

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON JUNE 24, 2010.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, June 24, 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: Chair Brandy Gray,; Donna Altman; Michael Bell; Lorraine Bond, (attended telephonically); John Rogers; Bill Singleton; Mark Snyder Secretary/Treasurer. Absent were Jim Carlen (vacation); B. G. "Pat" O'Neal and Charlie White (due to illness).

Guests: Brian Flewelling, Member, Beaufort County (District 9).

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; Matthew Brady, Communications Manager; Paula Power, Purchasing Manager; Charles Sexton, Director of Engineering; Joe DeVito, Director Operations; Chris Petry, Treatment Director; Mandy Abbott, Communications Administrative Assistant and Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, General Counsel.

CALL TO ORDER

Chair, Brandy Gray, called the meeting to order at 4:10pm and announced that a quorum was present. Chair Brandy Gray 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 Lorraine M. Bond is attending this meeting telephonically"*. Perspective new Board Member, David Lott may be joining the meeting telephonically.

APPROVAL OF MINUTES

Chair, Brandy Gray, requested a motion to approve the May 27, 2010 Minutes.

Motion: John Rogers, made a motion, seconded by Bill Singleton, to approve the Minutes of the regular meeting of May 27, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chair Brandy Gray, welcomed and recognized the attending guest Brian Flewelling.

GENERAL MANAGERS REPORT

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

- April Safety Report. 273 calendar days since the last preventable lost time case. 1 recordable injury has been reported. Three Near Miss reports and 50 Take Two's were completed. The Safety Celebration will be held on June 25, from 11:30am-2:00p.m. The location will be the Hardeeville Elementary School in the new Hardeeville Schools Complex, 150 Hurricane Alley, near Sgt. Jasper Park, off Red Dam Rd. *The Safety Report for the month of May 2010 is attached to these minutes and made a part hereof.*
- AWWA ACE 2010 Conference. He and Michael Bell attended the 2010 ACE Conference held in Chicago, Ill. Michael Bell, Chair of the Public Official Forum, indicated that the Forum offered three certificate programs that included a new course titled "Managing the Utility". He noted that AWWA was also excited to be offering "ELearning" to water professionals to receive education and training through self-paced courses. One of the visions of the committee is to create an online searchable data base for available resources. Dean Moss noted that the next conference will be held in Washington DC.
- Red Water Concerns. In response to customer concerns regarding discolored water, a letter dated June 17, 2010, went to several customers announcing BJWSA's development of a Capital Improvement Project and strategy to upgrade the water lines on North, Church and Craven Streets and the smaller lines that run from North Street to Bay Street within the City of Beaufort, which still have the old unlined galvanized pipes, creating oxidized insoluble iron that is responsible for discolored water.
- Military Meeting. Ed Saxon and Dottie Hofmann met here at BJWSA with the NAVFAC representatives on June 18 to discuss and negotiate the scope and cost proposal for the Initial System Modification's (ISM) (Group II) and the three year rate for the period beginning July 2012. They discussed a schedule and presented a rate which is coming in lower than previously estimated. Ed Saxon commended Charles and his staff on preparing and giving a power point presentation to the group. Dean Moss indicated that bringing in the price below initial cost will continue to build strong relationships with the Military.
- Surface Water Withdrawal Bill. Governor Sanford signed the Surface Water Withdrawal Permitting, Use, and Reporting Act Bill. Dean Moss stated that this is a milestone that took a long time to accomplish and that it will allow better management of water supplies.
- SC Savannah River Basin Advisory Council SC decided to form a Basin Advisory Council composed of folks up and down the basin to support all aspects of water planning in the basin. Charles Sexton was selected to represent BJWSA's interest. Dean Moss commended Charles Sexton for serving on this Council.

Public Affairs Report

Matthew Brady, Communications Manager, reported on the following issues:

