

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

The October Regular Board of Directors Meeting of Edgefield County Water and Sewer Authority was held on October 28, 2019 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 October 24, 2019.

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

INVOCATION: Creswell

MEMBERS PRESENT: Johnson, Clark, Creswell, Kenamer, Timmerman, Williams and Kitchens

MEMBERS ABSENT: None

STAFF PRESENT: Administrator Hare, Business Manager Carroway

GUEST PRESENT: Grant Davis & Chuck Statler of Mauldin & Jenkins

AGENDA: A motion was made by Johnson to approve the October 28, 2019 Agenda. Second by Timmerman. Vote unanimous to approve the agenda.

MINUTES: A motion was made by Johnson to approve the September 23, 2019 Minutes. Second by Creswell. Vote unanimous.

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

PRESENTATION OF THE FINAL FY 2019 AUDIT

After a brief introduction by Administrator Hare, Mr. Grant Davis of Mauldin & Jenkins made his presentation of the ECWSA FY 2019 Audit in final form. Mr. Davis stated that the financials had not changed since presentation of the draft in September. Mr. Davis stated that the Authority had a status of no opinion, meaning that all finances were in order and there were no recommendations to changes of the internal processes. At the conclusion of the audit, Mr. Davis expressed his appreciation, on behalf of his firm, for continued strong working relationship and cooperation of staff at the Authority. Mr. Statler also thanked the Board for continuing to utilize Mauldin & Jenkins, and they were available anytime during the year for consultation on accounting matters. Chairman Kenamer and other Board members thanked Mr. Davis and Mr. Statler for their firms work on the audit.

FINANCIAL STATEMENT: Administrator Hare discussed the Financial Statement ending September 30, 2019. Budget should be at 25%, Revenues are 30.76%, and Expenses are at 24.58%. Water Sales have been ahead of the last several years due to the lack of rain as compared to previous summers. As compared to FY2018, the Authority is \$496,752.73 ahead in revenues to date, while expenses are slightly ahead of last year.

REPORTS:

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

- Administrator Hare gave the Board a review of work done to date on the refinancing of the Series 2010 Bond to the Series 2019 Bond. ECWSA Staff, Bond Counsel, Underwriters, and Financial Advisors have all put a great deal of effort into drafting the Preliminary Opening Statement (POS), as well as preparing the Authority for an updated Moody's Rating. Moody's interviewed the Authority on Oct.21, 2019 and on Oct. 28, 2019 held a press release announcing that the Authority had been upgraded from an A2 rating to an A1 rating. This rating is a tribute to the efforts of the Board in being good financial stewards of the Authority's funds and the willingness to adjust rate as needed.

New York, October 28, 2019 -- Moody's Investors Service has upgraded Edgefield County Water and Sewer Authority, South Carolina's revenue rating to A1 from A2. Concurrently, we assigned an A1 rating to the authority's \$5.1 million Waterworks and Sewer System Refunding Revenue Bonds, Series 2019. Following the refunding, the authority will have \$5.1 million of Moody's rated debt.

RATINGS RATIONALE

The upgrade to A1 reflects the authority's steadily improving liquidity and long trend of sound debt service coverage. The rating also incorporates an unlimited rate setting authority and adequate rate setting record, which are expected to result in continued financial stability despite near-term capital needs. The rating also considers the authority's stable service area and concentration among top sewer customers.

RATING OUTLOOK

Outlooks are typically not assigned to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Sustained increase in debt service coverage and liquidity
- Significant expansion and diversification of the service area

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Reduction in debt service coverage and/or liquidity
- Significant increase in debt burden

LEGAL SECURITY

The Series 2019 bonds are payable from and secured by a pledge of and lien upon the gross revenues of the combined water and sewer system.

USE OF PROCEEDS

The Series 2019 bonds will refund the callable maturities of the authority's Waterworks and Sewer System Revenue Bonds, Series 2010 and Series 2016.

PROFILE

The authority is an independent political subdivision that provides water and sewer services to Edgefield County and a small portion of Aiken County. The authority served 10,249 water customers and 2,545 sewer customers in fiscal 2019.

