

**EDGEFIELD COUNTY WATER & SEWER AUTHORITY
BOARD MEETING MINUTES**

The April Regular Board of Directors Meeting of Edgefield County Water and Sewer Authority was held on April 25, 2022, starting at 5:30 p.m. at 100 Waterworks Rd., Edgefield, SC (ECWSA Administrative Building). No individual or organization requested a copy of the Agenda. Notice of this Board of Directors Meeting was posted in the Administration Office 4 weeks prior to meeting and the Agenda was posted April 21, 2022.

CALL TO ORDER: Kennamer, 5:30 p.m.

INVOCATION: Creswell

MEMBERS PRESENT: Kennamer, Johnson, Smith, Kitchens, Clark, Creswell

MEMBERS ABSENT: Washington

STAFF PRESENT: Administrator Hare, Business Manager Carroway

GUEST PRESENT: None

AGENDA: A motion was made by Johnson to approve the April 25, 2022 Agenda. Second by Clark. Vote unanimous to approve the agenda.

MINUTES: A motion was made by Johnson to approve the March 28, 2022 Minutes. Second by Kitchens. Vote unanimous.

PUBLIC COMMENT: No comments from the public and no one present from the public.

FINANCIAL STATEMENT: After the reading of the bank balances, Administrator Hare discussed the Financial Statement ending March 31, 2022. Budget should be at 75%, Revenues are 76.74%, and Expenses are at 72.64%. Water & Sewer sales are in line with last year. Administrator Hare also discussed the Authority would be looking at other potential options on property insurance as potential money savings in the next budget cycle.

REPORTS:

John Hare, Administrator covered the following items during the report section:

- Administrator Hare discussed the upcoming Board/Employee Social on May 9, 2022 at 6pm.
- Update on the Federal Prison Force Main Project. Appraisals have been completed on the final two pieces of property needed for easements, and letters will be sent out to the landowners soon.

BUSINESS

A. RIA Tank Improvements Bids

Administrator Hare presented bids that were opened on April 5, 2022 to install tank mixers with RIA grant funding of \$500,000. The low bid was for \$635,520 from Tri-Star Contractor. Since the bid was higher than the amount of grant funding, RIA requires a letter from ECWSA stating the Authority will provide the remainder of the funds. Administrator Hare recommended to the Board to accept the low bid and to authorize the additional funding. A motion by Creswell was made to accept the bid. Second by Kitchens. During the discussion period, Kitchens asked if the bid would increase if material prices increased. Hare stated that the bids were firm if accepted within allowable contract time, and only under unforeseen circumstances directly related to constructability (ie, not material costs) would a change order be authorized. Vote unanimous.

B. Enterprise Fleet Equity Lease Proposal


Administrator Hare presented a proposal to transition the Authority's fleet of vehicles from the current model of annual purchases to a model of an equity lease program. This program is currently being utilized by the Edgefield County Sherriff's office and numerous other local utilities and government agencies as a method to manage fleets and keep vehicles under factory warranty, thereby reducing maintenance costs.



Prepared For:



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**FLEET SYNOPSIS | EDGEFIELD COUNTY
WATER & SEWER AUTHORITY**

CURRENT SITUATION

Current fleet age is negatively impacting the overall budget and fleet operations

- 38% of the light and medium duty fleet is currently 10 years or older
- 65% of the light and medium duty fleet is currently 6 years or older
- 8.1 is the current average age of the fleet
- 10 years – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale

- Shorten the current vehicle life cycle from 16.9 years to an average of 2 Years
- Provide a lower sustainable fleet cost that is predictable year over year
- Free up more than \$424,000 in capital from the salvage of 25 vehicles in the first year
 - 23 Replacements and 2 Spare/Under-Utilized Vehicles
- Fixed Maintenance cost on new vehicles
- Reduce the overall fuel spend through more fuel-efficient vehicles
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity.

