

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

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, January 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:

Present: Brandy Gray, Chairman; Michael Bell, Vice-Chair; Lorraine Bond, Secretary/Treasurer; Donna Altman; David S. Lott; John Rogers; Bill Singleton; Skeet Von Harten and Charlie White. B.G. "Pat" O'Neal and Mark Snyder attended via telephonically.

Absent:

Guests:

Paul Sommerville, Vice-Chairman, Beaufort County Council (District 7-Ladys Island/Beaufort) and Gerald Dawson, Beaufort County Council, (District 6-Sheldon/Dale/Lobeco).

BJWSA Members of Staff: Dean Moss, General Manager; Ed Saxon, Deputy GM, Operations; Dottie Hofmann, CFO; John Wells, Director of Administrative Services; Libby Breland, Administrative Assistant and Mandy Abbott, Communications Administrative Assistant.

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

CALL TO ORDER

Chair, Brandy Gray, called the meeting to order at 9:05a.m. and announced that a quorum was present. Charlie White gave the invocation and the Pledge of Allegiance followed.

RECOGNITION OF NEW BOARD MEMBERS, DAVID S. LOTT AND W.R. "SKEET" VON HARTEN

Chairman Brandy Gray recognized David Lott and Skeet Von Harten as officially voting members to the Board now making an 11-member Board.

RECOGNITION OF DAVID M. TAUB, Ph.D., FOR HIS YEARS OF SERVICE

Chairman Brandy Gray read into record a Resolution recognizing Dr. Taub for his years of service on the BJWSA Board and presented him with the traditional water meter plaque and an engraved gavel. Dr. Taub thanked the Board for their recognition and received a round of applause.

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 and Mark Snyder are attending this meeting telephonically”.*

APPROVAL OF MINUTES

Chair, Brandy Gray, requested a motion to approve the minutes of the Regular Board of Directors Meeting of December 16, 2011 Minutes.

Motion: Lorraine Bond, moved, seconded by Donna Altman, to approve the Minutes of the regular Board of Directors meeting of December 16, 2010. No discussion, the motion passed unanimously.

PUBLIC COMMENT

Chair Brandy Gray, welcomed and recognized the attending guests. No comments were given at this time.

GENERAL MANAGERS REPORT

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

- December Safety Report. There were 3 calendar days since the last preventable lost time case as of December 31 with 13 Near Miss reports and 18 Take Twos completed. *The Safety Report for the month of December 2010 is attached to these minutes and made a part hereof.*
- Safety Stand Down. He reported that a meeting will be held on February 15th of all employees to reinforce the importance of safety.
- Savannah Harbor Dredging and Expansion Project. The Savannah River Maritime Commission submitted their comments to the U. S. Army Corps of Engineers. The COE will now review all the comments. South Carolina is not supporting the project as it has been defined by the COE. In the Commission’s opinion, the environmental costs are too great and the project will not allow for the development of the Jasper Ocean Terminal. He will be drafting a statement for adoption by the Commission saying what the Commission will support. He will be meeting with South Carolina Governor Haley next week
- State Ethics Commission. Filing of the 2011 (2010 disclosures) Statement of Economic Interest (SEI) report is due and all Board Members are required to file. Libby Breland will be working with the Members and required staff to file electronically by the deadline of April 15th.
- Beaufort County Conflict of Interest Statement. The County requires all county appointees serving on a Board (Altman, O’Neal and Von Harten) to file a Conflict of Interest Statement. Submit the completed forms to Libby Breland and she will forward it to the County.
- ABC Television Reality Show, Extreme Makeover: Home Edition. Dean Moss thanked the Director of Operations, Joe DeVito, and Supervisor, Kenny Hanna, and his crew for their efforts removing and installing new taps for the EM:HE project for a family in Beaufort.

Public Affairs Report

Dean Moss reported on the following issues:

Community Projects Update.

North of the Whale Branch, Dale Waterline Extension – The third phase is complete, 200 residents have been connected to the Dale system and there is the capability to serve many more.

Town of Bluffton, Buck Island Road - Construction is nearly complete, and the Town of Bluffton is working on getting all of the LMI residents to sign up for the free connection. Town officials and LCOG are working with BJWSA in order to produce a list of all customers (and future customers) in that area. Connection will begin soon.

Town of Bluffton, Simmonsville Road - construction will be underway soon.

The NewsSplash Customer Newsletter. The newsletter has been mailed out from the distributor. Customers should be receiving them in the mail soon.

Free Chlorine Switch. A date has been set for the beginning of the SOB free chlorine switch, February 11 through February 25. BJWSA will be notifying customers through its normal PR channels, and with the Sun City, Hilton Head cable.

