

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON JUNE 27, 2013

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, June 27, 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 present: Brandy Gray, Chair; Lorraine Bond, Secretary/Treasurer; Donna Altman; David Lott; General Pat O'Neal; John Rogers; Dr. Bill Singleton; James Scott; and Skeet Von Harten.

Members of the Authority absent: Michael Bell, Vice Chair;

Staff present: Ed Saxon, General Manager; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Chris Petry, Chief Operating Officer; Joe Devito, Director of Field Operations; Tricia Kilgore, Director of Treatment Operations; Will Bettis, Purchasing Manager; Matthew Brady, Communications Manager; Brian Chemsak, Capital Projects Manager; Dick Deuel, Developer Projects Manager; Sarah Linkimer, Controller; Julie Voges, Human Resources Manager and Libby Breland, Executive Assistant/Clerk to Board.

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

Public present: Jack E. Burke, resident of the Town of Hilton Head, (*prospective Member of the Authority-Legislative Delegation appointee by the Town of Hilton Head*); Donald A. Manson, resident of Sun City (*prospective Member of the Authority-Beaufort County Council appointee*); Brian Flewelling, member, Beaufort County Council (District 9-Burton 2), William Ladson, former member, Beaufort County Council, 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. Ed Saxon gave the invocation and the Pledge of Allegiance followed.

(Telephonic Statement)

No members attended telephonically.

APPROVAL OF MINUTES

Motion: Moved by John Rogers, seconded by Gen. Pat O'Neal, to approve the minutes of the May 23, 2013 board meeting as written and distributed to the Members of the Authority, *All voted in favor of approval, none opposed.*

Motion Passed Unanimously.

PUBLIC COMMENT

Bill Ladson, expressed his appreciation for the contributions made by the water authority serving the community.

GENERAL MANAGERS REPORT

Ed Saxon, General Manager, reported on the following issues:

- Safety Report & Safety Survey -1 non-preventable minor incident occurred. Currently ~ 300k safe work hours without LWC. Over 300 Take Twos were completed, a great month. *Safety Report dated June 1, 2013 is attached to these minutes and is made a part hereof.*
- Hwy 17 Waterline Ext SC Rural Infrastructure Authority Grant Application - Unfortunately, we failed to receive funding & again, no Jasper County projects were funded. Additional funds will be available next year with more of a focus on projects supporting economic development.
- Annual Military Meeting- Held on Tuesday 6/25. Less NAVFAC & Installation personnel attended this year. Overall a good meeting. Reviewed schedule for the 3rd price redetermination which will occur in FY15.
- Spanish Moss Trail- A 2.2 mile section of the trail from Allison to Ribaut Rd has been funded (\$1.1M) & construction should start soon. Completion of the section will result in the trail extending from Depot Rd to Ribaut Rd.
- Beaufort & Jasper Legislative Delegation Meetings-The BCLD (Davis, Campsen, Pinckney, Hodges, Erickson, Newton, Herbkersman, Bowers, & Patrick) met last night. Mr. Lott's, Mr. Burke's & Mr. Manson's appointment letters are still at the Governor's office awaiting her signature. The JCLD (Herbkersman, Bowers, Newton, Davis & Pinckney) did not meet and have not set a meeting date. The JC Delegation did propose Jimmy Baker (Palmetto Co-Op VP Marketing & Public Relations) to replace John Rogers and Ridgeland Town Council endorsed the recommendation.
- Certificate of Achievement for Excellence in Financial Reporting-This award is the highest form of recognition in government accounting and financial reporting. The award was given for our FY12 CAFR and is the ninth consecutive year we have received the award. Great work by Sarah Linkimer and her staff as well as Matthew.
- Reopen Beaufort River for Shellfish Harvesting - We received notice that DHEC has proposed to reopen a section of the Beaufort River from Albergotti Creek to Parris Island for shellfish harvesting. This is a direct result of BJWSA closing the Southside, Shell Point, Parris Island and MCAS WWTPs in 2006 and diverting the flows to the regional Port Royal Is WRF. The state of the art PRIWRF provides a much higher level of treatment. BJWSA cooperated with DHEC and the FDA top run dye tests in the river to support this water quality standard reclassification. The Public Notice is out and the legislature should approve this during their 2014 session.