- **Community Projects Update.**
 - ***Beaufort County, Dale Area (CDBG) - Waterline Extension, Phase III*** – A pre-construction meeting has been scheduled and the project is expected to start the week of July 5.
 - ***Town of Bluffton - Sewer Extension***- Construction on Maiden, Church, and Bruin Street are complete. A groundbreaking ceremony for Phase I of the Buck Island road sewer project is set for 8:15am July 7 at Eagles Field. Sewer for Simmonsville road is in the design stage.
 - ***Town of Port Royal – Sewer Connections*** – Phase 1 with lateral connections to approximately four homes has been completed and staff is working on in-house design for the remaining eight homes.
- **New BJWSA Website.** The new site has been launched. Michael Bell thanked the staff for re-publishing the program for the Thad Coleman fund.
Action: Michael Bell asked the staff to track the number of hits to the site.
- **BJWSA Splash Newsletter.** Should be in circulation this weekend and will have the CCR (Consumer Confidence Report) insert.
- **Facility Tours.** A tour was given to Parris Island Preventative Medicine, a department who is in charge of general public health and safety. He and his assistant, Mandy Abbott, visited a group of special needs children with the Camp Treasure Chest, talked about water and the water cycle, and gave a demonstration on different types of water pollution.
- **55th Annual Beaufort Water Festival.** Dean Moss listed the events that BJWSA employees will be participating in during the Water Festival.

COMMITTEE REPORTS

Executive

The Executive Committee did not meet.

Capital Projects

Committee Chair, Michael Bell, reported that the Committee met on June 16 and received an update on CIP and Developer Projects. Two change orders and a contract award will be presented under New Business. *The Memorandum from Charles Sexton dated June 14, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Personnel

The Personnel did not meet this month therefore, no report was given.

Finance

Committee Chair, Brandy Gray, reported that the Committee met on June 17, and she reported on the following issues:

- Financial Report May 31, 2010. Total operating revenues were approximately \$1.5M under budget year-to-date. Operating expenses, excluding depreciation, were \$1M under budget, but with depreciation were still \$7,000 over budget. Capacity fees received for the month of May were \$70,000.
- Approval of Resolutions. A series of rate resolutions and the Operating Budget will be presented under new business.

The Financial Report for May 31, 2010 is attached to these minutes and made a part hereof.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

A. FY 09-11 Capital Improvement Program.

Contract Award

1. CIP #21534 – Miscellaneous Control Panel Replacements to Pete Duty & Associates in the Amount of \$141,975.00.

This project consists of replacing five control panels at sewer pump stations. These stations were identified as having aged or problematic components. All of them are part of systems that were acquired by BJWSA and not originally built to our specifications. These will be funded from sewer capital. The control panels will be supplied by Pete Duty and Associates and will be installed by Abvolt, the low bidder for the installation.

Motion: Capital Projects Committee Chair, Michael Bell moved, seconded by Mark Snyder, to approve CIP 21534 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Tricia Kilgore dated June 7, 2010. A vote was held and the motion passed unanimously.

Change Order # 2

2. CIP # 21343 – Hwy. 802/Savannah Hwy. Asbestos Pipe Replacement.
 - Budget Increase from \$1,050,000 to \$1,150,000.
 - Change Order to DuPriest Construction in the Amount of \$114,369.75.

The staff recommends approval of a change order from DuPriest Construction for additional work associated with completion of this project. Change Order #1 was the result of SC DOT mandated requirements regarding the placement and installation of the new 12 inch water main in their right-of-way. Change Order #2 represents the necessary additional work performed by the contractor to complete the installation and transition services from the abandoned 8 inch asbestos cement water line to the new 12 inch water main. With this change order, a budget increase will be required.

Motion: Capital Projects Committee Chair, Michael Bell moved, seconded by Mark Snyder, to approve both the budget increase and the change order for CIP 21343 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Dick Deuel dated June 8, 2010. A vote was held and the motion passed unanimously.

Change Order #4

3. CIP #22087 – MCRD 3rd Battalion Water & Sewer Extensions.

- Budget Increase from \$722,448 to \$824,000.
- Change Order to DuPriest Construction in the Amount of \$124,107.50.

The staff also recommends approval of a change order from DuPriest Construction for additional work associated with completion of this project. While the first three change orders were the result of scope changes and/or additions requested by NAVFAC and MCRD Parris Island Public Works, the majority of this change order represents additional work performed by the contractor during the installation of the new offsite 16” water main from Boulevard de France to the new 3rd Battalion site. This change order was the result of unforeseen subsurface conditions and conflicts that required additional materials and labor associated with the installation of the new pipeline, including connections to existing waterlines serving facilities along the route. With this change order, a budget increase will be required.

Motion: Capital Projects Committee Chair, Michael Bell moved, seconded by Mark Snyder, to approve both the budget increase and the change order for CIP 22087 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Dick Deuel dated June 8, 2010. A vote was held and the motion passed unanimously.

B. Resolutions – Adoption.

1. Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2011.

A slight change was made to the retail process water rates. All other rates will remain the same for retail customers.