Increase employee safety with newer vehicles

- Currently:
 - 5 vehicles predate Anti-Lock Brake standardization (2007)
 - 9 vehicles predate Electronic Stability Control standardization (2012)
 - *ESC is the most significant safety invention since the seatbelt*
 - 14 vehicles predate standardization of back up camera (2018)

RECOMMENDATIONS

Enroll all vehicles in Enterprise Maintenance & Fuel Program

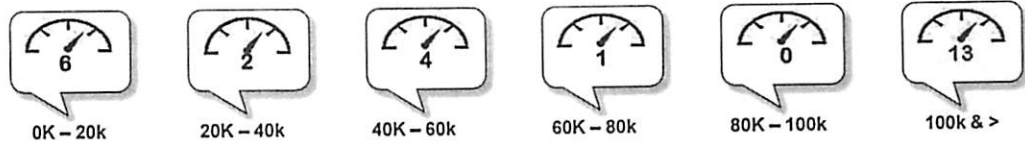
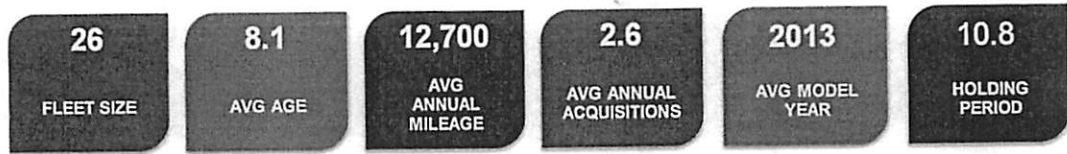
- Track and Monitor all repairs & fuel transactions through our client web portal
- Automate Alerts and Reminders for service and repairs
- Full oversight from National Services Department with 200+ ASE Certified Technicians fielding calls from vendors.
- \$0.05 Cent per gallon rebate on all Exxon/Mobil Purchase
- Mileage data pulls from WEX to Enterprise web portal to drive maintenance reminders and Total Cost of Ownership analytics

Establish plan to Replace 23 vehicles in Year 1

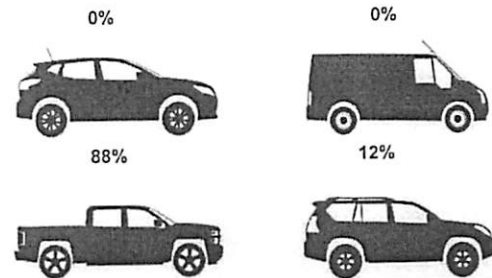
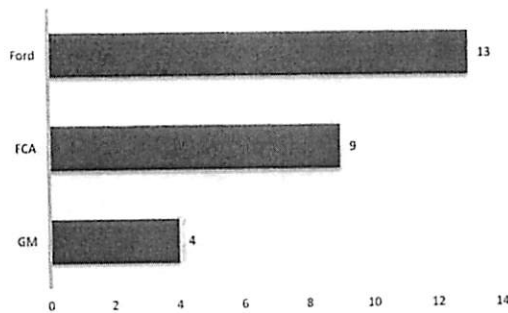
- Average Age of 23 oldest vehicles is 2013 and Mileage 103K
- Free up capital from sale of existing vehicles to help fund replacements

By partnering with Enterprise Fleet Management, it is estimated that Edgefield County Water & Sewer District will drastically reduce fuel costs and maintenance. Leveraging an open-end lease will help maximize cash flow and recognize equity from vehicles sold. Furthermore, Edgefield County Water & Sewer District will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 110% above Commercial Value Index. By shifting from a reactively replacing inoperable vehicles to planning vehicle purchases, Edgefield County Water & Sewer District will be able to provide employees with newer, safer, more efficient vehicles.

