

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE  
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON  
SEPTEMBER 27, 2012.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, September 27, 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; James Scott; Dr. William Singleton and Skeet Von Harten.

Members of the Authority absent: John Rogers.

Staff in attendance: Ken Griffin, General Manager; Ed Saxon, Deputy General Manager/Engineering & Operations; Chris Petry, Director of Administrative Services; Dottie Hofmann, CFO; Julie Voges, HR Manager; Charles Sexton, Director of Engineering; Matthew Brady, Communications Manager; Denise Morey, Operations & Maintenance Coordinator 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) and Paul Sommerville, Vice-Chairman, Beaufort County, (District 7-Lady’s Island/Beaufort).

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

***Motion:*** Moved by Skeet Von Harten, seconded by Michael Bell, to approve the June 28, 2012 Board Minutes and July 26, 2012.

***Correction:*** One minor correction was noted on the July 26, 2012, minutes, page 4, Capital Projects Committee Report to change: Committee Chair Gen. Pat O’Neal to Committee *Acting* Chair Gen. Pat O’Neal. All voted in favor of approval, none opposed.

***Motion passed unanimously.***

**PUBLIC COMMENT**

Chair Brandy Gray welcomed and recognized the attending guests. There were no public comments at this time.

## **RECOGNITION OF DR. CHARLIE H. WHITE**

Chair Brandy Gray, read into the minutes, a Resolution recognizing Charlie White's honorable distinction of his long service on the BJWSA Board. The traditional water meter plaque inscribed: "*Charlie White In Recognition of Eleven Years of Service on the Board of Directors of the Beaufort-Jasper Water & Sewer Authority, March 02, 2001 – May 21, 2012*". Charlie White could not be present to receive the award, but Chair Brandy Gray said that she would deliver the meter plaque and Resolution.

**Motion:** Moved by Vice-Chair Michael Bell, seconded by Gen. Pat O'Neal, to approve the Resolution recognizing Charlie White for his honorable distinction of his long service on the Board. All voted in favor, none opposed.

**Motion passed unanimously.**

*A copy of the Resolution recognizing Charlie White of his service on the BJWSA Board, is attached to these minutes and is made a part hereof.*

## **GENERAL MANAGERS REPORT**

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

- Special Recognition to the Administrative Assistants/Coordinators Team. Libby Breland acknowledged the Administrative Assistants/Coordinators Team for assisting with her duties while she was out on medical leave. The Team previously developed a succession plan providing back up support to each assistant in the event of a critical need. Libby was proud to announce that this plan has worked on many occasions and proud of the Team, with special recognition to Dawn Bates and Denise Morey. Denise covered the Board meetings along with its many tasks and Dawn handled emails, voicemails and added a jazzy look to the monthly color calendar. Denise received a round of applause, (Dawn was on vacation). Libby added with humor, now she can vacation more.
- BJWSA Safety Report. This is the second consecutive good safety month in August with no recordable injuries, no OSHA preventable lost work days. Therefore for the fiscal year to date our recordable injury rate and OSHA lost work day rates are both zero and thus much better than industry average. *The Safety Report dated August 2012 is attached to these minutes and is made a part hereof.*
- BJWSA Wellness Program. On a related note, based on the effectiveness of our Office Safety Team, we have given them the added responsibility of helping us develop and implement a new BJWSA Wellness Program. We recently put in place a 1. Healthy beverage program, 2. A Farm to Employee Organic Produce Program, 3. An exercise-stretching program and 4. A corporate fitness membership program, and have had preliminary discussing about developing a workplace environment that promotes and facilitates physical activity. Yesterday we met with a representative of the South Carolina Hospital Association (SCHA), about the possibility of joining their *Working Well Program*. Their three pillar program is a good way to grow our program and be able to gage our success relative to others in the program and they have offered us a no cost license to join their program and receive their benefits. Anne Short, our GIS Coordinator will give you a slide presentation of our wellness

program initiatives at the next meeting. Libby has done a great job and also purchased healthy choices for refreshments for this morning's Board meeting.

