



Chester Metropolitan District

Regular Commission Meeting

January 10, 2018

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Wednesday, January 10, 2018 at the CMD Office, 155 Wylie Street, Chester, SC. Members attending were: Earl Thrailkill, Chairman; Jean H. Nichols, Secretary; Sharon Peterson; Michael Brunson; Raymond Douglas, James Simpson; and George Wilmore. Others in attendance were Fred Castles, Executive Director; Susan Roddey, Executive Assistant; Andy Litten, District Engineer; Becky Moon, Finance Manager; Tiffany Ford, Customer Service Representative; Arthur Gaston, Attorney; and Tommy McMinn of Richburg.

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 December 13, 2017 meeting were approved. Motion to approve was made by Michael Brunson, Seconded by Jean Nichols, and unanimously approved.

Audit:

Michael Slapnik of Scott & Company presented the draft audited financial statements for Fiscal Year ending 2017. A copy of the draft audit as presented is attached to the minutes.

Mr. Castles recommended approval of the audit for DAC reporting purposes. An update is necessary to meet bond requirements, and must be submitted by February 1, 2018.

Motion to accept the audit as presented was made by Jean Nichols, Seconded by Sharon Peterson, and unanimously approved.

Public Comment:

There were no members of the public in attendance.

Mr. Douglas presented a letter to the Board that he received from a customer. Copies were made for each Board member and for CMD's Customer Service Staff. Mr. Castles stated that CMD Staff would look into the situation.

Mr. Thrailkill asked if Mr. Douglas had any information to add to the letter.

Mr. Douglas stated that he does not have anything to add to the letter. The letter was passed on to him the first part of last week, and he asked that she make sure she got a copy to Mr. Castles. He further explained

that the customer stated that she ran into this problem some months ago when she purchased a house in the Gayle area.

Mr. Castles stated that the home was abandoned for about ten years and the tap had corroded shut. CMD's policy is that if an abandoned tap remains unused for seven or more years and becomes unusable, a new tap fee is required.

Mr. Wilmore asked about the process. Mr. Castles explained that the tap is the physical connection to the water main, and that the charge is not random; that there is physical construction to reopen a tap.

Mr. Brunson stated that this is part of the cost of the remodel that people do not think about.

Mr. Castles stated that the crews tried to snake the line out and reopen the tap first. It had seized up.

Mr. Wilmore asked if there was a way to shoot water through it to open it up. There is not.

Mr. Douglas asked if the tap would close up if sat unused for long periods of time. Mr. Castles confirmed that it will, and active water service keeps the line scoured out. There is a brass fitting tapped into an iron pipe. It is not a good environment unless water is regularly moving through it. It is a common problem. There is a lot of rental property in Chester. Many homes go vacant for many, many years. A lot of people do come in and buy them and try to renovate them after they've been sitting. That's the situation at this address.

Mr. Wilmore asked what can be done since CMD is trying to progress. Mr. Castles stated that we have a corrosion control program in place, in response to the lead & copper rule. The corrosion control coats the pipes with a calcium carbonate material. The problem is that if there's no water running through it, it's not getting that constant contact. If the water is off, there's nothing we can do on private property. The dissimilar metals react and are more prone to rust and corrode. We can't help that. Andy Litten explained that this is an old city and these mill houses are very old. They were put in with galvanized lines and not all of the services have been replaced. We have to replace water lines for the same thing. Even being used, a galvanized line will still corrode over time.

Mr. Brunson stated that a lot of times you'll see a leak in town. It won't be a major leak, but it'll come up fast. It could be that tap. You know that old saying 'if you don't use it, you lose it'. Next time you buy a piece of property, figure in an extra \$1,300. There are minerals in the water that are working against what they used. What they put in years ago was the best they had at the time. I have a mill house with copper and plastic, cast iron, and galvanized. If I took out the galvanized, it's rusted and corroded over time. If there's no water going through it.

Old Business:

Filter Plant Report- Mr. Castles read the report for December. A copy of the report is attached to the minutes.

Engineer's Report- Andy Litten read the report for December. A copy of the report is attached to the minutes.

DMAG Report- Andy Litten read the report for December. A copy of the report is attached to the minutes.

