



Laurens County Water and Sewer Commission

**Board of Commissioners Meeting
November 24, 2020**

Minutes

COMMISSIONERS PRESENT: Sam Peden (I), Philip O'Dell (II), Jurell Byrd, Secretary (III), Susan Curry, Treasurer (V), John McMurray, (VI), Ted Davenport, Chairman (VII), and Doug Hendrick (Municipal)

COMMISSIONERS ABSENT: Bill Teague, Vice Chairman (IV)

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
KC Price, Engineering Manager

ATTORNEY: Allen M. Wham

PRESS: Clinton Chronicle

GUESTS: Gary Bailey, Love Bailey Certified Public Accountants

Call to Order

Invocation

Approval of October 27, 2020 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. FY2020 Audit
2. December Board Meeting

Old Business

1. Sewer Project Update
 - a. Connexial Industrial Park
 - b. Lydia Mill Sewer Rehabilitation CDBG Project
 - c. Highway 56/76 Sewer Line Replacement CDBG Project
2. 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.

1. Legal Matter Involving a Customer Account
2. Contractual Matter Related to Greenville Water System
3. Contractual Matter Related to Wholesale Water Purchase Agreements
 - a. City of Clinton
 - b. Laurens Commission of Public Works

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:17am in the Training Rooms 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 27, 2020 minutes, as submitted to the Commissioners.

Commissioner Hendrick MOVED *that the minutes be accepted as submitted*. MOTION SECONDED by Commissioner Peden. MOTION CARRIED. AYES, 6; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed the Commissioners, guest Gary Bailey, and the press to the meeting. He also stated that they were looking forward to hearing about the FY2020 Audit results.

EXECUTIVE DIRECTOR REMARKS

Mr. Field also welcomed everyone to the meeting.

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, 2020, LCWSC had a total of \$8,279,634 in cash for operating and reserve funds as compared to \$6,379,767 this time in FY20.

Mr. Field discussed the highlights for Water Distribution, Wastewater, Lake Rabon, and the Town of Gray Court. He also provided the percentage breakdown for operating revenue, operating expenses, capital revenue, and capital expenses by department as well as the overall combined percentage for each.

LCWSC MONTHLY OPERATIONS SUMMARY

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

Mr. Field reported 42 new services were installed in the month of October.

Mr. Mattison discussed water purchased and water loss for the system, which includes the percent unaccounted and the percent audited. For the month of October, the total water loss was 33.1% of which 21.3% was unaccounted for through background leaks in the system. The rolling 12-month average for unaccounted water loss is 15.0%. The target is 18.00%.

There were 12 active service line leaks and 8 active main line leaks.

Line extensions, including completed, in progress, and upcoming, were also discussed. Mr. Field noted that Woodside Road line extension was completed, and we are waiting on customers to pay for the Bucks Point Road and Johnson Road line extensions.

NEW BUSINESS

1. FY2020 Audit

Mr. Field opened discussion of the FY 2020 audit and turned the discussion over to Gary Bailey, Certified Public Accountant with Love Bailey Certified Public Accountants.

Mr. Bailey stated this was a clean audit and discussed the independent auditor's report, management's discussion and analysis, and basic financial statements including combined statements of net position, combined statements of revenues, expenses, and changes in net position, and combined statements of cash flows. The independent auditor's report expresses an unmodified opinion on the financial statements of LCWSC. The independent 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 did increase by \$51.3 million or 72.3% from the previous fiscal year, primarily from an increase in cash and capital assets associated with construction of the new water treatment facility on Lake Greenwood. At year-end total assets were \$122.3 million which exceeded total liabilities by \$51.4 million. The Commission's Net Position is still strong at \$51.9 million, an increase of \$6.2 million or 13.55% from the previous fiscal year.
- Unrestricted cash and cash equivalents to support short-term operations were \$6.0 million compared to \$4.2 million the prior year.
- Operating revenues for fiscal year 2020 increased 0.41% or \$48 thousand, compared to fiscal year 2019.
- Operating expenses for fiscal year 2020, before depreciation, increased 5.27% or \$376 thousand, compared to fiscal year 2019.
- Total operating income for the year was \$1.9 million compared to an operating income of \$2.4 million in the prior year.
- Ratios of operating income to total operating revenues are at 16.1% for 2020 compared to 20.0% for 2019.
- Long-term debt increased from \$18.4 million in 2019 to \$59.7 million in 2020; an increase of 223.56%.

Mr. Field thanked Mr. Bailey and his staff and commended Mrs. Medlock and her Staff Accountant, Leeann Maddox, for all of their hard work to maintain the financial records of LCWSC. Mr. Field also thanked the entire LCWSC staff for the job they do to help keep us on budget.

Commissioner Peden MOVED to *accept the FY2020 audit as submitted*. MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 6; NAYS, 0

2. December Board Meeting

Mr. Field discussed the need to have the December board meeting, but suggested moving it to the third Tuesday, December 15, 2020, instead of the fourth Tuesday, December 22, 2020 due to the Holidays.