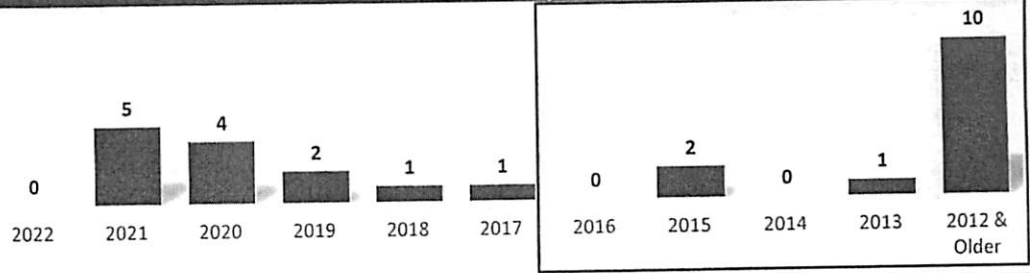
FLEET STATISTICS



Manufacturers



Model Year Analysis



FLEET REPLACEMENT PLAN

Vehicle#	VIN	Year	Make	Model	Current Odometer	Estimated Value	Assigned Category	Recommended Replacement Year
127-Distribution	1FDWF37P74EC00018	2004	Ford	F-350 Chassis	187,319	\$4,850.00	1 Ton Cab Chassis	2022
131-WW Maint	1FDWF36P65EC45695	2005	Ford	F-350 Chassis	211,136	\$4,150.00	Med Duty Cab Chassis	2022
132-Distribution	1FTPX14V06NA98769	2006	Ford	F-150	144,749	\$4,000.00	1/2 Ton Pickup Quad 4x4	2022
135-Distribution	1FTRX14W58FA84591	2008	Ford	F-150	190,409	\$3,500.00	Med Duty Cab Chassis	2022
136-Distribution	1FDWF37R38ED17120	2008	Ford	F-350 Chassis	167,703	\$12,500.00	1 Ton Cab Chassis	2022
144-Wastewater	3GCEC14V26G212105	2006	Chevrolet	Silverado 1500	194,228	\$750.00	1/2 Ton Pickup Reg 4x2	2022
146-Administrati	1FTMF1CM0CFB96365	2012	Ford	F-150	131,456	\$5,287.50	1/2 Ton Pickup Reg 4x2	2022
149-Distribution	1GCRKPE77DZ237103	2013	Chevrolet	Silverado 1500	103,014	\$12,687.50	1/2 Ton Pickup Ext 4x4	2022
150-Distribution	1GCEK14T61Z219262	2001	Chevrolet	Silverado 1500	201,937	\$750.00	3/4 Ton Pickup Reg 4x2	2022
152-Distribution	1FTBF2A63FEB54638	2015	Ford	F-250	101,085	\$15,962.50	3/4 Ton Pickup Reg 4x2	2022
153-Distribution	1FD0W5HYXFB81279	2015	Ford	F-550 Chassis	100,978	\$28,500.00	1 1/2 Ton Cab Chassis	2022
156-Water Treat.	1FMEU6DE9AU22426	2010	Ford	Explorer	58,798	\$7,500.00	Mid-Size SUV 4x2	2022
157-Wastewater	1FMEU7DE0AU42750	2010	Ford	Explorer	189,958	\$3,000.00	Mid-Size SUV 4x4	2022
159-Distributio	1FTW2B63HEE85890	2017	Ford	F-250	103,697	\$26,537.50	3/4 Ton Pickup Quad 4x4	2022
160-Wastewater	1FTMF1CB1JFA48236	2018	Ford	F-150	56,160	\$20,212.50	1/2 Ton Pickup Reg 4x2	2022
162-Administrat	3C6JR6AGXK643731	2019	RAM	1500 Classic	64,818	\$18,975.00	1/2 Ton Pickup Reg 4x2	2022
163-Water Treat.	1C6RR7FT5K5715392	2019	RAM	1500 Classic	17,382	\$28,825.00	1/2 Ton Pickup Quad 4x4	2022
164-Administrati	1GCPYEEK8M2345082	2021	Chevrolet	Silverado 1500	16,124	\$43,500.00	1/2 Ton Pickup Quad 4x4	2022
165-Administrati	3C6JR6AG1LG140350	2020	RAM	1500 Classic	52,336	\$20,500.00	1/2 Ton Pickup Reg 4x2	2022
166-Administrati	3C6JR6AG3LG140351	2020	RAM	1500 Classic	20,788	\$23,500.00	1/2 Ton Pickup Reg 4x2	2022
167-Distribution	3C6JR6AG5LG140352	2020	RAM	1500 Classic	46,598	\$21,500.00	1/2 Ton Pickup Reg 4x2	2022
168-Administrati	1C4RDHAG0LC285632	2020	Dodge	Durango	11,171	\$32,500.00	Full Size SUV 4x2	2022
169-Distribution	3C6UR5CL9MG629582	2021	RAM	2500	28,050	\$53,500.00	3/4 Ton Pickup Quad 4x4	2022
170-Distribution	3C7WRNFL1MG503832	2021	RAM	5500 Chassis	8,512	\$55,000.00	Med Duty Cab Chassis	2022
171-WTP	1C6RR7FT6MS560114	2021	RAM	1500 Classic	500	\$32,000.00	1/2 Ton Pickup Quad 4x4	2023
172-Wastewater	1FTFW1E52MKE90728	2021	Ford	F-150	3,045	\$43,000.00	1/2 Ton Pickup Quad 4x4	2022

