

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

The June Regular Board of Directors Meeting of Edgefield County Water and Sewer Authority was held on June 22, 2020 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 June 18, 2020.

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

INVOCATION: Kennamer

MEMBERS PRESENT: Johnson, Clark, Creswell, Kennamer

MEMBERS ABSENT: Timmerman and Kitchens

STAFF PRESENT: Administrator Hare, Business Manager Carroway

GUEST PRESENT: Mike Washington

AGENDA: A motion was made by Johnson to approve the June 22, 2020 Agenda. Second by Clark. Vote unanimous to approve the agenda.

MINUTES: A motion was made by Johnson to approve the May 18, 2020 Minutes. Second by Creswell. Vote unanimous.

PUBLIC COMMENT: No comments from the public.

FINANCIAL STATEMENT: Administrator Hare discussed the Financial Statement ending May 31, 2020. Budget should be at 91.67%, Revenues are 97.83%, and Expenses are at 88.10%. The Authority appears positioned to end FY2020 on a positive note despite a small uptick in delinquencies due to the COVID-19 pandemic. Water sales for May 2020 were down slightly as compared to 2019, while sewer sales were basically flat.

REPORTS:

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

- Water taps and set meter sales are still strong during the month of May due to the continued strong housing market on the lower end of the Authority's system.
- Administrator Hare gave a brief review of the 2020 Series Bonding issue. Ad RFP was issued on the Authority's behalf by Compass Financial (ECWSA Financial Advisor) for a \$5,075,000 Bond. Only one bid was received at an interest rate of 2.495%. This was rejected by the Authority. Compass explained that because of COVID-19 restrictions that banks were operating under, some proposals could not be prepared in time for the RFP deadline. The Authority is continuing to negotiate with lending institutions at this time.

- The Authority has also made application (with Upper Savannah COG’s assistance) to EDA for a grant slightly in excess of \$3,000,000 for infrastructure resiliency at the Water Treatment Plant. This grant is being funded by the CARES Act as part of COVID-19 relief. If received, this grant would fund improvements and resiliency to the WTP’s High Service pumping.
- The Authority is planning a meal after the August Board meeting to recognize and celebrate John Timmerman’s retirement from the Board. This meal will be for the Board members only.

BUSINESS:

A. FINAL DRAFT OF FY 2021 BUDGET

Administrator Hare presented the third and final reading of the FY 2021 Budget. There was no one from the public present to comment on the budget. Administrator Hare commented that there were no changes between the second and third readings of the budget.

Revenues	Fiscal Year 2021	Fiscal Year 2020	Difference 2021-2020
Water	\$ 5,555,000.00	\$ 5,250,000.00	\$ 305,000.00
Sewer	\$ 4,300,000.00	\$ 4,100,000.00	\$ 200,000.00
Miscellaneous	\$ 15,000.00	\$ 15,000.00	\$ -
Penalties	\$ 90,000.00	\$ 90,000.00	\$ -
Hydrant Water Fee & Usage	\$ 12,000.00	\$ 8,000.00	\$ 4,000.00
Tap Fees	\$ 175,000.00	\$ 160,000.00	\$ 15,000.00
Returned Check Fees	\$ 5,000.00	\$ 5,000.00	\$ -
Interest Income	\$ 84,000.00	\$ 99,000.00	\$ (15,000.00)
Cut On Service Fees	\$ 27,000.00	\$ 27,000.00	\$ -
Capacity Fees			\$ -
Insurance Claims Reimbursement	\$ 5,000.00	\$ 5,000.00	\$ -
Recheck Meter Fee	\$ 200.00	\$ 200.00	\$ -
Total Revenues	\$ 10,268,200.00	\$ 9,759,200.00	\$ 509,000.00

