

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE  
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON  
NOVEMBER 15, 2012.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, November 15, 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; Chris Petry, Director of Administrative Services; Dottie Hofmann, CFO; Charles Sexton, Director of Engineering; Tricia Kilgore, Director of Treatment Operations, Joe DeVito, Director of Field Operations; Julie Voges, HR Manager; Matthew Brady, Communications Manager; Ken Jordan, Safety & Risk Manager; Jonathan Lohr, Manager of Information Systems; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Tammy Isham, Buyer; Patrice Whitmore, Senior Accountant; Leslie Bright, Accounting Specialist; Angie Murdaugh, Accounting Assistant; 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 Frank Turano, Alliance Consulting Engineers, Inc., Bluffton.

Auditors: Bonnie L. Cox, CPA, Partner, and Bobby A. Smith, Manager of Cherry, Bekaert & Holland, LLP.

**CALL TO ORDER**

Chair Brandy Gray, called the meeting to order at 8:05a.m. and announced that a quorum was present. Gen. Pat O’Neal gave the invocation and the Pledge of Allegiance followed.

**APPROVAL OF MINUTES**

October Deferred to December due to the short holiday month.

**PUBLIC COMMENT**

Chair Brandy Gray welcomed and recognized the attending guests. Councilman Brian Flewelling thanked the Board and staff for a quick response on an issue at the waterfront park.

## **PRESENTATION OF THE FY 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

Bonnie Cox, CPA, Partner, of Cherry Bekaert & Holland, LLP, Certified Public Accountants, telephonically gave an overview of the Audit results for the Financial Statements. She reported that there were no significant difficulties, no disagreements with management during the audit process, no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. Significant estimates included in the financial statement include the estimate of the allowance for doubtful customer accounts and assumptions made by previous actuary in other post-retirement benefits (OPEB) liability calculation, no corrected or uncorrected financial statement misstatements in the Audit. The overall outcome issued an unqualified opinion, or “clean” audit opinion.

Staff answered several questions from the Board regarding the underestimated \$2 million OPEB liability calculation made by the previous actuarial firm and if there was any recourse and the risk. Clarification for employee expense reimbursements reported as taxable wages was also discussed.

Dottie Hofmann recognized the accounting staff and their efforts during this audit process; Tammy Isham, Buyer; Patrice Whitmore, Senior Accountant; Leslie Bright, Accounting Specialist; Angie Murdaugh, Accounting Assistant; Jeanie Phillips, Accounting Assistant (Jeanie was unable to attend).

Sarah Linkimer gave a power point presentation on the FY 2012 Comprehensive Annual Financial Report (CAFR) highlights and financial challenges including: capacity fees being under budget, the restatement of prior year financials due to the OPEB actuarial calculation and New Riverside capacity fees. Hard copies are being bound by the printing company and will be distributed when completed. A copy of the 2012 CAFR will also be made available on BJWSA’s website at [www.bjwsa.org](http://www.bjwsa.org) and available upon request.

Finance Committee Chair, Skeet Von Harten noted that the Finance Committee and staff will give a report of corrective actions for the current FY 13 revenue shortfall to the Board in December and also will be looking ahead to develop a plan for future fiscal years. Dottie Hofmann hopes to get this information out in advance.

## **GENERAL MANAGERS REPORT**

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

- **BJWSA Safety Report.** It was the 4th consecutive month without a preventable lost time case as of today. We are at 138 consecutive days without a preventable loss time case. We did have 1 recordable injury in IT, a finger laceration. Both our recordable injury rate and our preventable lost day rate are much better than industry averages.  
*Michael Bell inquired about reporting the percentage of the Take Twos Completed against actual work orders performed.* Ken Griffin indicated that he would check on this and report back.
- **Management Dashboard.** We have completed development of our first monthly and quarterly management dashboard, which includes development of key performance

measures and standards and a clear color-coded one sheet summary of all performance to focus our managers attention and assist them in managing their responsibilities. We will be giving our managers a chance to suggest final edits and we will present it to you.

