



Laurens County Water and Sewer Commission

Board of Commissioners Meeting

November 27, 2018

8:15am

Minutes

COMMISSIONERS PRESENT: Doug Hendrick (Municipal), Sam Peden (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
Debbie Price, Executive Assistant
KC Price, Engineering Manager

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle

GUEST: Gary Bailey of Love, Bailey and Associates, LLC

Call to Order

Invocation

Approval of October 23, 2018 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. FY18 Audit
2. Water Capacity Management Operation and Maintenance (CMOM) First Quarter Report
3. Sewer Capacity Management Operation and Maintenance (CMOM) First Quarter Report
4. December Board Meeting

Old Business

1. Lake Greenwood Water Treatment Plant (WTP) 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 8:15am in the Board Room of the Laurens County Water and Sewer Commission.

Invocation was given by Commissioner Hendrick.

APPROVAL OF MINUTES

Chairman Davenport asked if there were any additions or corrections to the October 23, 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

CHAIRMAN REMARKS

Chairman Davenport welcomed the press and Gary Bailey of Love, Bailey and Associates, LLC, to the Commission meeting.

EXECUTIVE DIRECTOR REMARKS

Mr. Field welcomed everyone to the meeting and updated everyone regarding Commissioner Byrd's health status.

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 October 31, 2018, Laurens County Water and Sewer Commission (LCWSC) currently had a total of \$5,574,116 in cash for operating and reserve funds as compared to \$5,379,268 this time in FY18.

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 108 new services installed as of October 31, 2018, with 22 new services in the month of October. There were 24 active service line leaks and 3 active main line leaks.

Mr. Mattison reported for the month of October, the total water loss was 26% of which 16% was unaccounted for through background leaks in the system. The rolling 12-month average for unaccounted water loss is 14.64%. The target is 18.00%.

NEW BUSINESS

1. FY18 Audit

Mr. Field opened discussion of the FY18 audit and turned the discussion over to Gary Bailey, Accountant with Love, Bailey, and Associates, LLC.

Mr. Bailey stated this was a clean audit and discussed the independent auditor's report, management's discussion and analysis, combined statements of net position, and the schedule of findings. The auditor's report expresses an unmodified opinion on the financial statements of LCWSC. The auditor's report on compliance for each major federal award program for LCWSC expresses an unmodified opinion on the major federal program.

Mr. Bailey also discussed the Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting for Post Employee Benefits other than Pensions". In 2018, LCWSC must comply with the provisions of this accounting principal that deals with other post retirement benefits. Mr. Field stated that LCWSC changed its policy in 2010 to stop the insurance liability, moving forward, when the employee becomes Medicare eligible. If an employee worked 30 years, then they would receive insurance with an option to pay for their spouse. An employee working less than 30 years would receive a reduced benefit. If hired after 2010, these benefits cease when the employee becomes eligible for Medicare. These expenses are covered annually in our budget.

The following are key financial highlights:

- Total assets increased by \$1.46 million or 2.18% from the previous fiscal year, primarily from an increase in cash and net receivables. At year-end total assets were \$68.3 million, which exceeded total liabilities by \$31.1 million. The LCWSC net position is still strong at \$41.8 million, an increase of \$1.18 million or 2.91% from the previous fiscal year.
- Unrestricted cash and cash equivalents to support short-term operations were \$3.34 million compared to \$3.75 million the prior year.

- Operating revenues for fiscal year 2018 increased 9.27% or \$925 thousand, compared to fiscal year 2017.
- Operating expenses for fiscal year 2018, before depreciation, increased 4.89% or \$330 thousand, compared to fiscal year 2017.
- Total operating income for the year was \$1.27 million compared to an operating income of \$754 thousand in the prior year.
- Ratios of operating income to total operating revenues are at 11.6% for 2018 compared to 7.6% for 2017.
- Long-term debt decreased from \$21.8 million in 2017 to \$19.97 million in 2018; a decrease of (8.7%).

Mr. Field thanked Mr. Bailey and his staff and commended Mrs. Medlock and all the LCWSC staff for the job they do to help keep us on budget.

Commissioner Hendrick **MOVED to accept the FY18 Audit as submitted.** MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 7; NAYS, 0

2. Water CMOM First Quarter Report

Mr. Mattison discussed the current water assets and the FY19 schedule for hydrant, post hydrant and blow off maintenance, flushing, flow tests, system pressure recording, valve exercising and maintenance, tank wash-outs, and pressure reducing valve (PRV) and control valve maintenance.

