October 20, 2009
12:45 pm

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

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

**Staff:** Mike Caston, Executive Director; Larry Christopher, Director of Finance and Administration; and Jeff Diaz, Director of IT and Customer Service.

**Guests:** Dennis Lindey, representing the Wounded Warrior Triathlon.

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

**APPROVAL OF SEPTEMBER 15, 2009 REGULAR MEETING MINUTES**

Tom Lomax made a motion, which was seconded by Roger Nutt, to approve the minutes of the September 15, 2009 regular meeting. The motion was approved unanimously.

**MONTHLY FINANCIAL REPORT**

Staff reviewed the Financial Report and Bank Balance Report for the month ending September 30, 2009. Staff reported that revenues exceeded budget and that expenses were under budget. This continues to reflect a great start to the new budget year. Average daily water production continues to maintain a steady level (6.1 mgd) with very few small peaks. The capital reserve fund increased by $1,500,000 as the new general obligation bond was issued on September 16, 2009 to reimburse for funds spent on bond projects.

**REVIEW OF RATE STRUCTURE AND RELATED CUSTOMER NOTIFICATION**

Staff presented for approval the final recommendation for changing the District’s rate structure from a declining block rate structure to an inclining block rate structure for residential and irrigation customers who use more than 15,000 gallons per month. Customers who use less than 15,000 gallons (90% to 95% of the District’s customer base) will not be affected by the change.

Roger Nutt made a motion, which was seconded by Buddy Carlton to adopt the following inclining block rate structure for residential and irrigation customers effective March 1, 2010:

<table>
<thead>
<tr>
<th>New Rate Structure-Inside the District (per thousand gallons)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum (0 to 2,500 gallons)</td>
<td>$12.00 flat rate</td>
<td></td>
</tr>
<tr>
<td>Tier One (2,501 to 15,000 gallons)</td>
<td>$3.01</td>
<td></td>
</tr>
<tr>
<td>Tier Two (15,001 to 25,000 gallons)</td>
<td>$3.20</td>
<td></td>
</tr>
<tr>
<td>Tier Three (over 25,001 gallons)</td>
<td>$4.00</td>
<td></td>
</tr>
</tbody>
</table>
Old Rate Structure - Inside the District (per thousand gallons)

<table>
<thead>
<tr>
<th>Tier Level</th>
<th>Gallons Range</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>(0 to 2,500 gallons)</td>
<td>$12.00</td>
</tr>
<tr>
<td>Tier One</td>
<td>(2,501 to 15,000 gallons)</td>
<td>$3.01</td>
</tr>
<tr>
<td>Tier Two</td>
<td>(15,001 to 135,000 gallons)</td>
<td>$2.46</td>
</tr>
<tr>
<td>Tier Three</td>
<td>(135,001 to 235,000 gallons)</td>
<td>$2.12</td>
</tr>
<tr>
<td>Tier Four</td>
<td>(235,001 to 500,000 gallons)</td>
<td>$1.86</td>
</tr>
<tr>
<td>Tier Five</td>
<td>(over 500,001 gallons)</td>
<td>$1.62</td>
</tr>
</tbody>
</table>

Note: The rates for outside the District are 25% higher than the rates above.

The motion was approved unanimously. Staff will communicate the change to customers with bill stuffers, messages on the customer’s bill, and other potential avenues.

RESOLUTION - TRAILS ALONG THE SOUTH TYGER RIVER

After considering a proposal by the Tyger River Foundation (TRF) to connect trails along the South Tyger River (in cooperation with the City of Greer, the Greer Commission of Public Works, Spartanburg County School District 5, and other property owners) to property owned by SJWD at Berry’s Pond, the following resolution was adopted by consent of all Commissioners:

The SJWD Water District is willing to participate in the project when the other corridor property is acquired or landowners have granted permission for access.

Staff was instructed to convey this message to the TRF and keep the Commission posted on the progress of the project.

MISCELLANEOUS ADMINISTRATIVE MATTERS

Dennis Lindey attended the meeting to express his appreciation for SJWD’s participation in the Wounded Warrior Triathlon.

Jeff Diaz presented an update on the progress of the new phone system project and the ongoing security assessment.

Larry Christopher provided a schedule of capital cash flows for the next 5 years based on projected income and expenditures for projects that have been approved to date. He also provided a schedule of the Capital Improvements Projects plan for the next 5 years. These projects have not been approved and still need to be prioritized and ranked. This process will be undertaken in the coming months.

Middle Tyger Rive Sweep is scheduled for October 24, 2009.
At 2.45 pm. Buddy Carlton made a motion, which was seconded by Roger Nutt, to adjourn the meeting. The motion was approved unanimously.

The next regular Commission meeting will be held November 10, 2009 at 12:45.

Read & Approved  Wanda Fowler, Secretary

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