- Water Resources Development Act (WRDA). I continue to work with our US Congressional staff to ensure inclusion of our saltwater intrusion needs into the next WRDA.
- State Appropriations. I met Senator Tom Davis on the 5<sup>th</sup> and discussed the possibility of a state appropriation for the Authority for the water or wastewater improvements necessary to jump start the Hardeeville Industrial Park (HIP). He said it was a distinct possibility and was very interested in helping. At the HIP, there is a need to significantly improve fire flows. This is now possible with our new \$14M, 36" line. In essence, this \$14M pipeline will be our match for an appropriation of \$1M for new dual feed to the HIP. Sen. Davis is hopeful of being named to the Senate Finance Committee, will make this task easier.
- Leadership Communication Plan. As part of having effective leadership communication, I have met individually with many of our managers and with our full finance and administration staff and all staff at Cherry Point Waste Water Treatment Plant, Port Royal Island Water Reclamation Plant, and lab. I will be meeting with tech maintenance, and customer service staff in the coming weeks.
- Magazine Coverage. Matthew Brady and I were interviewed by the Water System Operator magazine and we emphasized our efficient utility management practices, SCADA, our new \$14M, 36" Purrysburg-Levy distribution main.
- Town of Bluffton. I met with Bluffton Town Manager Anthony Barrett. We discussed a number of new projects that he expects will materialize. He also expressed the need to develop a master plan for sewerage the May River Watershed. I explained our current fiscal challenge. I have scheduled a staff meeting to see if there is a way for us to jointly complete this master plan.
- Hostile Environment Training. We trained our supervisor staff in active shooter training & bomb threat training. Thanks to the Beaufort County Sheriff's Office, Captain Scott Johnson, who lead the class room training exercise.
- Veteran's Day Breakfast. We had a very good BJWSA's Veterans Day Breakfast on Friday at the Golden Coral. Special thanks to Mandy Abbott, with help from Libby Breland, and Dawn Bates. The Board was well represented by Skeet Von Harten.

*The Safety Report for October 2012, dated November 1, is attached to these minutes and is made a part hereof.*

**Public Affairs Report.** Matthew Brady provided a summary sheet dated November 5, 2012 identifying several projects taking place throughout the service area and highlighted the following projects and community events:

- Burton CDBG Waterline Extension - The design for the project is complete and will be bid out soon. We are still working with LCOG to finalize an easement document, then we will bid it out for the required 30 day period. 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 complete.
  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.

The Village Renaissance phase has started, and it will extend sewer to about nine residents. BJWSA continues to work with the Town to reach out to residents, and to determine appropriate addresses and accounts.

- Downtown Waterline Project. The project is complete and a punch list is nearly complete. BJWSA's contractor is working on record drawings and patches.
- Sewer Rehabilitation Projects:
  - Downtown Beaufort. This remains the only major sewer project that has not been completed. Gravity sewer lining work continues in this area. This project enhances sewer service for over 1,000 residents.
- Sawmill Creek. Residents in Sawmill Creek are interested in receiving water to their neighborhood. BJWSA staff is working with them through our community water program.
- Grober Hill Waterline – The water line is being extending in Port Royal on Grober Hill Rd. This project helps our system hydraulically by looping the line back into the existing line on Baynard. The project will potentially allow around a dozen properties to connect to our system.

Lorraine Bond noted that LLBH and Tommerville area reached out helping neighbors during a community event. Mandy Abbott prepared gift bags for Ms. Bond to hand out and Ms. Bond expressed her appreciation for the gifts.

*A copy of the memo to Ken Griffin, from Matthew Brady dated November 5, 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 did not meet. No items for approval.

### **Finance**

Committee Chair, Skeet Von Harten, reported that the Committee did not meet.

## **Personnel**

Committee Chair, Gen Pat O'Neal stated that the committee met on November 6 and discussed the following items:

- **Compensation Study.** The Committee is looking for trends and want someone to review performance management, trends, compensation and consider industry specific data. Budgeted \$15,000 to bring in selected consultants via GoToMeeting™ that will reduce the travel time and costs. Gen. O'Neal gave a demonstration and provided a user guide of the Go ToMeeting™. The end-state is to develop a working model of all-inclusive compensation that we can use to benchmark our policies and provides a ladder of fair compensation for performance.
- **Strategic Policy Review.** The Board wants to focus on policy. Staff will be compiling a complete list of organizational policies. The end-state of this initiative is to have a list of current policies along with an analysis and report.
- **Technology Gap.** To assess current approach and identify needs. The end-state is to develop a timetable and a detailed IT plan, adopting technology and what this technology does to our ability to serve customers and enhance employee effectiveness and efficiency.

*A copy of the newly formatted Personnel Committee Agenda dated November 6 Topic/Discussion/Action is attached to these minutes and is made a part hereof.*

## **OLD BUSINESS**

There was no Old Business to discuss.

## **NEW BUSINESS**

There was no New Business to discuss.

## **PUBLIC COMMENT**

No further comments were noted.

9:35 (5 minute Break)

## **EXECUTIVE SESSION**

**Motion:** **Donna Altman** moved, seconded by **Lorraine Bond**, 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:** **Lorraine Bond** moved, seconded by **Donna Altman** to reconvene into Regular Session. All voted in favor of approval, none opposed.

**Motion passed unanimously.**

**ADJOURNMENT**

Motion: **Michael Bell** moved, seconded by **Lorraine Bond** to adjourn the meeting at 10:20 a.m.


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

Attachments on file.