

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

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

Staff in attendance: Ken Griffin, General Manager; Ed Saxon, Deputy General Manager/Engineering & Operations; Dottie Hofmann, Chief Financial Officer; John Wells, Director of Administrative Services/HR Manager; Charles Sexton, Director of Engineering; Matthew Brady, Communications Manager; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Tricia Kilgore, Capital Projects Manager; John Lohr, Information Technology Manager 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).

CALL TO ORDER

Chairman Brandy Gray called the meeting to order at 8:03a.m. and announced that a quorum was present. Ken Griffin 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 Lorraine Bond, seconded by John Rogers to approve the December 15, 2011 Board Minutes.

Motion Passed Unanimously.

PUBLIC COMMENT

Councilman Brian Flewelling commended the BJWSA staff for a quick response to the wastewater spill in the Battery Creek River near the intersection of Battery Creek Rd and 1st Boulevard and also for issuing a precautionary boil water advisory for the Burton

Wells area due to a dramatic water pressure drop while water service was being restored to that area. The entire District thanks the Authority for keeping the drinking water clean.

GENERAL MANAGERS REPORT

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

- Moss Creek PSD. Positive dialogue continues with Moss Creek to explore ways that BJWSA can provide additional services. A package will be brought to the Board for consideration. Additionally, BJWSA is treating its own wastewater from Colleton River Estates and saving approximately \$155,000 per year in contracting and treatment costs.
- Water Reuse Master Plan. Preparing the comprehensive Water Reuse Master Plan which will guide BJWSA in all aspects of our reuse program, including a thorough look at whether we should move into the retail reclaimed water utility business as we have with Hilton Head Lakes and Traditions. Reclaimed water is distributed to the golf courses and the great swamp. Hilton Head Lakes and Tradition housing development are the only retail recipient. A draft plan will be brought through the committees and then the Board.
- Hilton Head Island PSD. In consistent with BJWSA's High Level Strategic Plan we have been looking at ways we can provide significant additional surface water to Hilton Head Island. We are using a win-win business approach, plus it is the right thing to do. We will have a step by step plan for the Board after the next meeting.
- South Island PSD. Met with the GM and Board President of South Island PSD regarding their infrastructure. They are considering alternative water sources. We will continue subsequent meetings.
- Town of Bluffton. He, Ed Saxon and Michael Bell met with the Town Manager, Anthony Barrett, and some of the key topics discussed were protecting the May River water stream and how we can work together. They also discussed priority projects.
- Employee Climate Survey. Employee committees have been formed to help with the development and improvement in the five areas identified in the employee climate survey. We will keep the board informed on the progress.
- Upcoming Meetings. Meetings are being arranged with the Town of Ridgeland Mayor and Administrator and the Mayor and Administrator of the Town of Yemassee regarding how BJWSA can assist with their utility challenges. John Rogers and Dr. Singleton asked to be included in the Town of Ridgeland meeting.
- Energy Efficiency Plan. A draft of the energy efficiency program is being finalized and Chris Petry will give a report at the next board meeting.
- Electronic Board Packets. Libby Breland will be working on a way to deliver the Board Packets electronically. Let us know your preference if you would like to receive it via hard copy and/or electronically.
- Information Technology Systems. Congratulatory remarks to Jon Lohr regarding his selection to IT Manager. Jon has been with BJWSA for about 5 years. He is a graduate of University of South Carolina and has previous experience with IBM.
- Be Green Packaging Company. Will Bettis and Tammy Isham have been working with one of our supply vendors, Capitol Coffee & Supply, converting Styrofoam products, such as, cups and plates over to biodegradable products. These products come from Be Green Packaging Company who has a manufacturing and distribution

warehouse in Ridgeland, SC producing these tree-free, compostable and recyclable products.

