

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE  
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON  
FEBRUARY 23, 2012.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, February 23, 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; Pat O'Neal (telephonically); James Scott; Skeet Von Harten and Charlie White.

Members of the Authority absent: John Rogers and Dr. Bill Singleton (Due to the loss of his father).

Staff in attendance: Ken Griffin, General Manager; Ed Saxon, Deputy General Manager/Engineering & Operations; John Wells, Director of Administrative Services/HR Manager; Charles Sexton, Director of Engineering; Chris Petry, Director Treatment; Matthew Brady, Communications Manager; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Jon Lohr, Manager of Information Technology and Libby Breland, Executive Assistant/Clerk to Board.

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

Guest in attendance. Brian Flewelling, Beaufort County Council (District 9-Burton 2); Gerald Dawson, Beaufort County Council, (District 6-Sheldon/Dale/Lobeco), and Russell Berry, District Director, SCDHEC-Beaufort.

**CALL TO ORDER**

Chairman Brandy Gray called the meeting to order at 8:05a.m. and announced that a quorum was present. 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 **Gen. Pat O'Neal** is attending this meeting telephonically".*

**APPROVAL OF MINUTES**

**Motion:** Moved by Donna Altman, seconded by Lorraine Bond, to approve the January 26, 2012 Board Minutes.

**Motion Passed Unanimously.**

## **PUBLIC COMMENT**

Councilman Brian Flewelling reported that the County held its annual retreat and that there were no major issues that dealt with BJWSA except the existing priority listing being addressed in the Burton Area.

Councilman Gerald Dawson reported on the recent community meeting in the Stuart Point area with BJWSA's staff, and Michelle Knight of LCOG. Even though there was not a good turnout, applications are being received. Councilman Dawson stated that he was receiving many emails from a group of residents in "The Reserve" subdivision asking for his support for the project. He explained the grant process to those residents and that a Community Development Block Grant (CDBG) is for the low-to-moderate (LMI) residents. Some of the residents in the Seabrook Point area expressed an interest also. Councilman Dawson asked BJWSA to reach out to these communities and further educate them on the process.

Chairman Brandy Gray announced the sudden loss of James "Jim" Cadien, Jr., Port Royal Chief of Police, and that he will be extremely missed.

## **GENERAL MANAGERS REPORT**

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

- Moss Creek PSD. They are still quite interested in negotiating a deal to provide residential wastewater. As soon as we have preliminary numbers, I will share them with the Board. We anticipate adding 959 residential and commercial connections generating approximately \$550,000/yr. additional gross sewer revenue, not counting additional water revenue. We are already saving \$160,000/yr. in reduced wastewater costs by treating our Colleton River Estates wastewater ourselves.
- Hilton Head Island PSD. They expressed an interest in purchasing significantly more water. They see all of their wells except one, being lost to salt water intrusion within 5 years. They are considering obtaining all the water from us except average of 2MG from their reverse osmosis plant, plus water from the one remaining upper Floridan well.
- Town of Ridgeland. A meeting is being planned with the Mayor and Town Administrator to discuss future developments in the Town and the resulting utility needs.
- Employee Climate Survey. Four of the 5 focus groups have met and had very good discussions and suggestions. We will continue until we have a clear plan to address each major issue based on comments. One comment of note dealt with our performance rating system. We are analyzing ratings to make sure that we are consistent between supervisors.
- Affirmative Action Program. John Wells and his HR staff will be meeting with the HR staff of the Beaufort County Department of Veterans Affairs, S.C. Department of Vocational Rehabilitation, S.C. Department of Employment & Workforce and the Career Resource Management Center on Parris Island to ensure that they are aware of; 1) BJWSA's commitment to Equal Employment Opportunity and Affirmative Action in all of our employment practices and 2) The full range of positions at BJWSA. A tour of the facilities is also planned for the groups.

- Water Efficiency Program. We are reviewing our Water Efficiency Program components, consistent with EPA's Water Sense Program, and considering possible ways to encourage water efficiency in addition to a rebate program for higher efficiency dishwashers and washing machines. This would serve as an offset to our capacity fee and in doing so, encourage development and redevelopment, which is a priority for a number of partner Governments.
- Bridging PIMS and MUNIS Software Programs. Thanks to changes and Jon Lohr, we made great progress developing the crosswalk between Project Information Management System (PIMS) and MUNIS (Utility Accounting software). Should make accounting for capital projects much more efficient. These crosswalks between our major software components, PIMS, MUNIS, GBA, GIS, CIS is one of our priorities for our IT Department going forward.
- Hydrant Restoration Program. Preparations are being made to reinstate BJWSA's hydrant painting program as part of the FY 2012-2013 Budget. This fiscal year staff is providing paint and brushes to community volunteers as part of their "Clean up Beaufort" initiative.
- FY2012-2013 Budget. Budget worksheets have gone out to staff in preparation of the FY12-13 Budget process.
- Dropbox. Thanks to Libby Breland, and Jon Lohr, we are testing Dropbox to send Board packet information and Committee information over a secured website. After Dropbox is installed on your computer, a Dropbox folder is created and we can start sharing files. Jon Lohr, IT Manager, has approved the use of Dropbox. It uses Secure Socket Layer (SSL) and AES-256 encryption. AES-256 is the same encryption standard used by banks to secure customer data. We will run this software parallel with a hard copy of the Board packets through the testing phase.