- Individual Employee Email Accounts. As part of the climate survey initiative; Communications between Departments, we have succeeded in providing an email account for each of our employees; we had 58 of our 170 employees without an email account. This is something that our employees have been asking for a number of years. Special thanks to Jon Lohr, our IT Manager and his staff. The response from our employees has been very positive. We can now communicate directly with each employee and each employee can receive their own pay stub and we send the message that each employee is important.
- Beaufort County Council Meeting. Ed Saxon and myself attended the September 10 evening meeting of the Beaufort County Council as part of a presentation on the impacts, costs and recommended solutions to the severe saltwater intrusion problems we are experiencing in Beaufort and Jasper counties. I reiterated our request to our South Carolina half of the Bi-State Governors Savannah River Committee that both states reduce their pumpage to the levels agreed to by the technical committee in 2010; namely Savannah down to 10mgd and South Carolina down to 2mgd. Georgia has come down a little since 2010, they now pump 52mgd, and South Carolina continues to come down. We're now at 7mgd. I am working with the South Carolina half of the Savannah River Committee and others to make exactly this happen.
- Electronic Consumer Confidence Report (CCR) Delivery. For the past year, he and Matthew have been working with AMWA and EPA for EPA to allow us and our fellow water utilities the option where appropriate to provide our CCR electronically. I am pleased to report that EPA is very seriously considering allowing us to provide a direct ULR link to our CCR on customer billing statements or mailed postcard, which saves us \$10k/year, if EPA decides to allow this option we will follow it, but we will also continue to provide CCR information in our newsletters and make paper copies of our CCR's available at multiple locations.
- Energy Star Program. Relative to the priorities I provided you, we are also working with EPA and their Energy Star Program for energy efficient water and wastewater treatment plants. I am meeting with staff, especially Jared Hostetler, Treatment Process Analyst, who is doing the leg work of registering each of our plants and inputting all the relevant parameters so that we can calculate an EEI, Energy Efficiency Index in KBTU/GPD and compare our plants to other plants across the county.
- Annual Confluence Conference. I am very proud to report Chris Petry was one of the Chairs of this year's Confluence Conference in Greenville, SC, representatives from South Carolina, North Carolina and Georgia met to hear presentations and discuss different topics of mutual interest including Matthew Brady speaking on *Effective Communication*. Very successful conference in terms of attendance and discussions.
- Drop Box. I thank each of you that have taking advantage of our Drop Box to access your committee and board agenda packages online and encourage you to contact Libby if you haven't. Special thanks to Libby for finding and implementing this secure online system.

**Public Affairs Report.** Matthew Brady provided a summary sheet dated September 17, 2012 identifying several projects taking place throughout the service area and highlighted the following projects and community events:

- Burton CDBG Waterline Extension - This project is ready to go out to bid. LCOG is working to secure an easement, which is necessary before we can advertise this project. Will serve up to 40 new customers.
- Purrysburg CDBG Gravity Sewer Extension – Construction has started on this project, and should be finished in a few months. We are working with LCOG and the County to help keep residents in the area apprised of the progress. 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 physically complete to 60 homes in the area. Will continue work to tie in meters and services to customers in the area.
  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.

BJWSA continues to work with the Town to reach out to residents, and to determine appropriate addresses and accounts.

- Downtown Waterline Project. This project is essentially complete. There are a few punch list items that the contractor is working on, but they should be completely finished within a month. This project affects approximately 100 customers.
- Sewer Rehabs:
  - Tansi Village. This project is complete. The conversion from wholesale sewer will add about 150 new retail customers to our system.
  - Downtown Beaufort. Gravity sewer lining work continues in this area. This project enhances sewer service for over 1,000 residents.
  - Duke Street in Downtown Beaufort. We are continuing to work on a four block section on Duke Street (Church to Bladen) where we are replacing the gravity sewer mains and laterals prior to the City’s CDBG Streetscape project. We are continuing to work with both the residents and the City to keep them informed about our progress. We should be complete with our work by the end of September.
- Stuart Point CDBG Waterline. This is a potential CDBG waterline project on Stuart Point Road in the Dale area. The project was stalled last year because of lack of community participation. We have heard from residents again in the area, and we’ve talked to LCOG about the project. We will meet with Councilman Dawson soon to see if he is interested in pursuing this project again this year.
- Hardeeville Catfish Festival. Again attended this year’s Catfish Festival, which is always a fun event.

- Beaufort Shrimp Festival. BJWSA provided a water buffalo, cups, which was manned by BJWSA volunteers. This is always another fun event to participant it.
- Water Filter Scam. BJWSA provided great media coverage.
- Customer Service Appreciation Week. BJWSA will celebrate customer service appreciation during the week of October 15. The representatives will be decorating for Halloween. He extended an invitation to the Board to stop by and check out the decorations.

*A copy of the memo to Ken Griffin, from Matthew Brady dated September 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 met on Wednesday, September 12, 2012 and received an update on CIP and developer project activity. Two change orders and two budget additions will be presented under New Business.

*A copy of the Capital Improvement Plan Update dated September 12, 2012 is attached to these minutes and is made a part hereof.*

### **Finance**

Committee Chair, Skeet Von Harten, reported that the Committee met on Thursday, September 20, 2012. He was unable to attend the committee meeting, but that he met with Dottie Hofmann and received an update prior to the Finance Committee meeting. He deferred to Dottie Hofmann to give the committee report.

