

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE  
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON  
DECEMBER 20, 2012.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, December 20, 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, Chair; Michael Bell, Vice-Chair; Lorraine Bond, Secretary/Treasurer; Donna Altman; David Lott; Gen. Pat O'Neal; John Rogers; James Scott and Dr. William Singleton.

Members of the Authority absent: Skeet Von Harten.

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

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

Guest in attendance. Dr. George Hood, Deputy County Administrator, Jasper County; Jack E. Burke, Town of Hilton Head Island (prospective BJWSA board member) and Frank Turano, Alliance Consulting Engineers, Inc., Bluffton.

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

**Motion:** Lorraine Bond moved, seconded by Vice-Chair Michael Bell, to approve the November 15, 2012 Board Minutes.

**Addition:** Donna Altman asked to include under the CAFR presentation two prior period adjustments due to the OPEB actuarial calculation of a previous firm and the New Riverside capacity fees to correlate with the Audit reporting. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

Approval of the October 15, 2012 Board Minutes were deferred until the January meeting.

## **PUBLIC COMMENT**

Chair Brandy Gray welcomed and recognized the attending guests and expressed well wishes for fellow Board member Skeet Von Harten.

## **GENERAL MANAGERS REPORT**

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

- BJWSA Safety Report. We had our fifth consecutive month without an OSHA lost work day incident and as we close out the first half of the year we have now gone 173 days without an OSHA lost work day. We did have one recordable injury, a thigh bruise. We did 137 take-twos in advance of our jobs, which is 100% of the time as recommended by our criteria. *The Safety Report for November 2012, dated December 1 2012, is attached to these minutes and is made a part hereof.*
- FY13 Budget Gap. Our current FY13 budget gap has grown from \$1.4M-\$1.5M-\$1.6M with continued reduced water sales. We have however reduced the gap by more than \$1.05M and will be making additional cuts. Senior staff will be meeting on January 8 and we will be meeting with our managers on January 16 for our 3<sup>rd</sup> budget gap closing meeting. You've seen the list of cuts made and they cover all areas.
- Leadership Communications. In addition to our budget meeting with our managers, I met individually with a number of our managers; our field operations and engineering staff; our water plant operators at both Purrysburg and Chelsea, our Cherry Point wastewater plant operators; our technical maintenance staff and I also visited our staff at their job sites during our holiday sharing on December 7. David Lott despite not feeling well spent a good amount of time with us on the 7th. I met with our Jasper County Emergency managers, Wilbur Daley and Rusty Wells, our SC AWWA-WEA new Executive Director, Gary Price.
- Other Initiatives. We are moving forward with development of our asset management system; our energy efficiency initiatives; the River Port project and refinement of management dashboard, and keeping implementation of our IT master plan on schedule.

**Public Affairs Report.** Matthew Brady provided a summary sheet dated November 5, 2012 identifying several projects taking place throughout the service area and highlighted the following projects and community events:

- 2012 Comprehensive Annual Financial Report (CAFR). The CAFR is now uploaded on BJWSA's website for viewing.
- Water System Operator Magazine. Featuring BJWSA winning the platinum award. Photographer, Bob Sofaly came out to shoot photos of our employees at work to correlate with the article to be published in a future issue of the magazine.
- Festival of Trees. For the past several years, BJWSA employees sponsor a Christmas tree. This annual event benefits the Friends of Caroline Hospice. This year the employees partnered with the environmental science class at Beaufort Middle School who works with Shelby Berry, Coastal Soil and Conservation District. The students decorated the tree and placed 1<sup>st</sup> in the Student Category under our sponsorship. The theme was an "Eggseedingly Beautiful Christmas".

