



Laurens County Water and Sewer Commission

**Board of Commissioners Meeting
June 22, 2021**

Minutes

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

COMMISSIONERS ABSENT: Jurell Byrd, Secretary (III)

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
KC Price, Engineering Manager
Paula Bullard, Executive Administrative Assistant

ATTORNEY: Allen M. Wham

PRESS: The Clinton Chronicle

GUESTS: None

Call to Order

Invocation

Approval of May 25, 2021 Minutes

Chairman Remarks

Executive Director Remarks

LCWSC Monthly Financial Summary

LCWSC Monthly Operations Summary

New Business

1. Public Hearing for Proposed FY 2022 Budget
2. Approval of Proposed FY 2022 Budget
3. Approval of Proposed Fee Change for Boat Permits
4. Resolution Establishing Just Compensation for Easement at Intersection of Springdale Drive and E Main Street, Clinton, SC, and Other Matters Relating Thereto
5. Resolution for the Acquisition by Eminent Domain of an Easement at Intersection of Springdale Drive and E Main Street, Clinton, SC, and Other Matters Relating Thereto

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.

1. Contractual Matter related to Laurens CPW.

Other Business

Adjourn

CALL TO ORDER

Chairman Davenport called the meeting to order at 8:20 am in the Training Rooms 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 May 25, 2021, minutes, as submitted to the Commissioners.

Commissioner Hendrick MOVED *that the minutes be accepted as submitted*. MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 5; NAYS, 0

CHAIRMAN REMARKS

Chairman Davenport welcomed the Commissioners and wished Ms. Nelson a Happy Birthday. Chairman Davenport thanked Commissioner Hendrick for his time served and the many contributions that he has made to the Board of Commissioners.

EXECUTIVE DIRECTOR REMARKS

Mr. Field also welcomed everyone and wished Ms. Nelson a Happy Birthday. Mr. Field thanked Commissioner Hendrick for his service to the Board of Commissioners.

Commissioner Hendrick thanked everyone and expressed his gratitude for all of the experience and knowledge that he has gathered from his time on the Board.

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, 2021, LCWSC had a total of \$9,662,236 in cash for operating and reserve funds as compared to \$7,207,556 this time in FY20 and is awaiting an EDA reimbursement totaling \$101,232; the reimbursement will be outstanding until the Milam Road project is complete. With the EDA reimbursement, instead of \$9,662,236, the total cash balance would be \$9,763,468.

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.

Mr. Field noted that LCWSC has received \$1,991,465 in contributed capital grants and \$46,375 for customer paid line extensions, developer line extensions, or industrial projects (not grant funded) for FY21.

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 stated that the gallons per day per active residential tap for the month of May was 136. The target is 134 gallons per day. Mr. Field shared the precipitation graph for FY21 and noted that May precipitation was 2.60 inches, which is 4.08 inches below that of May FY20. Mr. Field discussed the work order summary for the current month and for FY21 and reported 61 new taps were installed in the month of May: a current total of 418 new taps for FY21.

Mr. Mattison discussed water purchased and water loss for the system, which includes the percent unaccounted, and the percent audited. For the month of May, the total water loss was 34.7% of which 27.0% 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 4 active service line leaks and 3 active main line leaks.

Mr. Griffin gave the update for line extensions, including completed, in progress and upcoming. Easy Road line extension is complete; Hunter Farm Road is in progress. Whelon Road will begin in approximately two weeks.

NEW BUSINESS

1. Public Hearing for Proposed FY 2022 Budget

Commissioner Hendrick MOVED *that the Public Hearing for Proposed FY2022 Budget be opened.*
MOTION SECONDED by Commissioner McMurray. MOTION CARRIED. AYES, 5; NAYS, 0

The public hearing for the adoption of the FY 2022 budget was opened for comment. Hearing from no one, the public hearing was closed.

