



Laurens County Water and Sewer Commission

**Board of Commissioners Meeting
January 28, 2020**

Minutes

COMMISSIONERS PRESENT: 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)

COMMISSIONERS ABSENT: Doug Hendrick (Municipal), Sam Peden (I)

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

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle

Call to Order

Invocation

Approval of November 26, 2019 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

Old Business

1. Lake Greenwood Water Treatment Plant (WTP) Project Update
 - a. Construction Manager at Risk (CMAR) Guaranteed Maximum Price (GMP)
 - b. Water Distribution Bids
 - c. Stagecoach Road Waterline and Milam Elevated Water Tank (EWT) Bids
 - d. Total Budget (Expenses verses Project Funding)
 - e. Project Schedule
2. Ratification of Contract Documents for Lake Greenwood Water Treatment Plant Project
3. Approval of Stagecoach Road Waterline and Milam Road EWT Contracts
4. Town of Gray Court Management Transition Status Update

Executive Session

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

1. Contractual Matter Related to the Greenville Water

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:16am in the Board 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 November 26, 2019 minutes, as submitted to the Commissioners.

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

MOTION SECONDED by Commissioner McMurray. MOTION CARRIED. AYES, 5; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed the press to the meeting.

EXECUTIVE DIRECTOR REMARKS

Mr. Field asked everyone to remember Commissioner Peden and several LCWSC staff members that are dealing with health issues.

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.

Mr. Field reported that LCWSC had a total of \$6,367,361 in cash for operating and reserve funds as of December 31, 2019, as compared to \$4,980,814 this time in FY19.

LCWSC MONTHLY OPERATIONS SUMMARY

The monthly operations summary can be found in the Commissioner Board packet.

Mr. Field reported 85 new services installed as of December 31, 2019, with 8 new services in November and 13 new services in December.

Mr. Mattison reported on water purchased and water loss. For the month of December, the total water loss was 25.1% of which 16.7% was unaccounted for through background leaks in the system. The rolling 12-month average for unaccounted water loss is 15.4%. The target is 18.00%.

There were 12 active service line leaks and 1 active main line leak.

A map showing line extensions was presented; discussion included completed, in progress and upcoming line extensions. Mr. Griffin stated we are in the process of completing line work on Allison Drive and Tiffany Lane.

OLD BUSINESS

1. Lake Greenwood Water Treatment Plant Project Update

Mr. Price provided an update on the Lake Greenwood WTP, along with a recap of the funding for the project and discussion of the original project costs and amended budget increase.

- Original Total Project Costs
 - USDA approval September 2016
 - Loan \$34,810,000
 - Rural Development Grant \$1,184,400
 - LCWSC Commitment \$549,000
 - Total \$36,543,400

- Amended Budget Increase
 - USDA approval September 2018
 - Increase of \$6,041,930
 - WTP Scope Changes (including ozone and distribution pipe size increase)
 - Not “Cost Overruns”
 - LCWSC commitment increased to \$2,020,000
 - Total \$44,056,330
- Cost Overrun Request
 - \$4,509,020 requested based on the second revision of the 60% GMP
 - \$808,480 requested due to increased interim financing costs and legal services
 - \$266,900 requested for increase in engineering costs for designing the ozone system and Geotech work
 - Total Increase \$5,584,400
 - Total \$49,640,730
 - Additional \$3,878,670 Rural Development Grant

a. CMAR GMP

The CMAR contract was signed in December 2019. The GMP included certain items with the understanding that as soon as the contract was signed, we would go to change order #1 to deduct (\$1,156,461) for an adjusted total of \$28,916,467. Mr. Price stated there are 730 days to completion. Construction began on January 13, 2020 and will end on February 22, 2022.

b. Water Distribution Bids

Highway 221 and raw water lines were discussed. The base bid of 48,000 linear feet (LF) of 16-inch polyvinyl chloride (PVC) waterline and 12,040 LF of 24-inch PVC raw water line totals \$5,040,9185. The alternative upgrade to ductile iron pipe (DIP) is \$731,350, bringing the total cost to \$5,772,268.

The 16-inch DIP has a larger inner diameter than a 16-inch PVC. The larger inside diameter results in less friction loss and will reduce pumping costs. Construction began on January 22, 2020 and will end July 15, 2021.

Waterloo and Milam Road pumps were sized based on 16-inch PVC but are being re-evaluated to see if smaller pumps can be used with DIP alternatives. Construction began January 22, 2020 and will end on December 17, 2020.

Joanna waterline original project cost is \$2,027,675 for 34,800 LF of 12-inch PVC waterline. The alternative cost of \$943,850 includes an additional 15,800 LF of 12-inch waterline. Total project cost is \$2,971,525. Construction began on January 22, 2020 and will end on May 1, 2021.