FLEET PLANNING ANALYSIS

Current Fleet	26	Fleet Growth	0.00%	Proposed Fleet	26
Current Cycle	10.00	Annual Miles	12,700	Proposed Cycle	1.92
Current Maint.	\$84.54			Proposed Maint.	\$55.06
Maint. Cents Per Mile	\$0.06	Current MPG	15	Price/Gallon	\$3.25

Fleet Costs Analysis

Fiscal Year	Fleet Mix					Fleet Cost					Annual Net Cash	
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel		Fleet Budget
Average	26	2.6	26	0	94,027	0			20,136	71,543	185,707	0
'22	26	23	3	23	0	191,248	-392,988	-128,825	17,520	58,886	-254,159	439,866
'23	26	20	1	25	0	206,692	-67,500	-144,091	17,292	57,785	70,179	115,528
'24	26	20	1	25	0	206,692	0	-144,091	17,292	57,785	137,679	48,028
'25	26	20	1	25	0	206,692	0	-144,091	17,292	57,785	137,679	48,028
'26	26	21	0	26	0	219,047	-38,500	-267,024	17,178	57,235	-12,063	197,770
'27	26	25	0	26	0	219,047		-144,091	17,178	57,235	149,370	36,337
'28	26	20	0	26	0	219,047		-144,091	17,178	57,235	149,370	36,337
'29	26	20	0	26	0	219,047		-144,091	17,178	57,235	149,370	36,337
'30	26	20	0	26	0	219,047		-166,087	17,178	57,235	127,373	58,333
'31	26	21	0	26	0	219,047		-267,024	17,178	57,235	26,437	159,270



10 Year Savings	\$1,175,833	Avg. Sustainable Savings	\$65,323
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Current Fleet Equity Analysis

YEAR	2022	2023	2024	2025	2026	Unrec. Utilized
QTY	23	2	0	0	1	
Est \$	\$17,086	\$33,750	\$0	\$0	\$38,500	
TOTAL	\$392,988	\$67,500	\$0	\$0	\$38,500	\$31,500
Estimated Current Fleet Equity**					\$530,488	

* Lease Rates are conservative estimates
 ** Estimated Current Fleet Equity is based on the current fleet "right to lease" and can be adjusted after physical inspection
 Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

KEY OBJECTIVES

- Lower average age of the fleet**
 38% of the current light and medium duty fleet is over 10 years old
 Resale of the aging fleet is significantly reduced
- Reduce operating costs**
 Newer vehicles have a significantly lower maintenance expense
 Newer vehicles have increased fuel efficiency with new technology implementations
- Maintain a manageable vehicle budget**
 Challenged by inconsistent yearly budgets
 Currently vehicle budget is underfunded