BJWSA Website. The site has a new search engine and has experienced approximately 9,000 visits, focusing mostly in order of the front page, payment options and the employment page.

COMMITTEE REPORTS

Executive

The Executive Committee did not meet therefore no report was given.

Capital Projects

Committee Chairman, John Rogers reported that the Capital Projects Committee met with staff on January 19 and reviewed the status of the CIP and developer projects. A contract award for engineering services requiring Board action will be brought before the Board under New Business as well as a request for modification to the FY09-FY11 CIP Plan. *The Memorandum from Charles Sexton dated January 14, 2011 CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Committee Chairman, Lorraine Bond reported that the Finance Committee met with staff on January 20 and received the following updates:

- **Financial Report.** Total operating revenues were approximately \$422,000 over projection year-to-date. Total year-to-date operating expenses, excluding depreciation, are under budget by \$92,000. Capacity fees are \$407,000 under budget year-to-date. Total Capacity fees received in December were \$4.6 thousand.
- **Call Center.** The abandonment rate and call wait times went down and the call center consultant will come back in a couple of weeks to continue to work on coaching skills with all of the customer service representatives.

- External Audit Services RFP. Request for proposals have been posted on the BJWSA website and also on the South Carolina Materials Management Office website. Proposals are due by February 16, 2011. After the review process, staff hopes to bring a recommendation to the Board in March.

Personnel

Committee Chairman, Michael Bell reported that the Personnel Committee met with staff on January 18 and received the following updates:

- Safety Initiatives. The Safety Stand Down program was discussed as was the Take Two process and its effectiveness. The staff was asked to keep the committee informed of the safety procedures and what's being done to reduce the incidents.
- Recruiting and Hiring Actions. A field operator I position has been filled. Two positions are still vacant, wastewater operator and water operator trainee which should be filled within the next 30 days.
- Workers Compensation Program. Historical comparison was discussed, status of workers compensation cases, the experience modification rating and the drug and alcohol screening process.
- Supervisory Training. Training is still ongoing through the participation with Georgia Southern in Savannah.
- Rail Road Right of Way. Dean Moss provided an update.

OLD BUSINESS

There was no Old Business to discuss.

NEW BUSINESS

Contract Award Presented.

CIP # 22085, Engineering Services Award for Laurel Bay Sewer Assessment Project to HDR in the amount of \$295,000. This project consists of assessing the gravity sewer system at Laurel Bay military housing area. A limited inspection of the system revealed deformities in the existing sewer lining installed in 1996. The extent of and risk posed by the deformities is unknown therefore an assessment needs to be performed. The project will also complete a video inspection of approximately 80,000 feet of gravity sewer. The project will be funded from military sewer capital.

Motion: On behalf of the Capital Projects Committee, John Rogers, moved the adoption of the engineering services award for the Laurel Bay Sewer assessment project to HDR in the amount of \$295,000 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Tricia Kilgore dated January 13, 2011. A second was not required, a vote was held and the motion passed unanimously.

FY 09-11 Capital Improvement Plan Modification.

CIP #21450, Security Upgrade for the Chelsea Water Treatment Plant, Gate Phase 3 in the Amount of \$90,000. This project includes the replacement of the gate, opening mechanism and access system for the main entrance of the Chelsea Water Treatment

Plant. The existing gate opening mechanism recently broke and because it is also obsolete, new parts for the repair cannot be obtained, so it must be replaced. A new card reader will replace the keychain access system which is also obsolete. The project will improve security and safety at the Chelsea Water Treatment Plant.

Motion: On behalf of the Capital Projects Committee, John Rogers moved, the adoption of CIP#21450, as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton, from Tricia Kilgore dated January 10, 2011. A second was not required, a vote was held and the motion passed unanimously.

PUBLIC COMMENT

No comments were noted.

EXECUTIVE SESSION

Motion: Gen. O’Neal moved, seconded by John Rogers, to move into Executive Session for the purpose of discussing personnel matters related to the hiring/recruiting of the General Manager. A vote was held and the motion passed unanimously.

RECONVENE

Motion: A motion was made by John Rogers, seconded by David Lott, to return to regular session.

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 and Mark Snyder were 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

Chairman Brandy Gray asked for a motion to adjourn.

Motion: Gen. O’Neal moved, seconded by John Rogers, to adjourn the meeting at 10:30am. Non-Debatable, the motion passed unanimously.

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Attachments: Safety Report dated December 2010, CIP and Developer Update Memo dated January 14, 2011, Financial Report dated December 31, 2010.