

# MINUTES

January 20, 2015

# CASSATT WATER

Kershaw County and Lee County Regional Water Authority

## AGENDA

### Commission Meeting

2:00 PM

January 20, 2015

- |   |                                  |
|---|----------------------------------|
| 1. Call to Order  | Mr. Roosevelt Halley, Chairman   |
| 2. Invocation   | Rev. Kenneth Carter, Chaplain    |
| 3. Statement of Public Notice Compliance with<br>The Freedom of Information Act and S. C. Law | Mr. Roosevelt Halley, Chairman   |
| 4. Public Comment on Non-Agenda Items   | Mr. Roosevelt Halley, Chairman   |
| 5. Amendments to the Agenda   | Mr. Roosevelt Halley, Chairman   |
| 6. Approval of the Agenda   | Mr. Roosevelt Halley, Chairman   |
| 7. Statements of Economic Interest & Audit  | Mr. Terry Hancock, CPA           |
| 8. Secretary's Report   | Mrs. Angela McCaskill, Secretary |
| 9. Approval of December, 2014 Minutes   | Mr. Roosevelt Halley, Chairman   |
| 10. Old Business  | Mr. Roosevelt Halley, Chairman   |
| 11. Financial Report  | Ms. Donna Tuttle, C.F.O.         |
| 12. C.E.O.'s Report   | Mr. Charles Litchfield, C.E.O.   |
| 13. Operations Report   | Mr. Steve Hunter, C.O.O.         |
| 14. Capital Improvements Report   | Mr. John Watkins, PM&T Manager   |
| 15. Executive Session, Personnel Matters  | Mr. Roosevelt Halley, Chairman   |

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|---|--------------------------------|
| 16. Reconvene from Executive session                                  | Mr. Roosevelt Halley, Chairman |
| 17. Commission to Consider Action Regarding Executive Session Matters | Mr. Roosevelt Halley, Chairman |
| 18. New Business  | Mr. Roosevelt Halley, Chairman |
| • Finance Committee   |                                |
| • Human Resources Committee   |                                |
| 19. Next Meeting February 16, 2015                                    | Mr. Roosevelt Halley, Chairman |
| 20. Adjourn   | Mr. Roosevelt Halley, Chairman |

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## CASSATT WATER

Kershaw County and Lee County Regional Water Authority

Members Present:	Mr. Roosevelt Halley	Chairman
	Mr. Julius Gause	Vice Chairman
	Rev. Kenneth Carter	Chaplain
	Mr. Mike Davis	Commissioner
	Mr. Furman Fountain	Commissioner
	Mrs. Ollie Thompson	Commissioner
	Mrs. Bettie Toney	Commissioner

Associates Present:	Mrs. Angela McCaskill	Secretary/Treasurer
	Mr. Charles Litchfield	Chief Executive Officer
	Mr. Steve Hunter	Chief Operations Officer
	Mr. John Watkins	PM&T Manager
	Ms. Donna Tuttle	Chief Financial Officer
	Mr. Terry Hancock	Company Accountant

### 1. Call to Order

#### Action

- Meeting called to order by Mr. Halley.

### 2. The Invocation

#### Action

- Rev. Carter delivered the invocation.

### 3. Statement of Public Notice Compliance With the Freedom of Information Act and S.C. Law

#### Action

- Mr. Halley stated that the public has been notified of the meeting.

### 4. Public Comment on Non-Agenda Items

#### Action

- There were no public comments.

### 5. Amendments to Agenda

#### Action

- There were no amendments to the Agenda.

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## 6. Approval of Agenda

### Action

- Mr. Gause made a motion to approve the Agenda. Rev. Carter seconded the motion. All voted in favor.

## 7. Statement of Economic Interest and Audit

### Key Discussion Points

- Mr. Hancock stated that this will be the last time that Cassatt Water has to file a 990 because we are now a Special Purpose District.

## 8. Secretary's Report

### Key Discussion Points

- Mrs. McCaskill presented the Secretary's Report.

## 9. Approval of December 15, 2014 Minutes

### Action

- Mrs. Toney made a motion to approve the Secretary's Report as presented. Mrs. Thompson seconded the motion. All voted in favor.

## 10. Old Business

### Key Discussion Points

- There was no old business to discuss.