FLEET MANAGEMENT

EQUITY LEASE MENU PRICING

Vehicle Type	Year	Make	Model	Trim Level	Year 1 Qty	Term	Annual Mileage	Monthly Cost (Lease Rate)	Full Maintenance*	Annual Cost Including Maintenance	Lease Cost Year 1	Maint Cost Year 1	Aftermarket Included
Mid Size SUV 4x2	2022	Chevrolet	Traverse	1NB58-LS w/1LS Front-wheel Drive	1	12	4,700	\$590	\$35	\$7,501	\$7,081	\$420	\$0
Mid Size SUV 4x4	2022	Chevrolet	Traverse	1NV56-LS w/1LS All-Wheel Drive	1	12	15,300	\$628	\$49	\$8,122	\$7,537	\$584	\$0
Mid Size SUV 4x2	2022	Chevrolet	Traverse	1NB58-LS w/1LS Front-wheel Drive	1	12	5,000	\$590	\$35	\$7,501	\$7,081	\$420	\$0
1/2 Ton Pickup Reg 4x2	2022	GMC	Sierra 1500 Limited Regular Cab	TC18903-Pro 4x2 Regular Cab 8 ft. box 139.6 in. WB	7	12	15,700	\$507	\$46	\$6,638	\$42,580	\$3,885	\$3,500
1/2 Ton Pickup Ext 4x4	2022	GMC	Sierra 1500 Limited Double Cab	TK18753-Pro 4x4 Double Cab 6.6 ft. box 147.4 in. WB	1	12	10,900	\$606	\$44	\$7,787	\$7,260	\$527	\$1,500
1/2 Ton Pickup Quad 4x4	2022	GMC	Sierra 1500 Limited Crew Cab	TK18543-Pro 4x4 Crew Cab 6.75 ft. box 147.4 in. WB	3	12	10,200	\$651	\$44	\$8,338	\$23,435	\$1,580	\$1,500
3/4 Ton Pickup Reg 4x2	2022	Ford	F-250 Regular Cab	F2A-XL 4x2 SD Regular Cab 8 ft. box 142 in. WB SRW	2	12	11,600	\$583	\$45	\$7,535	\$13,993	\$1,876	\$1,500
3/4 Ton Pickup Quad 4x4	2022	Ford	F-250 Crew Cab	W2B-XL 4x4 SD Crew Cab 6.75 ft. box 160 in. WB SRW	2	12	20,900	\$701	\$60	\$9,130	\$16,819	\$1,440	\$1,500
1 Ton Cab Chassis	2022	Ford	F-350 Chassis Regular Cab	F3E-XL 4x2 SD Regular Cab 145 in. WB SRW	2	60	10,900	\$936	\$58	\$11,929	\$22,465	\$1,393	\$20,000
1 1/2 Ton Cab Chassis (CRANE)	2022	Ford	F-450 Chassis Super Cab	X4G-XL 4x2 SD Super Cab 168 in. WB DRW	1	60	13,800	\$1,804	\$100	\$22,845	\$21,645	\$1,200	\$60,000
1 1/2 Ton Cab Chassis	2022	Ford	F-450 Chassis Regular Cab	F4G-XL 4x2 SD Regular Cab 145 in. WB DRW	2	60	10,700	\$1,037	\$100	\$13,850	\$24,900	\$2,400	\$20,000

*Lease rates are based upon factory order pricing and miles per year
 **Maintenance includes one set of brakes and no tires
 Pricing does not include any applicable taxes
 Pricing does not include expected return on equity at end of lease

