



Laurens County Water and Sewer Commission

Board of Commissioners Meeting

September 27, 2016

8:15am

Minutes

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

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
Wendy Workman, Director of Finance

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle

Call to Order

Invocation

Approval of August 23, 2016 Minutes

Approval of September 6, 2016 Called Board Meeting Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. Refunding/refinance proposal regarding Series 2007 and 2012 Bonds - Walter Goldsmith, First Tryon Advisors Financial Group
2. Request to move October 25th Board Meeting to November 1st

Other Business

Executive Session

1. Follow-up discussion of negotiations related to a proposed contractual agreement associated with the withdrawal of water from Lake Greenwood

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:21am 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 August 23, 2016 minutes, as submitted to the Commissioners.

Commissioner Byrd MOVED *that the August 23, 2016 minutes be accepted as submitted.*
MOTION SECONDED by Commissioner Teague. MOTION CARRIED. AYES, 7; NAYS, 0

Chairman Davenport asked if there were any additions or corrections to the September 6, 2016 minutes, as submitted to the Commissioners.

Commissioner O'Dell MOVED *that the September 6, 2016 minutes be accepted as submitted.*
MOTION SECONDED by Commissioner Woods. MOTION CARRIED. AYES, 7; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed Walter Goldsmith, First Tryon Advisors Financial Group to the meeting.

EXECUTIVE DIRECTOR REMARKS

Mr. Field recognized Ms. Workman and her upcoming wedding in October.

He also discussed the Hexavalent Chromium issue which has been recently circulated on social media.

The LCWSC water system, along with other water systems across the nation, was sampled during 2014 as part of the Unregulated Contaminant Monitoring Rule 3 (UCMR3). The EPA uses the Unregulated Contaminant Monitoring (UCM) program to collect data for contaminants suspected to be present in drinking water, but that do not have health-based standards set under the Safe Drinking Water Act (SDWA). Every five years EPA reviews the list of contaminants, largely based on the Contaminant Candidate List.

The EPA will evaluate the information gathered, as well as potential health effects studies, to determine if regulatory limits are needed. Collecting information about the occurrence of these compounds in water supplies is the first step in the EPA's efforts to determine whether they should be regulated.

As a result of the above sampling there was a recent article published by EWG (Environmental Working Group) regarding the presence of Hexavalent Chromium in US drinking water systems, including Laurens County. This article was posted to local media outlets and shared by some Laurens County residents via Facebook. Hexavalent Chromium is both naturally occurring and/or a result of industrial discharge activities. It can be found at various levels in public water systems, and possibly private wells and bottle water.

Levels of Hexavalent Chromium in the LCWSC drinking water are far below the current EPA limit for total chromium of 100 ppb. Furthermore, in the future if the EPA decides to implement maximum contaminant limits (MCL) specific to Hexavalent Chromium it will more than likely follow the 2014 standard set by the state of California, which is 10 ppb. The levels in the LCWSC water system are 50 times lower than even this more stringent limit.

Our UCMR results are included in the LCWSC 2014 Consumer Confidence Water Quality Report.

LCWSC MONTHLY FINANCIAL SUMMARY

The monthly financial summary was presented to the Commissioners. A copy of the summary can be found in the Commissioner Board Packet.

As of August 31, 2016 LCWSC has a total of \$4,650,913 in cash and cash investments for operating and reserve funds as opposed to \$4,660,901 in July. A three month operating balance is maintained in the United Community Bank operating account and all excess funds are transferred to the LGIP reserve account. Capacity income other than Owings Collection is being used to cover debt service payments. Payments are now being made electronically to some vendors, resulting in decreased time it takes the payment to get credited to our store account. The charts below illustrate the breakdown of operating cash per department and reserve funds per department as of August 31, 2016.

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.

NEW BUSINESS

1. Refunding/refinance proposal regarding Series 2007 and 2012 Bonds - Walter Goldsmith, First Tryon Advisors Financial Group

Mr. Field opened discussion on the refunding/refinance proposal regarding series 2007 and 2012 Bonds and turned over the meeting to Mr. Walter Goldsmith with First Tryon Advisors Financial Group.

Mr. Goldsmith provided an overview of the Commission's refunding opportunity, along with an overview of outstanding debt, preliminary refunding analysis, and financing calendar.

An overview of the outstanding debt (as of 6/30/16):

- The Commission has approximately \$24.7 million in long-term debt outstanding comprised of general obligation bonds, revenue bonds, and notes.
- The portfolio has a weighted average life of 10.54 years, a 10-year payout ratio of 56%, a weighted average coupon of 2.61% and a final maturity in fiscal year 2054.
- Several series of bonds present the Commission with attractive refunding opportunities.

Preliminary Refunding Analysis for Series 07 and Series 12 Water Distribution Bonds (Bank Placement Options)

- | | |
|--------------------------|-------------|
| • Net PV savings (\$) | \$2,505,304 |
| • Net PV savings (%) | 14.56% |
| • Average annual savings | \$266,764 |
| • Negative arbitrage | \$87,924 |

Commissioner Curry MOVED *to proceed with the refunding/refinance proposal regarding Series 2007 and 2012 Bonds - First Tryon Advisors Financial Group and to authorize the Executive Director to solicit financing bids.* MOTION SECONDED by Commissioner Woods. MOTION CARRIED. AYES, 7; NAYS, 0

2. Request to move October 25th Board Meeting to November 1st

In lieu of having a called meeting, Mr. Field proposed moving the October 25th Commissioner meeting to November 1st. We will also have a breakfast for employees and Commissioners at 7:15am. The Commissioner meeting will begin at 8:15am.

Commissioner Byrd MOVED *that the October 25th meeting be moved to November 1st.* MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 7; NAYS, 0

EXECUTIVE SESSION

1. Follow-up discussion of negotiations related to a proposed contractual agreement associated with the withdrawal of water from Lake Greenwood

Commissioner Woods MOVED that the *Board of Commissioners go into Executive Session at 9:30am.* MOTION SECONDED by Commissioner McMurray.
MOTION CARRIED. AYES, 7; NAYS, 0

Commissioner Byrd MOVED that the *Board of Commissioners come out of Executive Session at 10:15* MOTION SECONDED by Commissioner Curry.
MOTION CARRIED. AYES, 7; NAYS, 0.

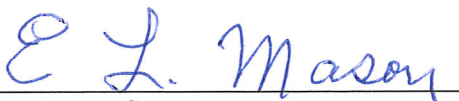
No action taken.

ADJOURN

Commissioner Mason MOVED that the *Board of Commissioners meeting be adjourned.*
MOTION SECONDED by Commissioner Teague. MOTION CARRIED. AYES, 7; NAYS, 0

There being no further business the Commission adjourned at 10:17am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on September 27, 2016 and that the minutes were approved at the meeting held November 1, 2016.



E. L. Mason, Secretary