Capital Recovery- Mr. Castles stated a draft of the next article is ready for submission. After another review, it will go to Brian Garner and should run in the paper before the next meeting.

New Business:

Director's Update- Mr. Castles reported the following:

- Mr. Thrailkill signed the agreements for the Tyler Software. We have made contact with Tyler and are set to hold the kickoff meeting next week.
- We signed the contract for the Rate Study and will be moving forward with that with Raftelis.

Employee Appraisals- Mr. Castles stated that there has been a policy written to amend the Employee manual, which reflects the maximum evaluation score of 3%. Because the policy change was overlooked, the new policy will be effective July 1, 2018.

Motion to approve the revised employee appraisal policy was made by Mike Brunson, Seconded by Jean Nichols, and unanimously approved.

Tuition Reimbursements – Mr. Castles stated that Terri Ford and Holly Stacks have both submitted reimbursement requests for tuition. They both graduate from York Technical College in May with Accounting Degrees. The total reimbursement between the two will be approximately \$1,300.00 The money is in the budget for the reimbursement.

Motion to approve the tuition reimbursements was made by Jean Nichols, Seconded by Raymond Douglas, and unanimously approved.

Fire Protection Policy – Andy Litten presented a revised fire line policy which will allow smaller businesses not to install an expensive fire metering system. A copy of the policy is attached to the minutes.

Mr. Brunson asked if all small businesses would be able to pump up to a thousand gallons. Mr. Litten stated that they would. Larger systems may also be required to install a throttling valve to keep the fire system from draining our water mains.

Mr. Wilmore asked if the requirement is based on the size of the building. Mr. Litten stated that it's both the size of the building and the number of sprinkler heads required.

Mr. Douglas asked if this policy would cover the two new hotels. Mr. Litten stated that it's for every commercial customer.

Mr. Brunson asked if this policy would be for all businesses rehabbing buildings, or new taps only. Mr. Litten stated that it depends on the requirements of the building officials. If building code requires a fire system and they pay for a tap, they will likely also have to install a meter.

Motion to approve the amended Fire Protection Policy was made by Jean Nichols, Seconded by Mike Brunson, and unanimously approved.

Reports:

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

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

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

Mr. Castles also stated that he would like to commend the staff and maintenance employees for their work over the last two weeks with the freezing temperatures. They have been out all night fixing main breaks, sometimes around the clock. They have been working hard and are receiving compliments on Facebook. We have also begun to interview answering services. Our current service logged over 700 calls in four days, and more than half went unanswered. We hope to find a group who is capable of providing the service we need during peak times.

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

Approved:

Respectfully Submitted:

Date: February 20, 2018

By: Susan H. Roddey

Chester Metropolitan District

Agenda

January 10, 2018

6:00 PM

- I. Call Meeting to Order
- II. Approval of Last Meeting Minutes
- III. Public Comment
- IV. Presentation of Audited Financial Statements
- V. Old Business
 - A. Filter Plant - Fred Castles
 - B. Engineer's Report - Andy Litten
 - C. DMAG Report - Andy Litten
 - D. Capital Recovery - Fred Castles
- VI. New Business
 - A. Director's Update - Fred Castles
 - B. Employee Performance Appraisals
 - C. Tuition Reimbursement
 - D. Fire Protection Policy
- VII. Reports
 - A. Director's Report - Fred Castles
 - B. Hydrant Report - Fred Castles
 - C. Financial Report - Becky Moon
- VIII. Adjourn

Public Comment will only be received from those who have submitted in writing a request to speak. This request must be received by CMD Staff no less than 24 hours prior to the start of the meeting.

Public Comment is limited to three (3) minutes per person.

Chester Metropolitan District

Water Filtration Plant

December 2017

Monthly Report

- 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 .91 mg/l.
- SDHEC Laboratory section performed a required laboratory audit for the plant. The initial findings are mainly changes that will need to be made to comply with the new rule changes that came into effect.
- Replaced the flocculator chain on the #3 flocculator.
- Finished checking and repairing the remainder of the electrical heat trace on the insulated lines throughout the plant.
- Thickener return line stopped up. We ran a pressure washer drain cleaner head through and was able to un-stop the line.
- The Plate and Frame washer trolley gearbox broke. This gearbox positions the trolley as it moves back and forth, up and down the plate cloths when the cloths are being washed. The original gear box was copied and a replacement was made on the Milling machine.
- We rebuilt the #3 High Service pump GA valve. This valve is a soft opening and closing valve on the discharge side of the pump to help eliminate a water hammer situation in the distribution system when the pump starts and stops pumping.