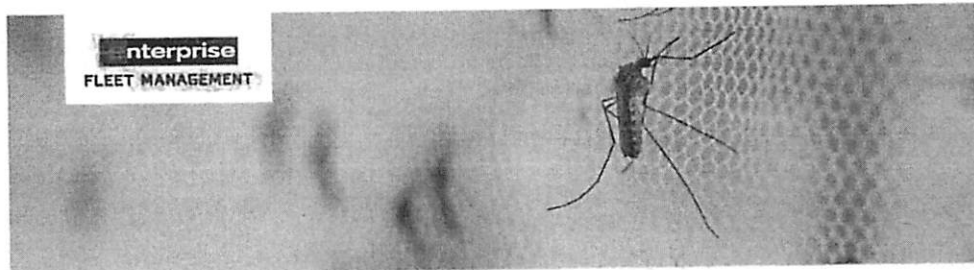
\$1,500 Included on all trucks for Strobes/Toolbox

\$3,500 Included on 7 Trucks for Strobes/Toolbox & Winch



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CASE STUDY | EDGEFIELD COUNTY



Organization sees 56% reduction in maintenance costs with managed fleet program.

Hanford, CA • Government | Special District • 26 Vehicles

THE CHALLENGE

Kings Mosquito Abatement District (the District) had older vehicles that routinely needed unplanned repairs causing disruptions to their peak season. The fleet was increasingly unreliable with unpredictable costs, increasing as much as 30% annually.

THE SOLUTION

Enterprise Fleet Management helped the District with a fleet program aimed to improve the reliability of their vehicles, by reducing the hold time from 10 years to 3. A fleet analysis showed the best type of vehicle to acquire that would fit the employee's job needs while improving safety.



The Enterprise Fleet Management program has been a great benefit to the District. In just three years we've completely modernized our fleet and significantly reduced maintenance costs. Because we rotate out vehicles within three years, and based on Enterprise's market analysis, we're realizing greater returns on the vehicles when we sell. This reduces overall cost of the program and also enhances employee safety- the newer vehicles have backup cameras and Bluetooth connectivity.

— Michael Cavanagh, General Manager, Kings Mosquito Abatement District



THE RESULTS

After working with Enterprise, Kings Mosquito Abatement District realized 11% resale gains, by following Enterprise's advice to reduce the hold period from 10 years to three years on average. This approach has helped the District to reduce maintenance issues and improve fuel economy with newer vehicles. By replacing all 24 vehicles the District is saving over \$37,000 annually in lease expenses. Since partnering, maintenance costs have dropped by 56%. The vehicle replacement strategy was solidified using their vehicle type, annual mileage, and market conditions to minimize downtime and reduce the total cost of owning their fleet.

WE HAVE OVER 100 CLIENT SUCCESS STORIES. VISIT [EFLEETS.COM/CASE-STUDIES](https://efleets.com/case-studies) TO DISCOVER MORE.

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PROGRAM RESOURCES

SAFETY

- 38% of all vehicles are older than 10 years of age and may not contain the most up to date safety features, such as electronic stability control and airbag standardization and anti-lock brake control.