**Discussion of the Floridan Saltwater Intrusion Issue and Impacts on BJWSA System.** Ken Griffin presented a power point presentation, titled: "*Floridan Aquifer Saltwater Intrusion*". This presentation outlined the history of saltwater intrusion, modeling projections of saltwater plume movement and the results of the modeling. Groundwater withdrawals in both the Savannah area and on Hilton Head Island were needed to create the inland extent of the current salt water plume on Hilton Head Island. If groundwater pumpage from the Upper Floridan can be reduced by 90% from current pumping levels, the advancement of saltwater intrusion into Beaufort and Jasper counties can be halted. Such a reduction would not significantly reverse current extent of saltwater intrusion. Project scopes and their benefits were identified as long term storage/supply solutions in BJWSA's 2004 Master Plan. Staff's proposed funding plan is to seek a Water Resources Development Act (WRDA) authorization this spring for the 2012 Bill. *A copy of the PowerPoint presentation titled: "Floridan Aquifer Saltwater Intrusion" is attached to these minutes and is made a part hereof.*

**Public Affairs Report.** Matthew Brady provided a summary sheet dated February 15, 2012 identifying several projects taking place throughout the service area and highlighted the following projects and community events:

- Burton CDBG. This waterline extension is just about ready to go to construction, but will take a few months in order to meet all the requirements from commerce and staff review of the design.

- Purrysburg CDBG. This gravity wastewater extension will probably begin construction in April.
- Bluffton CDBG. This wastewater extension is nearly complete, and will begin connecting customers very soon. Demo of septic will also begin soon.
- Downtown Waterline Replacement. This water rehab has finally begun to pick up some steam after some DOT related delays. The community has been very patient during this, and it should be completed by March.
- Port Royal CDBG. This project is just about complete, and the Town is even helping connect some non-LMI residents in the area.
- Electronic Media Statistics. Approximately 8800 people visited BJWSA's web site this month (23K page views).
- Consumer Confidence Report (CCR). Work is beginning on preparing the annual report.
- Group Tours. The Jr. Leadership Program toured the facilities. These are top 8<sup>th</sup> graders from Beaufort Middle School and Lady's Island Middle School, modeled on Leadership Beaufort.
- Green Drinks. This is an environmentally minded civic group. The group toured the water reclamation facilities and gave a lot of positive feedback about how we manage the process.
- Public Affairs Committee Appointment. Matthew Brady has been asked to serve on the Public Affairs Council for the American Water Works Association (AWWA). This is the Public Relations wing of the AWWA. The Committee will be working to position public drinking water in a positive light. It is a great exposure opportunity for BJWSA and an opportunity to work together with other utilities.
- Stuart Point and Seabrook Point Area. He reassured Councilman Dawson, that the non-LMI residents are being apprised of the grant process and are very eager for this project to move forward. Staff we will continue to keep them informed.
- Social Media. The **QR Code (Quick Response Code)** trademark that will provide quick and effortless access to BJWSA's website, will soon be placed on all the customer service bills. We are also connected to Facebook.
- Safety Report. The one-year anniversary of the Safety Standdown (safety focus day) was held on February 14, at the Readiness Center, with all of the Employees. A number of presentations were given and a professional safety video was shown that was produced featuring BJWSA's employees. Additional measures were discussed on how to improve the safety program and how each Manager can be more effective and motivate each of the employees. *Michael Bell asked the staff to include on the monthly safety reports a percentage of Take Twos compared to the actual number of jobs or tasks performed for benchmarking measures.*

*A copy of the memo to Ken Griffin, from Matthew Brady dated February 15, 2012 is attached to these minutes and is made a part hereof.*

## COMMITTEE REPORTS

### Executive Meeting

The Executive Committee met at the last Board Meeting and will be bringing information to the Board for review and will also meet immediately following this Board Meeting.

## **Capital Projects**

Committee Chair, Skeet Von Harten reported that the Capital Projects met on Wednesday, February 15, 2012 and received an update on CIP and developer project activity. The Purchasing Policy changes were also discussed along with debt management, drought update and legislative affairs. A recommendation for contract approvals will be presented under new business. *A copy of the Capital Improvement Plan Update is attached to these minutes and is made a part hereof.*

## **Finance**

Lorraine Bond reported that the Committee met on Thursday, February 16, and received the following information:

- **Interim Financial Statements.** The January 2012 financial statements were reviewed along with key ratios. Total revenues are \$746 thousand above budget through January and \$2.4 million higher than prior year to date. Total Operating expenses (including depreciation) are \$248 thousand under budget through January. Operating Cash of \$14.7 million remains well above the 3 month minimum of \$9.35 million.
- **Call Center Metrics.** Both the abandonment rate and average wait time showed decreases from the previous month as continued emphasis is placed on Rep availability. Total calls have shown a significant increase over prior year. An analysis is being performed to look into what is causing the increase in calls, as well as the type of calls coming into the call center.
- **Debt Analysis.** Dottie Hofmann updated the committee on her debt presentations to the Personnel and Capital Projects Committees.
- **Purchasing Policy Changes.** Will Bettis discussed the proposed changes in the purchasing policy. The members will have an opportunity to review the policy and proposed changes.

