



Laurens County Water and Sewer Commission

Board of Commissioners Meeting

November 26, 2019

8:15am

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
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

GUESTS: Gary Bailey of Love, Bailey and Associates, LLC
Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A.

Call to Order

Invocation

Approval of October 22, 2019 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

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 Town of Gray Court
2. Contractual Matter Related to the Greenville Water System

Old Business

1. A Resolution Authorizing the Issuance Of Waterworks Distribution System Revenue Bond Anticipation Notes By The Laurens County Water And Sewer Commission, South Carolina In Anticipation Of The Receipt Of The Proceeds Of The Sale Of Waterworks System Revenue Bonds Of The Laurens County Water And Sewer Commission, South Carolina; And Other Matters Related Thereto
2. Lake Greenwood Water Treatment Plant (WTP) Update

New Business

1. Town of Gray Court Management Agreement
2. FY19 Audit
3. December Board Meeting

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:22am 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 October 22, 2019 minutes, as submitted to the Commissioners.

Commissioner Byrd MOVED *that the minutes be accepted as submitted*. MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed the press and guests, Gary Bailey, Auditor with Love, Bailey and Associates, LLC, and Theodore B. DuBose, Haynsworth Sinkler Boyd, P.A. to the Commission meeting. He also thanked everyone involved in planning the Lake Greenwood WTP groundbreaking ceremony on November 14, 2019.

EXECUTIVE DIRECTOR REMARKS

Mr. Field thanked Damas Mattison and Debbie Price for their work to coordinate a successful Lake Greenwood WTP groundbreaking ceremony. He also stated that each board member will receive a commemorative shovel in celebration of this special day.

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 stated that, as of October 31, 2019, LCWSC had a total of \$6,379,767 in cash for operating and reserve funds as compared to \$5,574,116 this time in FY19.

Mr. Field briefly discussed grant funding. The Whitten Center Project is about to wrap up and the Lydia Mill project is close to advertising. Stagecoach Road, Milam Road, and the Lake Greenwood WTP will be completed over the next several years. We did receive approval from the EDA to bid the tank and waterline project.

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 64 new services installed as of October 31st, with 12 new services in the month of October. There were 6 active service line leaks and 1 active main line leak.

Mr. Mattison reported, for the month of October, the total water loss was 20.1% of which 14.6% was unaccounted for through background leaks in the system. The rolling 12-month average for unaccounted water loss is 14.1%. The target is 18.00%.

Mr. Field discussed line extensions and provided a map showing completed, in progress, and upcoming line extensions. Work is nearing completion on Allison and Tiffany, although we hit rock and had to rent a rock breaker to finish this area. Once this project is complete, we will rent a trencher for smaller line extensions.

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 Town of Gray Court**
- 2. Contractual Matter Related to the Greenville Water System**

Commissioner McMurray MOVED that the *Board of Commissioners Go into Executive Session at 8:50am.* MOTION SECONDED by Commissioner Teague.
MOTION CARRIED. AYES, 5; NAYS, 0

Commissioner Curry MOVED that the *Board of Commissioners Come Out of Executive Session at 9:35am.* MOTION SECONDED by Commissioner Byrd.
MOTION CARRIED. AYES, 5; NAYS, 0

OLD BUSINESS

1. A Resolution Authorizing the Issuance Of Waterworks Distribution System Revenue Bond Anticipation Notes By The Laurens County Water And Sewer Commission, South Carolina In Anticipation Of The Receipt Of The Proceeds Of The Sale Of Waterworks System Revenue Bonds Of The Laurens County Water And Sewer Commission, South Carolina; And Other Matters Related Thereto

Mr. Dubose discussed changes to the resolution authorizing the issuance of waterworks distribution system revenue bond anticipation notes. The document has been updated to change the year from 2019 to 2020.

He also stated that provisions were added for long-term debt and sale, exchange or disposal of components or enterprise of system. Redemption Notice to Noteholder was updated to state that 2020 notes shall be subject to redemption at the option of the Commission upon revocation of the United States Department of Agriculture Rural Development's (USDARD) commitment to purchase the bonds.