- Admin Building Reception/Customer Service Area Security Upgrades -This project is going well and should be completed by the end of August.
- Savannah Harbor Deeping Settlement-The Maritime Commission, DHEC, environmental groups, COE and Georgia Ports Authority have settled their lawsuit. The agreement requires that COE/GPA complete a field test of the proposed river oxygen injection system to demonstrate its effectiveness in mitigating the dissolved oxygen impact caused by the deepening. DHEC and the maritime Commission will evaluate and have to agree with the results of the test. The agreement also requires GPA to provide \$15 million conservation efforts in the Lower Savannah watershed which BJWSA will directly benefit from by having more land in our drinking water basin placed in conservation easements.
- May River Water System -The May River Water Company has offered to give BJWSA this system and the associated customers. The system is currently on groundwater and is located just outside Bluffton on Hwy 46 and serves ~ 35 customers. We are completing our due diligence and expect to have an agreement in place in 60-90 days. It will cost BJWSA less than \$100,000 to extend water and fire protection to the system.
- Directors and Officers Insurance - Ken Jordan, as outlined in a memorandum dated June 24, 2013, received three (3) quotes, Rockhill Insurance Co., RSUI Group, Inc., and Darwin Select Insurance Company. The staff asked for approval. Further discussions will be held in executive session.
- Strategic Focus Plan. An update will be provided to the Board at the July Board meeting.

A copy of the detailed General Manager's report dated 6/27/13, is attached to these minutes and is made a part hereof.

Public Affairs Report

Matthew Brady highlighted community events and provided a summary memo dated June 18, 2013, identifying several projects taking place throughout the service area:

- Burton CDBG – The construction contract has been approved by Commerce. Work should begin in July.
- Stuart Point Waterline CDBG (potential) – the grant would potentially provide water to over 80 LMI residents and we will know if funding is granted by mid-summer.
- Bluffton Today. Kathy Nelson interviewed Ed Saxon who will be featured in the Bluffton Today.
- 58th Annual Beaufort Water Festival- BJWSA will again be participating in the raft races, children's day and the grand parade.

A copy of the Community Projects Update memo dated June 18, 2013, is attached to these minutes and is made a part hereof.

COMMITTEE REPORTS

Executive Meeting

The Executive Committee did not meet, therefore had no report.

Capital Projects

Committee member Donna Altman, reported that the Capital Projects met on Wednesday, June 19, 2013 and provided an update on the CIP and developer project activity. Chris Petry presented the water quality report and the committee approved several agenda items that will be presented under new business.

A copy of the Capital Improvement Plan Update memorandum dated May 14, 2013 is attached to these minutes and is made a part hereof.

Finance

Committee Chair Skeet Von Harten, deferring to CFO, Dottie Hofmann, reported on the financial position:

- May 2013 Financials. Total revenues are \$844 thousand **under** budget, while total operating expenses (including depreciation) are \$1.2 million **under** budget. May's revenue fell under projections due to the amount and days of rainfall. While we are projected to end the year under budget in revenue, we are projected to have a positive bottom line due to the reduction in expenses.
- The Public Hearing. The public hearing for the proposed FY14 Operating Budget was held on Tuesday, June 18th at 5pm. No public was in attendance.
- 2014 Budget Resolutions-The Committee discussed the 2014 Budget Resolutions that will be presented today under new business.
- Banking Request for Proposal- The rating committee voted unanimously to award the banking contract to Wells Fargo. With Wells Fargo, BJWSA will recognize an annual savings of approximately \$25 thousand and will be implementing some new features that will improve efficiency.

A copy of the Financial Report dated June 20, 2013, is attached to these minutes and is made a part hereof.

Personnel

Committee Chair, General Pat O'Neal, reported that the Personnel Committee did not meet. The Personnel Committee's recommendation of approval for the proposed FY14 slate of officers will be presented under New Business, agenda item, Election of Officers.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Capital Improvement Program

Contract Awards Approval.

