

## **MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON OCTOBER 27, 2011.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, October 27, 2011 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; B.G. "Pat" O'Neal; John Rogers; Dr. Bill Singleton; Mark Snyder; Skeet Von Harten and Charlie White.

Staff in attendance: Dean Moss, General Manager; Ken Griffin, General Manager; Ed Saxon, Deputy General Manager; John Wells, Director of Administrative Services/HR Manager; Dottie Hofmann, CFO; Matthew Brady, Communications Manager; Charles Sexton, Director of Engineering; Joe DeVito, Director of Field Operations; Chris Petry, Director of Treatment; Sarah Linkimer, Controller; Tricia Kilgore, Capital Projects Manager; Will Bettis, Purchasing Manager; Mark Field, Chief Water Operator, Chelsea; Kevin Sexton, Chief Water Operator, Purrysburg; and Libby Breland, Executive Assistant/Clerk to Board.

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

Guests in attendance: Councilman Brian Flewelling, Beaufort County, (District 9-Burton).

### **CALL TO ORDER**

Chairman Brandy Gray called the meeting to order at 8:00 a.m. and announced that a quorum was present. Skeet Von Harten gave the invocation and the Pledge of Allegiance followed.

### **APPROVAL OF MINUTES**

**Motion:** Moved by John Rogers and seconded by Bill Singleton, to approve the Minutes of the Regular Board of Directors meeting of September 22, 2011.

**Motion passed unanimously.**

### **PUBLIC COMMENT**

Chairman Brandy Gray welcomed and recognized the attending guests.

### **GENERAL MANAGERS REPORT**

Ken Griffin, General Manager, thanked the Board for the opportunity to serve them and BJWSA's customers and BJWSA's outstanding staff. He stated that he is quite willing to adapt his style to the Board's needs. He reported on the following issues:

- September 2011 Safety Report. There were 3 calendar days since the last preventable lost time case as of October 1, 2011 with 0 recordable injuries, 2 Near Miss reports and 65 Take Two's completed. Communication training is focusing on ensuring each manager and employee freely and effectively communicates important safety issues. *The Safety Report for the month of October 1, 2011 is attached to these minutes and is made a part hereof.*
- 16" Waterline Repair. Repair of 16" waterline was completed on schedule with no outages to our customers. Although our past inspections had shown this line to be in very good condition, the exposed section was probably damaged during the relocation of the road. This indicated the importance of adding condition and criticality scoring for each pipe segment and for each of our assets in our asset management system. This sounds simple but it is an enormous task to collect this data as we have in excess of 100,000 assets. We are developing a simple cost-effective system using our GBA software and plan to collect this data with our staff and selected student interns.
- Tour with Congressman Joe Wilson. Staff gave a tour on September 30 of the improvements on Parris Island. Congressman Joe Wilson noted the efficient work of the crews in repairing the 16" water line and he was very impressed with the \$42M in Initial System Modifications (ISM's) BJWSA has made since taking over the system. Ed Saxon and Charles Sexton prepared a very clear map showing each of the improvements. Dean Moss, Ed Saxon, Charles Sexton and Al Legare have done an outstanding job completing these projects.
- Riverport Project. A Development Agreement was reached with the developers, Strafford Land LLC, for a very large mixed use project in Hardeeville. Capacity fees will be approximately \$1.4M, which will be paid by the end of the year. Build out translates into 5.9mgd water and 4.2mgd wastewater. We will be extending a 36" water line to serve this large project and future growth in this south west portion of our service area.
- Confluence Conference, (SC, NC & GA). Ed Saxon and Chris Petry made a very impressive presentation at the Confluence Conference of their successful work to forge a bi-state Agreement that significantly reduces pollution loading into the Savannah River.
- The Association of Metropolitan Water Agencies (AMWA) Annual Meeting. Dean Moss and BJWSA were honored during the AMWA Annual Meeting in Newport Rhode Island, October 17, 2011 with AMWA's top utility management award, the "Platinum Award". The Platinum Award is given in recognition of public drinking water systems that exhibit high levels of performance across ten effective utility management categories. BJWSA is one of nine utilities nationally to receive this award in 2011.
- Area Wide Optimization Program (AWOP) Award. The Chelsea WTP and the Purrysburg WTP both received the AWOP Award which recognizes maximizing public health protection through increasing water quality at surface water treatment plants. Mark Field and Kevin Sexton were recognized for their efforts. The Chelsea WTP has been recognized with this award for nine (9) years in a row. The Purrysburg WTP has received this award seven (7) years in a row. Mark Field and Kevin Sexton were both recognized and applauded for their outstanding efforts.
- Meeting with Hilton Head Island PSD. The GM and Charles Sexton attended a presentation by Dr. Richard Spruil on the advance of saltwater into Hilton Head wells. His focus, and that of his clients, Hilton Head PSD and South Island PSD,

continues to be utilization of groundwater, including recommending drilling new wells. BJWSA has been successful in providing increased surface water to the Hilton Head PSD and Broad Creek and we will increasingly continue to provide them an attractive alternative. This is good for the environment and good for our finances. This is part of the much larger issue of groundwater use that should be one of our focuses in the months/years to come.

