

The Lowcountry Regional Water System Commission (herein referred to as “LRWS” of the “Commission”) held its regularly scheduled meeting on Tuesday, September 24, 2019 at 200 Jackson Avenue East, Hampton South Carolina. The meeting was advertised as prescribed by law.

**Commission Present:** Mr. William “Rocky” Hudson, Brunson

Mayor Jimmy Bilka, Hampton

Mayor Nathaniel “Nat” Shaffer, Varnville

Mayor Horney Mitchell, Gifford

Ms. Peggy O’Banner, Yemassee

**Officers Present:** Mr. Brian Burgess, General Manager

 Ms. Sara Craven, Secretary

 Ms. Marlene Marchyshyn, Treasurer

 Ms. Kari Foy, Engineer

**Visitors Present:** Hampton County Council Chairman, Mr. Clay Bishop

Mr. Darrell Russell

 Mr. Benjamin Griner

 Mr. David Paul Murray

 Ms. Jordan Catherine Murray

 Mr. Sam Tracy

 **Quorum Met:** Yes

1. **Call to Order**

Chairman Rocky Hudson called the meeting to order at 4:00 pm

2. **Invocation and Pledge of Allegiance**

Invocation was given by Horney Mitchell.

Pledge of Allegiance - Conducted by all.

3. **FOIA Compliance Report**

As required by Code of Laws of South Carolina, notice of this LRWS Commission meeting was posted prominently in the offices of the Commission at least twenty-four hours in advance. In addition, the local news media and all persons requesting notifications of meetings of the LRWS Commission were notified of the time, date, and place of such meeting, and were provided with a copy of the agenda at least twenty-four hours prior to this meeting.

4. **Adoption of the Agenda**

Moved by Jimmy Bilka to adopt the Agenda. Motion carried unanimously.

5. **Public Hearing**

A. Amendment to Water and Wastewater Rate Schedule

Brian stated that the volumetric rate increase would be $ .07 per 1,000 gals of water and $ .12 per 1,000 gals of sewer. The base rate for water would not increase and the sewer base rate would increase by $1.00. Brian also informed everyone that the sewer volumetric charge would be capped at 8,000 gals which means we would not issue any leak adjustments. The fire service fee would increase by $5.00 a month.

There were no questions or comments from the public.

B. Fiscal Year 2019-2020 Operating Budget and Capital Improvement Budget

The 2019-2020 Operating and Capital Improvement budget was reviewed and discussed by the Board.

There were no question or comments from the public.

6. **Reports**

**Financial Report**

The financial report for the month of August was presented by Marlene Marchyshyn and is summarized below.

August

Total monthly revenue: $263,884.61

Total monthly expenditures: $253,921.38

Cash Account Balances

General Revenue: $305,041.04

Operation & Maintenance: $56,038.74

Short Term Assets: $746,867.00

Bond Funds & Reserves: $366,918.83

Unrestricted: $305,041.04

Restricted: $1,712,979.73

**Operations Report**

The Operations Report for August was presented by Brian Burgess and is summarized below:

August

The water system total gallons produced for the month was 22,686,450 with total gallons sold at 17,890.956. Total water unaccounted for was 4,795,494 with percentage inefficiency at 21%.

The wastewater system total gallons received was 30,471,257 with a total gallons treated at 15,618,258. Total percentage inefficiency was 49%.

Total active water services was 3,116 with total active sewer services at 2,804.

Service orders issued was 179 with 166 completed.

Total work hours were 3,652.58 with 1 hour overtime in Administration, 71.5 hours overtime in Distribution and Collection and 17 hours overtime in Treatment.

There were no Workers Comp incidents and no loss time reported.

**Manager’s Report**

* The staff was prepared for Hurricane Dorian but thankfully we were spared.We offered assistance to Fripp Island Public Service District on September 5th but the help was not needed as they had help from Beaufort Jasper Water and Sewer Authority.
* Brian attended the HCEC meeting on September 17, 2019. Specified Fittings is looking for a site to relocate from their present site in the Nupi America’s facility in the SCIC. One of the sites that the company is looking at is the old Dixie Poly site which we have prepared a cost estimate for to extend the gravity sewer line.
* We sponsored the Royal Restroom at the Shrimp Festival.
* We are waiting to be reimbursed by FEMA and the SCEMD office in the amount of $35,775.75.
* We have been working with the Water Environment Consultants on review of our NPDES permits for our wastewater treatment facilities. They have discovered serveral areas that would allow us to improve our permit limits. We also have an additional proposal in the new business of this meeting.
* Property valuations to establish just compensation for easements have been completed for the Gifford water line improvement project. This item is under the new business of this meeting.