Commissioner Hendrick MOVED *that the December Board meeting be moved to December 15, 2020*. MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

OLD BUSINESS

1. Sewer Project Update

a. Connexial Industrial Park

Mr. Mattison provided an update on the sewer project at the Connexial Industrial Park, which included a detailed list of the work completed along with the total cost and a picture of the new lift station. In

addition, he noted that all testing has been completed and the project is close to being placed into operation.

b. Lydia Mill Sewer Rehabilitation CDBG Project

Mr. Mattison provided an update on the Lydia Mill Sewer Rehabilitation CDBG project, which included a detailed list of the work completed along with the total cost, including grant funding and LCWSC local match. He noted that the pipe bursting went well overall but the cured in place pipe portion of the project did not. Too many wrinkles in the liner so the contractor will need to come back and pipe burst that section of pipe. There are a few follow up items that need to be resolved and we are waiting on a master meter installation. He also noted that this was the last project needed to satisfy an old consent order from DHEC related to sewer overflows.

c. Highway 56/76 Sewer Line Replacement CDBG Project

Mr. Mattison provided an update on the Highway 56/76 Sewer Line Replacement CDBG project, which included a detailed list of the work to be completed along with the estimated cost, including grant funding, and LCWSC local match. This Community Development Block grant of \$716,375 was awarded about a month ago. LCWSC will put in a new line, tie in, and back fill the existing 48" casing pipe that has deteriorated beyond repair. We cannot reline it because the current condition of the existing line has too many poor sections to receive a liner. Mr. Mattison noted that all permits have been received and we are waiting on one easement adjacent to the railroad.

Project Name	Pipe	Manholes (remove, replace, rehabilitate)	Total Budget	Funding Source	
				Outside	LCWSC
Connexial Industrial Park	9975 LF (sewer), 9427 LF (water)	14	\$ 2,261,490	\$ 2,261,490	\$ -
Lydia Mills CDBG	6809 LF (sewer)	75	\$ 692,470	\$ 570,245	\$ 122,225
Hwy 56/76 CDBG	690 LF (sewer)	6	\$ 821,375	\$ 716,375	\$ 105,000

2. Lake Greenwood WTP Update

Mr. Price provided an update on the Lake Greenwood WTP. He provided photos of the intake structure and the water treatment plant.

Next, Mr. Price noted that the air tank was installed at the intake, the electric and the ozone buildings at the Water Treatment Plant are now erected, and they were currently working on the second floor of the administration building.

Mr. Price stated that there was nothing to show from Lake Murray Utility Company for the Joanna waterline, but we have asked for approval to operate and it will probably go live in the coming weeks. He also stated that Phoenix was not onsite working on the Milam Road tank, but that steel fabrication of the elevated tank sections is in progress in Indiana.

Finally, Mr. Price noted that we will be asking soon for approval to operate the Highway 72 waterline that was completed by Legacy Water Group, LLC. He also stated the Payne, McGinn, and Cummins, Inc. have completed the Highway 221 waterline down to Nuway but have been offsite working to finish another project and they will be back onsite after Thanksgiving.

EXECUTIVE SESSION

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

- 1. Legal Matter Involving a Customer Account**
- 2. Contractual Matter Related to Greenville Water System**
- 3. Contractual Matter Related to Wholesale Water Purchase Agreements**
 - a. City of Clinton**
 - b. Laurens Commission of Public Works**

Commissioner Hendrick MOVED that the *Board of Commissioners Go into Executive Session at 9:46am.* MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 6; NAYS, 0

Commissioner Curry MOVED that the *Board of Commissioners Come Out of Executive Session at 10:51am.* MOTION SECONDED by Commissioner Peden. MOTION CARRIED. AYES, 6; NAYS, 0

BUSINESS AFTER EXECUTIVE SESSION

- 1. Contractual Matter Related to Wholesale Water Purchase Agreements**
 - a. City of Clinton**
 - b. Laurens Commission of Public Works**

Mr. Field presented the Amendment to Water Sale and Purchase Agreement with the City of Clinton and the Amendment to Water Service Agreement with the City of Laurens Commission of Public Works. The Amendment allows the existing contracts to go month to month November 2021, with an expiration of May 2022. This gives LCWSC flexibility needed to place the new Lake Greenwood Water Treatment Facility in operation. The Commission will begin working with LCPW and the City of Clinton to develop a new Water Purchase Agreement to take effect after the current Agreement expires. The new Agreement will have rates and terms more reflective of an intermittent purchase or emergency purchase scenario.

Commissioner Peden MOVED that the *Board of Commissioners approve both amendments contingent approval from the City of Clinton and Laurens Commission of Public Works.* MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

OTHER BUSINESS

Ms. Nelson passed out the 2021 calendars, which include pictures from the Laurens County Conservation District photo contest from prior years, that we will be handing out to customers next month.

ADJOURN

Commissioner Hendrick MOVED that the ***Board of Commissioners meeting be adjourned.*** MOTION SECONDED by Commissioner Byrd. MOTION CARRIED. AYES, 6; NAYS, 0

There being no further business the Commission adjourned at 11:01am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on November 24, 2020 and that the minutes were approved at the meeting held December 15, 2020.


Jurell Byrd, Jr., Secretary