

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON DECEMBER 15, 2011.

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, December 15, 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; James Scott; Dr. Bill Singleton; Skeet Von Harten and Charlie White.

Members of the Authority not in attendance: John Rogers and Pat O'Neal.

Staff in attendance: Ken Griffin, General Manager; Ed Saxon, Deputy General Manager/Engineering & Operations; John Wells, Director of Administrative Services/HR Manager; Dottie Hofmann, CFO; Matthew Brady, Communications Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Jeanie Phillips, Accounting Assistant (Employee of the Quarter) and Libby Breland, Executive Assistant/Clerk to Board.

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

CALL TO ORDER

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

WELCOME NEW BOARD MEMBER

Chairman Brandy Gray welcomed new Board Member James N. Scott, City of Hardeeville appointee (replacing Mark Snyder's expired term).

APPROVAL OF MINUTES

Motion: Moved by Dr. Singleton seconded by Donna Altman to approve the October 27, 2011 Board Minutes.

Motion Passed Unanimously.

Motion: Moved by Donna Altman, seconded by Skeet Von Harten to approve the November 17, 2011 Board minutes.

Motion Passed Unanimously.

Skeet Von Harten commended Libby Breland on her outstanding job producing the minutes.

PUBLIC COMMENT

No public was in attendance.

GENERAL MANAGERS REPORT

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

- Chlorine Switch The annual disinfection switch-over from chloramines to free chlorine was completed. Special recognition goes to Ed Saxon, Chris Petry, and Joe DeVito and their staff for carrying out this work that increases the disinfection reliability of our distribution system. Special recognition also to Matthew Brady and Mandy Abbott for doing an outstanding job getting the word out. We had no reported complaints or negative response.
- Sewer Use Regulations. No negative comments were received regarding the proposed new Sewer Use Regulations, Industrial Pretreatment Program, Development Policy and Procedure Manual, and Grease Trap Program.
- Monthly Board Packets. He asked the Members of their interest in receiving the board packets electronically. We could mail a hard copy to those who still preferred that method and also the stipend checks would still be mailed or distributed at the meeting. Give it some thought and contact Libby Breland with your feedback.
- Employee Climate Survey. Generally the employees enjoy working for BJWSA and are satisfied with their work environment. There are some major areas such as the need to more effectively communicate the reason for management decisions and the need to break down a silo mentality between some departments. We are developing a plan to effectively address these issues. We are also formulating a clear, concise response to each of the additional 49 comments we received. The entire climate survey will be distributed to the Board members and the employees.
- Town of Port Royal Manager and Council Introduction. Brady Gray, introduced Ken Griffin to the Council members during the Town council's meeting Wednesday night. BJWSA is working in partnership with the Town to extend sewer service to several areas of the town.
- Bluffton Town Manager and Council Introduction. A meeting is scheduled for early January that he, Michael Bell and Ed Saxon will attend to discuss water and wastewater service needs in the Bluffton area. Michael Bell asked that he share a copy of the water and wastewater treatment process videos with the Town.
- Palmetto Electric Cooperative Introduction. He and Chris Petry will be meeting with Tom Upshaw, CEO, and Tom Trout, Key Account Manager.
- Broad Creek PSD. He and Ed Saxon had previously met with Rusty Hildebrand, General Manager, and will meet again to tour their facilities and further explore ways that BJWSA can provide additional services.
- South Island PSD. A greeting and tour will also be planned for South Island PSD. He recently met Jim Vaughn, owner of Vaughn Business Systems, and learned that he is a fellow Cornell graduate and also the Chairman, Board of Commissioners, of South Island PSD.
- Safety Program. The Safety & Risk department and the purchasing department will be working together to develop maximum noise level requirements to incorporate in the advertisement for major pieces of equipment. This is one new strategy for the safety program, namely ensuring that future equipment purchases meet a BJWSA developed specification.

- Employee of the Quarter/Year. Jeanie Phillips, Accounting Assistant, was recognized as Employee of the Quarter. Jeanie's main responsibility is payroll, and she is extremely efficient and capable and very dedicated and well deserving of this award. Chip Watts, Maintenance Technical Specialist, was also recognized for receiving Employee of the Year award. Chip could not attend this morning, but is equally amazing in his field.

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. He reported that Frank Emminger, DuPriest Construction, reported that road paving of Fort Frederick Circle, will begin today. *A copy of the memo to Ken Griffin, from Matthew Brady dated December 5, 2011 is attached to these minutes and is made a part hereof.*
- Free Chlorine Switch. The switch to Free Chlorine for flushing purposes received a lot of coverage, including TV time.
- Sewer Overflow. The Island Packet was very amenable to working with us to print a clarification in the paper. Also, BJWSA received fair TV coverage of this event. Our crews were in the area at the time so we fortunately were there to make the repair before the overflow was too severe. As always we notified DHEC immediately.

COMMITTEE REPORTS

Executive Meeting

Chair, Brandy Gray, reported that the Executive Committee met with Ken Griffin briefly after the last Board meeting (November 15, 2011) and further identified some areas of interest that will coincide with the Strategic Initiatives. Ken Griffin will be working with the committee over the next few months and will bring a report to the board.

Capital Projects

Skeet Von Harten reported that the Capital Projects met yesterday, December 14, 2011. The contract award for the renovations to the North of the Broad (NOB) Operations Center will be presented under New Business. The committee approved the contract award, but since there was not a quorum present, the recommendation coming from committee will require a second. The committee also received an update of the projects on the CIP activity list.

