

MNUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON MARCH 24, 2011.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, March 24, 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-Chairman; Lorraine Bond, Secretary/Treasurer; Donna Altman; David S. Lott; B.G. "Pat" O'Neal; Bill Singleton; Mark Snyder; Skeet Von Harten and Charlie White.

Absent: John Rogers (out of town).

Guests:

Former Board Member Jim Carlen, Mrs. Meredith Carlen and Brian Flewelling, Beaufort County Council, (District 9-Burton).

BJWSA Members of Staff: Dean Moss, General Manager; Ed Saxon, Deputy GM, Operations; Dottie Hofmann, CFO; John Wells, Director of Administrative Services; Matthew Brady, Communications Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Mandy Abbott, Communications Administrative Assistant; Libby Breland, Administrative Assistant.

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

CALL TO ORDER

Chairman Brandy Gray called the meeting to order at 9:00a.m. and announced that a quorum was present. Dr. Bill Singleton gave the invocation and the Pledge of Allegiance followed.

RECOGNITION OF JAMES A. "JIM" CARLEN FOR HIS YEARS OF SERVICE TO BJWSA.

A framed timeline of the history of Jim Carlen serving on the Board of Directors was presented along with the traditional water meter plaque. Chairman Brandy Gray presented a Resolution recognizing Jim Carlen for his years of service to BJWSA. Jim Carlen thanked the Board and the staff and received a round of applause and standing ovation. *The Resolution recognizing Jim Carlen for his years of service to BJWSA was read into these minutes and is made a part hereof.*

APPROVAL OF MINUTES

Chairman Brandy Gray requested a motion to approve the minutes of the regular Board of Directors meeting of February 24, 2011.

Motion: Donna Altman moved, seconded by Charlie White, to approve the Minutes of the regular Board of Directors meeting of February 24, 2011. There was no discussion and the motion passed unanimously.

PUBLIC COMMENT

Chairman Brandy Gray welcomed and recognized the attending guests. Brian Flewelling thanked BJWSA regarding the asphalt paving at the intersections of the railroad crossings. Staff is working with Robert McFee, Director of Beaufort County, Public Services Department and SCDOT representatives regarding the railroad crossing at Ribaut Road and Port Royal to schedule removal of the tracks and resurfacing the intersection even though it is the SC Ports Authority's responsibility.

GENERAL MANAGERS REPORT

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

- **February 2011 Safety Report.** There were 53 calendar days since the last preventable lost time case as of March 1 with 8 Near Miss reports and 77 Take Twos completed. The first *Safety Stand-down* task force group is meeting this morning in the training room. Dean Moss displayed a calendar of the scheduled dates of all the tasks groups and thanked Ken Jordan, Safety and Risk Manager, and his staff for putting the task groups together. *The Safety Report for the month of February 2011 is attached to these minutes and is made a part hereof.*
- **General Liability Tort Policy.** As a result of a Board Member inquiry, John Wells reported that he had contacted BJWSA's insurance carrier, SC State Budget & Control Board, Insurance Reserve Fund, and confirmed that BJWSA does have Directors and Officers, including legal counsel, liability insurance of \$1M per occurrence. David Lott asked if this policy covers defense fees. John Wells noted that it does not, but that he is researching an additional policy, and will bring the information back to the Board.
- **SC Environmental Conference, Awards Received.** Ed Saxon announced that BJWSA received an award for BJWSA's wastewater facilities, inscribed: *"2010 Facility Excellence Award from DHEC for St. Helena WWTP, Point South WWTP, Hardeeville WWTP, Palm Key WWTP, Palmetto Bluff WWTP, Parris Island WWTP, and Port Royal WRF. This award is given in recognition of facility personnel who are striving for excellence in the protection of the environment and are meeting or exceeding compliance expectations."* The plaque was presented on the 15th day of March, 2011 and signed by David E. Wilson, PE, Bureau Chief, EQC-Bureau of Water, and Robert W. King, Jr., P.E., Deputy Commissioner Environmental Quality Control.

