



Chester Metropolitan District
Regular Commission Meeting
July 11, 2018

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Wednesday, July 11, 2018 at the Front Porch Restaurant, 3072 Lancaster Highway, Richburg, SC. Members attending were: Earl Thrailkill, Chairman; Jean H. Nichols, Secretary; Michael Brunson; Raymond Douglas; Sharon Peterson; and George Wilmore. Others in attendance were Fred Castles, Executive Director; Susan Roddey, Executive Assistant; Andy Litten, District Engineer; Becky Moon, Finance Manager; Arthur Gaston, Attorney; Tommy McMinn of Richburg, Bill Marion, Attorney for the Town of Richburg, Ann Marion of Chester, James Cloud of Great Falls. Guests from Richburg Town Council were Helen Williams, Albert Stewart, Flora Barber, and Ed Sharpe.

Chairman Earl Thrailkill called the meeting to order.

Commissioners stood for the Pledge of Allegiance, then Attorney Gaston offered a short invocation for those interested in participating.

Minutes:

Chairman Thrailkill asked for corrections or additions to the minutes. The minutes of the June 12, 2018 meeting were approved. Motion to approve was made by Sharon Peterson, Seconded by Jean Nichols, and unanimously approved.

At this time, Mr. Castles stated that a Special Call meeting was held by telephone on June 29th for the specific purpose of approving the draft 2018-2019 Budget, Fee Changes, and New Rate Structure, as presented in the Public Hearing on June 27, 2018.

The minutes of the June 29, 2018 Special Call meeting were approved. Motion to approve was made by Sharon Peterson, Seconded by Jean Nichols, and unanimously approved.

Rate Resolution:

As a result of the public hearing, the new budget, change in rate structure, and capital recovery fees, a resolution was drafted by Lawrence Flynn which states that proper notice was given, the hearing was held, comment period was open with none received, and it was ratified by the board to approve Capital Recovery Fees as presented, the Rate Structure as proposed, and the 2018-2019 Budget.

A copy of the Rate Resolution is attached to the minutes.

Motion to approve the Rate Resolution as written was made by Jean Nichols, Seconded by Michael Brunson, and unanimously approved.

Old Business:

- Filter Plant Report-*** In the interest of time, Mr. Castles offered the Filter Plant Report as information without reading it. A copy of the report is attached to the minutes.
- Engineer's Report-*** Andy Litten read the report for June. A copy of the report is attached to the minutes.
- DMAG Report-*** Andy Litten read the report for June. A copy of the report is attached to the minutes.
- Capital Recovery-*** Mr. Castles Capital Recovery Fees were implemented on July 13, 2018.

Rebranding – In previous months, the Board has shown an interest in rebranding CMD. CMD Staff has begun the process with improvements to building, new software with additional programs and features, and updated policies for office staff. In addition to those items, we are looking at giving the District a facelift with a new logo, and are taking comments on two possible options. After much discussion, we recommend keeping the same name since it is all-inclusive.

Mr. Wilmore asked if changing logos will cause a change in the budget for new logos on vehicles and shirts. Mr. Castles stated that there will be a cost to it, and while we did not prepare explicitly for it this budget year, the cost should be fairly small.

Copies of the draft logos are attached to the minutes.

New Business:

Director's Update–

- Sanitary Survey – Performed on June 20th by SCDHEC. Our facility and maintenance departments received a satisfactory rating.
- SC River Study Advisory Committee Meeting – June 28th – for all stakeholders along the river, and hosted by SCDNR.
- Grievance Committee – met to discuss an issue with a customer and successfully resolved the issue. As a result of the meeting, a policy change was prompted.

Adjustment & Forgiveness Policy– Mr. Castles stated that the Grievance Committee recommended a policy allowing CMD staff to forgive fees for customers in good standing. A copy of the proposed policy is attached to the minutes. Mr. Castles stated that this new policy outlines payment plans and allows staff to forgive one Non-Payment Fee every twenty-four months if the customer has not been disconnected during that time.

Motion to approve the Adjustment & Forgiveness Policy was made by George Wilmore, Seconded by Michael Brunson, and unanimously approved.

