

MINUTES

November 17, 2014

CASSATT WATER

Kershaw County and Lee County Regional Water Authority

AGENDA

Commission Meeting

2:00 PM

November 17, 2014

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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. 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
Mr. William Cox, Attorney |
| 8. Secretary's Report | Mrs. Angela McCaskill, Secretary |
| 9. Approval of October 20, 2014 Minutes | Mr. Roosevelt Halley, Chairman |
| 10. Christmas Dinner Schedule & Location | Mrs. Angela McCaskill, Secretary |
| 11. Old Business | Mr. Roosevelt Halley, Chairman |
| 12. Financial Report | Ms. Donna Tuttle, C.F.O. |
| 13. Management Report | Mr. Charles Litchfield, C.E.O. |

MINUTES

November 17, 2014

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| 14. Commission to Consider Action to Amend the Disconnect for Nonpayment Policy | Mr. Roosevelt Halley, Chairman |
| 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 December 15, 2014 | Mr. Roosevelt Halley, Chairman |
| 22. Adjourn | Mr. Roosevelt Halley, Chairman |

MINUTES

November 17, 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

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

November 17, 2014

5. Amendments to Agenda

Key Discussion Points

- Mr. Halley requested to add an amendment to address the concern of the Commissioners terms.
- Mr. Gause made a motion to approve the amendment to the Agenda to address the concern of the Commissioners terms. Mrs. Thompson seconded the motion. All voted in favor.
- Mr. Halley asked Mr. Cox when the existing Commissioners' 8 year terms will begin. Mr. Cox stated that he will check into this issue further, but that he believed that existing members will continue to serve their original term after the conversion. He stated that he will have the answer at the December meeting.

6. Approval of Agenda

Action

- As noted above, Mr. Gause made a motion to approve the amendment to address the concern of the Commissioners terms. Mrs. Thompson seconded the motion. All voted in favor.

7. Election of Officers in November

Key Discussion Points

- Mr. Cox presented the ballot and asked the Commissioner's to vote accordingly.

Action

- Mr. Cox presented the election results as follows:
 - President, Mr. Halley
 - Vice-President, Mr. Gause
 - Chaplain, Rev. Carter
 - Secretary/Treasurer, Mrs. McCaskill

8. Secretary's Report

Key Discussion Points

- Mrs. McCaskill presented the Secretary's Report.

9. Approval of October 20, 2014 Minutes

Action

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

MINUTES

November 17, 2014

10. Christmas Dinner Schedule and Location

Key Discussion Points

- Mrs. McCaskill stated that the Christmas dinner is scheduled for Friday, December 19, 2014 at Mr. B's at 1:30. This is the same location as last year's Christmas dinner. She asked the Commissioner's to advise her if they plan to attend and bring a guest.

11. Old Business

Key Items of Discussion

- There was no old business to discuss.

12. Financial Report

Key Items of Discussion

- Ms. Tuttle stated that we are currently on track to meet this year's budgeted revenue expense.
- Mrs. Toney asked about the high expense of the Hwy 97 project. Mr. Litchfield stated that he is going to do an amended budget and that the Hwy 97 project will now be funded from bond proceeds after a discussion between Lawrence Flynn, Walter Goldsmith, Mr. Litchfield and Ms. Tuttle.

13. Management Report

Key Items of Discussion

- Mr. Litchfield asked Mr. Hunter to report the number of taps installed last month. Mr. Hunter stated that we made five new taps in the month of October.
- Mr. Litchfield informed the Commission that our sales show almost a 4% increase over the same period last year. This is better than some rate increases that we do. He stated that he believes the increase is partially due to the rate restructuring.
- Mr. Litchfield noted that last year we closed the office at 1:00 for the Christmas dinner and remained closed. He recommended that we continue that practice from this point forward.
- Mr. Litchfield reminded the Commission that in the last few years, if the Christmas holidays fell at the beginning or end of the week, the employees were given a 3 day holiday. He asked the Commission to consider making this a standard practice.
- Mr. Litchfield stated that we need to consider how we are going to fund Phase II of our Capital Improvements Plan. We will need to look at our rates for the coming year and our debt service to confirm that our rate structure will accommodate that debt. He will work with Mr. Rocca.

