

MINUTES

February 16, 2015

CASSATT WATER

Kershaw County and Lee County Regional Water Authority

AGENDA

Commission Meeting

2:00 PM

February 16, 2015

- | | |
|---|----------------------------------|
| 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. Introduction of Lee County Commissioner,
Mr. Derrick Brown | Mr. Roosevelt Halley, Chairman |
| 8. Committee Reports | Mr. Roosevelt Halley, Chairman |
| 9. Secretary's Report | Mrs. Angela McCaskill, Secretary |
| 10. Approval of January, 2015 Minutes | Mr. Roosevelt Halley, Chairman |
| 11. Old Business | Mr. Roosevelt Halley, Chairman |
| 12. Financial Report | Ms. Donna Tuttle, C.F.O. |
| 13. CEO's Report | Mr. Charles Litchfield, C.E.O. |
| 14. Operations Report | Mr. Steve Hunter, C.O.O. |

MINUTES

February 16, 2015

CASSATT WATER

Kershaw County and Lee County Regional Water Authority

Members Present:	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
Members Absent	Mr. Roosevelt Halley	Chairman
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

1. Call to Order

Action

- Meeting called to order by Mr. Gause.

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. Gause 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.

MINUTES

February 16, 2015

6. Approval of Agenda

Action

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

7. Introduction of Lee County Commissioner, Mr. Derrick Brown

Key Discussion Points

- Mr. Brown was absent. Mr. Litchfield stated that he drafted a letter to Mr. Brown inviting him to arrive early before today's meeting to meet with him and Mr. Halley. Mr. Litchfield stated that he has not heard from Mr. Brown.

8. Committee Report

Key Discussion Points

- Mrs. Toney stated that there have not been any committee meetings, therefore no reports to discuss. Mr. Gause noted that the committee's need to hold a meeting as soon as possible and elect a chairman for each committee.

9. Secretary's Report

Key Discussion Points

- Mrs. McCaskill reminded the Commission about the luncheon for Mrs. Caughman this Friday at 12:00 at The Old Armory in Camden.
- Mrs. McCaskill informed the Commissioners that the Kershaw County Chamber of Commerce was holding their first annual State of the County breakfast on Friday, March 13, 2015. Information has been provided on this and if anyone is interested please let her know.

10. Approval of January, 2015 Minutes

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

11. Old Business

Key Discussion Points

- There was no old business to discuss.

12. Financial Report

Key Items of Discussion

- Ms. Tuttle pointed out that we are 7 months into the budget year and we are on target with 58% of our budget spent.

MINUTES

February 16, 2015

- Mr. Litchfield stated that we have closed on the property adjacent from the Jamestown wellsite and we are negotiating a piece of property adjacent to the Lucknow wellsite as well. Mr. Litchfield stated that he made an offer for the Lucknow property of 1.5 times the value of an acre.
- Ms. Tuttle explained that we have spent 40% of the bond money.

Action

- Mr. Davis made a motion to approve the Financial Report. Rev. Carter seconded the motion. All voted in favor.

13. C.E.O.'s Report

Key Items of Discussion

- Mr. Litchfield stated that the sales report reflects an increase in our sales volume. We are at 3% higher than the same period last year. He has asked Mr. Rocca to review our rate study. Mr. Litchfield noted that the bond proceeds have to be monitored separately. He asked Ms. Tuttle to discuss further. Ms. Tuttle stated that we are regulated by the MSRB and we must report to them annually by February 1st. She stated that interim reporting would need to take place if anything occurred that would affect our revenues, such as rate increases or decreases. Ms. Tuttle stated that we have set up a job costing system that allows us to track and report our expenditures. She stated that the most important reporting requirement is our coverage ratio of 1.2%.
- Mr. Litchfield stated that we have taken bids for the construction of the new office building. He stated that we solicited bids from four contractors, however, only 2 contractor's submitted bids. Harrington Construction was the successful bidder at \$1,228,900.00 and proposed a completion date of 210 days. We hope to have the building completed by October or November of this year.
- Mr. Litchfield reminded the Commission of their decision to hire a construction crew, as well as a minority employee in our customer service department to improve diversity in the workforce. He stated that the only way to do it is to add a position and suggested that we could create a new position for an administrative assistant and move a current employee into that position to create an open Customer Service Representative position. Mr. Litchfield asked the Commission to vote on the issue of hiring an administrative to create a minority position in the customer service department. Mr. Davis asked if a minority male will be considered as well as females for the customer service position. Mr. Litchfield stated that the position will be open to males and females and Ms. Tuttle stated that it would be illegal for us to discriminate. Mr. Fountain asked how the hiring process for the construction crew was going. Mr. Litchfield commented that we have two employees who are well qualified for foreman and equipment operator positions and applications are being reviewed.
- Mr. Litchfield stated that we are sorting through our applicants for the new crew. Mr. Litchfield commented that a SLED background check and a drug test will be required for anyone whom is considered for employment. Mr. Fountain asked if we had a large selection of minority applicants to choose from. Mr. Litchfield stated that there is no way to know if an applicant is a minority by their application and that until the best candidates are chosen for interviews, we have no way to know which ones are minorities. Mrs. Toney stated that the new employees need to be