- Public Hearing November 17<sup>th</sup>. The November 17<sup>th</sup> Board meeting will be set to hold the public hearing adopting the updated *Sewer Use Regulations*, which includes the *Industrial Pretreatment Program*, *Grease Trap Standards* and the *Development Policy and Procedure Manual*. A Resolution will be necessary to adopt the Sewer Use Regulations.

Matthew Brady reported on the following issues:

- Community Projects Updates. A summary sheet was provided to the Members identifying several projects taking place throughout the community. *A copy of the memo to Ken Griffin and from Matthew Brady dated October 20, 2011 is attached to these minutes and is made a part hereof.*
- Sewer Use Regulations Communications Plan. A draft of the *Sewer Use Regulations*, *Industrial Pretreatment Program*, *Development Policy and Procedure Manual*, and the *Grease Trap Standards* was sent to the municipalities and professional contacts.
- Free Chlorine Switch. The switch to free-chlorine will begin December 3, and will follow last year's plan. The military will be notified, and a press release will be issued . It will also be added to the front page of the website during that time. BJWSA will temporarily change the method of disinfecting the drinking water as part of a routine maintenance program for the water distribution system.
- Employee Climate Survey. Approximately 80 surveys have been received so far, the personnel committee will present the results and comments once tabulated.
- Group Tours. Several groups of school students toured our facilities. They were very interested in the treatment processes. We have also received many great comments for the video of our water treatment process that was locally produced.
- Customer Focus Group. The focus group feedback is scheduled for November 5, 2011. Customers are chosen randomly to participate and we provide a small incentive.

## **COMMITTEE REPORTS**

### **Capital Projects**

Committee Chairman, Skeet Von Harten, reported that the Committee met at the Port Royal Island Water Reclamation with staff on October 19, and then toured Parris Island and reviewed the status of the CIP. Committee will take action at the next committee meeting on the Sewer Use Regulations. Pat O'Neal has one concern with the document and will express later. Items requiring action by the full Board will be presented under New Business. Several key projects were highlighted.

## **Finance**

Committee Chair, Lorraine Bond, reported that the Committee met on Thursday, October 20, and received the following updates:

- **Interim Financial Statements.** The Financial Statements and the key ratios were reviewed. Total revenues are \$311 thousand above budget through September and \$879 thousand higher than prior year. Total Operating expenses (including depreciation) are \$164 thousand under budget through September. Capacity fees are \$350 thousand under budget year-to-date. Operating Cash of \$12.7 remains well above the 3-month minimum of \$9.35M.
- **Call Center Metrics.** The September call center metrics continued to show a drop in the abandonment rate and call wait times compared to last year.
- **FY 2011 Audit Results.** Bonnie Cox & Bobby Smith, Cherry, Bekaert & Holland presented the 2011 Audit Results. The audit went smoothly, fieldwork finished up early and they were ready to issue a “clean” opinion. There were no recommendations or audit adjustments for the 2011 Fiscal Year. The 2011 Financials Statements and CAFR and the 2011 Audit results will be presented at the November Board meeting.
- **State Revolving Fund Loan.** Trish Comp at the SRF has announced that all BJWSA outstanding loans with SRF will receive an interest rate reduction to 2.25%. This will include the Sewer Rehab loan BJWSA just closed. The interest rate for the current year is also 2.25%. Also, for all AA and higher credit ratings, the debt service reserve requirements will be refunded. This amounts to approximately \$1.2M of debt service reserves will be refunded and will move from restricted cash to unrestricted cash. There will be resolutions at a future Board meeting to authorize these transactions.

## **Personnel**

Committee Chairman, Dr. Bill Singleton, reported that the Personnel Committee met with staff on October 18, 2011 and received the following updates:

- **Sewer Use Regulation.** Including Industrial Pretreatment Program, Grease Trap Standards and the Development Policy and Procedure Manual.
- **Recruiting and Hiring Update.** Various positions have been filled or recruitment. A demographic comparison will be shared next month.
- **Climate Survey.** A survey was distributed to all employees to complete and return to Public Affairs.
- **SC Illegal Immigration and Reform Act.** The SC IRA was amended in June 2011 to impose new requirements of South Carolina employers and new penalties for noncompliance. As a part of the verification procedure, employers are required to obtain a document with a picture of the employee and will need the employee’s social security number in order to verify the employee’s legal status. Subsequent penalties could apply. E-Verify, is an Internet-based system that confirms employment eligibility by comparing information from an employee’s Form I-9, Employment Eligibility Verification, to data from Social Security Administration records and U.S. Department of Homeland Security records relating to employment-based visas, immigration and naturalization status, and U.S. passport issuance.

