

MINUTES

April 20, 2015

CASSATT WATER

Kershaw County and Lee County Regional Water Authority

AGENDA

Commission Meeting

2:00 PM

April 20, 2015

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| 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. Swearing in of Commissioner Derrick Brown | Mr. Roosevelt Halley, Chairman |
| 5. Public Comment on Non-Agenda Items | Mr. Roosevelt Halley, Chairman |
| 6. Amendments to the Agenda | Mr. Roosevelt Halley, Chairman |
| 7. Approval of the Agenda | Mr. Roosevelt Halley, Chairman |
| 8. Pending Commission Appointment | Mr. Roosevelt Halley, Chairman |
| 9. Legislative Luncheon 10:00 AM May 15, 2015 | Mr. Roosevelt Halley, Chairman
Mrs. Angela McCaskill, Secretary |
| 10. Committee Reports & Discussion | Mr. Roosevelt Halley, Chairman |
| 11. Secretary's Report | Mrs. Angela McCaskill, Secretary |
| 12. Approval of March, 2015 Minutes | Mr. Roosevelt Halley, Chairman |
| 13. Old Business | Mr. Roosevelt Halley, Chairman |
| 14. Financial Report | Ms. Donna Tuttle, C.F.O. |

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| 15. C.E.O.'s Report | Mr. Charles Litchfield, C.E.O. |
| 16. Capital Improvements Report | Mr. John Watkins, Project & Tech. Manager |
| 17. New Business | Mr. Roosevelt Halley, Chairman |
| 18. Next Meeting 2:00 PM, May 18, 2015 | Mr. Roosevelt Halley, Chairman |
| 19. 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. Derrick Brown	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
	Ms. Donna Tuttle	Chief Financial Officer
	Mr. John Watkins	PM&T Manager

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. Swearing in of Commissioner Derrick Brown

Action

- Mr. Halley administered the oath to Derrick Brown.

5. Public Comment on Non-Agenda Items

Action

- There were no public comments.

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6. Amendments to Agenda

Action

- Mr. Halley stated that he received a letter from the NAACP regarding an ad for their souvenir book and would like to discuss it immediately following Item 9.

7. Approval of Agenda

Action

- Mr. Fountain made a motion to approve the Agenda. Mrs. Toney seconded the motion. All voted in favor.

8. Pending Commission Appointment

Key Discussion Points

- Mr. Litchfield stated that he spoke with Mr. Brown but has not heard anything from him since. Mr. Litchfield stated that he will contact Mr. Brown soon if there is no response.

9. Legislative Luncheon 10:00 AM May 15, 2015

Key Discussion Points

- Mr. Halley stated that the invitations for the legislative luncheon will be mailed this week to the delegates and officials in Kershaw and Lee Counties. Mr. Halley stated that he will go to the State House and try to speak with each delegate to remind them of the luncheon.
- Mr. Halley reminded everyone that the luncheon will be held in Bishopville at the Opera House.
- Mr. Litchfield suggested that we also send a copy of the Agenda to the delegates as well.

10. Sponsor Ad in NAACP of Kershaw County Souvenir Booklet (Added Item)

Key Discussion Points

- Mr. Halley stated that he received a letter from the NAACP requesting that we sponsor an ad for their souvenir booklet. Mr. Gause stated that we need to be careful about contributions because if we donated to one organization and refuse to donate to other organizations, we may have some problems or complaints.
- Ms. Tuttle suggested that the Commissioners set up a budgeted annual amount for donations/contributions.
- Mr. Brown stated that we may need to check into the legal consequences before we add this to the budget. Mr. Litchfield stated that he will investigate further.

Action

- Rev. Carter made a motion to purchase a quarter page ad in the Kershaw County Chapter of the NAACP Souvenir Booklet in the amount of \$75.00 and that the funds are deducted from the Miscellaneous Expenses. Mr. Gause seconded the motion. All voted in favor.

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11. Committee Reports and Discussion

Key Discussion Points

- Mr. Halley stated that the Executive Committee will meet if a problem arises to discuss a solution. The Executive Committee will report back to the Board of Commissioners.
- Mr. Halley noted that the Personnel Committee will be responsible for making recommendations for reappointments of vacant Board of Commissioners positions. They are also responsible for any oversight of the company as a whole, if needed.
- Mr. Halley commented that the Finance Committee is responsible to work with Mr. Litchfield and Ms. Tuttle in regards to the annual budget. Mr. Halley stated that the Committee needs to elect a chairperson as soon as possible because Mr. Litchfield stated that he intends to submit a draft budget at the May meeting. He would like the Finance Committee to meet between the May and June Board of Commissioners meeting to finalize the budget.

