



Laurens County Water and Sewer Commission

Board of Commissioners Meeting

July 28, 2015

8:00am

Minutes

COMMISSIONERS PRESENT: Ted Davenport, Chairman (Municipal), Wofford Woods (I), Philip O'Dell (II), Jurell Byrd (III), Bill Teague, Treasurer (IV), Susan Curry, District (V), and E.L. Mason, Secretary (VII)

COMMISSIONERS ABSENT: John McMurray (VI)

STAFF: Jeff Field, Executive Director
Kevin Anderson, Director of Operations and Engineering
Debbie Price, Executive Administrative Assistant
Angie Nelson, Director of Administration and Customer Service
Heather Owens, Director of Finance and Human Resources

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle, Laurens Advertiser

Call to Order

Invocation

Approval of June 23, 2015 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. Discussion on amendments to the SC Freedom of Information Act, effective June 8, 2015

Old Business

1. Vote on items approved at June 23, 2015 Meeting
 - a. FY2016 Budget
 - b. Sewer Collection Rate Increase
 - c. Attorney on Retainer
 - d. Update to LCWSC By-Laws
2. Update on Community Development Block Grant Projects
 - a. Lydia Mill Sewer Upgrade
 - b. Joanna/South Hampton Water and Sewer Upgrade
3. Draft Plan Changing from 4 Billing Cycles to 3 Billing Cycles

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:19 am in the Board Room of the Laurens County Water and Sewer Commission.

Invocation was given by Commissioner Woods.

APPROVAL OF MINUTES

Chairman Davenport asked if there were any additions or corrections to the June 23, 2015 minutes, as submitted to the Commissioners.

Commissioner Byrd MOVED *that the minutes be accepted as submitted.* MOTION SECONDED by Commissioner Teague. MOTION CARRIED. AYES, 6; NAYS, 0

CHAIRMAN REMARKS

Commissioner Davenport welcomed Susan Curry and Phil O'Dell to the Board of Commissioners

Ms. Curry is replacing Commissioner Cook and represents Laurens County District V. She is the owner of Piedmont Pulp in Laurens.

Mr. O'Dell is replacing Commissioner Jackson and represents Laurens County District II. He is employed with Mount Vernon Chemical, located in Ware Shoals.

We are pleased to have them join the LCWSC Board of Commissioners.

EXECUTIVE DIRECTOR REMARKS

Mr. Field introduced and welcomed the new board members and Mr. Wham as the attorney for LCWSC. He also welcomed Chairman Davenport back to the Board of Commissioners meeting after being absent due to recent surgery.

LCWSC MONTHLY FINANCIAL SUMMARY

Mr. Field presented the monthly financial summary to the Commissioners. A copy of this summary can be found in the Commissioner Board packet. LCWSC ended FY15 with a total of \$3,632,057 in cash and cash reserves as compared to \$3,432,064 in FY14. The difference is comprised of more revenue, partially due to our capital rate increase, and fewer capital expenses in FY15 than in FY14.

LCWSC MONTHLY OPERATIONS SUMMARY

The monthly operations summary was presented to the Commissioners. A copy of this summary can be found in the Commissioner Board packet.

Mr. Field discussed the work order summary. There were 129 new services installed as of June 30th, with 14 new services in June. There were 11 active service line leaks and 4 active main line leaks.

NEW BUSINESS

1. Discussion on amendments to the SC Freedom of Information Act (FOA), effective June 8, 2015.

Mr. Field discussed the amendments to the SC Freedom of Information Act. There was a change in the state law that LCWSC was unaware of at the meeting on June 23rd.

The change governs how we handle board meeting agendas. Agendas are required for all regular and special board meetings and must be posted in a publicly accessible area and provided to the press at least 24 hours in advance of the meeting. The agenda must also be posted on the public website. Once an agenda is posted, additional items may be added to the agenda at least 24 hours in advance of the meeting or added to the agenda at the meeting if approved by a 2/3 vote of the members present.

