



Laurens County Water and Sewer Commission

Board of Commissioners Meeting

June 26, 2018

8:15am

Minutes

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

STAFF: Jeff Field, Executive Director
Steve Griffin, Construction Manager
Damas Mattison, Regulatory Compliance and Operations Manager
Wendy Medlock, Director of Finance
Angie Nelson, Director of Administration and Customer Service
Debbie Price, Executive Assistant
KC Price, Engineering Manager

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle

Call to Order

Invocation

Approval of May 29, 2018 Minutes

Approval of Amended Agenda

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. Public Hearing for Proposed FY 2019 Budget
2. Proposed FY 2019 Budget
3. Proposed Water Distribution Rate Increase
4. Special Projects Checking Account at United Community Bank

Old Business

1. Lake Greenwood Water Treatment Facility Update

Executive Session

Upon returning to open session, the Commission may take whatever action deemed appropriate on matters discussed in executive session.

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:18am in the Training Room of the Laurens County Water and Sewer Commission.

Invocation was given by Commissioner McMurray.

APPROVAL OF MINUTES

Chairman Davenport asked if there were any additions or corrections to the May 29, 2018 minutes, as submitted to the Commissioners.

Commissioner Hendrick MOVED *that the minutes be accepted as submitted.*

MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 7; NAYS, 0

APPROVAL OF AMENDED AGENDA

Executive Session Item:

Potential legal matter with non-residential customer.

Commissioner Hendrick MOVED *that the amended agenda be approved as submitted.*

MOTION SECONDED by Commissioner McMurray. MOTION CARRIED. AYES, 7; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed the press to the meeting and expressed appreciation to Mr. Field, the LCWSC staff, and the Budget Committee for their hard work preparing the FY 2019 budget.

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 May 31, 2018, LCWSC currently had a total of \$4,804,912 in cash for operating and reserve funds as compared to \$4,631,111 this time in FY17.

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 reported 192 new services installed as of May 31, 2018, with 12 new services in the month of May. There were 8 active service line leaks and 3 active main line leaks.

Mr. Mattison reported the total water loss for the month of May was 30%, of which 21% was unaccounted for through background leaks in the system. The rolling 12-month average for unaccounted water loss is 16.07%. The target is 18.00%.

NEW BUSINESS

1. Public Hearing for Proposed FY 2019 Budget

The public hearing for the adoption of the FY 2019 budget was opened for comment. Hearing no one, the public hearing was closed.

2. Approval of Proposed FY 2019 Budget

Mr. Field discussed highlights of the following budgets: Administration, Sewer Treatment, Sewer Collection, Lake Rabon, and Water Distribution.

The FY 2019 budget was approved by the Budget Committee, comprised of Ted Davenport, Susan Curry, and John McMurray, on May 22, 2018.

Budget Summary:

- Total Budget is \$12,184,890
 - Operating Income increased \$813,097 or 7.4%
 - Operating Expenses increased \$476,026 or 6.5%
 - Capital Income and Expenses increased \$13,622 or 0.3%
 - Reserve Fund Usage decreased (\$375,569) or 87.5%

- Payroll and Benefits increased \$255,050 or 9.3% due to the following:
 - 2% increase in the Employer's South Carolina Retirement System contribution,
 - 8.1% increase for the State Health Insurance Plan starting in January 2019,
 - three (3) additional employees in Water Distribution
 - Water Service Field Technician
 - Extra crew person for both crews
 - Various merit increases for some employees
- Water Purchase increased \$65,085
 - City of Clinton increased by \$141,648 due to 12% rate increase
 - City of Laurens decreased by (\$34,740) due to decreased usage even though they had a 4.8% rate increase on the first 600,000 gallons and a 3% increase for the additional water purchased
 - Greenville increased by \$19,059 due to increased usage
 - Raw Water Lake Rabon decreased by (\$60,883) due to Lake Rabon Budget decrease
- Overall, Debt Service decreased (\$247,389) or 12.9% due to the following three outstanding loans being paid off in FY 2018
 - State Revolving Fund loan in Clinton / Joanna fund
 - BB&T Destratification System Loan in Lake Rabon fund
 - BB&T Land Purchase Loan in Water Distribution fund
- Water Plant Reserve Fund
 - Increased \$143,740 as a result of the approved 5-year Capital Rate Plan
- Fifth year of approved 5-year Capital Rate Plan
 - Scheduled 3% volume rate increase
 - Generates \$143,740 to be reserved for future water treatment facility expenses; represents a five-year cumulative increase of \$1,200,000
- Third year of approved 4-year Sewer Treatment rate plan
 - Scheduled 3% volume rate
 - Represents a \$0.57 increase to the average monthly sewer bill
- Third year of approved 4-year Sewer Collection rate plan
 - Scheduled 3% volume rate increase
 - Represents a \$0.45 increase to the average monthly sewer bill

Chairman Davenport noted the significance of the Clinton/Joanna proposed FY 2019 budget of \$1,522,192 being at or near the same point it was 10 years ago.