Highway 72 waterline original project cost is \$4,192,905 for 45,200 LF of 16-inch PVC waterline. The cost to upgrade the PVC pipe to DIP is \$203,350. Total project cost will be \$4,396,255. LCWSC will ask for a change order of \$2.4 million to add additional 15,000 LF of 16-inch DIP to extend waterline all the way to Milam Road and the new Milam Road Elevated Storage Tank.

c. Stagecoach Rd Waterline and Milam Elevated Water Tank (EWT) Bids

We received two bids for the Milam Road Tank, one for a composite tank at a cost of \$2,374,777 and one for a legged tank at a cost of \$1,871,057. The decision was made to go with the legged tank.

Stagecoach Road original project cost of \$1,552,163 for 18,900 LF of 12-inch PVC waterline will be upgraded to 16-inch DIP at a cost of \$2,252,636. Bids have been received and we are in the process of awarding the contract. No construction start date has been set at this time. Mr. Field stated, apart from a 12-inch bottleneck, we will have a 16-inch line going all the way from Lake Greenwood to Raider Road.

d. Total Budget (Expenses versus Project Funding)

Mr. Price also discussed expenses versus project funding.

Expenditures

• Water treatment facility and intake	\$ 28,916,467
• Distribution Lines including Highway 72 change order	\$ 18,050,150
• Remaining fees, engineering, interest, etc.	\$ 1,868,390
• EWT/Stagecoach waterline	\$ 4,549,878
• Total Expenditures	\$ 53,384,885

Funding Sources

• USDA Grant #1	\$ 1,184,400
• USDA Grant #2	\$ 3,949,519
• EDA Grant	\$ 3,100,000
• RIA Grant	\$ 500,000
• USDA Loan #1	\$ 34,810,000
• USDA Loan #2	\$ 6,041,930
• USDA Loan #3	\$ 1,588,000
• LCWSC Match	\$ 2,211,036
• Total Dollars Available	\$ 53,384,885

Total Grants: \$ 8,733,519

Total Loans: \$ 42,439,930

The LCWSC match could decrease if we don't need all contingency funding.

Mr. Field stated we are closing on interim financing today; the interest rate on financing could come in as low as 1.2%.

e. Project Schedule

Project	Begin	End
• Water Treatment Plant and Intake	01/13/20	02/11/22
• Waterloo & Milam Rd BPS	01/22/20	08/25/21
• Highway 221 and Raw Waterline	01/22/20	07/15/21
• Joanna Waterline	01/22/20	05/01/21

• Highway 72 Waterline	01/22/20	05/01/21
• Milam Rd Elevated Water Tank	TBD	
• Stagecoach Rd	TBD	

Mrs. Medlock created a water distribution cash history and projection spreadsheet. All cash in and cash out was factored in from FY14 to FY24. The five-year rate plan allows us to have money when the plant goes into service, without a large rate hike at the end of the project, and to be able to grow the reserve fund for cash towards this project. We have been paying engineering, legal, and easements along the way. We expect our reserve to cover the out of pocket expenses while maintaining a healthy reserve balance.

2. Ratification of Contract Documents for Lake Greenwood Water Treatment Plant Project

The Executive Director informed the Board that the Contract Documents for the Water Treatment Plant (WTP) Plant were signed by Harper and the Commission on December 20, 2019 and all four (4) Contract Documents for the associated water distribution lines and pump stations were signed on January 22, 2020; collectively known as the USDA Water Treatment Plant Project. The Board approved the financing documents necessary to undertake the WTP Project in August 2019 and again in November 2019 when the documents were amended to reflect the change in schedule. The Board must now approve and ratify the execution of all the Contract Documents associated with WTP Project. The contracts are as follows:

- Water Treatment Plant and Intake for 4 MGD WTP and Intake on Lake Greenwood at a cost of \$30,072,928 by Harper Construction, Greenville, SC.
- Waterloo & Milam Road Booster Pump Stations for 2 X 60 HP pumps in Waterloo and 4 X 30 HP pumps at Milam Road at a cost of \$1,679,000 by Greenstone Construction, Seneca, SC.
- Highway 221 and Raw Waterline for 48,000 LF of 16" waterline on Highway 221 and 12,040 LF of 24" raw water line at a cost of \$5,772,268 by Payne, McGinn & Cummings, Inc., Travelers Rest, SC.
- Joanna Waterline for 34,900 LF of 12" waterline at a cost of \$2,971,525 by Lake Murray Utility Company, Inc., Chapin, SC.
- Highway 72 Waterline for 45,200 LF of 16" waterline at a cost of \$4,396,255 by Legacy Water Group, LLC, Covington, GA.