Expenditures Water Distribution	Fiscal Year 2021	Fiscal Year 2020	Difference 2021 - 2020
Salaries & Wages	\$ 550,000.00	\$ 440,000.00	\$ 110,000.00
Heat, Light, and Power	\$ 15,000.00	\$ 15,000.00	\$ -
Chemicals	\$ 1,000.00	\$ 1,000.00	\$ -
Supplies - Water	\$ 145,000.00	\$ 130,000.00	\$ 15,000.00
Shop Repairs & Maintenance	\$ 1,500.00	\$ 1,500.00	\$ -
Equipment Repairs & Maintenance	\$ 30,000.00	\$ 20,000.00	\$ 10,000.00
Gas & Oil	\$ 23,500.00	\$ 23,500.00	\$ -
Employee Training	\$ 6,500.00	\$ 6,500.00	\$ -
Outside Expense	\$ 17,000.00	\$ 17,000.00	\$ -
Office Supplies	\$ 2,000.00	\$ 2,000.00	\$ -
Telephone	\$ 5,500.00	\$ 5,500.00	\$ -
Tank Maintenance	\$ 93,000.00	\$ 91,000.00	\$ 2,000.00
Locate Services	\$ -	\$ 35,000.00	\$ (35,000.00)
Hydrants and Fence Line Spraying	\$ 3,000.00	\$ 3,000.00	\$ -

Total Expenditures - Water Distribution	\$ 893,000.00	\$ 791,000.00	\$ 102,000.00
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Expenditures Water Treatment	Fiscal Year 2021	Fiscal Year 2020	Difference 2021 - 2020
Salaries & Wages	\$ 500,000.00	\$ 510,000.00	\$ (10,000.00)
Heat, Light, and Power	\$ 590,000.00	\$ 590,000.00	\$ -
Chemicals	\$ 130,000.00	\$ 123,902.00	\$ 6,098.00
Supplies - Water	\$ 30,000.00	\$ 30,000.00	\$ -
Plant Repairs & Maintenance	\$ 30,000.00	\$ 30,000.00	\$ -
Equipment Repairs & Maintenance	\$ 5,500.00	\$ 5,500.00	\$ -
Gas & Oil	\$ 5,500.00	\$ 5,500.00	\$ -
Employee Training	\$ 5,000.00	\$ 5,000.00	\$ -
Outside Expense	\$ 7,000.00	\$ 7,000.00	\$ -
Office Supplies	\$ 1,700.00	\$ 1,700.00	\$ -
Telephone	\$ 5,000.00	\$ 5,000.00	\$ -
Outside Testing - DHEC, Etc.	\$ 40,000.00	\$ 40,000.00	\$ -

Total Expenditures - Water Treatment	\$ 1,349,700.00	\$1,353,602.00	\$ (3,902.00)
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Expenditures Wastewater Treatment	Fiscal Year 2021	Fiscal Year 2020	Difference 2021 - 2020
Salaries & Wages	\$ 280,000.00	\$ 282,000.00	\$ (2,000.00)
Heat, Light, and Power	\$ 120,000.00	\$ 120,000.00	\$ -
Chemicals	\$ 46,000.00	\$ 40,000.00	\$ 6,000.00
Supplies - Sewer	\$ 40,000.00	\$ 35,500.00	\$ 4,500.00
Plant Repairs & Maintenance	\$ 20,000.00	\$ 20,000.00	\$ -
Equipment Repairs & Maintenance	\$ 4,500.00	\$ 4,500.00	\$ -
Gas & Oil	\$ 8,500.00	\$ 8,500.00	\$ -
Employee Training	\$ 5,000.00	\$ 5,000.00	\$ -
Outside Expense	\$ 2,000.00	\$ 1,500.00	\$ 500.00
Office Supplies	\$ 1,500.00	\$ 1,500.00	\$ -

Telephone	\$ 2,500.00	\$ 2,500.00	\$ -
Fence Line Spraying	\$ 2,000.00	\$ 2,000.00	\$ -
Outside Testing - DHEC, Etc.	\$ 80,000.00	\$ 80,000.00	\$ -
Total Expenditures - WW Treatment	\$ 612,000.00	\$ 603,000.00	\$ 9,000.00