Reports:

Director's Report- Mr. Castles read the Director's Report for June. A copy of this report is attached to the minutes.

Hydrant Report- Mr. Castles read the Hydrant Report for June. A copy of this report is attached to the minutes.

Financial Report- Mrs. Moon read the Financial Report for June. A copy of this report is attached to the minutes.

Mr. Thrailkill asked how much money came out of Wells Fargo to go into the Local Government Investment Pool. Mrs. Moon stated that before transferring funds, there was \$1.7 Million in the account. The money is being moved because the LGIP offers a 2% interest rate, where the Wells Fargo account draws no interest.

Tyler Update- Mrs. Moon stated that the Finance team has been training for the last two weeks, and will have additional training in September. We are scheduled to have a site visit from a consultant for on-site training the week of the 23rd. We're moving along well, and may be able to start parallel billing in September.

Mr. Castles stated that CMD needs to schedule a Grievance Committee Meeting to handle an issue which CMD Staff has been unable to resolve. Meetings are typically scheduled for the first Wednesday in each month, so the next meeting will be scheduled for August 1, 2018 at 10:00 AM unless the Committee has conflicts.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by Sharon Peterson, Seconded by Jean Nichols, and unanimously approved.

Approved:

Respectfully Submitted:

Date: August 8, 2018

By: Susan H. Roddey

Chester Metropolitan District

Agenda

Wednesday, July 11, 2018

6:00 PM

Front Porch Restaurant, Richburg, South Carolina

- I. Call Meeting to Order**
- II. Approval of Last Meeting Minutes**
- III. A Resolution of the Chester Metropolitan District Commission Authorizing the Implementation of New Water Service Rates; and Other Matters Relating Thereto**
- IV. Old Business**
 - A. Filter Plant - Fred Castles
 - B. Engineer's Report - Andy Litten
 - C. DMAG Report - Andy Litten
 - D. Capital Recovery Fee Update - Fred Castles
 - E. Rebranding - Fred Castles
- V. New Business**
 - A. Director's Update - Fred Castles
 - B. Customer Adjustment & Forgiveness Policy - Fred Castles
- VI. Reports**
 - A. Director's Report - Fred Castles
 - B. Hydrant Report - Fred Castles
 - C. Financial Report - Becky Moon
 - D. Tyler Billing/Finance Software Update - Becky Moon
- VII. Adjourn**

This agenda is subject to change up to 24 hours in advance of the meeting.

RESOLUTION

OF THE CHESTER METROPOLITAN DISTRICT COMMISSION AUTHORIZING THE IMPLEMENTATION OF NEW WATER SERVICE RATES; AND OTHER MATTERS RELATING THERETO.

WHEREAS, the Chester Metropolitan District, South Carolina (the “*District*”) was created and established as a body politic and corporate pursuant to Act No. 379 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1959, as amended (the “*Enabling Legislation*”). The District is located wholly within Chester County, South Carolina and was created for the purpose of providing waterworks services within the boundaries of the District (the “*System*”); and

WHEREAS, the Chester Metropolitan District Commission (the “*Commission*”), the governing body of the District, is empowered by the Enabling Legislation to “sell water ... in conformity with a rate schedule to be prescribed by it and to make and enforce such reasonable rules and regulations as it may deem proper to secure itself against nonpayment of its charges therefor;” and

WHEREAS, the District engaged Raftelis Financial Consultants, Inc. (“*RFC*”) to conduct a cost of services study to analyze the (i) the benefits of implementing water capital recovery fees (the “*Capacity Fees*”), and (ii) current structure of the District’s rates and charges and recommend a revised rate structure; and

WHEREAS, the District held a public hearing dated May 31, 2018 regarding the implementation of the Capacity Fees and thereafter the Commission, in consideration of the findings of the RFC and other materials presented at the public hearing, approved the implementation of such fees effective July 1, 2018; and

WHEREAS, similar to the Capacity Fees, the District held a public hearing on the implementation of a new rate structure on June 27, 2018; and

