

May 19, 2009

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

Commissioners: *Wanda Fowler, 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; Mitch Turner, Manager of Water Resources; and Tommy Staton, Process Control Operator (Filter Plant).*

Guests: *None*

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

APPROVAL OF APRIL 28, 2009 MINUTES

Roger Nutt made a motion, which was seconded by Buddy Carlton, to approve the minutes of the April 28, 2009 meeting. The motion was approved unanimously.

MONTHLY FINANCIAL REPORT

Staff reviewed the Financial Report and Bank Balance Report for the period ending April 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 the loss in revenue. Production levels at the Filter Plant are down significantly compared to the prior year. Revenue for the remainder of the budget year is not expected to deviate from current trends in the foreseeable future. Staff will continue to remain vigilant in their management of controllable expenses.

REQUEST FOR VARIANCE-BOAT PERMIT

Mitch Turner presented a variance request from Mr. Billy Bishop for a boat permit. Mr. Bishop provided documentation that he was going through a divorce and did not have legal possession of his boat which prevented him from renewing his boat permit in 2008. An annual renewal is required for his boat motor because it no longer meets emission standards required by SJWD policies. His permit was originally issued prior to the policy change and is required to be renewed every year without lapse to remain "grandfathered". He was requesting a variance to be able to purchase a permit in 2009 for his boat.

Roger Nutt made a motion, which was seconded by Buddy Carlton, to grant a variance for Mr. Billy Bishop to purchase a boat permit for 2009. Roger Nutt, Buddy Carlton, and Wanda Fowler voted for the motion and John Sexton voted against the motion. The motion was approved by a majority.

STAFF UPDATES

- Mitch Turner presented a recap of the North Tyger Riversweep project organized by the Tyger River Foundation.
- The staff conducted an emergency response training exercise relative to a pandemic scenario. Mitch Turner provided a copy of the preliminary report from the exercise.
- Mike Frost provided an update on the proposed Shoals Road tank site. Mike Caston will meet with the YMCA board of directors at their meeting on Thursday, May 21, 2009 to review SJWD's offer.
- Mike Frost discussed plans for making the needed repairs at the North Tyger raw water pump station. The repairs should start soon and be completed in approximately 90 days. The repair cost (time and materials) is not expected to exceed \$100,000.

FUTURE WHOLESALE OPPORTUNITIES

At the November 18, 2008 meeting, the Commission authorized up to \$36,000 for a Rate and Hydraulic Modeling study. The study examines the hydraulic and financial aspects of potential future wholesale transactions. Staff is requesting that an additional \$7,500 be added to the original amount to provide for a contract negotiation assistance phase. The scope of work for this phase will include providing examples of other wholesale supply and intergovernmental agreements, technical assistance on drafting wholesale supply contract language, and identification and inclusion of key indicators that will guide any necessary wholesale rate adjustment.

Wanda Fowler made a motion, which was seconded by Buddy Carlton, to approve up to \$7,500 of additional funds for the contract negotiation assistance phase of the Rate and Hydraulic Modeling study approved on November 18, 2008. This will adjust the total cost of the study to an amount not to exceed \$43,500. The motion was approved unanimously.

GENERAL OBLIGATION BOND ISSUE

The last general obligation bond issue was executed on July 1, 2008 for \$1,900,000. The proceeds from this issue have been fully expended on approved bond projects. In addition, approximately \$1,500,000 of Capital Reserve funds have been spent on bond projects since the proceeds from the last bond issue were fully expended. Staff is seeking approval to pursue a \$1,500,000 general obligation mini-bond issue. The proceeds from this issue will reimburse the Capital Reserve Fund according to the reimbursement provisions contained in the December 2007 Bond Resolution. The original resolution from County Council was for \$10,900,000. After this issue, \$8,500,000 will remain to be issued.

Buddy Carlton made a motion, which was seconded by Roger Nutt, to authorize Larry Christopher to work with the District's bond attorney for the execution of a \$1,500,000 general obligation mini-bond. The official resolution will be presented for approval at the July 2009 meeting. The motion was approved unanimously.

FIRST REVIEW OF THE PROPOSED BUDGET FOR THE FISCAL YEAR 2009-2010

Staff presented the first reading of the Operating Budget for the fiscal year ending July 31, 2010. The total budget of \$8,087,000 is conservative and representative of recent revenue trends. Proposed expenses were reduced in all areas to bring the budget into balance. \$600,000 is projected to be transferred to the District's Capital Reserve for the funding of depreciation.

Meeting was adjourned by mutual consent.

The next Commission meeting will be held June 23, 2009. The meeting was adjourned by mutual consent.

Read & Approved

Wanda Fowler, Secretary

