

MINUTES

October 20, 2014

CASSATT WATER

Kershaw County and Lee County Regional Water Authority

AGENDA

Commission Meeting

2:00 PM

October 20, 2014

- | | |
|--|----------------------------------|
| 1. Call to Order | Mr. Roosevelt Halley, Chairman |
| 2. Invocation | Rev. Kenneth Carter, Chaplain |
| 3. Statement of Public Notice Compliance with
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. Election of Officers In November | Mr. Roosevelt Halley, Chairman |
| 8. Presentation of Revised Draft Bylaws for the
Kershaw County and Lee County Regional
Water Authority | Mr. William Cox, Attorney |
| 9. Commission to Consider a Resolution to Adopt
Bylaws of the Kershaw County and Lee County
Regional Water Authority | Mr. Roosevelt Halley, Chairman |
| 10. Secretary's Report | Mrs. Angela McCaskill, Secretary |
| 11. Approval of September 15, 2014 Minutes | Mr. Roosevelt Halley, Chairman |
| 12. Old Business | Mr. Roosevelt Halley, Chairman |

MINUTES

October 20, 2014

- | | |
|--|--------------------------------|
| 13. Financial Report | Ms. Donna Tuttle, C.F.O. |
| 14. Management Report | Mr. Charles Litchfield, C.E.O. |
| 15. Operations Report | Mr. Steve Hunter, C.O.O. |
| 16. Capital Improvements Report | Mr. John Watkins, PM&T Manager |
| 17. Executive Session, Personnel Matter | Mr. Roosevelt Halley, Chairman |
| 18. Reconvene from Executive session | Mr. Roosevelt Halley, Chairman |
| 19. Commission to Consider Action Regarding
Executive Session Matters | Mr. Roosevelt Halley, Chairman |
| 20. New Business | Mr. Roosevelt Halley, Chairman |
| 21. Next Meeting November 17, 2014 | Mr. Roosevelt Halley, Chairman |
| 22. Adjourn | Mr. Roosevelt Halley, Chairman |

MINUTES

October 20, 2014

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
	Mrs. Johnette Caughman	Commissioner
	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. William Cox	Company Attorney
Special Guest	Mr. Julian Burns	Kershaw County Council Chairman Candidate

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 was no public comment.

MINUTES

October 20, 2014

5. Amendments to Agenda

Action

- There were no amendments to the Agenda.

6. Approval of Agenda

Action

- Mr. Carter made a motion to approve the Agenda as printed. Mr. Davis seconded the motion. All voted in favor.

7. Election of Officers in November

Key Discussion Points

- Mr. Halley asked the Commission to be in consideration of whom they would like to elect as President, Vice President and Chaplain in November.

8. Presentation of Revised Draft Bylaws for the Kershaw County and Lee County Regional Water Authority

Key Discussion Points

- Mr. Cox stated that every Commissioner is elected for 4 year terms and should be staggered in such a way that everyone does not rotate off at the same time. Mr. Cox also stated that each Commissioner may only serve a total of two terms, at four years per term.
- Mr. Davis asked what would happen in case there were no interested or qualified candidates. Mr. Cox stated that the current Commissioner for that particular seat could continue to serve.

9. Commission to Consider a Resolution to Adopt Bylaws of the Kershaw County and Lee County Regional Water Authority

Action

- Mrs. Caughman made a motion to adopt the Bylaws. Mrs. Thompson seconded the motion. All voted in favor.

10. Secretary's Report

Action

- Mrs. McCaskill presented the minutes for the September 15, 2014 meeting.

11. Approval of September 15, 2014 Minutes

Action

- Mr. Davis made a motion to approve the Secretary's Report as presented. Mr. Fountain seconded the motion. All voted in favor.

MINUTES

October 20, 2014

12. Old Business

Key Discussion Points

- Mr. Halley asked if there were any updates on the recommendation to fill the vacant Commissioner's seat. Mrs. McCaskill stated that she has not received any updates. Mr. Litchfield stated that Rep. Laurie Slade Funderburk contacted him requesting clarification on her role in electing a candidate for a vacant seat and he discussed the procedure. She stated that she would contact Mr. Sheheen. Mr. Halley asked Mr. Cox to follow up on the matter.