WHEREAS, at the public hearing for the new rate structure, RFC presented information on a new rate structure that is intended to (i) meet the financial needs of the District while providing sustainable water service to customers; (ii) recover the revenue required to meet the financial needs of the System from the various customer classifications in a fair and equitable manner based upon the cost of providing water services; and (iii) satisfies other rate-setting objectives of the District and its customers; and

WHEREAS, RFC has recommended the adoption of a simplified rate structure incorporating uniform base charges (based on meter size), volumetric rates that are cost-justified and uniform (thereby removing declining blocks) and consistent application of other required service fees; and

WHEREAS, RFC has incorporated the provisions of the rate adjustments approved by the Commission by the terms of a resolution entitled, “A Resolution of the Chester Metropolitan District Authorizing the Implementation of New Water Rates for the Next Seven Fiscal Years; And Other Matters Relating Thereto” dated February 8, 2017 (the “7-Year Resolution”) into the new rate schedule such that the 7-Year Resolution may be implemented in concert with the provisions of this Resolution; and

WHEREAS, the Commission, in consideration of the public hearing held prior to the adoption of this resolution, the findings of RFC and the provisions of the 7-Year Resolution, has determined to implement the rates set forth in Section 2 of this resolution, which are to become effective as of September 1, 2018.

NOW THEREFORE, BE IT RESOLVED BY COMMISSION, AS FOLLOWS:

Section 1. The Commission hereby ratifies and approves the findings of fact recited above.

Section 2. The following rates and charges for water service are hereby adopted by the Commission:

Base Rate

(Based on Meter Size)

3/4"	\$ 14.35
1"	\$ 21.52
1.5"	\$ 39.26
2"	\$ 60.64
3"	\$ 110.56
4"	\$ 181.87
6"	\$ 359.96
8"	\$ 573.76
10"	\$ 823.27

Volumetric Usage Rate

per 1,000 Gallons	\$ 7.19
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Tap Fee

1" or smaller, simple install	\$ 1488.00
All others	Cost of Installation

Other Fees

Non-Payment Fee*	\$ 45.00
After Hours Reconnect Fee	\$ 69.00
Pulled Meter Fee	\$ 69.00
Late Fee	\$ 3.00

Engineering Fees

Backflow Test Fee	\$ 12.00 per result
Plan Review Fees	See Review Fee Schedule

Hydrant Meter Fees**

Refundable Deposit	\$ 100.00
Single Day Permit	\$ 50.00
15-Day Permit	\$ 100.00
30-Day Permit	\$ 200.00***
Relocation Fee	\$ 35.00

* Non-Payment Fee – replaces the “Reconnect Fee”

** Hydrant Meter Fees – replaces the “Hydrant Meter Permit Fee”

*** Renewable before expiration

Section 3. Upon the due adoption of this Resolution by the Commission, the water rates set forth in Section 2 of this Resolution shall take effect on September 1, 2018. All other fees set forth in Section 2 of this Resolution shall take effect immediately.

Section 4. Pursuant to Section 6-1-330 of the Code of Laws of South Carolina 1976, as amended, public hearings on the Capacity Fees (as described in the findings above) and the new water rate schedule (as set forth in Section 2) were duly and properly held by the Commission. Proper notice of each of the public hearings was duly published in advance of the public hearing in the *Chester News & Reporter*, a newspaper of general circulation in Chester County.

Section 5. The Commission hereby authorizes the Executive Director of the District to undertake and do all things necessary to implement and carry-out the provisions of this resolution.

DONE IN A MEETING DULY ASSEMBLED, this 11th day of July, 2018.

(SEAL)

Chairman
Chester Metropolitan District Commission

Attest:

Secretary
Chester Metropolitan District Commission

CHESTER METROPOLITAN DISTRICT FILTRATION PLANT

June 2018

- Completed all reports.
- All Emergency generators were ran by Dell Hughes. The emergency diesel engines were also ran and were reported as operating fine.
- Collected 28 Distribution Samples and analyzed for the presences of Coliform Bacteria. All samples were within acceptable range.
- We are currently discharging a Total Chlorine Residual of 2.70 ppm and maintaining an average level throughout the distribution system this month at 1.53 mg/l.
- SCDHEC performed a Sanitary Survey on the plant and the Distribution system.
- Performed preventive maintenance on Plate & Frame Press air compressors.
- Adjusted the packing on #2 & #3 raw water pumps.
- Replaced leaking coupling on the #1 raw water pump air relief.
- Repaired the exhaust fan at the raw water pump station. Repaired motor bushing and replaced the belt.
- Exercised Sedimentation basin drain lines.
- Replaced one Chlorine vacuum regulator heater.
- Repaired the exhaust fan in Office. Replaced the bearings, drive belt and starter switch.
- Replaced 12, 500 Watt Halogen basin lights with 30 Watt LED lights.
- Replaced the Clarifier and Thickener 500 Watt flood lights with 30 watt LED lights.
- Exercised #1 & #2 Raw Water check valves.
- Cleared sensing port on the Finished Water Venturi.
- Instrumentation Services repaired the #2 Filter rate controller and Backwash water rate controller.
- The sludge removed and sent to the landfill this month was 72.11 tons.

CHESTER METROPOLITAN DISTRICT FILTRATION PLANT

MONTHLY REPORT

MONTH: June 2018

QUANTITIES (million gallons)		PREVIOUS YEAR		PRESENT YEAR	
Raw Water		95.639		115.162	
Finished Water		90.978		108.195	
Peak Day	Raw	3.774		6.045	
	Finished	3.331		5.717	
Minimum Day	Raw	2.558		2.976	
	Finished	2.409		3.147	
Average Day	Raw	3.085		3.839	
	Finished	2.935		3.607	
Total Hours Operated		739.500		720.000	
Monthly Load Factor (%)	(Avg. day Plant cap.)	0.990		99%	

CHEMICAL COSTS	QTY USED (lb)	@COST PER lb.	TOTAL COST	UNIT COST	(Per mil. gal)
	***	***			
Ferric Chloride	115002.53	0.30	\$34,500.76	299.585	
Chlorine	3665.00	0.53	\$1,942.45	16.867	
Flouride	700.00	0.69	\$485.10	4.212	
Corrosion Inhibitor	926.50	0.64	\$588.88	5.114	
Caustic Soda	70013.40	0.28	\$19,603.75	170.228	
NACLO2	7252.20	0.86	\$6,251.40	54.283	
Polymer (press)	150.00	2.20	\$330.00	2.866	
Polymer (plant)	0.00	2.00	\$0.00	0.000	
AMMONIA	942.00	0.88	\$828.96	7.198	
SUB-TOTAL CHEMICALS	198651.63	8.38	\$64,531.30	560.352	

ELECTRICAL COSTS	KILOWATT HRS	TOTAL COST	UNIT COST	(Per mil. gal)
Filtration Plant			0.000	
Booster Station			0.000	
SUB-TOTAL ELECTRICAL		\$0.00	0.000	

GRAND TOTAL (Chemicals & Electrical)	\$64,531.30	560.352
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CMD Engineering Department's Engineering Project Progress Report July 2018

Development Project Reviews

Lincolnville Hydrant: Further investigation is needed.

Sleep Inn – Richburg: We received the revised plans and will have them reviewed by July 20th. We are hopeful these are the last set to review and can issue an approval letter.

Rocky River Sewer Improvements: The project is under construction. We are monitoring activities as they relate to our water lines.

Roseburg: Plans were reviewed and approved on June 26th.

Lennar – Lando: No further action has occurred this month.

Cross-Connection Control Program

The backflow software is installed on the workstations and we are now tracking the test results in the software. We are working with the Vendor to get the website running so that test results can be submitted online. The website should be functional by the end of August.

Lime Tank Installation at the Filter Plant

We are working on a permit from SCDHEC so that we can start using the system.

In-House Projects

None at this time.

GIS Mapping

The GIS server is active. We are transitioning our data to the GIS server and the Vendor will be here on July 18th to provide some additional help to get the server running so that it is available for field use.

FlexNet Project (Remote Meter Reading)

We are working on the agreements with the Vendors and the equipment orders are ready but have not been submitted yet. The orders will be placed once the agreements are signed.