METHODOLOGY

The principal methodology used in these ratings was US Municipal Utility Revenue Debt published in October 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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BUSINESS:

A. LANHAM ROAD WATER MAIN EXTENSION

Administrator Hare presented to the Board a request to extend the water main along Lanham Rd. to serve 3 new customers. These customers, in accordance to the ECWSA Waterline Extension Policy, paid the Authority a little over \$27,000 for this extension. The Authority had the project designed, solicited bids, and opened bids on October 22, 2019 at 10:00am.

Lanham Rd. Water Line Extension Bid Opening

October 22, 2019- 10:00am, ECWSA Administrative Office

CONTRACTOR	DIV.1	DIV.2	TOTAL
Tri-Star	\$ 66,370.90	\$ 71,654.25	\$138,025.15
Sitec	\$141,398.00	\$125,748.00	\$200,117.00 ¹
No other bids submitted ²			

¹- Addition was incorrect on submitted bid form. Division 1 + Division 2 did not equal submitted total on Sitec bid.

²-The following contractors were sent plans for this project:

Kyle Watson Construction
LAD Construction
Moorhead Construction
Sitec LLC
Shady Grove Construction, LLC
Tom Brigman Contractors, Inc.
Tri-Star Contractors
Timmy Pittman

Administrator Hare discussed the fact that the Authority did not have the equipment to perform the work in Division 1, but could do Division 2. As part of this item of business, Administrator Hare recommended for 2 separate motions be made. The recommendation was for a motion to be made to accept the bid for Division 1, and the funds for the purchase of materials for Division 2. The second recommendation from Administrator Hare was for a short term moratorium on water line extensions from the Authority until a new line extension policy could be developed to better recoup costs. A motion was made by Timmerman to accept the Division 1 bid from Tri-Star and approve the funds to purchase materials for ECWSA Staff to install Division 2. Second by Clark. No discussion. Vote unanimous. A motion was then made by Kitchens to impose a short term moratorium on line extensions until a new policy could be developed. Second by Clark. No discussion. Vote unanimous.

B. STEPHENS RD. FORCE MAIN ENGINEERING

Administrator Hare a proposal from AECOM for an additional \$16,000 to complete the engineering for the Stephens Rd. force main to serve Tavern Hill S/D. This would bring the total amount of engineering to \$26,000 (Administrator Hare had approved the initial \$10,000). A motion was made by Johnson to approve the additional \$16,000. Second by Timmerman. No discussion. Vote unanimous.

C. ECWSA CROSS CONNECTION CONTROL POLICY UPDATE

Administrator Hare explained that ECWSA Staff routinely audit existing programs and policies. Upon reviewing the existing Cross Connection Control Policy, it was determined that updates were needed to bring it in to full compliance and the strengthen the enforcement of required testing. Administrator Hare explained that the changes related primarily to a couple of specific words that were left out of the previous addition. A motion was made by Clark to accept the updated Cross Connection Control Policy as presented by Hare. Second by Williams. Vote unanimous.

D. BROOKS ST. CHLORINE/SO2 REPLACEMENT

Administrator Hare recommended to the Board that it was time for a full blown replacement of the chlorination and dechlorination systems at the Brooks St. WWTF. These systems have become degraded over the years. The following bids were presented to the Board:

Upgrade & Replacement of Brooks St. Chlorine/Dechlorination System

The following bids were requested for upgrade & replacement of the Chlorination/Dechlorination system at the Brooks St. WWTF:

<u>VENDOR</u>	<u>PRICE</u>
Chlorinator Solutions LLC	\$33,300
Chlorinator Sales & Service, Inc.	\$34,500
Dismuke, Inc.	\$23,875

ECWSA Staff recommends proceeding with Dismuke at a price of \$23,875.

Administrator Hare recommended proceeding with the bid from J.S. Dismuke of \$23,875 without tax. A motion was made by Johnson to accept the agreement. Second by Kitchens. No discussion. Vote unanimous.


E. ECWSA LOGO

Administrator Hare opened discussion on the possibility of adopting a new logo to cut down on some of the confusion linking ECWSA with Edgefield County. The Board held a roundtable discussion on a few new designs, but in the end preferred the existing logo. There was some interest expressed in possibly modifying the existing logo slightly, and Administrator Hare said that he would look in to it. No motion was made on this item of business.

EXECUTIVE SESSION – The Board did not enter in to Executive Session

Motion was made by Johnson to adjourn.
Second by Kitchens
Time: 6:15 p.m., October 28, 2019
Vote Unanimous

Approved


James Earl Kennamer, Chairman