CMD Engineering Department's Engineering Project Progress Report January 2018

Development Project Reviews

Sam Donald Mobile Home Park: All testing passed. Waiting on SCDHEC Permit to Operate to activate the lines.

Cross-Connection Control Program

We're actively notifying customers, as we find them, of the need to make repairs to get into compliance with the DHEC State Drinking Water Regulations.

Lime Tank Installation at the Filter Plant

The plans for the slab are under review.

In-House Projects

We submitted the Lawndale Project to SCDOT for the encroachment permit and we're waiting for approval.

GIS Mapping

We're going through old maps and encroachment permits to find things that were installed but haven't been located yet.

Water Meter Replacement Project

The Contractor is working on the routes in Chester, Lando, and Richburg. Approximately 1600 meters left to install.

New Administration Building

We've received the rendering for the building and the proposed floor plan. Through the process, we've determined that we need a floor plan for a new maintenance building. The new maintenance building will replace the mobile unit that is currently used and is in poor shape.

Catawba – Wateree Drought Management Advisory Group (DMAG) Report

The Catawba-Wateree River Basin is in Stage 0 as of November 1, 2017.



Merit Increase Policy

CMD's Board of Commissions has approved annual merit increases for all employees up to a maximum of 3%. Exceptions to the maximum for exceptional performance are allowed and must be recommended by the Executive Director and approved by the Board.

The following scale will be used to calculate merit increases:

Rating	Score	Merit Increase
Below Expectations	2.99 and under	0%
Meets Expectations	3.00 to 3.24	1.0%
Meets Expectations	3.25 to 3.49	1.5%
Meets Expectations	3.50 to 3.74	2.0%
Meets Expectations	3.75 to 3.99	2.5%
Exceeds Expectations	4.00 and above	3.0%

These changes will take effect for July 1, 2018.

Board Chairman: _____ Date: _____

Board Secretary: _____ Date: _____



Chester Metropolitan District Fire Protection Policy for Private Fire Systems

Effective Date:

Purpose

This policy supersedes the previous "Fire Metering Policy" that was adopted in 1997 and revised in 2016. With the increased growth and development in Chester County, Chester Metropolitan District (District) has determined it needs to create a more informative policy to clarify and address items that were not specified in the original "Fire Metering Policy".

Metering

The District's Board of Commissioners adopted a Bond Resolution in 1997 (and all resolutions since) that require all water service offered by the District be metered and that all water service provided by the District to the customer, be paid for by said customer, including fire service lines.

Fire service lines are dedicated connections to the public water system that are **only** used for fire protection. These water service lines are typically connected to a building's fire sprinkler system but may also supply water to private fire hydrants.

Prior to the adoption of the 1997 Bond Resolution (Resolution), fire service lines were monitored with a backflow prevention device that included a specially designed bypass system called a detector. These devices were used to detect water usage but did not quantify it. Upon adoption of the Resolution, the District required that new fire service lines, 4-inches in diameter and larger, be metered with a meter approved for fire service line use.

The District also requires that fire service lines installed prior to 1997, be retrofitted, at the Owner's expense, to comply with this policy when one of the following actions occur:

1. Property is sold/purchased;
2. Owner initiated land-use or zoning changes;
3. A building permit is obtained for improvements or repairs;
4. **Any** modifications to the fire protection system or sprinklers;
5. Usage of the fire service for any purpose other than fire protection.

Exceptions:

When rehabilitating old, previously grandfathered structures for new purposes, site and economic constraints may create complications affecting the installation of a fire service meter. The District understands these concerns and would like to try to reduce the burden, while also protecting its interests and comply with its responsibilities. The following criteria will help the District decide if an exception to the meter requirement portion of the Policy may be granted.