**Engineer’s Report**

* We are working on change order paperwork on the Sludge Removal Project. This will get the contractor back in Yemassee.
* The contractor is working on White Pine and Williams St for the Nix St Project. This project will be complete in January.
* We received the appraisal report and we prepared a waiver valuation for the Gifford Waterline Extension Project.
* Carolina Textile Care anticipates beginning operations soon. We are looking into what we may be able to do to improve the pump station there.
* We have submitted a RIA Grant Application for the Alpha Genesis in Early Branch Project. The announcement is expected in November.
* We have received the renewal permit for the Hampton WWTP discharge.

7. **System Member Commissioners Report**

* **Town of Brunson**- The Council did not meet because of Hurricane Dorian so Rocky did not have anything to report this month.
* **Town of Gifford-** The town is waiting on money from DJJ and Walmart for the Summer Program.
* **Town of Hampton**- The town was very well prepared for Hurricane Dorian and the Mayor would like for everyone to always be prepared.
* **Town of Varnville**- The Intersection Project is at a standstill because of CXS and the Department of Transportation.
* **Town of Yemassee**- The neighborhood watch program is going well. The town is working with SCDOT to keep the ditches clean. The town is looking into repairing some sidewalks. Matt, Chief Alexander and the Mayor were well prepared for the hurricane. The Shrimp Festival was a success. The town thanks LRWS for the Royal Restroom which was at the festival. CIS is working on a memorial monument for the 5 military branches. This will be placed in the park by the train station. The town would like for this to be done by November 11th so that they can have a ceremony. The Salkehatchie Project is complete.
* **County of Hampton**- Hampton County Council Chairman Clay Bishop reported that the Shrimp Festival went well and the town looked beautiful. David Paul is to thank for the town of Yemassee looking so well. Clay was impressed with how well the elected officials meeting went during the hurricane. Everyone was prepared and very well organized. The County, the Chamber of Commerce and the Arts Council hosted the Business After Hours last week. It was a huge success. The event took place in the Stanley Arts Building. The building has been completely transformed. They are hoping to have classrooms and art incubators for aspiring artists. The County will be hosting a concert for Doubleshot in the theater next month. The tickets will go on sale at the end of this week. The county is hoping to develop a website and create a calendar of events.

8. **Old Business**

A) Update on Lakisha Bower’s Water Usage and Account Status.

The payment arrangement granted to Ms. Bowers and agreed to by the Board at its last meeting was not upheld. This was the second agreement by the Board in which Ms. Bowers failed to keep. It was also noted that the meter is still showing a leak. The Board discussed the matter and agreed that she should be placed under the same policy as everyone else and that the next step should be taken to turn the water off.

Moved by Horney Mitchell, seconded by Nat Shaffer to take the next step in the matter and to place Lakisha Bowers under the same policy as everyone else. Motion carried unanimously.

B) Policy Position on Individual Residential Pumping Systems.

Item was tabled.

10. **New Business**

A) Mr. Benjamin “Benji” Griner Request for Consideration to Enter into a Property Lease Agreement for a portion of LRWS Property Located on Pond Town to Allow for Access to Property of Jacob Franklin “Lynn” Rivers III TMS # 118-00-00-020

Mr. Griner presented the Board with a handout stating reasons why they should vote to lease the land to Mr. Lin Rivers. Mr. Griner also discussed with the Board why he wanted to lease the land and that Mr. Lynn Rivers and himself would be the only people to use the road.

The board discussed the liability issues and decided that it may be best to sell the property. If the Board decides to sell the property it will be posted to the public so that others will have the opportunity to submit their bid to purchase it as well.

B) Second and Final Reading Resolution 2019-04 Adoption of Water and Wastewater Rate Schedule

The Board discussed the rate difference and the issues that may arise if the resolution is not approved.

Moved by Rocky Hudson, seconded by Horney Mitchell to adopt Resolution 2019-04 Adoption of Water and Wastewater Rate Schedule. Motion then carried.