Motion: John Rogers moved, seconded by Bill Singleton, to approve the Water and Wastewater Rates for Retail Customers for FY Ending June 30, 2011 as presented. A vote was held and the motion passed unanimously.

2. Water Rates for Wholesale Customers for FY Ending June 30, 2011.

There were no changes to the wholesale water rates this year. Rates will remain the same.

Motion: Bill Singleton moved, seconded by John Rogers, to approve the Water Rates for Wholesale Customers for FY Ending June 30, 2011 as presented. A vote was held and the motion passed unanimously.

3. Wastewater Rates for Wholesale Customers for FY Ending June 30, 2011.

There were no changes to the wastewater rates for wholesale customers this year. Rates will remain the same.

Motion: Michael Bell moved, seconded by John Rogers, to approve the Wastewater Rates for Wholesale Customers for FY Ending June 30, 2011 as presented. A vote was held and the motion passed unanimously.

4. Water and Wastewater Capital Contribution Fees for FY Ending June 30, 2011.

There were no changes to the water and wastewater capital contribution fees. Fees will remain the same.

Motion: Bill Singleton moved, seconded by John Rogers, to approve the Water and Wastewater Capital Contribution Fees for FY Ending June 30, 2011 as presented. A vote was held and the motion passed unanimously.

5. Ancillary Charges for FY Ending June 30, 2011.

The Septage Tipping Fee was changed from \$50.00 to \$90.00. All other charges will remain the same.

Motion: Lorraine Bond moved, seconded by Bill Singleton, to approve the Ancillary Charges for BJWSA Customers for FY Ending June 30, 2011 as presented. A vote was held and the motion passed unanimously.

6. Fiscal Year 2011 Operating Budget.

A Public Hearing was properly advertised and held at 5pm on June 17th at the administration office of the Authority. No comments were received.

Motion: John Rogers moved, seconded by Donna Altman, to approve the Operating Budget for FY 2011 as presented. A vote was held and the motion passed unanimously.

C. Approval of General Managers Performance Measures for FY11.

Deferred until the July Board Meeting.

D. Proposed Amended Bylaws – to Add an Assistant Secretary/Treasurer.

Michael Bell stated that he does not believe amending the Bylaws to add an Assistant Secretary/Treasurer is necessary. John Rogers concurred. Mark Snyder also agreed with Michael Bell.

Motion: Michael Bell moved, seconded by John Rogers, that no changes be made to the current By-laws at this time. A vote was held and the motion passed unanimously.

E. Report from Nominating Committee.

At the May Board meeting, Chair, Brandy Gray, appointed the nominating committee to bring a recommendation for a slate of officers for FY11. She now asked the Nominating Committee to give their report. Nominating Committee Chair, Michael Bell, brought forth a recommendation for the following officers for FY11: Chair, Brandy Gray; Vice-Chair, Michael Bell; Secretary/Treasurer, Lorraine Bond.

F. Election of Officers.

No other nominations were received.

Motion: Nominating Committee Chair, Michael Bell moved, seconded by Mark Snyder, to approve the following slate of officers for FY 11: Brandy Gray, Chair; Michael Bell, Vice-Chairman and Lorraine Bond, Secretary/Treasurer. A vote was held and the new slate of officers were elected by acclamation.

G. Approval of General Counsel RFP.

There were no changes or additions to the RFP.

Motion: Michael Bell moved, seconded by Mark Snyder, to approve the General Counsel RFP as written. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

Chair, Brandy Gray, asked for a motion to go into Executive Session.

Motion: John Rogers moved, seconded by Mark Snyder, to move into Executive Session to discuss Contractual Matters regarding water and sewer provisions with the Town of Yemassee. A vote was held and the motion passed unanimously.

RECONVENE

The meeting reconvened into regular session and the following action was taken:

Motion: John Rogers made a motion to authorize the GM to enter into preliminary discussions with the Town of Yemassee. Mark Snyder seconded the motion. A vote was held and the motion passed unanimously.

TELEPHONIC STATEMENT

Chair Brandy Gray, made the following statement: "I, Brandy Gray, the Presiding Officer of this Meeting have previously stated that **Lorraine M. Bond 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." Perspective new Board Member, David Lott did not attend telephonically.

ADJOURNMENT

The meeting adjourned at 5:00pm.

Attachments: Safety Report dated April 2010, CIP and Developer Update Memo dated May 17, 2010, Financial Report dated April 30, 2010.