- United Way Campaign. Each year the BJWSA employees are known for pace setters, personally contributing to the United Way Fund. This year the total contributions were just shy reaching the goal of \$15,000.  
Action: David Lott asked the staff to solicit board members for contributions.
- Stuart Point Road Waterline Request. Gen. Pat O’Neal inquired about the status of interest for the Stuart Point road waterline.  
Action: Matthew Brady will contact Councilman Gerald Dawson to discuss the continuation of the project cycle. Ken Griffin stated that he would also contact Councilman Dawson.
- Levy-Limehouse-Bellinger Hill Master Plan. Lorraine Bond inquired about the project. Ken Griffin responded and said that we have done some estimation of sewerage all of Levy in a conventional sewerage approach. We think giving the location of the connections, and the size of the area, a better approach would be a vacuum sewer system. We are in the process of developing a second estimate and Charles Sexton has some information that he can share after the meeting.
- Burton CDBG Waterline Extension - The design for the project is complete and will be bid out soon. We are still waiting on an easement document from LCOG so that construction can be put out-to-bid. This extension will serve up to 40 new customers in the Ramsey and Glaze Drive areas.
- Purrysburg CDBG Gravity Sewer Extension – Construction continues on this project, and should be finished by the end of February 2013. We are working with LCOG and the County to help keep residents in the area apprised of the progress. This project will serve up to 40 new customers.
- Bluffton CDBG Gravity Sewer Extension – Buck Island Rd. – Simmonsville Rd. corridor.
  1. Phase II, Simmonsville Road water and sewer main extensions are complete.
  2. Phase III, including areas at the intersection of Buck Island and Simmonsville Roads, are currently being designed by the Town’s consulting engineer, HGBD.
- The Village Renaissance phase, extended sewer to about nine residents is complete.
- Downtown Waterline Project. The project is complete and a punch list is nearly complete. BJWSA’s contractor is working on record drawings and patches.
- Sewer Rehabilitation Projects:
  - Downtown Beaufort. This remains the only major sewer project that has not been completed. Gravity sewer lining work continues in this area. This project enhances sewer service for over 1,000 residents.
- Sawmill Creek. Residents in Sawmill Creek are interested in receiving water to their neighborhood. BJWSA staff is working with them through our community water program.
- Grober Hill Waterline – The water line is being extending in Port Royal on Grober Hill Rd. This project helps our system hydraulically by looping the

line back into the existing line on Baynard. The project will potentially allow around a dozen properties to connect to our system.

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

## **COMMITTEE REPORTS**

### **Executive Committee**

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

### **Capital Projects**

Committee Chair, Michael Bell, reported that the Capital Projects did meet and had an interesting meeting and agenda items will be brought forward for discussion with item for approval. The CIP project update information sheet was included in the Board Packets.

### **Finance**

Committee met on December 13, 2012. Brandy Gray chaired the meeting in the absence of Skeet Von Harten.

- Interim Financial Statements. The revenues to date October were down, \$1M under budget with expenses of \$440,000 under budget. Cash is still looking good, operating cash is \$16.1M, which is well above our policy minimum of \$9.8M.
- Call Center Statistics. Calls increased due to the chlorine switch, and short staffing after the holiday's. We are fully staffed now in the call center and have hired Glenda Atkins, who has prior 9-1-1 dispatching training.
- Budget Reductions. As Ken Griffin reported earlier in the Agenda, senior staff and managers will be meeting in January to further discuss budget cuts. A detailed schedule of the FY14 budget process, including task and target dates, was presented in the finance committee as a recommendation by Skeet Von Harten. This will give the new committee members an overview of the process.

*Donna Altman asked how many personnel positions were frozen. Dottie Hofmann responded 2½.*

*Michael Bell asked about the reduction of SLED checks and personnel advertising. Dottie Hofmann responded that only a portion of that budget for personnel advertising was cut based on being fully staffed and positions frozen. All BJWSA employees working on the military contract have an annual SLED check as required by the contract. Other BJWSA employees have a SLED check every few years.*

### **Personnel**

Committee Chair, Gen Pat O'Neal, stated that the personnel committee met on December 11 and that he was unable to attend. He asked David Lott to report on the committee's discussions followed by a brief presentation of the compensation study update by Julie Voges.

David Lott highlighted the following topics listed on the Personnel Committee Agenda and Minutes dated December 11.

- Compensation Study. The committee received a PowerPoint of the “Compensation Update: An Action Plan for 2013”, by Julie Voges. A few of the key highlights were:
  1. Assessing Need - performance management; total compensation; addressing concerns of red-circled employees (which was discussed further under Julie’s report); job placement and promotions; recommendation for merit structure and COLA; and culture of retention and sustainable system.
  2. Purpose – restate our organizational philosophy; ensure internal equity and opportunity; comply with affirmative action goals; structural issues.

Three proposed consultants were identified which will be discussed at a later time.