1. CIP #21622 – Albergotti Creek Bridge Waterline Replacement. SC DOT is in the process of starting a project to replace the existing 4-lane bridge over Albergotti Creek. BJWSA's existing 18" steel water main is currently located under the curb on the north side of the road and runs exposed at low tide through the bridge abutments, which are scheduled for demolition. The scope of work for this project involves two separate tasks, which will be handled under the following two contracts:

- Horizontal Directional Drill by **Carroll Enterprises, LLC** of Walterboro, SC, in the amount of **\$163,680**.
- Reconnecting Pipeline by **DuPriest Construction**, Port Royal, SC, in the amount of **\$112,925**.

Motion: Recommendation of approval of CIP #21622h Contract Award for Albergotti Creek Bridge Waterline Replacement, Horizontal Directional Drill to **Carroll Enterprises, LLC** of Walterboro, SC, in the amount of **\$163,680** and Reconnecting Pipeline to **DuPriest Construction**, Port Royal, SC, in the amount of **\$112,925**, as presented and referenced in the memorandum from Dick Deuel, dated June 14, 2013, came out of the Capital Projects Committee, *requiring no second*, *All voted in favor*, none opposed.

Motion passed unanimously.

2. CIP #21637 – Burton Waterline CDBG Project. This project consist of design and construction of approximately 5,000 FT of 8", 6", and 4" waterline, to serve approximately 30 properties on Ramsey Road, Glaze Drive and Ramblin Rd, off Broad River Rd. in Burton.

Motion: Recommendation of approval of CIP #21637 Contract Award for the Burton Waterline CDBG Project to **DuPriest Construction**, Port Royal, SC in the amount of **\$282,365** as presented and referenced in the memorandum from Dick Deuel dated June 14, 2013, came out of the Capital Projects Committee, *requiring no second*, *All voted in favor*, none opposed.

Motion passed unanimously.

CIP Project Budget Additions FY 13-15.

- CIP #21646 – Source Water Protection Plan Update for \$25,000. This project consists of updating the 2000 Source Water Protection Plan to identify any new discharges upstream of BJWSA's intake and developing a communication plan.
- CIP #21680 – Cherry Point WRF Belt Press Rehab for \$60,000. This project consists of rehabilitating one of the two belt presses at the Cherry Point Water Reclamation Facility.
- CIP #21681 – Emergency Generator Air Quality Compliance for \$250,000. This project consists of upgrading the emergency generators at the Chelsea WTP, Purrysburg WTP, Hardeeville WWTP, and Port Royal WRF to comply with the new EPA air quality regulations.

- CIP #21679 – Hwy.17 Limehouse to RiverPort Waterline for \$300,000. This project consists of laying approximately a mile of 12” waterline along Hwy. 17 from Limehouse to Riverport. This project will be funded by the developers of Riverport.

Motion: Recommendation of approval, for the CIP Project Budget Additions for FY13-15 as presented and referenced collectively in the memorandum from Charles Sexton, dated, June 17, 2013, came out of the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

CIP Project Modifications

1. CIP #21544 – Chelsea WTP Tube Settlers Replacement Scope & Budget Increase from \$200,000 to \$400,000. This project is the replacement of the tube settlers at the Chelsea Water Treatment Plant, safety grating and new sludge collectors.

Motion: Recommendation of approval of CIP #21544 Chelsea WTP tube settlers replacement scope & budget increase from \$200,000 to \$400,000, as presented and referenced in the memorandum from Tricia Kilgore dated May 20, 2012, came out of the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

2. CIP #21641 – Rehab Cherry Point WRF Headworks Scope & Budget Increase \$100,000 to \$400,000. This project is the rehabilitation of the headworks structure at Cherry Point.

Motion: Recommendation of approval, of CIP #21641 for the rehab of Cherry Point WRF Headworks scope and budget increase from \$100,000 to \$400,000, as presented and referenced in the memorandum from Tricia Kilgore dated May 20, 2012, came out of the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

Resolutions – for Adoption

Finance Committee Chair, Skeet Von Harten, deferring to CFO, Dottie Hofmann, presented the following Resolutions:

1. Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2014. The only change will be in the retail process water rates.