Communications Report. Matthew Brady provided a summary sheet dated January 17, 2012 identifying several projects taking place throughout the service area and highlighted the following projects:

- Stuart Point Waterline. Proposed waterline extension project which could serve up to 150 connections, mostly LMI. A Community meeting with limited turnout was held on the 19th in the Seabrook area. Staff will continue to work with the community on this project.
- Downtown Waterline Replacement. This rehabilitation project affects approximately 100 customers in the downtown area. Hopefully this project will take care of the red water issues and should be completed in February.
- Purrysburg CDBG. This project is a gravity sewer extension that will serve up to 40 new connections.
- Bluffton CDBG. This project is a wastewater extension to serve approximately 60 homes, including 30 new water accounts. This project should be complete before the second quarter of 2012. Coordination efforts are ongoing with the Town of Bluffton to inform the affected residents.
- Electronic Media Statistics. The number of hits to the website and you tube were provided and the areas of visits.
- Splash Newsletter. The mass mailing is complete and customers should be receiving their newsletter soon.

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

COMMITTEE REPORTS

Executive Meeting

The Executive Committee will meet immediately following the Board Meeting.

Capital Projects

Committee Chair, Skeet Von Harten reported that the Capital Projects met on Wednesday, January 18, 2012 and received an update on CIP and developer project activity. 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, January 19, and received the following information:

- Interim Financial Statements. The November and December 2011 financial statements were reviewed along with the key ratios. Total revenues are \$938 thousand above budget through December and \$2.13 million higher than prior year to date. Total Operating expenses (including depreciation) are \$234 thousand under budget through December. Operating Cash of \$13.9M remains well above the 3 month minimum of \$9.35M.

- Call Center Metrics. Both the abandonment rate and average wait time showed decreases from the previous month as the Reps refocused on being available. 2nd monitors were installed at the Rep workstations so that they can view the Call Queue on the separate monitor at all times and see how many customers are waiting and wait times. December 2011 saw an increase in the number of calls compared to December 2010 due to the low pressure incident in the Burton Wells area.
- Debt Analysis. Dottie Hofmann provided an outline of the Authority's process for issuing debt, including a comparative analysis of BJWSA debt with other water and sewer utilities. The Committee is reviewing this information and will share it with the Personnel and Capital Project Committees in February.

A copy of the Financial Reports dated November 30, 2011 and December 31, 2011 is attached to these minutes and is made a part hereof.

Personnel

Committee Chair Bill Singleton reported that the Committee met on Tuesday, January 17 and received the following information:

- Recruiting and Hiring Update. A Customer Service Representative and a Technical Maintenance Specialist are both being advertised externally and both are expected to be filled within a couple of weeks. The Wastewater Operator Trainee and Field Operator I position are being advertised internally and should also be filled within a couple of weeks. John Lohr was selected to fill the Information Technology Manager vacancy from Marty Curry's retirement. A Process Analyst position is currently being advertised externally.
- Employee Climate Survey. Five major focus areas were determined and the formations of employee work groups have been assigned. The Committee discussed leadership, career pathing and communications. David Lott felt it critically important that the full board have complete input throughout the process. John Rogers cautioned the Board of getting too involved with personnel issues. Michael Bell expressed that the signs indicate that there are concerns from staff and to be careful who addresses these concerns. Gen. O'Neal recommended letting the new leadership of Ken Griffin have the opportunity to spearhead the issues and to alleviate some of the concerns and then discuss it with the Board.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Capital Improvement Program.

1. FY 2012-2014 CIP Project Addition.

- CIP #22137 MCAS Physical Fitness Facility - Water and Sewer Services in the amount of \$61,000. This project involves installation of water and sewer services to the new Physical Fitness Facility on MCAS. It will be added to the FY12-14 CIP and be reimbursed by NAVFAC.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that, CIP #22137, in the amount of \$61,000 be added to the FY12-14 CIP as presented and referenced in the Memorandum to Ed Saxon, and from Charles Sexton dated January 12, 2012.

Motion passed unanimously. *A copy of the referenced Memorandum dated January 12, 2012 is attached to these minutes and is made a part hereof.*

2. Project Budget and Change Order

CIP #21322 Purrysburg Road Waterline Project Scope & Budget adjustment from \$10,000,000 to \$14,000,000 and Change Order Approval to increase **Brown & Caldwell Contract by \$314,200.** Because of the lower than expected pipe prices and a lower interest rate from the State Revolving Fund, the scope of the Purrysburg Road Waterline project has been expanded. The project has been expanded to connect the two segments with a 36-inch waterline through Levy along Highway 170 (Freedom Parkway) and extend the pipeline in Bluffton along Highway 170/46 from the Heritage at New Riverside subdivision to the New Riverside traffic circle. Staff requests a budget increase from \$10,000,000 to \$14,000,000 and the approval of a change order for Brown and Caldwell for additional engineering services for this project. The total change order is \$314,200. this is the largest distribution pipeline BJWSA has installed.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that, CIP #21322 Purrysburg Road Waterline project scope and budget adjustment be approved from \$10,000,000 to \$14,000,000 and a total change order in the amount of \$314,200 to Brown and Caldwell be approved as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Tricia Kilgore dated January 12, 2012.