Commissioner O'Dell MOVED *that the Public Hearing for Proposed FY2022 Budget be closed.*
MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

2. Approval of Proposed FY 2022 Budget

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

The following budget was approved by the Budget Committee, comprised of Ted Davenport, Susan Curry, and John McMurray, on May 11, 2021.

Budget Summary:

- Total Budget is \$14,147,220
 - Operating Income increased \$307,321 or 2.52%
 - Operating Expenses increased \$436,216 or 5.25%
 - Capital Income and Expenses increased \$764,598 or 16.48%
 - Capital Reserve Fund Usage increased \$567,532 or 274.91%
 - Includes a new Water Treatment Budget

- Administration Fee Allocation Change:
 - Increased Collection System Administration Fee from 10% to 12.5%
 - Decreased Lake Rabon Administration Fee from 7.5% to 5%
 - Decreased Water Distribution Administration Fee from 62.5 % to 45%
 - Created Water Treatment Administration Fee at 17.5%

- Payroll and Benefits increased \$586,037 or 17.94% due to the following:
 - 1% increase in the Employer's South Carolina Retirement System contribution,
 - 2.6% increase for the State Health Insurance Plan starting in January 2022,
 - Three (3) additional employees in Water Distribution,
 - Water Crew Technician
 - Water Distribution System Operator
 - Water Service Field Technician
 - Water Treatment Facility employees, and
 - Full year of Chief Water Plant Operator
 - Partial year for four (4) Water Plant Operators
 - Partial year for one (1) part-time Water Plant Operator
 - Various merit increases for employees.

- Water Purchase from other providers including raw water from Lake Rabon decreased by \$920,353; however, overall water purchase increased \$513,401
 - As our Water Treatment Facility comes online, we will have overlapping expenses related to purchasing water and producing water for approximately three (3) months.
 - Budgeted to purchase water from City of Clinton, City of Laurens, and Lake Rabon for five months
 - Budgeted to produce water for ten months
 - City of Clinton rate increase of 20%
 - Greenville increased by \$3,400 due to increased usage even though we will shift approximately 1,500 taps off after the plants goes online.

- Overall, O&M Expenses increased 53.4% mainly due to the creation of the Water Treatment budget

- Capital Reserve Fund Usage increased \$567,532 for a total of \$773,978.
 - Clinton Joanna Wastewater Treatment: \$88,700
 - To cover sludge handling project expenses
 - Collection System: \$69,384
 - To cover ISO Parkway/ Fibertex Pump Station upgrade engineering
 - Lake Rabon: \$32,500
 - To cover expenses not included in the CPW/ Water Distribution rate
 - Water Distribution System: \$583,394
 - To absorb the one-year deficit due to the transition from water purchase to water treatment. The deficit will be covered by reserve funds and will not result in a rate increase. A deficit is not expected in FY2023.
 - To cover the required \$250,000 local match for the Bethany Tank Water Supply Improvements project, and
 - To cover the extra two months of debt service payments for closing the USDA loan early

- Overall, Debt Service increases \$1,579,637 or 112.92% due to the early closing of USDA loans related to the Water Treatment Facility and the new distribution lines.
 - Early loan closer, September 2020 vs. August 2021, will save LCWSC approximately \$264,719 per year for the life of the loan.

- No longer funding the Water Plant Reserve Fund (\$1,200,000)

- Boat Permit Fee
 - Proposed \$30 fee for all boat permits regardless of requester location: Laurens County, out of county, or out of state.

Commissioner Curry MOVED that the Proposed FY 2022 Budget be approved as presented. MOTION SECONDED by Commissioner Hendrick. MOTION CARRIED. AYES, 5; NAYS, 0

3. Approval of Proposed Fee Change for Boat Permits

Mr. Field proposed that the boat permit fees change to \$30, regardless to the purchaser's location.

