

July 21, 2009
12:45 pm

The regular meeting of the SJWD Water District was held with the following present:

Commissioners: *Wanda Fowler* (via conference call), *Buddy Carlton*, *John Sexton*, and *Roger Nutt*. Tom Lomax was absent.

Staff: *Mike Caston*, Executive Director; *Mike Frost*, Director of Projects and Construction; *Larry Christopher*, Director of Finance and Administration; *Tommy Staton*, Process Control Operator; and *Greg Moore*, Director of Operations.

Guests: *Mr. Paul Hargett*, Black and Veatch; and *Mr. Brad Love*, Haynsworth Sinkler Boyd, P.A.

The Agenda for the meeting was emailed to WSPA TV and the *Spartanburg Herald-Journal*.

APPROVAL OF JUNE 23, 2009 REGULAR MEETING MINUTES

Buddy Carlton made a motion, which was seconded by Roger Nutt, to approve the minutes of the June 23, 2009 regular meeting. The motion was approved unanimously.

APPROVAL OF JULY 1, 2009 WORKSHOP MINUTES

Roger Nutt made a motion, which was seconded by Buddy Carlton, to approve the minutes of the July 1, 2009 workshop. The motion was approved unanimously.

MONTHLY FINANCIAL REPORT

Staff reviewed the Financial Report and Bank Balance Report for the period ending June 30, 2009. Staff reported that revenues were down in the current budget year compared to the budget and to the prior year; expenses remain well below budget to offset most of the loss in revenue. Staff projects that the District should be able to transfer at least \$750,000 to the Capital Reserve Fund for the year.

APPROVAL OF BUDGET FOR THE FISCAL YEAR 2009-2010

A public hearing was held for the third and final reading of the Operating budget for the fiscal year beginning August 1, 2009 and ending July 31, 2010. The notice of public hearing was published in the *Spartanburg Herald-Journal* 15 days prior to the public hearing.

Wanda Fowler made a motion, which was seconded by Buddy Carlton, to approve the Operating budget for the fiscal year ending July 31, 2010. The motion was approved unanimously.

RESOLUTION FOR GENERAL OBLIGATION BOND ISSUE

Mr. Brad Love presented a resolution to issue a \$1,500,000 general obligation bond. Proceeds from the issue will reimburse the District for funds that have been expended from the Capital Reserve Fund for filter plant improvements and water line projects. The bond will be issued September 1, 2009 and be repaid over the next 3 years from property tax revenues.

Buddy Carlton made a motion, which was seconded by Roger Nutt, to approve the \$1,500,000 general obligation bond described above. The motion was approved unanimously.

PURCHASE OF VEHICLES

Staff presented a proposal to replace 5 vehicles in the Operation/Meter Services fleet for a cost not to exceed \$98,610. The vehicles are over 5 years old and have in excess of 100,000 miles. The vehicles have been identified for replacement in the District's Capital Improvement Projects plan.

Roger Nutt made a motion, which was seconded by Buddy Carlton, to spend up to \$98,610 to replace the vehicles described above. Funding for the vehicles will come from the Capital Reserve Fund. The motion was approved unanimously.

STAFF UPDATES

- Paul Hargett provided the Commission with an update on the options for water treatment expansion.
- Mike Frost discussed the progress of repairs to the North Tyger raw water pump station. Pump testing will be conducted next week with the hopes of having the line ready within the next 2 weeks.
- Larry Christopher reviewed additional findings regarding the modification of the District's rate structure from a declining block rate structure to a flat rate or inclining block rate structure. Another workshop will be conducted on August 18, 2009 at 8:30 am at the District office just prior to the regular Commission meeting to further review and discuss these findings.
- Mike Caston reported that there were no new developments with YMCA officials about SJWD's offer to purchase property for the Shoals Road tank site. The District will continue to explore other options and property owners in the event that the YMCA declines the District's offer.
- Tommy Staton presented a recap of the positive results of the improvements at the Filter Plant. The project was successfully completed within 5% of the original budget and has produced significant future savings in maintenance and power costs.

INMAN MILLS WELLS

Staff presented an offer from Inman Mills to sell a piece of property with 2 buildings to SJWD for \$40,000. This property has been identified as a good location for a small treatment plant for the well sites at Inman Mills.

Buddy Carlton made a motion, which was seconded by Wanda Fowler, to approve up to \$50,000 to purchase the property described above along with all closing costs and the cost of a survey. The motion was approved unanimously.

The next regular Commission meeting will be held August 18, 2009 at 12:45. A workshop on Conservation Rate Options and Alternatives will start at 8:30 am that morning before the regular meeting. The meeting was adjourned by mutual consent.

Read & Approved

Wanda Fowler, Secretary