Finance

Committee member Donna Altman reported that due to the Holidays the Committee met early in November and December, therefore received the October financials at the December meeting.

- Interim Financial Statements. The October Financial statements and key ratios were reviewed. Total revenues are \$665 thousand above budget through October and \$1.45 million higher than prior year to date. Total Operating expenses (including depreciation) are \$7.8 thousand over budget through October. Operating Cash of \$13.3M remains well above the 3 month minimum of \$9.35M. Staff will send out the November financials once they are finalized.
- Call Center Metrics. October and November both showed an increase in calls as well as an increase in the abandonment rate and wait times from the previous month. Several

factors contributed to the increases, including an upgrade in the billing software, timing of bill due dates and representative availability. December metrics are already turning around as Kelly Alston, Customer Service Manager, and Dottie, CFO, have met and implemented changes for improvement.

- Resolution Authorizing Application for a SRF Loan. The Committee reviewed the Resolution to apply for a SRF Loan for the Hardeeville to Pritchardville 36” Water Main. This Resolution will be presented under New Business.

Personnel

Committee member, Michael Bell, reported that the Committee did meet on Tuesday, December 6, however did not have a quorum. The committee received the following updates:

- Recruiting and Hiring Update. A Customer Service Representative and a Technical Maintenance Specialist are both being advertised externally and both are expected to be filled in late December or early January. The Wastewater Operator Trainee and the Information Technology Manager are both being advertised internally.
- Employee Demographics. John Wells provided a four (4) year comparison and noted no significant change in the prior workforce and that is remaining constant.
- BJWSA Board Leadership Award. The committee recommended that John Wells prepare a written procedure or process to document the BJWSA Leadership award including the timelines, and criteria for judging.
- Employee Holiday Sharing. Committee Members were invited to the employee Holiday Sharing being held on December 9th.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Contract Award

CIP #21474 Renovations to the NOB Operations Center to Rentz Construction, Beaufort, SC, in the amount of \$131,162.00. This project was established in order to acquire and renovate a new North of Broad Operations Center for the BJWSA Field Operations and Collections crews. After the acquisition of the property, the budget remaining for renovations, IT set up, security gate and camera installation and site improvements is approximately \$422,000.00. Bids were received on December 7, from four locally-based commercial construction companies. Staff recommends awarding to the low bidder, Rentz Construction, in the amount of \$131,162.00. Construction on this project is scheduled to start in January 2011.

Motion: Moved by Skeet Von Harten, seconded by David Lott, to approve CIP #21474 Budget and Contract Award for the renovations to the NOB Operations Center to Rentz Construction, in the amount of \$131,162.00 as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton, from Joe DeVito, dated December 08, 2011.

Motion passed unanimously. A copy of the referenced Memorandum to Ed Saxon, Charles Sexton from Joe DeVito, dated December 08, 2011 is attached to these minutes and is made a part hereof.

Resolution for Adoption.

Approval of a Resolution authorizing the application to State Revolving Fund (SRF) in the amount of ~\$14M for the construction of a water line from Purrysburg Road to Levy/Pritchardville Road and related improvements.

Charles Sexton outlined several steps of the projects that are required in order to apply for a SRF loan. The Floridan Aquifer has been impacted by saltwater intrusion caused by over pumping. The Levy Limehouse-Bellinger Hill wells are in the Floridan Aquifer and contribute to the saltwater intrusion. This project will remove ~79 million gallons per year of pumping off of the Floridan Aquifer. The project will consist laying ~ 80 thousand feet of 36 inch water main from Purrysburg to Pritchardville connecting the Levy-Limehouse-Bellinger Hill system to the BJWSA surface water system. Two alternatives considered for this project were: 1). Do Nothing, and 2). Connect the system to the Hardeeville or Bluffton Systems. The “do nothing” alternative was rejected because the salt water Intrusion on Hilton Head Island is moving at a rate of 300 feet per year and accelerating. Also, the Levy System was at its permitted pumping capacity and additional developments were already permitted. The connection to the Hardeeville or the Bluffton Systems was rejected because they did not have the hydraulic capacity to supply Levy with sufficient fire flows. The project will environmentally impact ~ 20 acres of uplands and ~.25 acres of wetlands. The wetlands will be mitigated using mitigation credits in our Great Swamp Wetland Mitigation Bank.

Dottie Hofmann explained the financial aspect of this project and reported that the interest rate for this loan is 2.25%. The principal and interest payments for this loan were included in the rate model and were budgeted to begin in FY2013. She reported that she and Sarah Linkimer will be preparing a tutorial/timeline for the members, especially the new members, of the debt process and how it links to the rate model and budget, and the end results of interest and principal payments. Michael Bell asked the staff to share a copy of the debt coverage certification provided by the bond attorneys.

Motion: Donna Altman moved, seconded by Lorraine Bond, to approve the Resolution authorizing the application to State Revolving Fund (SRF) in the amount of ~\$14M for the construction of a water line from Purrysburg Road to Levy/Pritchardville Road and related improvements.

Motion passed unanimously. *A copy of the Resolution authorizing the application to State Revolving fund (SRF) tin the amount of ~14M for the construction of a water line from Purrysburg Road to Levy/Pritchardville road and related improvements is attached to these minutes and is made a part hereof.*

PUBLIC COMMENT

No comments were provided.

ADJOURNMENT

Chair, Brandy Gray adjourned the meeting at 8:55a.m.

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

Attachments on file.