- Strategic Policy Review. Includes the employee handbook and the Board handbook and review of the organizational policies and the boards charter.
- Performance Management.
- Succession Planning.
- Climate Survey. Two surveys are being considered to follow-up on surveys last year. Two surveys are a lot to handle and the staff recommended that the Safety Survey Climate be conducted this spring and the full Climate Survey at a later date.
- Technology Gap. Board members need to be informed of where we are and where we are going. Staff is taking a look at this effort.

*A copy of the Personnel Committee Agenda and Minutes dated December 11 is attached to these minutes and is made a part hereof.*

Compensation Study. Julie Voges gave handouts of the PowerPoint presented at committee and highlighted key points and challenges, which was also covered under David Lott’s report.

*Donna Altman asked what the budget amount was for the compensation survey.*

*Gen. O’Neal stated that we need to go outside with consulting, but within the budget.*

Board Handbook. Julie Voges also showed the prototype of the draft Board Handbook and identified some of the enclosures.

*Donna Altman asked if the draft handbook was uploaded in the drop box. Julie Voges stated that it was in the personnel committee drop box and that all members may not have access to that folder.*

**Action: The members requested that each board member have access to each committees drop box.**

Julie Voges reminded the board that some documents in the Personnel Committee Dropbox are in draft form.

*A copy of the PowerPoint presentation titled: "Compensation Update: An Action Plan for 2012" dated 12/19/2012, is attached to these minutes and is made a part hereof.*

Railroad Right-of-Way. Staff provided a summary of costs related to the purchase of the Railroad Right-of-Way. Discussion followed regarding keeping the public informed of the ongoing basis.

## **OLD BUSINESS**

There was no old business to discuss.

## **NEW BUSINESS**

### **Adoption of Performance Objectives from GM for Balance of FY13**

**Motion:** Gen. Pat O'Neal moved, seconded by Lorraine Bond to approve the GM Performance Objectives for balance of FY13. All voted in favor of, none opposed.

**Motion passed unanimously.**

### **Capital Improvement Program**

#### *1. Contract Award and Budget Increase.*

- CIP #21544 Beaufort County 1% Tax Road Project-Hwy 170 Expansion Water and Sewer Relocations. The expansion of the five mile section of Highway 170, from Highway 46 (May River Road) to Highway 278 (Fording Island Road), is the next Beaufort County roadway project to be funded by the countywide 1% sales tax. As part of the project, existing water and sewer pipelines and related assets must be relocated to accommodate the new storm drain system. Until recently, the County's plan was to change-order their contract with their contractor, Cleland Site Prep, and bill BJWSA for the required work in the DOT right-of-way in areas where we did not have prior easement rights. The County is now recommending that BJWSA manage the project for the full amount of the pipeline relocation costs, for which the County will reimburse the Authority based on a formal Utility Agreement. BJWSA has received a draft of the Utility Agreement, which includes the engineering cost estimate provided by the county's engineers, Thomas & Hutton (T&H). The estimate summary, which includes design and construction related costs, is as follows:

• Total Estimated Cost	\$1,567,000
• Beaufort County Share (84%)	\$1,312,000
• BJWSA Share (16%)	\$ 255,000

These figures will be refined based on competitive cost proposals from three utility contractors once the utility relocation design is completed by T&H and approved by BJWSA. The Notice of Award will not be issued until the Utility Agreement between Beaufort County and BJWSA is approved by both parties. At this point, staff is requesting contingent approval of a budget increase to **\$1,600,000** and a construction contract to the low bidder for an amount not to exceed **\$1,567,000**.

**Motion:** Committee Chair, Michael Bell moved (no second required) to approve the CIP #21655, contingent budget increase to \$1,600,000 and a contingent contract award to the low bidder for an amount not to exceed \$1,567,000 as presented and referenced in the

revised memorandum to Ed Saxon, Charles Sexton, from Dick Deuel dated December 10, 2012. All voted in favor of, none opposed.

**Motion passed unanimously.**

2. *CIP #21322 Purrysburg to Pritchardville Waterline – Tax Issue.* Charles Sexton provided an update on the Purrysburg to Pritchardville waterline project sales tax issue.

**PUBLIC COMMENT**

There were no public comments.

**AJOURNMENT**

Motion: Michael Bell moved, seconded by Lorraine Bond, to adjourn the meeting at 10:20 a.m.

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

Attachments on file.