- Interim Financial Statements. The August 2012 financial statements were reviewed along with key ratios. Total revenues are \$623 thousand under budget, while total operating expenses (including depreciation) are \$275 thousand under budget through August. She noted that management will be meeting in October to discuss budget reductions needed in order to make up unbudgeted expense items that have occurred during the first part of FY2012 as well as the revenue shortfall. A list of reductions will be presented to the Committee at the October meeting.
- Call Center Metrics. The statistics showed an increase in call volume compared to the prior month. Despite the increase in calls, however, the average wait time increased only slightly from 2.02 to 2.07 minutes.

*David Lott* asked if the system gave the customer the number of minutes until their call is answered. Dottie Hofmann responded that it does not give the minutes, but tells the customer what number they are in line.

*Vice-Chair Michael Bell* asked if the customers could leave their phone number for a call back, which Dottie Hofmann confirmed that they could.

*Donna Altman* inquired about the revenue shortfall and plans to recoup. *Dottie Hofmann* said that adding additional customers would help.

*Committee Chair, Skeet Von Harten* commented that while the cash position is good, the future was not so good. The Authority had to pay a reimbursement of 675,000 for capacity fees and expense an additional 500,000 for Other Post-Employment Benefits (OPEB). The prior firm used to estimate BJWSA's contribution for retired employees and spousal health insurance, made a substantial miscalculation. The staff will be meeting and will bring a recommendation at the October or November Board meeting for balancing the budget and future financial planning. The Board and staff face financial challenges ahead.

*David Lott* commented that it may be necessary to educate the constituents/municipalities and public ratepayers that a possible consequence would be a rate increase in the future.

- Thad Coleman Fund. BJWSA now collects approximately \$1,200/month from customers compared to \$300/month before the customer service contests. In Fiscal Year 2012, 11 people were given assistance with connection fees. BJWSA has contributed \$10 thousand for Fiscal Year 2013 and the balance available is \$15,283. Ken Griffin will draft a letter to Beaufort and Jasper counties requesting funding.

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

### **Personnel**

Committee Chair, Gen Pat O'Neal stated that the committee met on September 18, 2012. Julie Voges gave a power point presentation of a "360 Monkey Survey", which is an online, confidential survey. This is an effective and comprehensive tool to evaluate the performance of the General Manager. Specific areas assessed are: Annual Performance Goals; Core Competencies; Personal Leadership Qualities and Accomplishments and Challenges. A timeline was identified.

Gen. O'Neal also distributed a Memo to the Board of Directors dated September 27, 2012 outlining five critical areas for the Personnel Committee to focus on for the next year including: 1. Strategic Policy Review, 2. Technology Gap, 3. Compensation, 4. Education/training/rotation/exposure, and 5. Climate. Staff has been assigned to each of these tasks and through this interactive process, the Board will join the staff in a deeper level of understanding of those issues facing the Authority. Recommendations will be brought back at the October meeting. Gen. O'Neal asked for comments.

*A copy of the power point presentation titled: "Performance Evaluation for the General Manager dated September 2012" and a "Memo for BJWSA Board of Directors; PC Committee Report September 27, 2012" is attached to these minutes and is made a part hereof.*

### **OLD BUSINESS**

**There was no Old Business to discuss.**

## **NEW BUSINESS**

### **Capital Improvement Program.**

#### *1. Change Orders.*

- CIP #21322, Phase II Pritchardville to Purrysburg Road 36" Waterline . The staff has been working with the contractor, engineer and suppliers on this project. Staff has identified several cost savings areas. The value engineering comes from reducing the amount of restrained joint pipe, realigning the pipe in certain areas to reduce paving, and shortening the bore under I-95. The value engineering so far results in two deduct change orders – one for construction and one for materials. Staff request approval of the deduct change order for \$457,950.20 to US Pipe as well as a deduct change order to RH Moore for \$158,565

**Motion:** Committee Chair, Michael Bell moved (no second required) to approve the change order for CIP #21322, deduct change order as presented and referenced in the memorandum to Ed Saxon, from Tricia Kilgore dated August 14, 2012. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

*A copy of the referenced Memorandum to Ed Saxon from Tricia Kilgore dated August 14, 2012 is attached to these minutes and is made a part hereof.*