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| --- | --- | --- |
| Town | Aye | Nay |
| Brunson- Rocky Hudson | **√** |  |
| Gifford- Horny Mitchell | **√** |  |
| Hampton- Jimmy Bilka | **√** |  |
| Varnville- Nathaniel Shaffer |  | **√** |
| Yemassee- Peggy O’Banner | **√** |  |

C) Second and Final Reading Resolution 2019-05 Adoption of Fiscal Year 2019-2020 Operating Budget and Capital Improvement R&R Budget and E&E Budget

Brian informed the Board that the figures in this budget were based on the new rates. Brian also noted that the capital improvement renewal and replacement had a change. Originally it was $625,000 and now it is $910,000. The capital improvement extension and expansion was $575,000 and is now $727,000. These changes were due to two applications. One is for rural infrastructure for the Holly St tank and well. The other was for Alpha Genesis engineering services.

Moved by Horney Mitchell, seconded by Peggy O’Banner to adopt Resolution 2019-05 Adoption of Fiscal Year 2019-2020 Operating Budget and Capital Improvement R&R Budget and E&E Budget. Motion then carried.

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| Town | Aye | Nay |
| Brunson- Rocky Hudson | **√** |  |
| Gifford- Horny Mitchell | **√** |  |
| Hampton- Jimmy Bilka | **√** |  |
| Varnville- Nathaniel Shaffer |  | **√** |
| Yemassee- Peggy O’Banner | **√** |  |

D) Proposed SCDHEC Consent Order for NPDES Permit Violations at the Hampton WWTP

Brian discussed the consent order with the board members. These violations are believed to be a result of the sludge removal project. At the time of the sludge removal, the plant was not fully operational. We have not had an issue since the sludge removal project ended.

Moved by Jimmy Bilka, seconded by Horney Mitchell to accept the SCDHEC consent order for NPDES permit violations at the Hampton WWTP. Motion carried unanimously.

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| --- | --- | --- |
| Town | Aye | Nay |
| Brunson- Rocky Hudson | **√** |  |
| Gifford- Horny Mitchell | **√** |  |
| Hampton- Jimmy Bilka | **√** |  |
| Varnville- Nathaniel Shaffer | **√** |  |
| Yemassee- Peggy O’Banner | **√** |  |

11. **Comments or Questions**

* Chairman Rocky Hudson opened the floor for comments and/or questions. Mr. Paul Murray was then given the floor.
* Mr. Murray had questions about the sewer line for Alpha Genesis:
* If the sewer line is put in for Alpha Genesis in Early Branch will the residents in the area be forced to tap into this line?

No, this line is a sewer force main which will only be for Alpha Genesis. This line is not for the general public.

* According to the LRWS policy anyone within 250 feet of a line has to tap into it. So in this case this is not true?

That’s correct.

* According to LRWS rules anyone requesting sewer is responsible for paying it. Is Alpha Genesis paying for this?

They are contributing to the project.

* They are contributing. So who will be covering the rest?

We have applied for a grant to help with the funding.

* So no rate payer money is going towards this private line?

We will be helping with the engineering service fees. All economic developmental projects have rules and guidelines. LRWS has an account for projects like this.

* I am assuming that the rates will be going up because the operational costs are going up. Is that correct? If the contingency fund is funded by rate payers then shouldn’t these funds only go to infrastructure repairs and projects needed by the masses and not private companies?

The money would come from capital investment not the contingency funds. The costs that LRWS will be putting towards this project will be recouped within 2 years.

* How much is the project estimated to cost?

The total cost would be $652,000. We have requested $500,000 in grants. LRWS would contribute $75,000 and Alpha Genesis would pay the remaining balance.

* Will this project cause any rate increase now or in the future?

It is not projected to. If anything it should help with rates. The Alpha Genesis location in Yemassee is already a customer and brings in a good amount of revenue which helps to keep rates low. If we lost these big companies the rates would have to go up. If Hampton County had more large water users the rates could possibly go down.

Alpha Genesis is having issues with their septic system. If we do not help them with this issue they may decide to shut down. If Alpha Genesis closes there will be a lot of people without a job. If this happened county taxes could go up. LRWS would like more businesses to come into Hampton County. We do not want to lose any businesses that are helping the County.

* According to the rules of LRWS if a private entity requests a sewer line they are responsible for paying those costs. So why is LRWS paying anything towards this?

Every case is different.

* Mr. Darrell Russell was then given the floor.

Darrell Russell’s questions

* From what I perceive about the WEC Modeling Assistance there is a question as to whether or not the Yemassee wastewater plant can hold the amount of debris coming from Alpha Genesis and the public. Is that correct?

That is not accurate. We will be looking at the model to see where we can improve.

* At the last meeting you said that $75,000 was not collected. How much of that has been collected since then?

That was pertaining to the Setoff Debt Program which takes place around tax time.