Mr. Mattison also provided information on the Unidirectional Flushing method of cleaning water distribution pipes. This method improves water quality, restores capacity and uses less water than conventional flushing. The sediment, corrosion products and biofilm are flushed out instead of moving to another pipe run. LCWSC flushing efforts have been concentrated in the Laurens Commission of Public Works (CPW) distribution area due to high levels of manganese.

Auto Flushers are placed throughout our system to maintain chlorine levels and reduce water age. We currently maintain 25 installations. The auto flushers are installed on lines with low usage in remote areas of the system and also on dead-end lines that experience frequent water quality issues; they are programmed to operate late at night, usually multiple nights per week.

System Pressure Monitoring is performed to ensure adequate pressure is being delivered to our customers under various system conditions.

Second quarter work will include:

- Continue to flush the Laurens CPW distribution area
- Valve exercising and maintenance
- O'Dell and Hospital Tank washout
- Quarterly PRV valve checks
- Installation of an altitude valve at the O'Dell Tank
- Greenpond GWS meter connection

- Installation of new stationary generator at the Fountain Inn Pump Station
- Reduce Auto Flusher operations for cold weather
- Begin cold weather monitoring of leak detection points

There are currently 74 identified leak detection points in our system. These points are located in low-lying areas, creek crossings, bridge crossings, high pressure areas and known leak-prone mains. The mapped points which are included in our leak detection program will be allowed to drip or run during extended periods of extreme cold weather.

3. Sewer CMOM First Quarter Report

Mr. Mattison discussed the FY19 schedule for right-of-way (ROW) mowing and rehab, force main inspections, manhole inspections, inflow and infiltration (I/I) monitoring, cleaning and closed circuit television (CCTV), cleaning and CCTV “A” lines, and air release valve inspection.

ROW maintenance provides access to collection lines and manholes for repairs, cleaning, CCTV work and removal of blockages. Maintenance includes removing any trees, bushes and obstructions and spraying weed control around structures and manholes. LCWSC mows a 10 to 15 foot path on either side of the sewer line and cuts overhanging trees when necessary.

As of September 30, 2018, we have mowed 115 acres, out of the 118 acres of mow-able ROW (3 Acres were wet due to new beaver dams). The schedule was reduced from 6 months to 4 months due to rental of an extra skid steer.

Force main maintenance is performed after the ROW has been mowed. We currently cannot inspect the interior of the force mains. The Polaris is used to ride the force main to check for leaks and issues at creek and road crossings. The majority of our force mains are 20 to 30 years in age. As of September 30, 2018, we have visually inspected 27.34 miles of force main and found no evidence of leaks.

Second quarter work will include:

- Completion of air release valve manual inspections by November 30th
- Begin manhole inspections in November
- Completion of scheduled manhole inspections and data summary by December 31st

4. December Board Meeting

Mr. Field discussed the option to cancel the December board meeting due to Holidays.

Commissioner Byrd MOVED *that there will be no December Commissioner Meeting.*
 MOTION SECONDED by Commissioner Hendrick.
 MOTION CARRIED. AYES, 7; NAYS, 0

OLD BUSINESS

1. Lake Greenwood Water Treatment Plant (WTP) Update

Mr. Field provided an update on the Lake Greenwood Water Treatment Plant and shared the preliminary design of the overall site. The Capital Committee met with Goodwin Mills Cawood (GMC) on November 26, 2018. We are at 60% design. The schedule for 90% should be complete early January. Groundbreaking is scheduled for late March 2019.

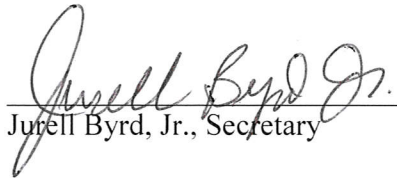
Mr. Field stated we are still waiting on the United States Department of Agriculture (USDA) approval of the 60% drawings. We will also be meeting with the USDA tomorrow to discuss interim financing needs as required during construction.

ADJOURN

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

There being no further business the Commission adjourned at 10:15 am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on November 27, 2018 and that the minutes were approved at the meeting held January 22, 2019.


Jurell Byrd, Jr., Secretary