Expenditures Wastewater Collections	Fiscal Year 2021	Fiscal Year 2020	Difference 2021 - 2020
Salaries & Wages	\$ 180,000.00	\$ 177,000.00	\$ 3,000.00
Heat, Light, and Power	\$ 100,000.00	\$ 110,000.00	\$ (10,000.00)
Chemicals	\$ 10,000.00	\$ 10,000.00	\$ -
Supplies - Sewer	\$ 17,402.00	\$ 10,000.00	\$ 7,402.00
Pump Station Repairs & Maintenance	\$ 120,000.00	\$ 120,000.00	\$ -
Equipment Repairs & Maintenance	\$ 15,000.00	\$ 15,000.00	\$ -
Gas & Oil	\$ 20,000.00	\$ 13,500.00	\$ 6,500.00
Employee Training	\$ 3,000.00	\$ 3,000.00	\$ -
Outside Expense	\$ 2,000.00	\$ 2,000.00	\$ -
Office Supplies	\$ -	\$ -	\$ -
Telephone	\$ 12,000.00	\$ 12,000.00	\$ -
North Augusta Sewer	\$ 2,300,000.00	\$ 2,220,000.00	\$ 80,000.00
Fence Line Spraying	\$ 3,000.00	\$ 3,000.00	\$ -
Total Expenditures - WW Collections	\$ 2,782,402.00	\$2,695,500.00	\$ 86,902.00

Expenditures Administration	Fiscal Year 2021	Fiscal Year 2020	Difference 2021 - 2020
Administrative Salaries	\$ 632,000.00	\$ 630,000.00	\$ 2,000.00
Heat, Light, and Power	\$ 8,181.00	\$ 8,181.00	\$ -
Administrative Supplies	\$ 3,200.00	\$ 3,200.00	\$ -
Equipment Repairs & Maintenance	\$ 7,200.00	\$ 5,200.00	\$ 2,000.00
Gas & Oil	\$ 15,000.00	\$ 15,000.00	\$ -
Miscellaneous	\$ 7,500.00	\$ 7,500.00	\$ -
Employee Training	\$ 6,000.00	\$ 6,000.00	\$ -
Outside Expense	\$ 50,000.00	\$ 40,000.00	\$ 10,000.00
Office Supplies	\$ 10,000.00	\$ 14,000.00	\$ (4,000.00)
Insurance	\$ 150,000.00	\$ 150,000.00	\$ -
Telephone	\$ 15,000.00	\$ 15,000.00	\$ -
Repairs & Maintenance - Office	\$ 1,500.00	\$ 1,500.00	\$ -
Postage	\$ 35,000.00	\$ 35,000.00	\$ -
Bad Debts	\$ 10,000.00	\$ 10,000.00	\$ -
Payroll Taxes	\$ 170,000.00	\$ 140,000.00	\$ 30,000.00
Legal & Accounting	\$ 42,000.00	\$ 35,000.00	\$ 7,000.00
State Insurance - Group Employees	\$ 300,000.00	\$ 295,000.00	\$ 5,000.00
State Insurance - Post Employment Benefits	\$ 15,000.00	\$ 23,000.00	\$ (8,000.00)
S. C. Retirement System	\$ 330,000.00	\$ 275,000.00	\$ 55,000.00
Board Expenses	\$ 8,000.00	\$ 7,500.00	\$ 500.00
Professional Services	\$ 11,000.00	\$ 10,000.00	\$ 1,000.00
State Sales and Use Tax	\$ 3,500.00	\$ 7,000.00	\$ (3,500.00)
Bonds & Notes	\$ 1,583,017.00	\$ 1,583,017.00	\$ -

Whereas, in order to perform its statutory function to operate and maintain the waterworks and sewer system, the Authority is authorized to adjust water and sewer rates as needed;

Whereas, each residential, commercial or industrial customer of the Authority's system must pay such customer's proportionate share of costs for operation and maintenance of the system; In addition, each customer must pay an amount to share the costs of debt service and to provide for Depreciation / Contingency funds;

Now, therefore, be it resolved, by the Board of Directors of the Edgefield County Water and Sewer Authority, that a resolution approving a revised schedule of water and sewer charges and fees be adopted.