Motion passed unanimously. *A copy of the referenced Memorandum dated January 12, 2012 is attached to these minutes and is made a part hereof.*

3. Contract Awards

CIP #21626 Paving at Chelsea Water Treatment Plant Contract Award to **Bernard Rivers Construction, Beaufort, SC** in the amount of **\$128,865.00.** The current road behind the Chelsea Water Treatment Plant is in very poor condition and is littered with pot holes that cause wear and tear on equipment and present numerous tripping hazards for this high traffic area. The surface area of work will be 17,100 square feet and the budget is \$200,000. Bids were received on December 16th and Bernard Rivers Construction, Beaufort, SC was the low bidder. Staff requests approval for the contract award in the amount of \$128,865.00 to Bernard Rivers Construction.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that, CIP #21626 Paving at Chelsea Water Treatment Plant **Contract Award to Bernard Rivers Construction, Beaufort, SC in the amount of \$128,865.00 be approved** as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Brian Chemsak dated January 18, 2012.

Motion passed unanimously. *A copy of the referenced Memorandum dated January 18, 2012 is attached to these minutes and is made a part hereof.*

CIP #21656 Highway 278 Roadway Expansion Pipeline Relocation Contract Award to **Jordan Construction, Inc.** in the amount of **\$303,795.00** and Budget Increase from **\$200,000** to **\$303,795.**

The scope of this project is to relocate and adjust BJWSA assets impacted by the proposed expansion of the Highway 278 roadway in Bluffton, from Simmonsville Road to Highway 170. The roadway expansion project was designed by SCDOT in conjunction with the Beaufort County 1% Sales Tax Roadway Improvement Program. Bids were received and certified and staff recommends award of this project to Jordan Construction in the amount of \$303,795.00 and that \$103,795 be transferred from CIP 21622 and that the project budget for CIP 21656 be increased to \$303,795.00.

Motion: Moved by Committee Chair, Skeet Von Harten (no second required) that, CIP #21656 Highway 278 Roadway Expansion Pipeline Relocation **Contract Award to Jordan Construction, Inc. in the amount of \$303,795.00 be approved and a budget increase from \$200,000 to \$303,795 be approved** as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Dick Deuel dated January 10, 2012.

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

Thad Coleman Fund Update.

Dottie Hofmann gave an update on the Thad Coleman Fund and explained the initiative of a contest being held in Customer Service to see how many customers they can sign up to contribute to the fund. The customer service representatives surpassed the goal and signed up over 1,845 thus far. A second goal was set of 2300. The final results will be presented next month and perhaps bringing the winners to the next board meeting and for the Board to tour of the call center to see everyone who participated in the contest.

Approval of BJWSA Board Leadership Award Standard Operating Procedure.

John Wells indicated that at the November Board meeting the concept was approved and recommended by Gen. Pat O'Neal to establish a Leadership Award, and for staff to develop procedures. A SOP was drafted and forwarded to the Board for comments which were incorporated into the final document now seeking approval.

Motion: Gen. Pat O'Neal moved, seconded by John Rogers, that the Board Leadership Award SOP be approved and that the award be incepted in June of this year.

Motion passed unanimously. *A copy of the Standard Operating Procedure for BJWSA Board Leadership Award dated January 26, 2012 is attached to these minutes and is made a part hereof.*

PUBLIC COMMENT

No additional comments were provided.

EXECUTIVE SESSION (8:50a.m.)

Motion: David Lott moved, seconded by Donna Altman, to move into Executive Session for the purpose of discussing personnel matters related to the 6-month progress of the new General Manager.

Motion passed unanimously.

RECONVENE

The meeting reconvened and no further action was taken.

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 adjourned the meeting at 9:40a.m.

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

Attachments on file.