MINUTES

November 17, 2014

- Mr. Litchfield took a moment to discuss the past, present and future of Cassatt Water. Mr. Litchfield stated that we developed a five year plan to modernize & repair the system. Mr. Litchfield stated that he restructured the organization & acquired a Finance Director. He stated that we also acquired Special Purpose District status, which will make more financing options available. Mr. Litchfield stated that policies have been revised to better serve the customers and to be consistent with those policies of other utilities. Mr. Litchfield noted that we now have ability to pay with a credit card in person, by phone or the Cassatt Water website. Mr. Litchfield stated that we have many customers set up on automatic draft now. He commented that we have taken several steps to avoid disconnections, such as establishing payment plans and calling our customers before cut off day. Mr. Litchfield stated that we have upgraded much of our infrastructure and equipment and have backup generators everywhere. We also outsource our monthly billing now. Mr. Litchfield commented that we are using new accounting software.
- Mr. Litchfield stated that it is his opinion that we may be able to reduce our security deposits. He stated that we use an online utility service to check credit for security deposits.
- Mr. Litchfield asked Mr. Hunter to explain some of the changes to the Commissioners. Mr. Hunter stated that we used to have two service techs visit the pump sites daily, one for Kershaw County and one for Lee County. Those sites are now monitored by computer. This is a tremendous time saver for the company.
- Mr. Hunter stated that we changed the chemical pumps out and that has also saved the company a good bit of time and money.
- Mr. Watkins commented that the company has come a long way in a short time. He thanked Mr. Litchfield and the Commissioners for working together to move forward.
- Mr. Watkins stated that the Jamestown, Hyco and Cassatt wells are online now. We have more water available and can store more water now because of these wells.
- Mr. Watkins discussed the many advantages of the electronic meter reading capability.
- Ms. Tuttle stated that we are reviewing our policies, upgraded our accounting package and purchased a new billing system that will eventually be put into place.
- Mr. Litchfield stated that we have a 2006 Tacoma truck, a Silverado truck and other equipment that are no longer useful to the company. Mr. Litchfield asked the Commission to allow him to dispose of the vehicles and equipment by bids.
- Mr. Litchfield stated that Phase II projects will include plans to eliminate our dependence on the City of Camden and Alligator Water. He believes we will be able to begin construction on Phase II projects in 18 months to 2 years.

Action

- Mr. Fountain made a motion to close the office at 1:00 for the Christmas dinner and remain closed as a standard practice. Mr. Davis seconded the motion. All voted in favor.
- Mr. Davis made a motion to adopt the 3 day Christmas holiday as a standard practice. Rev. Carter seconded the motion. All voted in favor.
- Mr. Davis made a motion to allow Mr. Litchfield to dispose of the vehicles and equipment by bid. Mrs. Thompson seconded the motion. All voted in favor.

MINUTES

November 17, 2014

14. Commission to Consider Action to Amend the Disconnect for Nonpayment Policy

Key Items of Discussions

- Mr. Litchfield stated that he will discuss this at the next meeting.

15. Operations Report

Key Items of Discussion

- Mr. Hunter stated that five new taps were installed in October.
- Mr. Hunter stated that we had 7 main repairs and 8 service lines repaired in Kershaw County.
- Mr. Hunter stated that we had 3 main repairs in Lee County.
- Mr. Hunter stated that we still have a number of generator catwalks to build.
- Mr. Hunter stated that the 2 new trucks are in service.
- Mr. Hunter stated that he took a load of scrap metal to the recycling center in Elgin and received a payment of \$543 for the hoppers that we were unable to sell. He stated that we have another load to take as well.

16. Capital Improvements Report

Key Items of Discussion

- Mr. Watkins stated that the Providence Rd project is complete.
- Mr. Watkins commented that the Clearwater Rd project is complete and is online now.
- Mr. Watkins noted that the Westville tank is online and the samples are good.
- Mr. Watkins stated that we are pressure testing Providence Rd project and we started the chlorination this morning all the way down to the first bridge.
- Mr. Watkins stated North American (contractor) has pressure tested the underground pipe for Providence Rd project. He noted that the test results were favorable, the fencing has been installed and we have grassed the area.
- Mr. Watkins noted that the foundation has been poured, the pressure has been tested, grassing has been done and the fence has been installed at the Baron DeKalb project.
- Mr. Watkins informed the Commission that approximately half of the pipe has been laid for Running Fox Rd.
- Mr. Watkins stated that we have 3 bids on the Sailing Club project. The lowest bidder was the McLean Brothers. He stated that there will be a preconstruction meeting before the year end and we anticipate the work to begin January 5th.
- Mr. Watkins stated that Mr. Kellehan has the office building storm water permit ready.
- Mr. Watkins stated that the preliminary plans for Valley Park should bid around the first of the year.