Motion: Recommendation of approval, of the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2014 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

2. Water Rates for Wholesale Customers for FY Ending June 30, 2014. There are no changes this year.

Motion: Recommendation of approval, of the Water Rates for Wholesale Customers for FY Ending June 30, 2014 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

3. Wastewater Rates for Wholesale Customers for FY Ending June 30, 2014. There are no changes this year.

Motion: Recommendation of approval, of the Wastewater Rates for Wholesale Customers for FY Ending June 30, 2014 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

4. Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2014. There are no changes this year.

Motion: Recommendation of approval, of the Capital Contribution Fees for FY Ending June 30, 2014 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

5. Ancillary Charges for FY Ending June 30, 2014.

Motion: Recommendation of approval, of the Ancillary Charges for FY Ending June 30, 2014 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

6. Fiscal Year 2014 Operating Budget. A Public Hearing was properly advertised and held at 5pm on June 18^h at the administration office of the Authority. There were no public in attendance therefore, no comments were received.

Motion: Recommendation of approval, of the Fiscal Year 2014 Operating Budget Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

Originals of the above Resolutions presented and dated June 27, 2013 are attached to these minutes and are made a part hereof.

Election of Officers.

Gen. Pat O’Neal, on behalf of the Personnel Committee, brought forth at the May meeting the following proposed slate of names to be officers of the Authority for FY 14: *Chair, David Lott; Vice Chair, Donna Altman and Secretary/Treasurer, James Scott.* Chair, Brandy Gray, opened the floor for additional nominations. With no other nominations received, Chair, Brandy Gray, closed the nominations.

Motion: Recommendation of approval for the proposed slate of officers for FY14, *Chair, David Lott; Vice Chair, Donna Altman and Secretary/Treasurer, James Scott,* came out of the Personnel Committee, *requiring no second, All voted in favor, none opposed*

Motion passed unanimously.

The following are members of each standing committee appointed by the Chair, with the concurrence of the majority of the Membership of the Authority for fiscal year 2014, effective July 1, 2013:

Executive Committee: Chair, David Lott; Donna Altman; Dr. Bill Singleton and Brandy Gray, immediate past Chair.

Finance Committee: Chair, Donna Altman; Skeet Von Harten; James Scott and Gen. Pat O’Neal/Donald Manson-beginning initial term.

Capital Projects Committee: Chair, Dr. Bill Singleton; Vacancy/Jack Burke-beginning initial term, and John Rogers/Jimmy Baker – beginning initial term.

Personnel Committee: Chair, Brandy Gray; Lorraine Bond; Michael Bell.

Board of Directors Leadership Award

On behalf of the entire Board, Gen. Pat O’Neal presented to Chair Brandy Gray, the Board of Directors Leadership Award. Gen. Pat O’Neal read into record, her many noted accomplishments and acknowledges her extraordinary contribution and standard setting performance as Chair and in going above and beyond what is expected of her position. Chair Brandy Gray accepted the Award with a standing ovation and round of applause.

A copy of the internal Nomination Release is attached to these minutes and is made a part hereof.

PUBLIC COMMENT

There were no additional public comments.

(9:05 a.m.)

EXECUTIVE SESSION

Motion: Secretary/Treasurer, Lorraine Bond moved, seconded by Donna Altman, to move into executive session to receive a legal briefing,

All voted in favor, none opposed.

Motion passed unanimously.

All persons were excused from the meeting. The general manager and chief officers remained for executive session.

(10:10 a.m.)

RECONVENE

Motion: John Rogers moved, seconded by Lorraine Bond, to reconvene regular session,

All voted in favor, none opposed.

Motion passed unanimously.

ACTION

No action was taken.

(Telephonic Statement)

No members attended telephonically.

ADJOURNMENT

With no further business, John Rogers moved, seconded by Donna Altman, to adjourn at 10:10 a.m.

All voted in favor, none opposed.

Motion passed unanimously.

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APPROVED: _____

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.