12. Secretary's Report

Key Discussion Points

- Mrs. McCaskill presented the Secretary's Report. There were no questions or comments.

13. Approval of March, 2015 Minutes

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

14. Old Business

Key Discussion Points

- Mr. Fountain asked if we had sold the equipment that was previously discussed. Mr. Litchfield stated that there were no developments in the sale of the equipment yet.

15. Financial Report

Key Items of Discussion

- Ms. Tuttle stated that our revenues are at 72% and our expenses are at 74.50%. Ms. Tuttle stated that we have spent 46% of our bond proceeds.

16. C.E.O.'s Report

Key Items of Discussion

- Mr. Litchfield stated that we are behind on our sales by a couple percent. He expects that we will fall short by approximately \$200,000 this year.
- Mr. Litchfield noted that there is no information at this time from Mr. Flynn or Mr. Cox regarding the invoice from Earl Taylor.

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- Mr. Litchfield stated that we will need to hold a public meeting to adopt the 2015-2016 budget. He would like to schedule it for the June Board of Commissioner's meeting.
- Mr. Litchfield stated that we may need to hold a public meeting in regards to a rate adjustment. This year we had to accommodate interest and next year we will need to accommodate both interest and principal. Mr. Rocca is looking into the rate adjustment.
- Mr. Litchfield informed the Commission that we had to hold a public hearing in regards to constructing the Hwy 97 elevated tank. No public was in attendance.
- Mr. Litchfield stated that he received a call from the engineer for the King Haigler housing development behind Pine Tree Hill Elementary school. They are expecting to add 35 new residences. The developer has to bear the entire expense if this development is approved.
- Mr. Litchfield informed the Commission that our building contractor expects to complete construction of the new office building by October 1st. There are penalties to be applied if the contractor is not finished by that date. The new building is being constructed to match the current building. Vinyl siding will be applied and new windows will be installed. The cost is expected to be approximately \$8,000.00.
- Mr. Halley asked Mr. Litchfield to notify the Commissioners of any and all public hearings.
- Mrs. Toney suggested that we hold all public meetings at the normal Board of Commissioner's meeting room because she does not expect there to be much public attendance and the acoustics are much better in the regular meeting room.
- Mr. Halley asked Mr. Litchfield for an update on the construction crew. Mr. Litchfield stated that one new hire is working a two week notice and we still need to hire one more person for that crew. He informed everyone that we have hired four minorities.

17. Capital Improvements Report

Key Items of Discussion

- Mr. Watkins stated that the Providence Rd. water main is online and there are just a few punch list items that the contractor is responsible for.
- Mr. Watkins noted that the Providence and Baron Dekalb Booster stations are also online and are awaiting a few punch list items to be completed by the contractor.
- Mr. Watkins commented that we had to blast a large amount of rock at Hwy 97 and Sailing Club Rd. projects. Everything went well with the rock blasting. He stated that he will present a short video at the next meeting.
- Mr. Watkins stated that the Springhill Booster Pump upgrade should be motorized in June.
- Mr. Watkins noted that Precipice Rd., Hermitage Pond Rd. and Doc Humphries Rd. projects have been awarded to McMahan Brothers, the same contractor who is doing the rock blasting at the Hwy 97 and Sailing Club Rd. projects.
- Mr. Watkins commented that Maxcy Hicks was awarded the bid for the McRae Rd. and Shiver Pond Rd. projects. He stated that we are waiting on the storm water permits and have already received the DHEC and DOT permits. Mr. Watkins informed the Commission that we asked that those projects be completed by July 1, 2015.
- Mr. Watkins informed the Commission that we will accept bids for the Community Center Rd., Tombfield Rd., Black River Rd., Red Hill Rd. and Red Hill Rd. to Shiver Pond Rd. projects on April 30, 2015.

