP #21386 ASR3 - Change Order to CH²M Hill Totaling the Amount of \$131,750. The staff is requesting 3 change orders totaling \$131,750 to CH²M Hill for engineering services for the ASR3 Project. This project is behind schedule but still under budget for construction and engineering even with these change orders.

Motion: On behalf of the Capital Projects Committee Chair, John Rogers moved, to approve CIP 21386 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton, from Tricia Kilgore dated October 4, 2010. A second was not required, a vote was held and the motion passed unanimously.

CIP Project Scope and Budget Additions.

1. CIP #22119- MCAS Building 442 Water/Sewer Demolition - \$40,000. This project involves disconnecting, capping and abandoning nine water and sewer service laterals serving the former base dining hall prior to building demolition. This work is being submitted to NAVFAC SE for funding as a contract mod to the Utilities Privatization Agreement. The staff is requesting that the project be added to the 09-11 CIP Budget for \$40,000.00 for funding in FY 2011.

Motion: On behalf of the Capital Projects Committee Chair, John Rogers moved, to approve CIP 22119 as presented and referenced in the Memorandum to Ed Saxon from Charles Sexton dated October 12, 2010. A second was not required, a vote was held and the motion passed unanimously.

PUBLIC COMMENT

There was no public comment at this time.

EXECUTIVE SESSION

Not needed.

ADJOURNMENT

Motion: Mark Snyder moved, seconded by John Rogers to adjourn the meeting. A vote was held and the meeting adjourned at 9:40am.

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Attachments: Safety Report dated September 2010, CIP and Developer Update Memo dated September 12, 2010, Financial Report dated September 30, 2010.