13. Financial Report

Key Items of Discussion

- Mrs. Toney asked for an update on Christian Community Services. Ms. Tuttle stated that there has not been a report from them, but Mrs. McCaskill stated that we have received some vouchers from them.
- Ms. Tuttle explained that we have spent 3.9 million on the bond jobs and we have spent approximately 25.8% of the funds.
- Mr. Halley suggested that we change the Wachovia cash accounts to Wells Fargo. Ms. Tuttle stated that she can make that change.

14. Management Report

Key Items of Discussion

- Mr. Litchfield stated that there were 5 taps made in September. Mr. Hunter added that most of the new taps were due to new construction.
- Mr. Litchfield stated that Mr. Flynn advised him that it is acceptable to adjust budget line items with no net change in the budget balance without giving public notice. Mr. Litchfield stated that he will inform the Commission of changes in line items.
- Mr. Litchfield stated that he discussed the possibility of acquiring additional funding for the new office building with our financial advisor, Mr. Goldsmith. Mr. Goldsmith suggested that we use bond funds that are currently on hand and move another Phase I project to Phase 2 CIP. Mr. Litchfield stated that we could use the same procedure to finance the Hwy 97 elevated tank project. The CIP has been adjusted to accommodate these changes. Mr. Litchfield also stated that we have 24 months to spend 85% of the bond funds without incurring auditing expenses.
- Mr. Litchfield stated that our current contract with the City of Camden expires December 31, 2020. This will be a two component project to eliminate our dependence on the City of Camden. The first will be to replace the Hwy 97 water tank with a tank of greater capacity. We are already doing the engineering on this project. The second component will be to construct a reservoir and booster pump station on Sycamore Rd. Mr. Litchfield presented a draft project schedule and stated that we will need to have a preliminary engineer's report by the end of this calendar year and begin acquiring a State Revolving Fund loan by the beginning of next year. We will need to give the City of Camden a 24 month notice of our intent to terminate our contract with them. The construction of the Sycamore Rd. project needs to be complete by 2019.

MINUTES

October 20, 2014

- Mr. Litchfield informed the Commission that the ongoing downward trend of water sales has discontinued and sales increased slightly through FY 2014.
- Mr. Litchfield informed the Commission that he will be working with Mr. Rocca and Mr. Goldsmith to plan financing Phase II and rate adjustments as may be required to accommodate the debt service.
- Mr. Litchfield provided the Commissioners with an office building project schedule and stated that he will be meeting tomorrow on site with our engineer and architect to discuss taking construction bids for the new office building.

15. Operations Report

Key Items of Discussion

- Mr. Hunter stated that we had 7 water main breaks and 20 service leaks in Kershaw County. We also had 6 water main breaks and 8 service leaks in Lee County.
- Mr. Hunter commented that the catwalk at Hyco well site is complete and we have begun working on the catwalk for the Hwy #1 well.
- Mr. Hunter noted that we are working on our Sanitary Survey for DHEC.

16. Capital Improvements Report

Key Items of Discussions

- Mr. Watkins stated that all pipe has been laid for the D2 project and all the tie ins have been made. The only tie in we are waiting on is at the Westville tank.
- Mr. Watkins reported that we have completed the line construction at Clearwater Lake Rd. We hope to have it up and running by next month.
- Mr. Watkins noted that most of the underground pipe is complete at the Baron DeKalb booster pump station. The fence has been installed and most of the site has been graded. The construction of the building should begin this month.
- Mr. Watkins stated that the building for the Providence Rd project is already under construction.
- Mr. Watkins commented that the plans for the Hwy 97 and Sailing Club Rd projects are complete and we will receive bids on October 30th.
- Mr. Watkins stated that we are working on the plans for the Valley Park project. We are going to send letters to customers informing them of our plans before we begin work. Hopefully, this will eliminate confusion for the customers.
- Mr. Watkins stated that our generators are in place and are online.
- Mr. Watkins displayed a Power Point presentation on the Providence Rd. project.

17. Executive Session

Action

- Mr. Gause made a motion to go into Executive Session. Mrs. Thompson seconded the motion. All voted in favor.

MINUTES

October 20, 2014

18. Reconvene From Executive Session

Action

- The Commission reconvened.