* Last month you discussed the Sludge Project. It left Yemassee and went to Hampton and now it is coming back to Yemassee. Is that correct? Have they been working in Hampton for 60 days?

Yes, change orders are being prepared by our bond agency (USDA). We cannot proceed with the work until the change orders are in place.

They spent over a year and a half working in Hampton and they were in Yemassee for six months prior to that.

* Can the Yemassee WWTP handle the amount that you estimate will come off of Alpha Genesis and the community?

Yes, it is handling Yemassee, Alpha Genesis and the industrial park now. The model is not about whether our system can handle Alpha Genesis. This model is related to future prospects that may come to the area. It would be very attractive to new business looking at Hampton County if the county could tell them that we have the capacity to handle their needs.

* What is estimate usage for Carolina Textile?

We have it budgeted for 200,000 gals of water and 160,000 gals of sewer a month for this year.

* A resolution for next year’s budget was just passed. I noticed a 1.4% pay increase and a 2.5% performance increase to employees. Will these numbers stay the same?

The employees will be given a 1.4% cost of living raise. The 2.5% is what is allowed to go toward performance raises for everyone. This does not mean that everyone gets a 2.5% increase.

* How do you know that the Alpha Genesis line will not increase the bulk at the Yemassee WWTP?

We have met with the industry and discussed what the water is used for. They actually have less indoor primate facilities than they do at the Yemassee location.

* Mr. Sam Tracy was then given the floor.

Sam Tracy’s questions.

* Why aren’t you putting as much effort into getting water and sewer at the addresses that are being annexed in the town of Yemassee as you are putting into this line for a monkey farm?

A grant was applied for pertaining to the homes in Yemassee, however the grant was denied because there were not enough houses in the area.

* You are bragging about how much money will be made from Alpha Genesis but you still passed this rate increase. Are you going to refund the customers their money once the revenue comes in?

Right now we are not funding 100% of what we needs to be funded. You have to take into account equipment and vehicles that will need to be replaced over time. The electric bill goes up. The rent goes up. Sometimes you have to increase rates to keep up with the costs to maintain a company. We are going to have a rate study done so that we know where we need to be. We have had some companies looking at this area that may use 1 million gals a day. These companies are game changers. If they were on our system we may be able to reduce rates. Rates are based on what it cost to operate and to give us reserves to replace equipment.

* Someone told us that if there were not 14 residents per mile that it was not a paying matter and you would not be interested in it. Now you are interested in running one line for one customer? Where is the future in that?

Most homes use an average of 300 gals a day. Alpha Genesis is estimated to use 15,000 gals a day. That means that Alpha Genesis is equivalent to 50 homes. Also that project is a gravity fed line which would cost more than this Alpha Genesis project.

* Why does the sewer line for Alpha Genesis have to run down the side of the highway? Are you doing this so that you can force the residents to tie into the line?

Public streets. Public right of ways. We do not require anyone to tie into our system that are outside of the municipal city limits.

* Have you contacted the ACE Basin Wildlife people about what waste will be dumped?

We already have a permit to discharge. We already receive and treat wastewater from the Alpha Genesis in Yemassee, therefore what we would receive from this location would only increase the quantity that we treat. We monitor everything that is released.

* Why can’t the funds generated from the monkey farm be used for the houses in Yemassee?

That project is not over. We may have been denied funds but we will look at other strategies to support that project.

12. **Executive Session**

Moved by Peggy O’Banner, seconded by Horney Mitchell to enter into executive session. Motion carried unanimously.

A) Discussion of Matters related to “Governing Member Appointments of their Respected Commissioner and or Representative to the LRWS Commission” as allowed by SC Code of Laws as Amended, **Section 30-4-70 (a) (1)** discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body**;**

B) Discussion of Matters Related to the Sale of Real Property as allowed by SC Code of Laws as Amended, **Section 30-4-70 (a) (2)** discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property;

C) Discussion of Matters related to the General Manager’s Performance Evaluation as allowed by SC Code of Laws as Amended, **Section 30-4-70 (a) (1)** discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body**;**

Moved by Horney Mitchell, seconded by Jimmy Bilka to exit executive session. Motion carried unanimously.

 **“Upon returning to open session, the Commission may take action on matters discussed in executive session.”**

13. **Adjournment**

Moved by Rocky Hudson, seconded by Peggy O’Banner to adjourn. Motion carried unanimously. The meeting then adjourned at 7:23.

Respectfully submitted by Sara Craven