1. Property/Structure was constructed prior to 1997;

2. There are no external connections (branches, taps, hydrants, faucets, etc.) on the fire service line;
3. The fire service line serves only an automatic sprinkler system;
4. The sprinkler riser is less than 30 feet from the distribution main that supplies it;
5. The District does not detect any usage of the fire service line, other than annual testing or other testing required for proper operation of the fire protection system;

An exception to the meter requirement of the Policy does not eliminate the owner from paying any fees or costs associated with a fire service connection.

Cross-Connection Control

All services, fire line or other, must comply with the District's "Cross-Connection Control Policy." Any fire service lines not in compliance with the District's "Cross-Connection Control Policy" must be brought into compliance in accordance with the "Cross-Connection Control Policy."

Fire Pumps

Pumps with a flow capacity less than or equal to 1,000 gallons per minute (gpm) may be connected directly to the water mains with prior approval of the District. If a direct connection is utilized, the pump system shall be equipped with a low-suction throttling device. The throttling pressure shall be set to maintain a minimum pressure of 20 psi. The low-suction throttling device shall be certified annually, when the fire protection system is certified and the results submitted to the District. Failure to submit the certification documents may result in dis-connection of the fire protection service until the necessary information is supplied to the District.

Pumps with a flow capacity greater than 1,000 gpm may not connect directly to the District's water mains or private water mains directly connected to the District's water mains. Connections are only allowed through break tanks. The break tank shall provide an air gap between the fire protection pump and the water main supplying the pump.

Fire Service Liability Disclaimer

The District attempts to provide water pressure and flow rates generally adequate for fire protection needs, where financially and physically feasible. However, the District performs no fire-fighting service and is not an insurer against loss or damage caused by fire; consequently, it does not assume liability for any such damages.

The District will make reasonable efforts to avoid interruptions of service, but does not guarantee to the customer any fixed pressure or continuous service. When service interruptions occur, service will be reestablished within the shortest time practicable, consistent with safety. The District reserves the right to stop and restrict the supply of water whenever it may be found necessary, and shall not be liable, under any circumstances for a deficiency or failure in the supply of water, whether due to shutting off water to make repairs or connections, or for any cause whatsoever.

In connection with the operation, maintenance, repair, or extension of the water system, the water supply may be shut off without notice, when necessary or desirable; and each customer assumes the risk of such emergencies. The District shall not be held liable for any damages from such interruption of service or for damage from the resumption of service without notice, after any such interruption.

Planned interruption, where practical, will be made at times that will not cause unreasonable inconvenience to customers and reasonable efforts will be made to give prior notice to those customers who will be affected. Failure to notify a customer of such interruption, however, shall not be grounds for damages.

Approved By: _____ *Date:* _____

Chester Metropolitan District

Director's Report

FY 2017-2018

	December 2017	TOTAL L 12 MOS	AVERAGE L 12 MOS
DISTRIBUTION NUMBER:			
Taps	1	20	1.7
Leaks	27	279	23.3
DISTRIBUTION MANHOURS:			
Taps	25.5	496	41.3
Leaks	127.5	1,862	155.1
Equipment	0.0	-	-
Shop	309.5	3,929	327.4
Dist. System	817.0	11,538	961.5
Asphalt	0.0	504	42.0
Meters	109.0	1,567	130.5
Filter Plant	0.0	174	14.5
Hydrants	49.0	308	25.7
Construction Projects	0.0	532	44.3
Main Break	172.5	1,151	95.9
Total Manhours	1610.0	22,058	1,838.2
Overtime Hours	93.5	2,363	196.9
METER CALLS:			
Ons	113	932	77.7
Offs	74	819	68.3
Checks	147	1,830	152.5
Total Calls	334	3,581	298.4
Overtime Hours	36.3	262.5	21.9
BILLING INFORMATION:			
Non-Leak Adjustments:	2	79	6.6
Leak Adjustments	60	553	46.1
\$\$\$ Adjusted	\$ 2,444.42	\$ 28,995.18	\$ 2,416.27
Bills Mailed	6,072.0	68,865.0	5,738.8
Thousand Gallons Billed	50,560.0	764,841.2	63,736.8
Thousand Gallons Pumped	93,050.0	1,180,923.0	98,410.3
% Accounted For	54.3%		64.8%
Other Gallons Accounted For	3,549.7	41,164.5	3,430.4
Adjusted % Accounted For	58.2%		68.3%