MINUTES

November 17, 2014

17. Executive Session, Personnel Matter

Action

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

18. Reconvene From Executive Session

Action

- The Commission reconvened.

19. Commission to Consider Action Regarding Executive Session Matters

Key Items of Discussion

- Mr. Halley informed Mr. Litchfield that the Commission completed his evaluation and the overall rating is “Exceeds Requirements”. He further stated that the rating is effective as of today’s date.
- Mr. Halley stated that the Commission would like to know the names of the companies that Archer surveyed to determine the pay raise. He stated that the Commission would also like to know what the job description and pay rate was at each company. Mr. Halley stated that the salary will be considered at the next meeting.

20. New Business

Key Items of Discussion

- Mr. Halley stated that the Commission would like for the employees to wear name tags.
- Mr. Halley stated that the service technicians need to have photo I.D.’s.
- Mr. Litchfield stated that customer service personnel are supposed to be wearing name tags and that he agreed that identification is very important.

21. Next Meeting

Key Items of Discussion

- Mr. Halley commented that the next meeting is December 15, 2014.
- Mr. Halley informed the Commission that this will be Mrs. Caughman’s last meeting.

22. Adjourn

Action

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

MINUTES

November 17, 2014

Cassatt Water

Kershaw County and Lee County Regional Water Authority

Chief Executive Officer's Monthly Report

November 17, 2014

1. **TAPS**

There were five taps added in the month of October.

2. **SALES**

Sales through October, the first four months of the fiscal year, show a 3.9% increase over the same period last year. If this trend continues it may negate the need for rate adjustments for FY-2015-2016.

3. **CLOSING DEC 19TH FOR CHRISTMAS DINNER**

The annual Christmas dinner is scheduled for 1:30 PM. The office will be closed at 1:00 for the remainder of the day. Customers will be notified on the December 1st bill.

4. **CLOSING DECEMBER 24, 25 , & 26TH FOR CHRISTMAS HOLIDAYS**

Under current policy Christmas Eve and Christmas Day are observed as holidays by the Authority.

It has been past practice for the Commission to award a third Christmas holiday in years for which one day falls between the regular holidays and the week end.

Since the day after Christmas day falls on a Friday, I request that the Commission authorize the extra holiday for this year.

I would further ask the Commission to consider authorizing this action as standard procedure in the future to be included in the employee handbook.

Customers will be notified on the December 1st bill.

5. **PROJECTING THE AUTHORITY'S POSITION TO ACCOMMODATE THE PHASE 2 CIP**

I will soon be initiating long range planning work for revenue needs & related rate requirements. Mr. Mike Rocca, our rate analyst, and Mr. Walter Goldsmith, our financial advisor, will assist with this work. The long range planning and phasing in of rate adjustments is intended to determine future budget needs and avoid rate shock when debt is incurred.

MINUTES

November 17, 2014

6. A REVIEW OF THE AUTHORITY'S PAST, PRESENT, AND FUTURE

Our Phase 1 Capital Improvements plan was initiated with a 5-year plan. That plan is presently funded with bond proceeds and is in the construction phase. Work on development and funding the Phase 2 CIP is in its initial stages.

During development and implementation of the 5-year CIP to improve quality and continuity of water service, other improvements were continuously being made in the areas of administration, customer service, and field operations.

I will discuss our progress and future in detail at the meeting.

7. COMMISSION TO CONSIDER SALE OF TRUCKS & EQUIPMENT

From time to time we must dispose of equipment that is no longer serviceable, not feasible to repair, or no longer used or needed.

I request the Commission to authorize disposal of the following items by solicitation of bids as provided for in the procurement policy.

- 1. 2006 Tacoma pickup truck**
- 2. 2006 Silverado pickup truck**
- 3. 1996 case 360 trencher**
- 4. auger boring bits**