Special Purpose Districts typically adopt resolutions on a single reading, therefore the ability to add items to an agenda within 24 hours prior to a meeting or at the meeting is limited.

Mr. Field stated that we have e-mailed the press and posted the agenda in the LCWSC front lobby in the past but did not post the agenda on the LCWSC website. We are in the process of updating our website and will be placing agendas and minutes on the new website from this point forward.

The specific purpose of executive session must also be noted on the agenda and may be identified as:

1. Discussion of employment related matters
2. Discussion of negotiations related to proposed contractual agreements
3. Proposed sale or purchase of property and matters related to legal advice or attorney client privilege
4. Discussion regarding security personnel or devices
5. Criminal misconduct matters
6. Proposed expansions or relocations of prospective business projects or industries

The identity of the individual or entity being discussed is not required.

Due to these amendments, we will revote on items approved at the last meeting.

OLD BUSINESS

1. Vote on items approved at June 23, 2015 Meeting

At the recommendation of our Bond Council, Haynsworth Sinkler and Boyd, and Allen Wham, Mr. Field stated that we must vote again to approve the items that were discussed and approved at the Commissioner meeting on June 23, 2015.

These items were discussed in detail at the meeting on June 23, 2015, therefore we will only discuss the highlights at today's meeting. Mr. Field did meet prior to this meeting with Commissioner Curry and Commissioner O'Dell, explaining these items in detail and answering any questions they had.

Each item discussed will be voted upon separately.

a. FY2016 Budget

Mr. Field stated that the budget was approved by the Budget Committee, comprised of Ted Davenport, Marty Cook, and John McMurray, on June 9, 2015. He discussed highlights of the following budgets: Admin, Operating, Collection, Lake Rabon, and Water Distribution.

Highlights include:

- Total budget is \$10,330,277, with a total budget increase of \$242,765. This increase is mainly associated with the capital rate plan for Lake Greenwood Water Treatment Facility
- Second year water rate increase of proposed five year capital rate plan; volume rate increases 3%
- 3% rate increase for volume fees in the Collection Budget
- O&M Expenses increased 2.81%
- Capital Expenses, not including Water Treatment Plant Reserve Funds, decreased 2.34%

Commissioner Byrd MOVED that the ***FY2016 Budget be approved*** as submitted. MOTION SECONDED by Commissioner Woods. MOTION CARRIED. AYES, 6; NAYS, 0

b. Sewer Collection Rate Increase

Mr. Field discussed the proposed sewer collection rate increase.

Employee Benefits, Administration and O&M costs are rather consistent year to year, with increases driven primarily by third party expenses such as power, gas, insurance, SCDHEC, etc. This rate increase is needed to fund short term and long term assets (rehabilitation projects). These expenses are hard to estimate but are more predictable and can be somewhat managed. This rate increase will generate approximately \$10,000 per year based on current customer numbers and usage. As this is short of our expected expenses (shortage made up from reserve funds), this means that a long-term rate increase plan is needed to fully address these expenses as future reserve funds are limited. That decision needs to be postponed a year, if not longer, to determine if growth will help off-set some of these expenses and the financial impact to customers. Given the FOIA amendments and the need to re-vote this matter, the rate increase will not take effect until August 1, 2015.

Commissioner Mason MOVED that ***the Proposed Sewer Collection Rate Increase be approved as per the Budget Committee's recommendation.*** MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

c. Attorney on Retainer

The LCWSC attorney position was discussed. Allen M. Wham provided a proposed fee arrangement and services to be provided to LCWSC.

- Monthly retainer fee in the amount of \$1250.00 to cover ordinary services, plus reimbursement of expenses to law firm, including recording costs, court filing fees, etc.
- Ordinary services include, but are not limited to, attendance at all board meetings, correspondence in the ordinary course of business (by telephone, letter, email, etc.), review of ordinances and resolutions, review and preparation of deeds, easements, and other similar instruments of record and review of general contracts and agreements.
- Extraordinary services, including, but not limited to, preparation of extensive documents, taking legal action (i.e. eminent domain proceedings, quiet title actions, enforcement of legal rights under instrument, etc.), and researching and curing complicated title issues, shall be billed at the hourly rate of \$200.00.