## 11. Financial Report

### Key Items of Discussion

- Ms. Tuttle pointed out that the Miscellaneous Income increased because we sold some of the old meters for approximately \$14,000.00.
- Ms. Tuttle stated that we have spent 37% of the bond money to date.
- Ms. Tuttle explained that beginning January 1, 2015, especially now that we are a Special Purpose District, the Commissioner's will be paid through payroll and their income reported on a W2. The IRS considers the Commissioner's employees. Ms. Tuttle stated that she had mailed the Commissioner's W4's and bank draft forms and asked that they return them.

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## 12. C.E.O.'s Report

### Key Items of Discussion

- Mr. Litchfield stated that water sales have been down nationally by 11%, according to a news article that he recently discovered. Mr. Litchfield passed out a copy of the article to the Commissioner's. He stated that our water sales are down by 20%.
- Mr. Litchfield handed out a Budget Flow chart and explained it in detail. He stated that our largest source of income is water sales. Tap fees, disconnect fees, late fees, etc. generate our total income.
- Ms. Tuttle stated that the bond market is primarily concerned with our operating net income each year and if we meet our coverage ratios. Any excess income will be used on capital expenditures or placed in reserves for future capital expenditure. We have a higher excess this year due to the fact that we borrowed enough in bond issue to cover the first years interest payments on the non-taxable bond.
- Mr. Litchfield commented that as a Public Service District, we are required to provide a public notice for the meeting dates for the year. This has been completed.
- Mr. Litchfield informed the Commissioner's that we are beginning to prepare next year's budget. Mr. Rocca will be reviewing to determine if we need a rate increase. Mr. Rocca is prepared to present his findings at the May 18, 2015 meeting. Mr. Litchfield hopes that the Commission will elect to adopt the budget at the June 15, 2015 so that it can go into effect on July 1, 2015.
- Mr. Litchfield noted that we have had a good response from the employment ad for the new construction crew. Mr. Litchfield discussed the pay rates and requirements for the new positions. Mr. Hunter stated that there is a 40 hour course that prepares people for the certification test.
- Mr. Litchfield informed the Commission that the identification tags have been received and issued to the employees. He also stated that the employees were given a memo detailing the company policy in regards to wearing identification tags.
- Mr. Litchfield stated that we will be taking bids for the new office construction on February 4, 2015.

## 13. Operations Report

### Key Items of Discussion

- Mr. Hunter stated that we installed 4 new taps.
- Mr. Hunter noted that we had 8 main breaks and 8 service leaks in Kershaw County. We had 3 main breaks and 6 service leaks in Lee County.
- Mr. Hunter stated that we received a letter from DHEC and we got a satisfactory rating on the sanitary survey.

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## 14. Capital Improvements Report

### Key Items of Discussion

- Mr. Watkins discussed the updated map of jobs.
- He stated that we have received the DHEC permit for most of the Providence Road project.
- Mr. Watkins informed the Commission that the power is on and we have received the certificate of occupancy at the booster pump stations. The startup is scheduled for January 27, 2015.
- Mr. Watkins noted that Baron Dekalb booster pump has power and we have received the certificate of occupancy. Mr. Watkins also stated that Running Fox Road is approximately 78% complete. He stated that Hwy 97 and Sailing Club Road projects are 30% complete.
- Mr. Watkins informed the Commission that the pre-bid for the Valley Park project is scheduled for January 28, 2015.
- Mr. Watkins noted that all the generators are up and running.
- The bid for the tank replacement on Hwy 97 is scheduled for February 12, 2015.

## 15. Executive Session, Personnel Matters

### Action

- Rev. Carter made a motion to go into Executive Session. Mr. Furman seconded the motion. All voted in favor.

## 16. Reconvene From Executive Session

### Action

- The Commission reconvened.

## 17. Commission to Consider Action Regarding Executive Session Matters

### Key Items of Discussion

- The Commission directed Mr. Litchfield to add a new customer service position within the company with the intent of creating more diversity in the Cassatt Water workforce. Mr. Litchfield stated that he will adjust the budget accordingly to reflect the salary for a new employee.
- Mr. Halley stated in compliance with the company bylaws, we need to appoint a finance committee and a human resource committee.