Commissioner Woods MOVED *that the Proposed FY 2019 Budget is approved.*

MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 7; NAYS, 0

3. Proposed Water Distribution Rate Increase

Water Distribution Rate Increase

- a. Proposed additional 3% rate increase for Water Tier 1 Volume (Residential)
- b. Proposed additional 7% rate increase for Water Tier 2 Volume (Non-Residential)
- c. Proposed Water Tier 2 Monthly Base Rate increase of \$10 (from \$80 to \$90)
- d. Combined with the Capital Rate Plan increase this represents a \$1.38 increase to the average monthly residential water bill

Mr. Field stated that we looked at trends of residential and non-residential customers. This proposed increase will close the gap between residential and non-residential customers and compares well with neighboring counties. LCWSC does not charge industrial customers based on meter size and we are below average of non-residential rates when compared to neighboring counties.

Commissioner Byrd MOVED *that the Proposed Water Distribution Rate Increase is approved.* MOTION SECONDED by Commissioner Hendrick. MOTION CARRIED. AYES, 7; NAYS, 0

4. Special Projects Checking Account at United Community Bank

Mrs. Medlock proposed having one dedicated special project account instead of opening a “project specific” checking account each time.

United Community Bank requires a board vote each time a new checking account is opened.

Commissioner Hendrick MOVED *that the Special Projects Checking Account be approved.* MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 7; NAYS, 0

OLD BUSINESS

1. Lake Greenwood Water Treatment Facility Update

Mr. Field provided a brief update on the Greenwood Water Treatment Plant (WTP). He reported that Harper Corporation has been selected as the contractor for the project. Six contractors submitted proposals on May 23, 2018, in response to the Request for Proposals (RFP) for the project. The selection Committee, consisting of the Capital Committee, Executive Director Jeff Field, and Consultant Kevin Laird, narrowed the number of firms down to three for interviews. Based on all the information provided and the interview, the selection committee found Harper Corporation to be the most suitable Construction Manager at Risk (CMAR) for the project.

Mr. Field stated that the Laurens County Water and Sewer Commission (LCWSC) notified Rural Development on June 14, 2018 that we recommend the CMAR for our Lake Greenwood Raw Water Intake and Water Treatment Facility be awarded to Harper Corporation General Contractors. The United States Department of Agriculture (USDA) is reviewing our recommendation and all supporting documentation. We hope to have their concurrence of our decision sometime in the next two weeks. A meeting will be scheduled with Harper Corporation later this week or next week to discuss the schedule.

Preliminary Engineering Report (PER) updates have been approved by the USDA state representatives. Information was sent to Washington DC early last week and we are awaiting final approval, hopefully in the next two weeks.

Mr. Field discussed proposed water distribution improvements, which includes over 30 miles of 16 and 12-inch waterlines, 2 new booster pump stations, and a 500,000 gallon - elevated tank, are approximately 60% designed. He stated that LCWSC obtained property and easements for the elevated tank at Milam road and Highway 72 in the last two weeks. The project is on schedule and construction is expected to overlap the water treatment facility construction.

EXECUTIVE SESSION

1. Potential Legal Matter with Non-Residential Customer.

Commissioner Curry MOVED that the *Board of Commissioners go into Executive Session at 10:21am to Discuss a Potential Legal Matter with a Non-Residential Customer.*

MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 7; NAYS, 0

Commissioner Hendrick MOVED that the *Board of Commissioners come out of Executive Session at 11:03am.* MOTION SECONDED by Commissioner O'Dell.

MOTION CARRIED. AYES, 7; NAYS, 0

Informational. No vote taken.

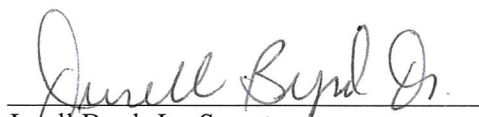
ADJOURN

Commissioner Hendrick MOVED that the *Board of Commissioners meeting be adjourned.*

MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 7; NAYS, 0

There being no further business the Commission adjourned at 11:21am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on June 26, 2018 and that the minutes were approved at the meeting held July 24, 2018.


Jurell Byrd, Jr., Secretary