

**MINUTES OF THE MEMBERS OF THE AUTHORITY REGULAR MEETING  
OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON  
FEBRUARY 28, 2013.**

Be it remembered that the Members of the Authority of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, February 28, 2013 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; Dr. William Singleton and Skeet Von Harten.

Members of the Authority absent:

Staff in attendance: Ed Saxon, acting General Manager, Engineering/Operations; Chris Petry, Chief Administrative Officer; Dottie Hofmann, Chief Financial Officer; Joe DeVito, Director of Field Operations; Julie Voges, Human Resources Manager; Ken Jordan, Safety & Risk Manager; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Jon Lohr, IT Manager; Dick Deuel, Development Projects 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. Jack E. Burke, resident of the Town of Hilton Head (Prospective Member of the Authority) and Frank Turano, Regional Manager, Alliance Consulting Engineers, Inc., Bluffton.

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

*Motion:* Donna Altman moved, seconded by Lorraine Bond, to approve the January 24, 2013 Board Minutes. *All voted in favor of approval, none opposed.*

**Motion passed unanimously.**

**PUBLIC COMMENT**

Chair, Brandy Gray welcomed and recognized the attending guests.

**GENERAL MANAGERS REPORT**

Ed Saxon, acting General Manager, submitted the following as his report:

- Safety Report & Safety Survey. We've had 100% participation in the safety culture benchmarking survey. We will share the results in late March.

- BJWSA Employee Michael Coleman. Saddened to report, recently retired, Mike Coleman lost his battle to cancer. He came over to BJWSA with the acquisition of the City of Beaufort. He retired with 19 years of service.
- Thad Coleman Fund. Ed Saxon submitted a letter to the county requesting a contribution to BJWSA's Thad Coleman Fund. County Administrator, Gary Kubic will review our request with council.
- BJWSA's Consumer Confidence Report (CCR). SC DHEC agrees to the EPA's guidelines for electronic CCR distribution. This will be a savings in printing costs for the Authority and expedient availability to our customers.
- City of Beaufort Property. He and David Lott met with the City Council on 2/19 to discuss the transfer of BJWSA's Southside parcel. We will work with the City to determine the value of three parcels BJWSA purchased prior to the transfer.
- Hwy. 17 Waterline Extension. We have jointly been working with the City of Hardeeville who submitted a grant application to the SC Rural Infrastructure for request to fund a 12" waterline extension along Hwy. 17 for \$300,000. This waterline extension will help support the economic development. An update will be provided next month.
- Total Rainfall. All of the wastewater facilities and collection systems functioned well during the heavy rain events. We had a reported total of 12" during the month of February.
- Hilton Head PSD. We agreed to supply March deliveries of off-peak water to Hilton Head PSD.
- Moss Creek PSD. He and Dottie restarted discussions with Moss Creek and agreed to share cost of a consultant to determine tax implications for Moss Creek if we purchase their assets.
- Utility Relocation Costs. BJWSA has submitted highway widening relocation cost data to a legislative committee studying ways to fund utility relocation cost. Since 2003 BJWSA has spent \$11.6M on these types of projects. The study group will submit a report with recommendations to the legislature by 6/30/2013.
- Sequestration Impact on our Utilities Privatization Contract. Checked with NAVFAC to see what impact, if any, Sequestration would have. They are confident our UP contract would not be impacted.
- BJWSA Employee Derrick Washington. In a recent news article promoting a drive for volunteer fire fighters, Derrick was recognized for his community leadership as a 12-year volunteer fire fighter and as volunteer of the year seven times. Derrick has been an exemplary employee of the water authority for 15 years.
- BJWSA Member Email Accounts. Each Board member will now have an individual BJWSA email account. Brief training will be given under New Business.
- Libby Breland. Libby will be out on medical leave for approximately 8 weeks and Denise Morey will cover in her absence with any Board related activities.
- South Carolina State Ethics Commission. He reminded the Board of the April 15<sup>th</sup> deadline to file their Ethics Statement.
- National Environmental Achievement Award. BJWSA was recently awarded a "National Environmental Achievement Award" from the National Association of Clean Water Agencies. The award was given in the "Public Information and Education: Video" category. This was for the three videos we did on our water, wastewater and the Great Swamp, which you can access, on our website and at [youtube.com/bjwsa](http://youtube.com/bjwsa).

**Quarterly Management Dashboard.** Ken Jordan reviewed the development of the BJWSA Management Dashboard and its purpose. He presented the FY 14 1<sup>st</sup> and 2<sup>nd</sup> quarter results. The Dashboard will be used as a management tool for the Staff and the Board to improve efficiencies. The Dashboard will be provided quarterly to the Board in committees .