Office Building Renovation

Permitting plans will be submitted to us by the beginning of next week for our review. If we are ok with everything, then the Architect will submit to the City for our construction permit. Finishes for the floor and cabinets have been chosen and samples are at our office for review.

We are currently cleaning and reorganizing the offices and warehouse to prepare for the start of construction.

Unmetered Lines

Omnova is in the process of installing their meter.

No further action on the fairgrounds has taken place since sending the letter.

Haddon House is in the process of getting quotes to install a meter on their fire line.

Footprint is working on getting their meter installed.



CHESTER
METROPOLITAN DISTRICT





Customer Adjustment and Forgiveness Policy

Chester Metropolitan District Customers may be entitled to adjustments and/or fee forgiveness from the District. In order for a customer to receive such concessions, he or she must be in good standing with the District (the account may not have a past-due balance) and may also need to meet other requirements.

- Leak Adjustments

- Customers are entitled to up to two (2) billing adjustments for water leaks in a twelve (12) month period.
- Leak adjustments require the high usage to be in excess of 2,000 gallons beyond the customer's average usage.
- The account holder or other named representative on the account must present proof of repair (i.e. a receipt from a plumber or for parts used in the repair) for customer service staff to make the adjustment.

- Customer Payment Plan

- Customers who accrue large balances beyond their control (i.e. from leakage or other unexplained high usage) may be entitled to a Payment Plan (once the leak is repaired).
- Payment plans are designed to divide the balance due on the account into a monthly payment, which must be paid each month *in addition to* the regular monthly bill for that month.
- To be eligible for a payment plan, a customer must be in good standing with the District and not have broken a prior payment plan.
- If a customer fails to remit payment on both the payment plan *and* the current balance, the Payment Plan shall become void and the entire balance will become due and payable immediately.

- Non-Payment Fee Forgiveness

- A customer who is typically in good standing with the District but has been disconnected for non-payment due to extenuating circumstances may be eligible for Non-Payment Fee forgiveness.
- Customers eligible for this forgiveness must not have been disconnected for non-payment in the prior twenty-four months leading up to the date service was disconnected.
- A single customer may be eligible for this adjustment once every twenty-four months as long as proper conditions are met.

Approved by:

Date:

Chester Metropolitan District

Director's Report

FY 2017-2018

	June 2018	TOTAL L 12 MOS	AVERAGE L 12 MOS
DISTRIBUTION NUMBER:			
Taps	1	24	2.0
Leaks	21	289	24.1
DISTRIBUTION MANHOURS:			
Taps	18.0	537	44.8
Leaks	116.5	2,072	172.6
Equipment	0.0	-	-
Shop	138.0	3,203	266.9
Dist. System	632.5	9,621	801.8
Asphalt	54.0	569	47.4
Meters	259.0	2,252	187.7
Filter Plant	6.0	36	3.0
Hydrants	0.0	169	14.1
Construction Projects	80.0	882	73.5
Main Break	151.0	1,501	125.1
Total Manhours	1,455.0	20,842	1,736.8
Overtime Hours	115.5	1,852	168.4
METER CALLS:			
Ons	86	980	81.7
Offs	79	925	77.1
Checks	114	1,973	164.4
Total Calls	279	3,878	323.2
Overtime Hours	64.3	461.5	42.0
BILLING INFORMATION:			
Non-Leak Adjustments:	7	151	12.6
Leak Adjustments	25	599	49.9
\$\$\$ Adjusted	\$ 1,545.89	\$ 48,459.57	\$ 4,038.30
Bills Mailed	5,159	68,700.0	5,725.0
Thousand Gallons Billed	61,149.0	767,067.6	63,922.3
Thousand Gallons Pumped	108,195.0	1,225,898.0	102,158.2
% Accounted For	56.5%		62.8%
Other Gallons Accounted For	4,166.4	43,829.4	3,652.4
Estimated System Leakage (20%)	21,639.0	245,179.6	20,431.6
Adjusted % Accounted For	60.4%		68.1%

Chester Metropolitan District

Hydrant Report

July 11, 2018

<u>0</u>	New Placement
<u>0</u>	Hydrants Replaced
<u>0</u>	Hydrants Repaired
<u>0</u>	Hydrants Removed