MINUTES

February 16, 2015

responsible, but also stressed that she felt it was important that our customers see a face like hers when they come in the office. She stated she knew a highly qualified young, black lady who wanted to apply for a position at the Cassatt Water office several years ago, but was told that we were not hiring at that time and was directed to apply at a temporary service in Camden. Mrs. Toney stated that told her all she needed to know.

- Mr. Litchfield noted that we are looking into financing our Phase II projects with state revolving loan funds. Mr. Cargill, an expert on financing utilities who used to work for BP Barber engineering, made some prior recommendations and has stated that the first step in acquiring those funds is to submit a prioritization report to DHEC. Mr. Litchfield commented that he has asked Mr. Cargill to proceed with the prioritization report.

Action

- Rev. Carter made a motion to authorize Mr. Litchfield to create an administrative assistant position for the purpose of opening a position in the customer service department. Mrs. Thompson seconded the motion. All voted in favor.

14. Operations Report

Key Items of Discussion

- Mr. Hunter stated that we installed 7 new taps.
- Mr. Hunter noted that we had 1 leak in Kershaw County and 3 leaks in Lee County.
- Mr. Hunter stated that we are in process of replacing the pump and motor at the Springhill wellsite.
- Mr. Hunter displayed some slides and explained the flowable fill process. He explained the process and what is entailed to repair road damage.

15. Capital Improvements Report

Key Items of Discussion

- Mr. Watkins stated that the Providence Rd. and Clearwater water line installations are complete.
- Mr. Watkins noted that Providence Booster Pump has been approved and is online.
- Mr. Watkins informed the Commission that the Baron Dekalb Booster Pump station is progressing very well. The samples are being taken on sight by the contractor, the tank is scheduled to be sterilized tomorrow and we hope to start it up next week.
- Mr. Watkins stated that the Hwy 97 project has been hindered by the weather and also because the contractor has hit rock. The rock will have to be blasted and can be very costly. However, SCDOT has to give us permission to perform any blasting before it can be done.
- Mr. Watkins commented that the lowest bid for the Springhill BPS upgrade was from Jake Bassinger Contracting.
- Mr. Watkins stated that we have scheduled a bid opening for the Precipice, Hermitage Pond and Doc Humphries Road projects for March 4, 2015.
- Mr. Watkins noted that the plans for Community Center Rd., Tombfield Rd. and Red Hill Rd. projects are being finalized and we hope to accept bids within a month.

MINUTES

February 16, 2015

- Mr. Watkins commented that we will need to relocate the water line on McRae Rd. We will also need to perform a directional bore on Shiver Pond Rd. due to a bridge replacement.
- Mr. Watkins stated that we had to reschedule the bid for Hwy 97 tank replacement until February 26, 2015.
- Mr. Watkins stated that we have a pre-bid for the Valley Park and Pickett Thomas projects for February 26, 2015. He stated that we will mail letters to customers to inform them of the work to be done.
- Mr. Watkins noted that we are almost finished with our automated meter reading project. The automated meter reading eliminates the possibility of human error because it is 100% accurate.

16. New Business

Key Items of Discussion

- There was no new business to discuss.