Effective as of July 1, 2020, Sections IV and V of the Water and Sewer User Rules and Regulations are hereby amended and when amended shall read as follows:

EDGEFIELD COUNTY WATER AND SEWER AUTHORITY
WATER & SEWER USER RULES AND REGULATIONS
(Proposed)

SECTION IV CLASSES AND CHARGES FOR WATER AND SEWER SERVICE

A. Water Service

All water services will be metered. There are three (3) classes of water service: Residential, Commercial and Industrial. Each water service will fit into one of the three classes and will be billed at the rate for that class. Any agricultural operation that directly produces agricultural commodities may be classified as Industrial. Any account not specifically classified as Residential or Industrial will be classified as Commercial. The water service charge will be charged to all customers and does not include a water-use allowance.

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1. *Water Service Charge For All Classes*

<u>Meter Size</u>		<u>Meter Size</u>	
3/4"	\$17.50	3"	\$173.85
1"	\$29.03	4"	\$289.64
1-1/2"	\$57.89	6"	\$579.48
2"	\$92.67	8"	\$927.20
		10"	\$1483.54

2. *Residential Water Rates*

First 8,000 Gallons	\$2.71 Per 1,000 Gallons
8,001-16,000 Gallons	\$3.47 Per 1,000 Gallons
16,001-24,000 Gallons	\$4.01 Per 1,000 Gallons
24,001-32,000 Gallons	\$4.48 Per 1,000 Gallons
Over 32,000 Gallons	\$4.96 Per 1,000 Gallons

3. *Commercial Water Rates*

First 100,000 Gallons	\$2.64 Per 1,000 Gallons
Over 100,000 Gallons	\$2.32 Per 1,000 Gallons

4. *Industrial Water Rates*

First 100,000 Gallons	\$2.07 Per 1,000 Gallons
Over 100,000 Gallons	\$1.80 Per 1,000 Gallons

B. Sewer Service

There are five (5) classes of sewer service: Residential, Commercial, Industrial, Prison, and Wholesale/Saluda County. Each sewer service will fit into one of the five classes and will be billed at the rate for that class. The sewer service charge will be charged to all customers and does not include a water-use allowance. Sewer rates will be charged on 100% of the amount of water metered each month with a cap of 12,000 gallons for residential customers.

1. *Sewer Service Charge For All Classes*

<u>Meter Size</u>		<u>Meter Size</u>	
3/4"	\$11.96	3"	\$119.52
1"	\$19.96	4"	\$199.12
1-1/2"	\$39.81	6"	\$398.38
2"	\$63.71	8"	\$637.43

2. *Residential Sewer Rate*

- | | | |
|----|------------------------------|---|
| | Flat Rate | \$4.23 Per 1,000 Gallons(12,000 Gallon Cap) |
| 3. | <i>Commercial Sewer Rate</i> | |
| | Flat Rate | \$4.23 Per 1,000 Gallons |
| 4. | <i>Industrial Sewer Rate</i> | |
| | Flat Rate | \$4.238 Per 1,000 Gallons |
| 5. | <i>Other Sewer Rates</i> | |
| | Flat Rate | \$5.65 Per 1,000 Gallons For State and Federal Prisons
(Based on 85% of water metered each month) |
| | Flat Rate | \$4.41 Per 1,000 Gallons for Saluda County
(Based on amount of wastewater metered each month) |
| | Monthly Charge | \$29.08 for Sewer Only Customers (No Water Service) |

DONE THIS 22nd day of June 2020, at Edgefield, South Carolina

Approved By:

Chairman

Vice Chairman

Treasurer / Secretary

Board Member

Board Member

Board Member

Board Member

ATTEST:


Administrator

A motion was made by Creswell to approve the resolution. Second by Clark. No discussion. Vote unanimous.

EXECUTIVE SESSION – A motion was made by Johnson to enter into Executive session to discuss to, a Legal matter. Second by Clark. Vote unanimous.

The Board exited Executive Session with no action taken.

Motion was made by Clark to adjourn.
Second by Johnson
Time: 6:00 p.m., June 22, 2020
Vote Unanimous

Approved

James Earl Kennamer, Chairman