

October 19, 2010

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

Commissioners: *Buddy Carlton, John Sexton, Roger Nutt, Wanda Fowler and Tom Lomax.*

Staff: *Mike Caston, Executive Director; Larry Christopher, Director of Finance and Administration; Mitch Turner, Manager of Water Resources; Brenda Jackson, Accounting Manager; and Pam Solesbee, Accounting Technician II.*

Guests: *Brad Love, Haynsworth Sinkler Boyd, P.A.; Mike Ravan and Sam Holtzclaw, Ravan and Holtzclaw, P.A.; and Teresa Cawley, Southern Municipal Advisors.*

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

Buddy Carlton called the meeting to order at 12:48 PM.

APPROVAL OF SEPTEMBER 21, 2010 MINUTES:

Tom Lomax made a motion, which was seconded by John Sexton, to approve the minutes of the September 21, 2010 meeting. The motion was approved unanimously by the Commissioners who attended the September 21, 2010 meeting. Roger Nutt and Wanda Fowler did not vote because they did not attend. However, Wanda signed the minutes as Secretary.

MONTHLY FINANCIAL REPORT

Staff reviewed the Financial Report and Bank Balance Report for the period ending September 30, 2010.

PRESENTATION OF THE FISCAL YEAR 2010 AUDIT REPORT

Mike Ravan and Sam Holtzclaw presented the audited financial statements and audit report for the fiscal year ending July 31, 2010. The District had a strong financial year. The audit was expedited this year to assist the District in obtaining its first ever bond rating in anticipation of the upcoming general obligation bond issue. Brenda Jackson and Pam Solesbee were recognized for their efforts in coordinating the audit internally.

The financial statements include a \$55,000 arbitrage liability relating to the 2005 \$5.5 million general obligation bond. The liability is expected to be remitted to the Internal Revenue Service on or before January 9, 2011.

The financial statements also include a \$181,100 liability for accrued post employment benefits (GASB 45) relating to health care costs for the District's current and future retirees. Currently,

the District has adequate funds in the Insurance Reserve Fund account to fund the liability. The Commission asked the staff to determine if the funds for this liability need to be transferred to a trust fund established specifically for this purpose and report back at a later meeting.

Tom Lomax asked about participation in the deferred compensation 401(k) plan. Staff informed the Commission that roughly 60%-65% of employees currently participate. The Commission requested that the staff evaluate the level of funding from employees and the District and report back at a later meeting.

APPROVAL OF RESOLUTION TO ISSUE GENERAL OBLIGATION BONDS

Staff presented a resolution, prepared by Brad Love, to issue general obligation bonds in an amount not to exceed \$7.5 million. The bond proceeds will be used to partially fund the \$13.7 million Water Treatment Expansion Project.

Roger Nutt made a motion, which was seconded by John Sexton, to approve the resolution for the bond issue. The motion was approved unanimously.

MISCELLANEOUS ADMINISTRATIVE MATTERS

Water Treatment Plant Expansion Project – Grading is underway. The storm drain relocation is about 60% complete. Temporary and permanent fencing has been installed.

The District Christmas Party is set for Tuesday, December 7, 2010 at 6:30 PM.

The October 9, 2010 River Sweep was a huge success. Mitch Turner presented pictures of the trash removed from the river during the event.

Staff discussed the retreat for Commissioners and staff. Staff is working on the agenda and tentative dates (December 1st and 2nd at Lyman Lake Lodge). Staff will communicate agenda and definite dates once developed.

Staff informed the Commission of a Tyger River Water Summit at the Byrnes High School cafeteria at 3:00 PM on Sunday, November 7, 2010.

Mitch Turner informed the Commission about several issues at the lakes. The Commission asked Wanda Fowler to work with Mitch to address some of these issues.

Staff informed the Commission that the District received notification from SC DHEC that a State Revolving Fund Loan of \$462,000 has been approved on our behalf. The “loan” requires no payback of principal or interest. The proceeds are to be used in the Startex area of the system.

At 2:40 PM, Roger Nutt made a motion, which was seconded by John Sexton, to adjourn the meeting. The motion was approved unanimously.

The next Commission meeting will be held on Tuesday, November 16, 2010.

Read & Approved

Wanda Fowler
Secretary