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

## **Personnel**

John Wells provided a status report of committee activity.

- **Safety Report.** Ken Jordan provided information about the activities over the last 12 months since the Safety Stand down and the plans at the Safety meeting on February 14, 2012. He talked about the preventable equipment and injuries, new employee objectives, new employee commitment and a new focus on safety for 2012.
- **Revised Purchasing Policy.** Will Bettis provided a draft of the current BJWSA Purchasing Policy and discussed the changes he was recommending for approval. He noted that many of the changes were administrative in nature except he was recommending that the provision, which allowed for the emailing of sealed bids removed from the policy.
- **Debt Analysis.** Dottie Hofmann provided in detail BJWSA's debt and how the Capital Improvement Plan, Rate Model and Annual Operating Budget affect the overall debt.
- **Recruiting and Hiring Actions.** Four positions have been filled: Customer Service Representative, Technical Maintenance Specialist, Wastewater Operator Trainee and

a Field Operator II position. The vacancies for a Database Information Analyst, Process Analyst, Customer Service Representative and several Field Operator I, are all in various stages of advertisement and recruitment. He also reported that we would begin recruitment for the Human Resources Manager within the next week or so. John Wells is retiring.

## **OLD BUSINESS**

There was no old business to discuss.

## **NEW BUSINESS**

### **Thad Coleman Fund Update – Dottie Hofmann**

Sarah Linkimer presented the final results of the contest. Total of 1,759 customers at the end of January were signed up. The two top winners were Lori Crews, signed up 492 and Lou Brown signed up 401 customers. All the customer service representatives continue with the momentum and have signed up an additional 139 customers for February. The winners will be invited to the March board meeting for recognition. She also reported that she will provide the dollar impact of the contributions at the next Board meeting.

### **Capital Improvement Program.**

#### *1. FY 2012-2014 CIP Project Addition.*

- CIP #22140 MCAS Bldg. 616 Fire line in the amount of \$20,000. This project involves installation of a fire line to Building 616 on MCAS. 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 #22140, in the amount of \$20,000 be added to the FY12-14 CIP as presented and referenced in the Memorandum to Ed Saxon, and from Charles Sexton dated February 8, 2012.

**Motion passed unanimously.** *A copy of the referenced Memorandum dated February 8, 2012 is attached to these minutes and is made a part hereof.*

#### *2. Contract Awards*

CIP #22132 MCAS JSF Training Facility – Cleland Site Prep, LLC in the amount of \$110,950. This project consists of the construction of water and sewer pipeline extensions to the new F-35 Joint Strike Fighter training and simulator facility, which will be located on a parcel just north of the MCAS Beaufort main entrance security gate at the intersection of Itami and Drayton Streets. Bids for this project were opened February 10, 2012 and Cleland Site Prep, Inc., Okatie, SC was the low bidder. Staff recommends award of this project to **Cleland Site Prep for \$110,950.00**. The CIP budget for this project is \$200,000.00 per Contract Mod #P00040, which was approved by NAVFAC SE on 2-9-2012.

**Motion:** Moved by Committee Chair, Skeet Von Harten (no second required) that, CIP #22132 MCAS JSF Training Facility – Cleland Site Prep, LLC in the amount of \$110,950 be approved as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Dick Deuel dated February 10, 2012.

**Motion passed unanimously.** *A copy of the referenced Memorandum dated February 10, 2012 is attached to these minutes and is made a part hereof.*

**BJWSA’s Energy Efficiency Plan and Status Report – Chris Petry.**

Chris Petry gave a power point presentation titled: “BJWSA Energy Optimization Initiatives”. He presented a fiscal year power costs comparison for the last 8 years. The power costs are the 2<sup>nd</sup> highest expense after manpower, and 12% of the operations budget. Outlined were administrative controls such as reviews on the monthly power bill, power management tools, annual rate review and energy audits. Installed equipment initiatives are a SCADA system, “Smart” Switch Gear (variable frequency drives, soft start motor starters), Premium Efficiency Motors, Standby Generators, and Process Control (optimized high service pumping and Cherry Point optimization). *A copy of the PowerPoint presentation titled: “BJWSA Energy Optimization Initiatives” is attached to these minutes and is made a part hereof.*

**PUBLIC COMMENT**

No additional comments were provided.

**TELEPHONIC STATEMENT**

Chair Brandy Gray, made the following statement: “*I, Brandy Gray, the Presiding Officer of this Meeting have previously stated that **Gen. Pat O’Neal** 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 declared the meeting adjourned at 9:40a.m.

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

Attachments on file.