17. Next Meeting March 16, 2015

18. Adjourn

Action

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

MINUTES

February 16, 2015

Cassatt Water

Kershaw County and Lee County Regional Water Authority

Chief Executive Officer's Monthly Report

February 16, 2015

1. **SALES REPORT**

Sales volume through January of the current fiscal year shows an increase of 3% over the same period last year.

2. **MANAGEMENT OF BOND PROCEEDS**

Last month we talked about the budget and flow of funds, including revenues and bond funds and this month we will talk about management requirements for the bond funds.

Since the bond market is under the jurisdiction of the Securities and Exchange Commission, the issuers of bonds are under very strict regulation and monitoring. This month, Ms. Tuttle will talk about management of bond funds, which is a somewhat complex matter with a number of regulatory, legal, bookkeeping, and recordkeeping requirements. Next month we will talk about our work on the rates, rate structure, and the study that is presently in progress.

3. **BIDS FOR OFFICE BUILDING CONSTRUCTION**

Bids were solicited from a select group of contractors and the low bid was \$1,228,900.00 from Harrington Construction Company in Sumter with an estimated construction time of 210 days. The Architect's anticipated cost was \$1,300,000. See attached bid tabulation. The Architect & Project Manager, Mr. Munnerlyn, has reviewed and evaluated the bid documents and found that all is in order. The project is already approved in the bond funds and I will execute contract documents & notice to proceed to the lowest bidder.

The Harrington bid was partially based on estimates from mechanical systems & plumbing subcontractors who were not local and it is my intent to negotiate use of local contractors to do the mechanical & plumbing work.

4. **APPROVAL OF ADDITIONAL ADMINISTRATIVE EMPLOYEE**

The C.E.O. has been directed to take action necessary to create greater diversity in the Cassatt Water workforce. The Commission has already voted to approve the creation of the Construction Crew positions which should open more entry level positions to hire more Minority employees.

MINUTES

February 16, 2015

At the January meeting it was determined that the Commission wishes to have a Minority employee in the Customer Service department and create a new position in the Administrative Division to provide an opening for a Minority employee.

I ask the Commission to take action with a vote to authorize the additional position of Administrative Assistant in the Administration Division so as to open a Customer Service Position for this purpose.

5. **PHASE 2 UPDATE**

The Engineer's report is being updated to study the influence of the Phase 1 projects on system operations and amend the Phase 2 project requirements as necessary.

Mr. Sam Cargill, retired from B.P. Barber & Assoc. (URS), has been retained to submit a DHEC Prioritization Report which is required prior to submitting an application to the State Revolving Loan Fund (SRF).

It is my intent to retain Mr. Cargill to also proceed with the SRF application in the amount of approximately \$11 Million, actual amount depending on the outcome of the Engineer's Phase 2 study and DHEC Prioritization Report.

The advantages of the SRF are that the money is drawn as needed and interest rates are low, thereby allowing rate adjustments over time.

MINUTES

February 16, 2015

BID TABULATION

FOR
ADDITION / RENOVATION
OF
KERSHAW COUNTY & LEE COUNTY
REGIONAL WATER AUTHORITY (KLCRWA)
BOYKIN & MUNNERLYN - PROJECT NO. 1035-11

CONTRACTOR	BID
HARRINGTON CONSTRUCTION CO. Mr. Morgan Lewis 41,228,900.00 3140 Quandry Rd. Sumter, SC 29150 Ph: (803) 494-2025 Fx: (803) Morgan Lewis (morgan@harringtonsc.com)	\$1,228,900.00
JP SMITH BUILDERS, LLC Mr. John Paul Smith 2156 Tickle Hill Rd. Camden, SC 29020 Ph: (803) 713-8640 Fx: (803) 425-4662	\$1,389,000.00
Mr. Billy Jackson JACKSON CONSTRUCTION CO., INC. 1395 Springvale Rd. Lugoff, SC 29078 Ph: (803) 438-9375 FX: (803) 438-5840	NO BID
Mr. Lee McCaskill MCCASKILL FARMS 377 Cantey Lane Rembert, SC 29128 Ph: (803) 432-9357 Fx: (803) 425-8351	NO BID