### Action

- Mr. Halley appointed Mr. Fountain, Mrs. Toney and Rev. Carter for the finance committee.
- Mr. Halley appointed Mr. Davis, Mrs. Thompson and Mr. Gause for the human resource committee.

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## **18. New Business**

### Key Items of Discussion

- The new business was discussed previously in regards to the addition of a position within the company, as well as the addition of a finance and human resource committee.

## **19. Next Meeting February 16, 2015**

### Key Items of Discussion

- Mr. Halley stated that Mr. Gause will need to chair that meeting because he will be out of town.

## **20. Adjourn**

### Action

- Mr. Davis made a motion to adjourn. Rev. Carter seconded the motion. All voted in favor.
- Meeting adjourned.

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## Cassatt Water

Kershaw County and Lee County Regional Water Authority

### Chief Executive Officer's Monthly Report

January 20, 2015

1. **SALES REPORT**

Sales volume through December of the current fiscal year shows an increase of **4.7 %** for the same period last year.

2. **BUDGET AND FLOW OF FUNDS.**

We will discuss the format of the budget and the collection & distribution of revenue and borrowed funds. Handouts will be provided at the meeting.

3. **NEXT MONTH – DISCUSSION OF ACQUISITION & MANAGEMENT OF BOND FUNDS**

Since the bond market is under the jurisdiction of the Securities and Exchange Commission, the marketers and issuing agencies of bonds are under very strict regulation and monitoring. The regulation & monitoring make the acquisition and management of bond funds a somewhat complex matter with many compliance concerns.

We will discuss this process in further detail at the February meeting.

4. **PUBLIC NOTICE FOR ALL COMMISSION MEETINGS SCHEDULED FOR NEXT 12 MONTHS**

As a Public Service District we must Post the Commission meeting dates annually for the year. This has been done.

5. **FISCAL YEAR 2015-2016 BUDGET**

We are beginning work on next year's budget and the first draft will be submitted to the Commission at the May 18<sup>th</sup> meeting for review. The final draft will be submitted for adoption at the June 15<sup>th</sup> meeting. The adopted budget will go into effect July 1<sup>st</sup>, 2015.

The 2016 budget discussions will address two important items in detail. Those items include increased debt service to accommodate the addition of bond principal payments and the possible need of a rate adjustment.

I have authorized our rate analyst, Mr. Mike Rocca with Raftelis Financial Consultants Inc., to evaluate our current revenue projections and future revenue that will be needed to maintain the 1.35 coverage ratio of income & expenses. His study will produce a recommendation regarding whether a rate



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adjustment needs to be considered with adoption of the FY 2015-2016 budget. See the attached email to Mr. Rocca.

6. **UPDATE ON CONSTRUCTION CREW**

Notice of open positions was posted on the January bills and we have received a large number of applications. Media advertising begins this week and construction equipment needs & pricing are being determined.

7. **IDENTIFICATION TAGS**

ID tags have been received and issued. Each employee received a copy of the attached memorandum and compliance will be enforced.

8. **NEW OFFICE CONSTRUCTION:**

We have set the bid date for February 4 at 3:00 at our office.

9. **ORGANIZATIONAL STRUCTURE & PAYROLL**

The organization includes administrative and field operations functions. The administrative functions include management, human resources, customer service, meter reading, telemetry, billing, bookkeeping, procurement, and warehouse management.

The field operations include production, storage, water quality control, infrastructure maintenance and capital improvements construction.

I will discuss the organizational structure and payroll with handouts in executive session at the meeting.

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# CASSATT WATER

Kershaw County and Lee County Regional Water Authority

## MEMO

December 30, 2014

Memo To: Cassatt Water Employees

From: Charles Litchfield, C.E.O.

Re: Policy - Identification Tags & Uniforms

All employees who have regular contact with customers, vendors, or contractors, in the office or in field operations are being provided with an identification tag. Wearing of identification tags and uniforms is a policy of the Authority as established by the Commissioners and is not optional.

Identification tags will be worn attached to the shirt at the level of shirt pockets or higher. If a jacket is worn the ID tag shall be attached to the jacket at the shirt pocket level or higher. Lanyards around the neck cannot be used by field operations personnel because of the safety hazard they present.

Uniforms and jackets must have names embroidered on the garment on the right side above the pocket with the Cassatt Water logo above the left pocket. This will not preclude use of the identification tags