<u>\$0</u>	\$ Spent on Hydrant Work
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<u>5509</u>	Total Hydrants Worked to Date
<u>\$ 1,203,637</u>	Total Cost to Date
<u>- 0 -</u>	Local Match
<u>- 0 -</u>	Contract Services
<u>\$ 1,203,637</u>	Total Cost



Chester Metropolitan District
Cash Balances
Per Month End Bank Statements

	<u><i>June 30, 2018</i></u>
CMD Merchant Account	\$131,884
CMD Gross Revenue GF	172,791
CMD Gross Revenue Chester	3,380,094
CMD Debit Card	2,328
CMD CPF	895,158
CMD Bond Funds	968,467
	<u>\$5,548,394</u>
SC Local Govt Investment Pool	1,335,137
Wells Fargo Drafts	\$130,473
MBS Securities	207,021
	<u>1,465,610</u>
US Bank (for debt payment)	<u>\$480</u>
Grand Total	<u><u>\$7,014,004.00</u></u>

Principal and interest on 2017 bond was paid in June.

Funds of 1.7M were transferred from Wells Fargo to Chester Gross Revenue

Chester Metropolitan District

Budget to Actual Comparison

June 30, 2018

unaudited

	Month Ended June 30, 2018	Year-to-Date Income Statement	Annual Budget for Fiscal Year Ended June 30, 2018	Budget to Actual Variance Fav/(Unf)
OPERATING REVENUE				
Res. & Com. Water Service	\$219,530	\$2,778,712	\$2,854,024	(\$75,312)
Industrial Meter Water Service	206,573	2,012,707	2,277,051	(264,344)
Residual Management Fees	60,546	663,216	714,666	(51,450)
Penalties	6,678	75,970	48,000	27,970
Taps/Exts./Inst. Fees	4,889	39,219	23,000	16,219
Billing/Collection/Admin Fees	18,366	222,878	320,296	(97,418)
Miscellaneous	42,268	400,781	200,526	200,255
TOTAL OPERATING REVENUE	\$558,850	\$6,193,483	\$6,437,563	\$ (244,080)
OPERATING EXPENSES				
Admin & General Exp	\$64,949	\$979,165	\$1,245,212	\$266,047
Filter Plant	117,045	1,440,904	1,347,769	(93,135)
Sludge Operations	19,142	199,867	196,861	(3,006)
Distribution - Chester	65,577	914,359	827,211	(87,148)
Distribution - Great Falls	19,026	178,777	202,591	23,814
Distribution - Hydrant	-	11,440	15,200	3,760
Meter Dept.	18,597	239,603	268,051	28,448
Engineering	18,674	223,571	249,663	26,092
MIS	11,679	214,402	172,682	(41,720)
Human Resources	9,780	481,375	582,552	101,177
TOTAL OPERATING EXPENSES	\$344,469	\$4,883,463	\$5,107,792	\$224,329
OPERATING INCOME	\$214,381	\$1,310,020		
NON-OPERATING EXPENSES				
Admin & General Exp		\$47	\$0	(\$47)
Filter Plant	12,717	22,332	141,870	119,538
Sludge Operations		-	-	-
Distribution		31,811	108,700	76,889
Meter Dept.		-	-	-
Engineering		-	-	-
MIS	7,442	79,817	84,613	4,796
Depreciation		-	327,072	327,072
Capital Fee Funds (SRF)		62,173	147,063	84,890
Debt Service (DSF)	117,245	221,357	578,225	356,868
Bond Proceeds (CPF)		534,874		
TOTAL NON-OPERATING EXPENSES	\$137,404	\$952,411	\$1,387,543	\$970,006
NON-OPERATING REVENUE				
Interest Income	\$2,838	\$24,996	\$0	\$ 24,996
Unrealized Gain / (Loss)	(718)	(1,682)	-	(1,682)
Appropriation of Debt Service Reserve		-	57,772	(57,772)
TOTAL NON-OPERATING REVENUE	\$2,120	\$23,314	\$57,772	\$ (34,458)
INCREASE IN NET POSITION	\$79,097	\$380,923	\$0	