19. Commission to Consider Action Regarding Executive Session Matters

Key Items of Discussion

- Mr. Halley stated that there were some changes made to the minimum training and education for Mr. Litchfield's job description. The Commission also agreed to meet one hour early before the next regular meeting to complete the evaluation form for Mr. Litchfield.

20. New Business

Key Items of Discussion

- There was no new business to discuss.

21. Next Meeting November 17, 2014

Key Items of Discussion

- The regular meeting is scheduled for 2:00 PM, however the Commissioners will meet at 1:00 PM, as previously discussed, to complete the evaluation form for Mr. Litchfield.

22. Adjourn

Action

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

MINUTES

October 20, 2014

Cassatt Water

Kershaw County and Lee County Regional Water Authority

Chief Executive Officer's Monthly Report

October 20, 2014

1. **TAPS**

There were 5 taps added in the month of September.

2. **DRAFT BYLAWS**

Enclosed you will find for your review amended bylaws with Article VII wording changed to better reflect the wording of the legislation as Mr. Cox discussed in the September meeting.

3. **DISCUSSION OF BUDGET AMENDMENTS**

Our bond & SPD transition attorney, Mr. Lawrence Flynn, advises that line item budget amendments are allowable without considering it a new budget and public hearings are not necessary but I will continue to advise the Commission of the line item changes in the budget.

4. **FINANCING THE OFFICE BUILDING**

It is recommended by our Financial Advisor, Mr. Walter Goldsmith, that we use currently available bond funds to finance the office building addition and move another Phase 1 project into the Phase 2 CIP.

I will recommend the same procedure for financing the Highway 97 elevated tank project. The CIP has been adjusted to accommodate these changes.

5. **PLAN TO ELIMINATE DEPENDENCE ON CITY OF CAMDEN WATER SUPPLY**

Because of the need for a project name and for lack of any better options, I will refer to our plan to eliminate the need for City of Camden water supply as the Independence Project.

The current contract with the City of Camden terminates December 13, 2020.

The contract requires that we give a 24 months' notice of intent to the City of Camden that we do not wish to renew the current contract. During that period a new mutually beneficial contract must be negotiated and executed.

The independence project will be primarily composed of two components:

MINUTES

October 20, 2014

They are the Hwy. 97 elevated tank replacement with increased capacity at a cost of \$1,138,500.00 and construction of a reservoir and booster pump station on Sycamore Road at a cost of \$813,395.00. Total cost of both components is estimated to be \$1,951,895.00.

Our Capital Improvements Plan & Engineer's Report consists of Phase 1 & Phase 2 projects. Phase 1 projects are presently in progress.

In considering that the Hwy. 97 tank project is somewhat urgent because of DHEC's concern about the tank's condition, it is recommended that we proceed with construction with current bond funds and move another Phase 1 project into Phase 2. The Sycamore Rd. reservoir and booster pump station will be funded with the Phase 2 projects.

If we seek Phase 2 funding through the State Revolving Fund it may take nearly a year. If we are not funded by the SRF we will have to seek other sources such as Bonds or Bank loans. See attached project schedule.

6. WATER SALES

Although our revenues have steadily increased because of the rate adjustments to position ourselves to accommodate CIP debt service, the gallons sold per year has been on a steady decline since 2010. It appears that, even though we had a wet year in FY 2014, the downward trend has discontinued. If we have a dry spring in 2015 I would anticipate that our budgeted water sales will show a surplus and if our volume of sales returned to 2008 levels, our revenue from water sales would increase by about \$1.2 Million.

See attached sales graph.

MINUTES

October 20, 2014

DRAFT INDEPENDENCE PROJECT SCHEDULE

October – December 2014	Complete Preliminary Engineer’s Report
January 2015 – December 2015	Acquire funding for Phase 2 projects <ul style="list-style-type: none">• Includes Sycamore Rd. reservoir & BPS• Determine if C of C wants backup• Initiate engineering & permitting
March 2016	Initiate Phase 2 construction
June 2018	Notice of contract non-renewal to Camden <ul style="list-style-type: none">• Provides 30 months’ notice• 24 months’ notice required by contract• Deadline December 31, 2020
June 2018 – December 2020	Negotiate new contract of mutual benefit
December, 2019	Complete Phase 2 construction