Also, BJWSA recently received awards from the American Water Works Association for BJWSA's water treatment facilities: Partnership for Safe Water, Phase III Directors Award and Five-Year Directors Award. The achievement of these awards is no small task and demonstrates BJWSA's commitment to water

quality and consumer safety by improved performance and optimal plant operation. The Partnership for Safe Water has a new initiative, the Distribution System Optimization Program, designed to improve the delivery of the highest water quality to customers, in which BJWSA will be participating. BJWSA will be collecting a year's worth of data and comparing it to the Partnership's benchmarking indicators. BJWSA will then adjust its processes to meet the new benchmarks established by the Partnership. Ed Saxon will be bringing a Resolution to the Board supporting this initiative.

- Nuclear Plants, Vogel and the Savannah River Site. Ed Saxon reported that due to the nuclear events happening in Japan, staff contacted the Georgia Power representatives to review their systems in regard whether similar events could occur locally. Four nuclear reactors are under construction within 150 miles of BJWSA. The newer nuclear reactors are very different from those in Japan and are designed with new pressurized water technology vs. boiling water technology.

Public Affairs Report

Matthew Brady reported on the following issues:

- Community CDBG Projects Update.
Town of Bluffton, Buck Island Road, Sewer Project – The staff is working with the Town to get residents signed up, and even made visits to the residents home to sign them up for accounts. This phase of the project should be completed in a month or so.
- Downtown Beaufort Waterline Replacement Project. Staff is now reviewing the preliminary designs from the engineer (HEG). Staff anticipates putting the project out to bid in May, with hopes of beginning in early summer, and completing the project by the end of the year. This will be an extensive project—potentially messy—so Communications will be sending a mailer to all of the residents before the project starts, and more later on, to update them on the progress.
- Consumer Confidence Report (CCR). Currently working on the 2011 water quality report which will be inserted in the *Splash* Newsletter, and distributed to customers in June.
- Customer Service Manual. Completed work on the electronic manual. Key documents have been placed in a PDF format, tabbed in one file to allow for quick reference of information. This will help to improve efficiency in the department and enhance customer service.

COMMITTEE REPORTS

Executive

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

Capital Projects

Committee Member Skeet Von Harten reported that the Capital Projects Committee met with staff on March 16 and reviewed the status of the CIP and developer projects. A contract award will be presented under New Business along with a project scope and budget addition to the FY 2009-2011 CIP. *The Memorandum from Charles Sexton dated*

March 10, 2011 CIP & Developer Update is attached to these minutes and is made a part hereof.

Finance

Committee Chairman Lorraine Bond reported that the Finance Committee met with staff on March 17 and received the following updates:

- Financial Report. Total operating revenues are approximately \$171 thousand under projection year-to-date. Total year-to-date operating expenses (excluding depreciation) are under budget by \$319 thousand. Capacity fees are \$695 thousand under budget year-to-date. Capacity fees received in February were \$43.2 thousand. *A copy of the Financial Report dated February 28, 2011 is attached to these minutes and is made a part hereof.*
- Call Center. The committee reviewed the February call center metrics, and the call wait times dropped by 40 seconds and averaged 1.5 minutes.
- External Audit Services RFP. The Audit Committee reviewed 13 proposals and narrowed them down to three top firms. Interviews are being scheduled. The staff will bring a recommendation to the Finance Committee in April.
- FY12 Budget. Managers are finishing up their expense budgets and the personnel and capital equipment request would be brought before the finance committee next month.
- Rate Study. The rate study model is almost complete and the staff expects to have rate scenarios by next month.