Mr. Wham also represents the City of Clinton on a similar contractual basis. He has discussed the LCWSC Attorney position with the Clinton City Manager and the majority of the City Council Members, and they do not believe his association with LCWSC would create an insurmountable conflict of interest.

Commissioner Woods MOVED *to hire Allen M. Wham on retainer to the Attorney position with Laurens County Water and Sewer Commission.* MOTION SECONDED by Commissioner Teague. MOTION CARRIED. AYES, 6; NAYS, 0

d. Update to LCWSC By-Laws

Mr. Field discussed the By-Laws of the Laurens County Water and Sewer Commission. When preparing the board package for new, incoming board members, several inconsistencies with long standing practices were noticed. Mr. Field proposed several updates to the by-laws that would reflect current practices.

Commissioner Woods MOVED that the *LCWSC By-Laws be updated to reflect current practices.* MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

2. Update on Community Development Block Grant Projects

a. Lydia Mill Sewer Upgrade

Mr. Field stated that LCWSC received notice on July 6, 2015 that we were awarded a CDBG grant in the amount of \$702,000 for sewer system improvements in Lydia Mill. The total project cost is estimated at \$775,000 out of pocket expenses.

Mr. Anderson provided more details on the project. The water system operated by the City of Clinton was rehabbed in 2010; the sewer system is operated by LCWSC. Out of approximately 300 homes in Lydia Mill, 180 are identified in the initial need assessment with 79 homes in the final project, based on cost.

The environment report for USACE through Upper Savannah Council of Governments (COG) was completed last week.

CDBG to Do:

- Grant and sub-recipient agreements must be signed
- Engineering RFQ - August
- Engineer selection - September
- Design ready for bid - February
- Construction complete - spring of 2016

b. Joanna/South Hampton Water and Sewer Upgrade

Mr. Field stated that the Joanna/South Hampton Water and Sewer Upgrade project was previously approved for funding, but has hit a roadblock due to income changes, number for LMI customers, and potential changes to the project scope.

Mr. Anderson provided more information on this project. Project bid was in April 2015. Income self-certification in March and April yielded less LMI and non-qualifying streets must be removed. The contractor and engineer have recalculated the project and the Upper Savanna COG is determining project status and budget.

3. Draft Plan Changing from 4 Billing Cycles to 3 Billing Cycles

Ms. Nelson presented a PowerPoint detailing the plan to change from 4 billing cycles to 3 billing cycles. LCWSC currently bills 13,700 customers in 4 cycles each month. The current model was set up when LCWSC first began automatic meter reading.

Challenges with current plan: Months with holidays (November and December), complaints due to high number of billing days, and billing each cycle 12 times per year.

Solutions: Transition from 4 billing cycles to 3 billing cycles, consistent billing days (28-35), and consistent cash flow.

Current – 4 Billing Cycles

- Cycle 1 - 2660
- Cycle 2 - 3550
- Cycle 3 - 4600
- Cycle 4 – 3700

Proposed – 3 Billing Cycles

- Cycle 1 - 5200
- Cycle 2 - 4800
- Cycle 3 – 4600

Implementation of 3 billing cycles is proposed for September or October of this year.

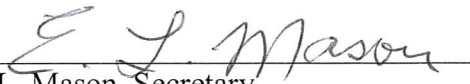
We will include a message on our current bills announcing that billing date and time may change and also provide billing information on the new website.

ADJOURN

There being no further business the Commission adjourned at 10:25 am.

Commissioner O'Dell MOVED that the ***Board of Commissioners meeting be adjourned.***
MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on July 28, 2015 and that the minutes were approved at the meeting held August 25, 2015.


E. L. Mason, Secretary