- United Way Campaign. The United Way Campaign is underway and like in years past with the tremendous employee participation, we should meet our goal set of \$15,000.00.
- Employee Health Screening. A Worksite Health Screening is scheduled for November 3, 2011 for BJWSA employees and subscribers of the State Health Plan. Employees will have the opportunity to receive additional tests for their respective costs.
- Dean Moss Farewell Lunch. A luncheon with the employees will be held for Dean Moss' retirement under the shed at the Chelsea Water Treatment plant on Thursday, November 3, from 2:00-4:00pm. All Members are invited to attend.

## **OLD BUSINESS**

**Request from Beaufort County Council for BJWSA to Consider Allocating \$100,000 to be used by Beaufort County to fund Design and Engineering for Development of the RoW to a Pedestrian and Bike Trail.** At the September 22 meeting, Chairman Gray charged the Finance Committee to review the County Council's request. Lorraine Bond, Committee Chair, reported that the Committee received the staff's recommendation and with careful consideration recommended not to fund the request. It is BJWSA's long-term plan to recover the total cost of the railroad right-of-way purchase.

**Motion:** Moved by Committee Chair, Lorraine Bond, (no second required) agrees with staff's recommendation not to fund the request of BJWSA allocating to the County \$100,000 from the sale of the Port Royal Railroad materials.

**Motion passed unanimously.**

## **NEW BUSINESS**

### **Capital Improvement Program.**

Committee Chairman, Skeet Von Harten asked Charles Sexton to present the following CIP requests before the Board:

#### *1. CIP Project Scope and Budget Additions FY 12-14.*

- CIP #22135 MTU Range School in the amount of \$15,000. This project involves installing water and sewer services to the new MTU Range School building. This work has been submitted for a contract mod to NAVFAC SE and is pending approval.
- CIP #22136 MTU Range Ops in the amount of \$15,000. This project involves installation water and sewer services to the new MTU Range Ops building. This work has been submitted for a contract mod to NAVFAC SE and is pending approval.
- CIP #22138 3<sup>rd</sup> Battalion Waterline Relocation in the amount of \$7,000. This project involves relocating an existing 6" waterline installed as part of the 3<sup>rd</sup> Battalion project. 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 #22135, in the amount of \$15,000, CIP #22136, in the amount of \$15,000, CIP #22138, in the amount of \$7,000 be approved as presented and referenced in the Memorandum to Ed Saxon, and from Charles Sexton dated October 17, 2011.

**Motion passed unanimously.** *A copy of the referenced Memorandum dated October 17, 2011 is attached to these minutes and is made a part hereof.*

3. *Contract Award*

- CIP 21322 Materials for Purrysburg Road Waterline. Charles Sexton presented the scope of the project. This project consists of the construction of a 36-inch waterline along Purrysburg from Becks Ferry Road to Highway 17, and a connection across the New River from Levy to New Riverside, approximately 58,000 feet of waterline. The project is funded with an SRF loan. BJWSA's engineers, Brown and Caldwell, has certified the bids and recommends award to US Pipe for the pipe and fittings in the amount of \$6,433,290.41 and to Carotek, Inc. for the valves in the amount of \$217,750.

**Motion:** Moved by Committee Chair, Skeet Von Harten (no second required) that Contract Award for CIP #21322, be approved to US Pipe for the pipe and fittings, in the amount of \$6,433,290.41 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton and from Tricia Kilgore dated October 18, 2011.

**Motion passed unanimously.** *A copy of the referenced Memorandum dated October 18, 2011 is attached to these minutes and is made a part hereof.*

**Motion:** Moved by Committee Chair, Skeet Von Harten (no second required) that Contract Award for CIP #21322, be approved to Carotek, Inc. for the valves in the amount of \$217,750 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton and from Tricia Kilgore dated October 18, 2011.

**Motion passed unanimously.** *A copy of the referenced Memorandum dated October 18, 2011 is attached to these minutes and is made a part hereof.*

**PUBLIC COMMENT**

No comments were provided.

**EXECUTIVE SESSION (8:55)**

**Motion:** Moved by John Rogers, and seconded by Charlie White to move into Executive Session to discuss personnel matters.

**Motion passed unanimously.**

**RECONVENE**

The meeting reconvened.

**Motion:** Moved by Michael Bell, and seconded by David Lott, that Dean Moss be allowed to purchase the vehicle he is currently using upon his retirement and that Dottie Hofmann, CFO, be allowed to negotiate on behalf of the Board the purchase price of the automobile.

**Motion passed unanimously.**

**ADJOURNMENT**

Chair, Brandy Gray adjourned the meeting at 9:30 a.m.

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

Attachments on file.