**Public Affairs Report.** Matthew Brady provided an update on the following projects:

- Burton Waterline Extension – CDBG Project. This project will serve up to 40 new customers in the Ramsey and Glaze Drive areas. The project is sponsored by Beaufort County with BJWSA as sub-recipient. The design for the project is complete and will be bid when we finalize the easement agreement. BJWSA, through counsel and staff, has reached out to property owners to try and get an easement document signed. LCOG has been given a “slow progress” letter from the Department of Commerce. The next step, if we cannot get an easement signed, will be to evaluate condemnation procedures.
- Purrysburg Gravity Sewer Extension – CDBG Project. This project will serve up to 40 new connections. Construction continues on this project, and should be finished by the end of March 2013. Most residents have been signed up with BJWSA for either new accounts or the addition of sewer to existing bills.
- Bluffton Gravity Sewer Extension – CDBG Project. This project is throughout the Buck Island Rd. – Simmonsville Rd. corridor.
  - Phase II (Simmonsville Road) water and sewer main extensions are complete.
  - The Village Renaissance Phase water and sewer extensions are complete.
  - Phase III, including areas at the intersection of Buck Island and Simmonsville Roads, is currently being designed by the Town’s consulting engineer, HGBD.
- Sewer Rehabilitation Project.
  - Downtown Beaufort.- Gravity sewer lining work nearing completion in this area. Asphalt overlays upcoming. CIPP has been completed, and affected roads will be overlaid as weather permits by the end of the 1<sup>st</sup> Quarter.
- Stuart Point Waterline. We have reached out to LCOG and Councilman Dawson to ensure them that BJWSA stands ready to aid in this process however, we can. At this point, it looks like they will pursue funding once more in the spring competitive round. The community members have been notified, and several have contacted me and expressed their interest in galvanizing community support. It will take significant support from the entire community for this project to progress.
- Palmetto Street Waterline Replacement. We are replacing a two-inch waterline on Palmetto Street in Polk Village. The line is an old galvanized pipe, causing water quality (i.e, red water) issues, and is being replaced with PVC pipe. Our crews are doing the work themselves on this project.

*A copy of the memo to Ed Saxon, from Matthew Brady, dated February 18, 2013 is attached to these minutes and is made a part hereof.*

## COMMITTEE REPORTS

### Executive Committee

Chair, Brandy Gray reported that the Executive Committee had no activity to report at this time.

### Capital Projects

Committee Chair, Bell reported that the Capital Projects did not meet and gave an update on CIP and developer project activity. *A copy of the CIP Update dated February 18, 2013 is attached to these minutes and is made a part hereof.*

### Finance

Committee Chair, Von Harten reported that the Finance committee met on February 21, 2013. The following report was given:

- Interim Financial Statements. Total revenues for January were \$821 thousand under budget, while total operating expenses (including depreciation) are \$672 thousand under budget. January was a good revenue month in that January revenues were \$334 thousand over budget, which is not typical in the lower production months. Ratios remain strong and operating cash of \$16.8 million remains well above the 3-month minimum of \$9.8 million.
- FY14 Budget Status. The staff is currently wrapping up revenue projections, which are challenging due to decline in revenues this fiscal year. Managers are working on expense workbooks, which are due at the end of February. The staff is continuing to shape FY14 budget with the foundation that we will be using two years to offset the reduction in non-operating revenue. March's meeting will include a more detailed discussion of the FY14 budget as staff will have revenue projections and preliminary expense budgets completed.
- Finance Committee Charter. The Committee discussed the revised Finance Committee Charter and agreed with the changes made to the document. The Charter will be included in the Board Handbook that will be given to the Board for further review at the ~~February~~ <sup>MARCH</sup> Board meeting.

*A copy of the Financial Report dated January 31, 2013 is attached to these minutes and is made a part hereof.*

### Personnel

Committee Chair, Gen. O'Neal reported that the Personnel Committee met on February 19, 2013. He highlighted the following topics listed on the Personnel Committee Agenda and Minutes dated February 19, 2013. *A copy of the Personnel Committee Agenda and Minutes dated February 19, 2013 is attached to these minutes and is made a part hereof.*

- Employee Handbook. An executive summary of changes was provided and the working draft will be placed in the dropbox.

- Board Handbook. Will discuss in March with approval in April. It was discussed that the Bylaws needed to be revisited. David Lott will provide proposed changes to the executive committee and Erin Dean for review.
- Building Bench Strength. Options for leadership training and budget challenges were discussed with Ed Saxon defining a strategy.
- Climate Proposal. The intent is to schedule an employee opinion survey for Spring of 2014 of 4 areas; Commitment, Culture, Compensation, and Communication. This item has been included in the budget.
- Technology Gap. In progress of developing IT budget plan for next year. Chris Petry will provide a plan for presentation to the full board in late spring.

*A copy of the Personnel Committee Agenda and Minutes dated February 19, 2013 is attached to these minutes and is made a part hereof.*

### **OLD BUSINESS**

There was no old business to discuss.

### **NEW BUSINESS**

#### BJWSA Email Accounts for Board Members.

Jon Lohr and Chris Petry gave a brief tutorial on how Members access their new email account through the BJWSA website and provided an instruction brochure .

### **PUBLIC COMMENT**

There were no public comments.

9:10

### **EXECUTIVE SESSION**

1. Discussion of Personnel Matters.
2. Receipt of Legal Advice.

***Motion:** Secretary/Treasurer Lorraine Bond moved, seconded by John Rogers, to move into executive session to discuss personnel matters and receive legal advice. All voted in favor of, none opposed.*

**Motion passed unanimously.**

### **RECONVENE**

***Motion:** David Lott moved, seconded by John Rogers, to reconvene regular session. All voted in favor of, none opposed.*

**Motion passed unanimously.**

***Motion:** Donna Altman moved, seconded by John Rogers, to appoint Ed Saxon as General Manager. All voted in favor of, none opposed.*

**Motion passed unanimously.**