Commissioner Byrd MOVED that the *Board of Commissioners Ratify Contract Documents for the Lake Greenwood Water Treatment Plant Project and Associated Distribution Improvements*. MOTION SECONDED by Commissioner Curry.
MOTION CARRIED. AYES, 5; NAYS, 0

3. Approval of Stagecoach Road Waterline and Milam Road Elevated Water Tank (EWT) Contracts

Mr. Field informed the Board of the need to approve and authorize the Executive Director to execute the contract documents for the Stagecoach Road Waterline and Milam Road EWT. The Stagecoach Road contract is for the construction of 18,900 LF of 16-inch DIP waterline at a cost

of \$2,252,637 by DS Utilities, Inc., Little Mountain SC. The Milam Road EWT is a contract for the construction of a 500,000-gallon elevated storage tank at a cost of \$1,871,057 by Phoenix Fabricators and Erectors, East Avon, IN. Both projects have been previously discussed in detail.

Commissioner Curry MOVED that the *Board of Commissioners Approve the Stagecoach Road Waterline and Milam Road Elevated Water Tank Contracts and Authorize the Executive Director to Sign Both Contracts.* MOTION SECONDED by Commissioner Byrd.
MOTION CARRIED. AYES, 5; NAYS, 0

4. Town of Gray Court Management Transition Status Update

Mr. Field reported that he and Ms. Nelson attended the annual Town of Gray Court retreat this past Saturday. He stated that from an operational standpoint, things are going extremely well for the town of gray court. He stated we are exercising all the valves and are preparing to flow test hydrants to get an idea of the pressures in the town. LCWSC has handled the locates, surveying and construction drawings in-house thus far needed for developing construction drawings associated with the RIA grant.

Mr. Field reported an issue with two abandoned underground gas storage tanks that have leaked. The sampling on wells and surface water are showing some contaminants. There may be some funding related to this issue and we may request to increase the RIA grant given the circumstances. We have asked Summit Engineering to evaluate how this can impact the system. The town of Gray Court recently received a \$500,000 RIA grant to replace some lines and add lines for fire flow, add fire hydrants, etc.

Mr. Field attended the County Transportation Committee meeting last Thursday to request \$68,000 for asphalt repairs associated with the RIA project.

Ms. Nelson provided an update on meters. She reported that all but 20 of the 350 meters in the town of Gray Court have been completely changed out. Work should be completed within the next 3 weeks.

The first billing went well with no issues; a lot of customers have contacted us to update their information. Most of the customers have been receptive to change and several customers are already utilizing recurring credit card payments, ACH payments, online and pay by phone. We are installing a payment system in Gray Court to accept cash, check and money orders. Ms. Nelson will schedule an employee training session for the new system in Gray Court.

Late penalties, delinquent fees and shut off were also discussed. These processes will take effect at the beginning of March. As of this past Friday at 4:30pm, we had 91 accounts that had not paid and as of this morning, there were 75 accounts that had not paid. Mr. Field stated there may be a misunderstanding with some customers of who to pay or the customers would prefer to pay in person at town hall. Customers have also inquired about paying a technician, but our technicians are not allowed to accept money from customers.

Ms. Nelson also explained the delinquent list. Once a customer is on the delinquent list, they must pay a \$45 fee; this is not a unlock fee and must be paid down to zero to be removed from the list.

Mr. Field stated that percent loss in the town systems is projecting higher than hoped but all meters are not installed. We will provide a summary report once everything is complete.

EXECUTIVE SESSION

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

1. Contractual Matter Related to the Greenville Water

Commissioner O'Dell MOVED that the *Board of Commissioners Go into Executive Session at 9:55am.* MOTION SECONDED by Commissioner Curry.
MOTION CARRIED. AYES, 5; NAYS, 0

Commissioner O'Dell MOVED that the *Board of Commissioners Come Out of Executive Session at 10:22am.* MOTION SECONDED by Commissioner McMurray.
MOTION CARRIED. AYES, 5; NAYS, 0

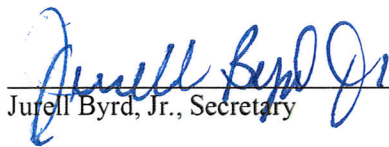
Information Only. No vote taken.

ADJOURN

Commissioner Curry MOVED that the *Board of Commissioners meeting be adjourned.* MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 5; NAYS, 0

There being no further business the Commission adjourned at 10:27am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on January 28, 2020 and that the minutes were approved at the meeting held February 25, 2020.


Jurell Byrd, Jr., Secretary