- CIP #21663 – Tansi Sewer Rehabilitation Project Change Order in the amount of \$147,542. This project is the takeover and rehabilitation of the Tansi Village collection system and is funded primarily by a special SRF low-interest loan. The sewer rehabilitation includes lining the sewer pipes, manhole repairs and point repairs. The project is substantially complete. Some of the sewer lines in Tansi proved to be in too poor condition to be rehabilitated with cured in place lining or pipe bursting. As such some sewer segments had to be replaced entirely. All of the sewer at Tansi is under the road. In addition to the cost of open-cut replacement (almost three times more expensive than lining), additional asphalt patching was required. The total extra cost is \$147,542. The total project cost is \$518,571. The SRF loan is \$411,418. The difference of \$107,153, the budget increase amount, will be paid from sewer capital. Staff requests approval of the change order for \$147,542 to Reynolds Inliner as well as a budget increase of \$107,153.

**Motion:** Committee Chair, Michael Bell moved (no second required), to approve the CIP #21663, change order for \$147,542 to Reynolds Inliner as well as a budget increase of \$107,153 as presented and referenced in the memorandum to Ed Saxon from Tricia Kilgore dated July 10, 2012. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

*A copy of the Memorandum to Ed Saxon from Tricia Kilgore dated July 10, 2012 is attached to these minutes and is made a part hereof.*

*Former Committee Chair, Skeet Von Harten*, commented that the overrun in Tansi was due to the depth of the line. The old lines were very close to the surface which was not surveyed for depth. Also, pipe bursting is a new process for the Authority, which the staff has since learned about as a result of this project.

2. *CIP Project Additions FY13.*

- CIP # 21671 Carroll St Waterline Replacement in the amount of \$60,000. This project is in the City of Hardeeville and needs to be added to the list of active CIP projects for FY 2013. The project will replace the existing 2” galvanized waterline with a 4” PVC waterline. The existing system is causing water quality problems in the area, forcing BJWSA to install water filters on customers’ water meters. There have been 5 water quality complaints in the last 2 years. The project budget is proposed as \$60,000. The project will be funded from C&D.

**Motion:** Committee Chair, Michael Bell moved (no second required), to approve CIP #21671 in the amount of \$60,000 to the FY13 Project as presented and referenced in the memorandum to Charles Sexton, from Brian Chemsak, dated September 7, 2012. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

*A copy of the referenced Memorandum to Charles Sexton from Brian Chemsak dated September 7, 2012 is attached to these minutes and is made a part hereof.*

- CIP #21672 SCDOT Ribaut Road Resurfacing Project Water Distribution System Rehabs in the amount of \$200,000. The purpose of this project is to perform various miscellaneous water system rehabs/replacements prior to the milling and resurfacing of 3.5 miles of Ribaut Road, from Lenora Drive in Port Royal to Reynolds Street in Beaufort. As the main artery between the two municipalities, Ribaut Road has also served as a primary utility pipeline corridor over the years. Since most of our pipelines in this area are in the SCDOT right-of-way, it is important that any necessary system rehabilitations take place before the road is resurfaced so BJWSA will not have to cut the freshly paved road in the near future. In an effort to expedite this work prior to the resurfacing that will start in September, staff recommends that the work be divided between two contractors with proven track record in our system. *DuPriest Construction* is proposed to remove and replace up to 70 valve boxes, which must be replaced prior to the milling operation and raised to final grade during the paving operation. *Potter Construction* is proposed to perform miscellaneous improvements at five locations as determined described below. The total budgetary cost estimate of \$200,000 is outlined in the Memorandum to Ed Saxon, from Dick Deuel, dated September 10, 2012. This project will be funded from the C&D account.

**Motion:** Committee Chair Michael Bell moved (no second required) to approve CIP #21672 as presented and referenced in the Memorandum to Ed Saxon from Dick Deuel, dated September 10, 2012. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

*A copy of the referenced Memorandum to Ed Saxon from Dick Deuel dated September 10, 2012 is attached to these minutes and is made a part hereof.*

**PUBLIC COMMENT**

No public comments were noted.

**EXECUTIVE SESSION**

*Motion:* Donna Altman moved, seconded by Gen. Pat O’Neal to go into Executive Session for the purpose of discussing personnel matters. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

**RECONVENE**

*Motion:* Donna Altman moved, seconded by Vice-Chair Michael Bell to reconvene into Regular Session. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

**ACTION**

*Motion:* Skeet Von Harten moved, seconded by Vice-Chair Michael Bell to accept, with thanks, the Personnel Committee’s report. A vote was held with one abstention by David Lott.

**Motion carried.**

Also, the result of a personnel matter discussion was that “no action will be taken”.

**ADJOURNMENT**

Chair, Brandy Gray adjourned the meeting at 9:40 a.m.

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

Attachments on file.