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- Mr. Watkins stated that the Kellahan projects, Valley Park and Picket Thomas Rd., has been awarded and we will need to set the start date for them. He stated that we will mail letters to the customers in those areas, informing them of the work to be done.
- Mr. Watkins informed the Commission that this work totals approximately 56 miles of pipe to be installed.
- Mr. Watkins stated that we had a preconstruction meeting for the Hwy 97 tank on April 16, 2015. The work should begin April 21, 2015.
- Mr. Watkins commented that the parking lot construction should begin shortly.
- Mr. Watkins informed the Commission that the weather slowed us down on the automated meter replacement. We have approximately 500 meters to replace.
- Mr. Watkins stated that we are moving forward with our G.I.S. work. We are trying to get our valves and meters mapped and streamlined. The new technology will be a great benefit to Cassatt Water.

18. New Business

Key Items of Discussion

- Mr. Fountain stated that he knows a turkey farmer who is having well problems. He wanted to know if there was anything we can do to get this man's business. Mr. Litchfield stated that we may want to consider adopting a new policy allowing people to finance the tap fee over a 6 month period.
- Mr. Litchfield asked the Commission to consider allowing customers to make payment arrangements on taps.
- Mr. Halley asked Mr. Litchfield to get the specifics on this situation and report back to the Commission.

19. Next Meeting May 18, 2015

20. Adjourn

Action

- Mr. Gause made a motion to adjourn. Mr. Fountain 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

April 20, 2015

1. **SALES REPORT**

Sales volume through March of the current fiscal year shows a small increase over the same period last year but I anticipate a shortfall in projected water sales revenue.

2. **EARL TAYLOR'S INVOICE FOR BOND & SPD TRANSITION LEGAL SERVICES**

Mr. Cox & Mr. Flynn do not have anything to report.

3. **SCHEDULE & PUBLIC HEARING FOR FY 2015-2016 BUDGET**

I will submit the draft budget in the May meeting and the Finance Committee may wish to schedule a meeting to finalize a budget for adoption by the Commission at the June meeting.

The process is slightly changed since we have converted to a Special Purpose District.

As required by, and in compliance with, Title 6, Section 6-1-80 of the S.C. Code of Laws, we will give notice in the media and a public hearing will be held in conjunction with the June meeting to present the recommended budget. At the June meeting I will ask that the Commission adopt the FY 2015-2016 budget to go into effect July 1, 2015.

4. **PUBLIC HEARING FOR FY 2015-2016 RATE ADJUSTMENT**

Since the initial decision to acquire funding for rehabilitation and upgrade of the Cassatt Water infrastructure, it has been anticipated that water rates would have to be adjusted to fund the debt service and insure the required debt service coverage ratio. Steps have been taken in previous years to position our rates to accommodate debt service. We must now adjust our rates to accommodate the principal payments.

Unfortunately, the economic and immigration issues of recent years have resulted in declining water sales, which is a reversal of typical growth of utilities systems from year to year that we have always anticipated to provide an increasing revenue stream. The net result is that we may need a slightly greater rate increase than originally anticipated.

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The current year's budget has been adequate to cover the interest on the debt service and this year we will go into the next phase in which we will begin to pay both interest and principal on the debt. Mr. Mike Rocca will complete a study with the necessary rate recommendations.

As required by, and in compliance with, Title 6, Section 6-11-150 of the S.C. Code of Laws, we will give notice in the media and a public hearing for comment regarding the rates will be held in conjunction with the presentation of the budget in the June meeting. At that time I will ask that the Commission adopt the recommended rate adjustment to go into effect July 1, 2015.

5. **PUBLIC HEARING – HWY 97 ELEVATED WATER TANK**

As required by, and in compliance with, Title 6, Section 6-11-175 of the S.C. Code of Laws public notice was given and a public meeting was scheduled to address new construction and replacement of the existing elevated tank. The meeting was scheduled for 5:15 PM, April 8, 2015 at the Kershaw County Chamber of Commerce building.

There was no public attendance at the meeting.

6. **KING HAIGLER PHASE 5 SUBDIVISION EXPANSION TO BE SERVED BY CASSATT WATER**

I have been contacted by the developer's engineer regarding another expansion of approximately 35 residential units to the existing subdivision. In order to control quality of engineering & construction, I have arranged for the developer to use our engineers for design & construction management. With the exception of setting the meters, there will be no cost to Cassatt Water for this project.