Chester Metropolitan District

Hydrant Report

January 10, 2018

<u>0</u>	New Placement
<u>0</u>	Hydrants Replaced
<u>2</u>	Hydrants Repaired
<u>0</u>	Hydrants Removed

<u>\$760</u>	\$ Spent on Hydrant Work
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<u>5502</u>	Total Hydrants Worked to Date
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<u>\$ 1,191,337</u>	Total Cost to Date
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<u>- 0 -</u>	Local Match
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<u>- 0 -</u>	Contract Services
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<u>\$ 1,191,337</u>	Total Cost
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* Repair: Pine Ridge Road (raised hydrant)

* Repair: Ballpark (replaced hydrant foot)



Chester Metropolitan District

Budget to Actual Comparison

December 31, 2017

unaudited

	Month Ended December 31, 2017	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	\$200,578	\$1,324,308	\$2,854,024	(\$1,529,716)
Industrial Meter Water Service	211,792	999,549	2,277,051	(1,277,502)
Residual Management Fees	64,201	326,255	714,666	(388,411)
Penalties	8,823	35,662	48,000	(12,338)
Taps/Exts./Inst. Fees	4,300	21,803	23,000	(1,197)
Billing/Collection/Admin Fees	18,625	109,922	320,296	(210,374)
Miscellaneous	21,029	152,828	200,526	(47,698)
TOTAL OPERATING REVENUE	\$529,348	\$2,970,327	\$6,437,563	\$ (3,467,236)
OPERATING EXPENSES				
Admin & General Exp	\$80,027	\$488,949	\$1,324,237	\$835,288
Filter Plant	114,371	662,934	1,399,474	736,540
Sludge Operations	14,625	83,841	218,289	134,448
Distribution - Chester	55,951	438,042	902,666	464,624
Distribution - Great Falls	12,404	71,386	224,571	153,185
Distribution - Hydrant	422	1,527	15,200	13,673
Meter Dept.	13,576	118,178	295,088	176,910
Engineering	16,960	103,308	266,183	162,875
MIS	29,998	144,364	156,085	11,721
Human Resources	34,667	202,889	283,941	81,052
TOTAL OPERATING EXPENSES	\$373,001	\$2,315,418	\$5,085,734	\$2,770,316
OPERATING INCOME	\$156,347	\$654,909		
NON-OPERATING EXPENSES				
Admin & General Exp		\$47	\$0	(\$47)
Filter Plant	933	1,825	141,870	140,045
Sludge Operations		-	-	-
Distribution		5,926	108,700	102,774
Meter Dept.		-	-	-
Engineering		-	400	400
MIS		29,695	106,271	76,576
Depreciation		-	327,072	327,072
Capital Projects Fee	33,796	117	147,063	146,946
Debt Service		-	578,225	578,225
Special Revenue (Bond proceeds)		193,582		
TOTAL NON-OPERATING EXPENSES	\$34,729	\$231,193	\$1,409,601	\$1,371,990
NON-OPERATING REVENUE				
Interest Income	\$1,499	\$8,401	\$0	\$ 8,401
Unrealized Gain / (Loss)	0	2,962	-	2,962
Appropriation of Debt Service Reserve		-	57,772	(57,772)
TOTAL NON-OPERATING REVENUE	\$1,499	\$11,363	\$57,772	\$ (46,409)
INCREASE IN NET POSITION	\$123,117	\$435,079	\$0	

Chester Metropolitan District
Cash Balances
Per Month End Bank Statements

December 31, 2017

CMD Merchant Account	\$793,176
CMD Gross Revenue GF	612,596
CMD Gross Revenue Chester	941,808
CMD Debit Card	6,315
CMD CPF	793,325
CMD Bond Funds	1,482,111
	<u>\$4,629,331</u>
SC Local Govt Investment Pool	\$1,323,221
Wells Fargo Drafts	1,488,435
MBS Securities	204,500
	<u>\$3,016,156</u>
US Bank (for debt payment)	<u>\$247,772</u>
Grand Total	<u><u>\$7,893,259.00</u></u>