All resolutions adopted by the Commission on August 27, 2019 authorizing the issuance of bond anticipation notes to defray the cost of the project are repealed in its entirety.

Mr. Field stated the resolution was approved in August with the hope that all bids would be in with interim financing in November. We are now looking at January with a closing at the beginning of February; contractors will start in earnest mid-January. The first invoice payment will be due in February.

Commissioner O'Dell MOVED that the *Board of Commissioners Approve the Resolution Authorizing the Issuance Of Waterworks Distribution System Revenue Bond Anticipation Notes By The Laurens County Water And Sewer Commission, South Carolina In Anticipation Of The Receipt Of The Proceeds Of The Sale Of Waterworks System Revenue Bonds Of The Laurens County Water And Sewer Commission, South Carolina; And Other Matters Related Thereto* MOTION SECONDED by Commissioner McMurray.
MOTION CARRIED. AYES, 5; NAYS, 0

2. Lake Greenwood Water Treatment Plant Update

Mr. Price provided an update on the Lake Greenwood WTP and discussed accomplishments to date and work remaining.

He also reported on bid packages for Waterloo & Milam Road booster pump stations, Highway 221 and raw waterline, Highway 72 and Joanna waterlines.

Mr. Price provided a GMC spreadsheet showing tabulation bids for the Highway 221 distribution main and raw water supply. The lowest bid came in at slightly above \$5 million and the high bid was \$7.5 million. We received three bids on Waterloo and Milam Road booster pump stations.

Mr. Field stated that we will advertise next week with bids due in the second week of January for the Milam Road elevated water tank and Stagecoach Road.

Contracts documents for the water treatment plant/intake have been sent to the USDA and the final GMP is being prepared by Harper Construction.

NEW BUSINESS

1. Town of Gray Court Management Agreement

Mr. Field discussed the Town of Gray Court agreement that allows us to manage the town system as if it is part of our own system. Approximately 350 water meters are being replaced with meters that can be read remotely from our office. The cost of replacement will be approximately \$150,000. This is a 3-year agreement that will be renewable for another 3 years. The agreement has been approved by the Town of Gray Court and will go into effect on January 1, 2020. The agreement is attached and made a part of these minutes.

Commissioner Teague MOVED that the *Board of Commissioners Approve the Town of Gray Court Management Agreement*. MOTION SECONDED by Commissioner Byrd.

MOTION CARRIED. AYES, 5; NAYS, 0

2. FY19 Audit

Mr. Field opened discussion of the FY19 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.

The following are key financial highlights:

Total assets increased by \$2.8 million or 4.13% from the previous fiscal year, primarily from an increase in cash and net receivables. At year-end total assets were \$70.9 million which exceeded total liabilities by \$45.1 million. The Commission's Net Position is still strong at \$45.7 million, an increase of \$3.9 million or 9.56% from the previous fiscal year.

Unrestricted cash and cash equivalents to support short-term operations were \$4.2 million compared to \$3.4 million the prior year.

Operating revenues for fiscal year 2019 increased 9.42% or \$1.0 million, compared to fiscal year 2018.

Operating expenses for fiscal year 2019, before depreciation, increased 0.79% or \$56 thousand, compared to fiscal year 2018.

Total net operating income for the year was \$2.4 million compared to an operating income of \$1.3million in the prior year.

Ratios of operating income to total operating revenues are at 20.0% for 2019 compared to 11.6% for 2018.

Long-term debt decreased from \$19.9 million in 2018 to \$18.4 million in 2019; a decrease of (7.83%).

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 O'Dell MOVED *to accept the FY19 Audit as submitted.* MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

3. December Board Meeting

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

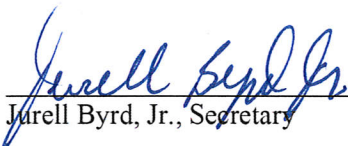
Commissioner Byrd MOVED *that there will be no December Commissioner Meeting.* MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

ADJOURN

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

There being no further business the Commission adjourned at 10:35 am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on November 26, 2019 and that the minutes were approved at the meeting held January 28, 2020.



Jarell Byrd, Jr., Secretary