Commissioner O'Dell MOVED *that the Proposed Fee Change for Boat Permits is approved.* MOTION SECONDED by Commissioner McMurray. MOTION CARRIED. AYES, 5 ; NAYS, 0

4. Resolution Establishing Just Compensation for Easement at Intersection of Springdale Drive and E Main Street, Clinton, SC, and Other Matters Relating Thereto

Mr. Wham presented the resolution to the Board of Commissioners stating that this is a standard resolution that is required for the Community Development Block Grant (CDBG) to improve sewer service to a low to moderate income area in or near the City of Clinton, SC. The sewer line improvement project is known as *LCWSC Highway 56 & Highway 76 Sewer Line Replacement*. Keith Batson, a SC Certified General Real Estate Appraiser of Batson Company , Inc. will provide an appraisal in order to determine just compensation to be paid to the property owners.

Commissioner Hendrick MOVED *that the Board approve the Resolution regarding the Just Compensation for Easement is approved.* MOTION SECONDED by Commissioner Teague. MOTION CARRIED. AYES, 5; NAYS, 0

5. Resolution for the Acquisition by Eminent Domain of an Easement at Intersection of Springdale Drive and E Main Street, Clinton, SC, and Other Matters Relating Thereto

Mr. Wham presented the resolution to the Board of Commissioners stating that this is a standard resolution that is required for the Acquisition by Eminent Domain of an Easement at Intersection of Springdale Drive and E Main Street, Clinton, SC, for the public purpose of constructing, installing, operating, maintaining, repairing, reconstructing, removing, and inspecting sanitary sewer lines. A 30' permanent easement containing 0.19 acres, more or less and a 10' temporary construction easement containing 0.04 acres, more or less. Based upon the appraisal performed by Keith Batson, a SC Certified General Real Estate Appraiser of Batson Company , Inc., it is determined that just compensation for the property interest to be acquired is \$4,400 to the landowner in exchange for conveyance of a sewer line easement once a clear title is established.

Commissioner Hendrick MOVED *that the Resolution for the Acquisition by Eminent Domain is approved.* MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

OLD BUSINESS

1. Lake Greenwood Water Treatment Facility Update

Mr. Price provided an update on the Lake Greenwood Water Treatment Facility. He provided updated photos of the Administration Building, the lime silo, the hypochlorite storage building, the interior of the ozone building, the chemical feed pumps on elevated skids, the catwalk located at the rapid mixer, the cabinets, and the dropped ceiling frame complete with tiles installed in the lab area.

Mr. Price noted that the paving was completed yesterday at the Intake site and that the fencing and landscaping would be next.

Mr. Price added that the Oxygen tank will be placed next to the Lime Silo. In the ozone system area, more piping work, stainless steel work, chemical feeds and two polymer systems are being completed. He stated that the compressor has been added to the Compressor Room. Harper Construction will replace the door facing on the cabinets in the lab as soon as all panels are complete and delivered. There has been a small delay on the metal panels for the walkway because the walkway has been modified to allow direct access to the treatment area.

Mr. Price stated that the startup of the Waterloo Booster Pump Station went well. Mr. Price also noted that Payne, McGinn, and Cummings are working quickly on the 24-inch Raw Waterline and should be complete in about two – three weeks.

Hwy 72 Waterline Project is complete, but we are still waiting on the final pay application.

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 Laurens CPW.

Commissioner McMurry MOVED that the ***Board of Commissioners Go into Executive Session at 11:07 am.*** MOTION SECONDED by Commissioner O'Dell. MOTION CARRIED. AYES, 5; NAYS, 0

Commissioner Hendrick MOVED that the ***Board of Commissioners Come Out of Executive Session at 11:33 am.*** MOTION SECONDED by Commissioner Curry. MOTION CARRIED. AYES, 5; NAYS, 0

OTHER BUSINESS

Commissioner Davenport asked if there was any other business to discuss. None was brought forward.

ADJOURN

Commissioner Hendrick 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 11:35 am.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on June 22, 2021, and that the minutes were approved at the meeting held July 27, 2021.

William Teague, Vice-Chairman