ACCOUNT MANAGEMENT

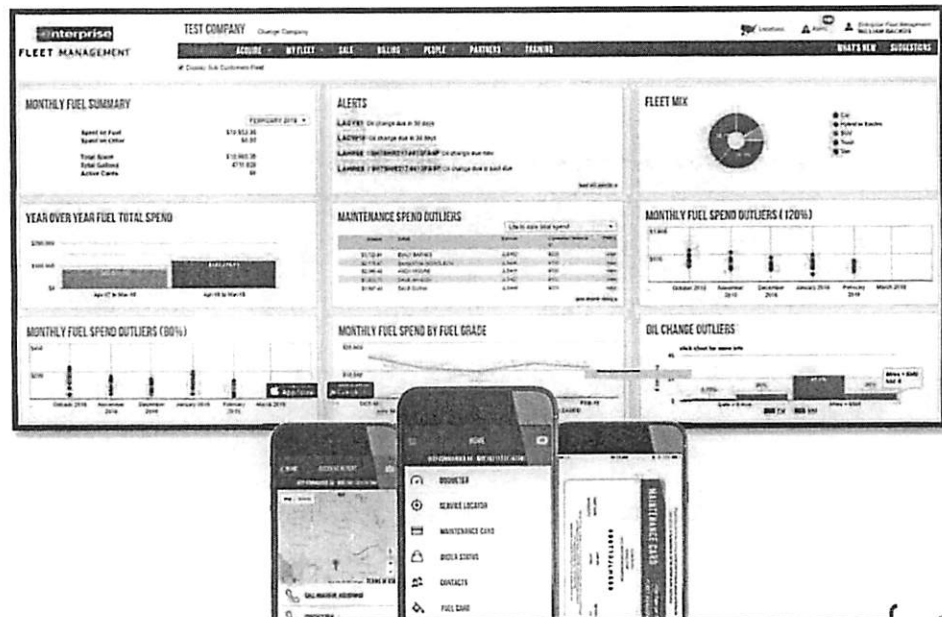
Edgefield County Water & Sewer District will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Client Strategy Manager meets with you 3-4 times a year for both financial and strategic planning.
- Your Client Strategy Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- Consolidated Invoices - Includes lease, maintenance, and any additional ancillaries
- Maintenance Utilization - Review the life-to-date maintenance per vehicle
- Recall Information - See which units have open recalls
- License & Registration - See which plate renewals are being processed by Enterprise and view status
- Alerts - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- Lifecycle Analysis - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction



REFERENCES

CURRENT PARTNERS

- Alachua County, FL
- Bamberg County, SC
- Bertie County, NC
- Calhoun County, SC
- Cherokee County, SC
- Cherokee County, GA
- City of Bennettsville, SC
- City of Fayetteville, NC
- City of Greenville, NC
- City of Hollywood, FL
- City of Lake City, FL
- City of Miramar, FL
- City of Mullins, SC
- City of Marion, SC
- City of Orangeburg, SC
- City of Peachtree City, GA
- City of Raleigh, NC
- City of St. Mary's, GA
- City of Tampa, FL
- Darlington County, SC
- East Richland County Public Service, SC
- Gilmer County, GA
- Greenwood Metropolitan District, SC
- Hilton Head Public Service District, SC
- Kershaw County, SC
- Marion County, SC
- Marlboro County, SC
- Pasco County, FL
- Saluda County, SC
- Santee-Lynches Regional COG, SC
- Seminole County, FL
- SJWD Water District, SC
- Town of Bluffton, SC
- Tri-Development Center of Aiken County, SC

COOPERATIVES:

- SOURCEWELL

Sourcewell 
Formerly NJPA

Hare said the big take away from this proposal is the potential for the Authority to save approximately \$1,000,000 over a ten year period as compared to the traditional model of purchase and repair. A motion was made by Clark to accept the Enterprise proposal. Second by Smith. No discussion. Vote unanimous.

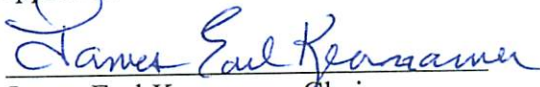
C. FY2023 Budget 1st Reading (Non-Voting Business)

Administrator Hare led the Board in a review of the upcoming budget. Administrator Hare presented the first draft of the FY 2023 Budget with revenues and expenditures of \$11,033,600. Several expense items such as property insurance have not been finalized as they are currently being quoted. Hare also discussed the need for an increase in the IT Budget due to increase Cybersecurity requirements. Kitchens brought up the idea of separating the Cybersecurity portion from the normal IT line item to better demonstrate the Authority's commitment to a secure system. No other discussion.

EXECUTIVE SESSION – None

Motion was made by Kitchens to adjourn.
Second by Clark
Time: 6:15 p.m., April 25, 2022
Vote Unanimous

Approved


James Earl Kennamer, Chairman