Personnel

Committee Chairman Michael Bell reported that the Personnel Committee met with staff on March 15 and received the following updates:

- Hiring and Recruiting Status. Four (4) Field Operator I positions and one Water Operator Trainee were in various stages of recruitment. A Customer Service Representative position has, to date, received over 150 applications, setting a record, and the General Manager position advertisement deadline is April 1.
- Safety Report. Received information on the Safety Program's Take Twos and Near Miss Reporting. Discussion was held regarding the procedures, reporting and effectiveness of the programs.
- Employee Handbook Policy Recommended Changes. The Personnel Committee supports the recommended changes and they will be presented under New Business for full Board approval.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

A. Capital Improvement Program.

1. Contract Awards Presented. (Skeet Von Harten)

CIP #22010, ISM, Parris Island, Replace Asbestos, Transite Pipeline. This project will replace approximately 4,500 lf of 6” asbestos pipeline with 8” ductile iron pipe. Quotes for the pipe for this project were received from US Pipe and American Cast Iron Pipe and American was the low bidder at a total cost of the pipe of \$45,878.21. Jacobs Engineering has certified the bids and recommends an award to Potter Construction, LLC in the amount of \$122,665.00. The total project cost with pipe is \$168,543.21 which is under the project budget of \$230,000.

Motion: On behalf of the Capital Projects committee, Skeet Von Harten moved the adoption of the contract award for the ISM, Parris Island, Replace Asbestos, Transite Pipeline to Potter Construction, LLC in the amount of \$122,665.00 as presented and referenced in the Memorandum to Charles Sexton from Brian Chemsak dated March 8, 2011. Motion made from committee, no second is required. A vote was held and the motion passed unanimously. A copy of the referenced Contract Award is attached to these minutes and is made a part hereof.

2. FY 2009-2011 CIP Project Additions. (Skeet Von Harten)

CIP #22118 MCRD Parris Island Weapons Battalion Barracks in the amount of \$196,710.00. This project involves demolition, relocation, and installation of water and sewer services for new Weapons Battalion barracks. This work is approved by NAVFAC, SE for funding as a contract modification to the Utilities Privatization Agreement.

Motion: On behalf of the Capital Projects committee, Skeet Von Harten moved that CIP #22118 MCRD Parris Island Weapons Battalion Barracks project be added to the FY 2009-2011 CIP Budget for funding in FY 2011, as presented and referenced in the Memorandum to Ed Saxon, from Charles Sexton, dated March 10, 2011. Motion made from committee, no second is required. A vote was held and the motion passed unanimously. A copy of the referenced Memorandum is attached to these minutes and is made a part hereof.

B. Employee Handbook Policy, Recommended Changes. It was suggested by the Managers that several of BJWSA’s policies currently found in the Employee Handbook be amended. These proposed changes have been reviewed by legal counsel and staff requests Board consideration to the following policies: Sick Leave Advance; Annual Leave Buyout, and the Vehicle Management Policy, (prohibition against using a cell phone while driving a BJWSA vehicle, including moving machinery, or personal vehicle during Company Business).

Motion: On behalf of the Personnel Committee Chairman, Michael Bell moved adoption of the Employee Policy changes as presented and referenced in the Memorandum to the Personnel Committee Members, from John Wells, Director of

Administrative Services, dated March 15, 2011. Motion made from committee, no second is required. A vote was held and the motion passed unanimously. A copy of the referenced Memorandum is attached to these minutes and is made a part hereof.

PUBLIC COMMENT

No comments were noted.

EXECUTIVE SESSION

Motion: Mark Snyder moved, seconded by Donna Altman, to move into Executive Session for the purpose of discussing personnel matters related to the transition process of the General Manager. A vote was held and the motion passed unanimously.

RECONVENE

Motion: A motion was made by Donna Altman, seconded by David Lott, to return to regular session. A vote was held and the motion passed unanimously.

ACTION TAKEN

No action was taken.

ADJOURNMENT

Chairman Brandy Gray asked for a motion to adjourn.

Motion: Donna Altman moved, seconded by David Lott, to adjourn the meeting at 10:45am. Non-Debatable, the motion passed unanimously.

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Attachments: Safety Report dated February 2011, CIP and Developer Update Memo dated March 10, 2011, Financial Report dated February 28, 2011, Contract Award Memorandums dated March 18 and March 10 and Memorandum to the Personnel Committee Members, from John Wells, Director of Administrative Services, dated March 15, 2011.