



Chester Metropolitan District

Regular Commission Meeting

June 12, 2018

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Tuesday, June 12, 2018 at the CMD Office 155 Wylie Street, Chester, SC. Members attending were: Earl Thrailkill, Chairman; Jean H. Nichols, Secretary; 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; Bill Marion, Attorney; and Debbie McMinn of Richburg.

Chairman Earl Thrailkill called the meeting to order.

Commissioners stood for the Pledge of Allegiance, then Mr. Castles offered a short invocation for those interested in participating.

Rate Study:

Chairman Thrailkill asked Mr. Kreps to present the Rate Study findings. A copy of the PowerPoint presentation is attached to the minutes.

Mr. Wilmore asked about the difference between base charges and volumetric charges. Mr. Kreps stated that the base charge is a set fee every month regardless of usage. Right now CMD has a minimum bill which includes 2,000 gallons, and every customer pays for that whether they use it or not.

Mr. Brunson stated that if we go with the base charge, customers who are paying the smaller charge will get a rate decrease and the commercial and industrial users will have higher bills. The bottom line is that they will come at us, but we can defend it. The industries can make up the increase in their bills by raising their prices, and residential customers can't do that. Historically, many decision points were made with big water users in mind, but there aren't many industries who use a lot of water anymore outside of a brewery or bottling company.

Mr. Litten stated that it was discussed that if industries receive higher bills, they'll look at ways of conserving, which effectively increases our plant capacity and helps us delay major upgrades.

Mr. Brunson stated that they're using what they need to use, so if they can't conserve, they can pass the cost onto their customers.

Mr. Kreps stated that there are definite water supply issues in this area, and the concept of a declining block structure is hard to promote. Many utilities have gone to an *inclining* block structure to curb usage and promote conservation.

Attorney Marion asked about the pie chart's imbalance. Mr. Kreps stated that it shows existing usage and proposed revenue, and it will never be even because there are fixed charges included in each. The industrial customers will now pay significantly more.

Mr. Castles stated that everyone will pay the same rate. What CMD set out to do is make the rate structure fair.

Mr. Marion stated that CMD can expect to get the most feedback from the ones who use 2,000 a month.

Mr. Castles stated that the lower quantities only change by a few dollars, and there are no major dealbreakers in the lower tier. He also stated that if these rates are approved, CMD staff will notify the industrial customers individually of the change.

Mr. Douglas asked about the proposed charges by meter size and if CMD knows how many are in each group. Mr. Castles stated that we have that data, but not available at the meeting. The charts show a percentage of how many customers are in each category, but we can get the actual numbers.

Mr. Castles stated that CMD staff are coming to the board to recommend that this new rate structure be accepted and allow it to go to public hearing with the budget for comment.

Mr. Simpson asked when it will go into effect.

Mr. Castles stated that it will go into effect September 1, 2018. The Budget was built with that effective date in mind, which allows us time to notify the public and contact the large water users. It will only impact them for the last quarter of 2018, and because it is a hard hit, we want to have time to work with them.

Mr. Douglas asked about the public hearing. Mr. Castles stated that it will be June 27th at 5:00 PM at the Library. The notice will go into the paper and on our website and Facebook. We will also need a Special Call meeting before June 30, which we may set up as a conference call.

Motion to approve the new rate structure to take to public hearing was made by Michael Brunson, Seconded by Jean Nichols, and unanimously approved.

At this time, Mr. Kreps left the meeting.

Mr. Castles asked to move Capital Recovery under the Budget. Chairman Thrailkill granted the change.

Minutes:

Chairman Thrailkill asked for corrections or additions to the minutes. The minutes of the May 9, 2018 meeting were approved. Motion to approve was made by Jean Nichols, Seconded by Michael Brunson, and unanimously approved.

Budget:

Chairman Thrailkill asked Mr. Castles to present the Proposed 2019 Budget. Mr. Castles asked Mrs. Moon to make the presentation. A copy of the proposal is attached to the minutes.

Motion to approve the proposed 2018 Budget was made by Michael Brunson, Seconded by Jean Nichols, and unanimously approved.

Mr. Castles stated that the Budget will go to public hearing at 5:00 pm on June 27, 2018.

Hydrant Meter Fees – Mr. Castles presented the proposed hydrant meter fee schedule, which will also be presented at the public hearing. *Motion to approve the Hydrant Meter Fees was made by James Simpson, Seconded by Jean Nichols, and unanimously approved.*

Engineering Review Fees – Mr. Litten presented the proposed Engineering review fee schedule, which will also be presented at the public hearing. *Motion to approve the Engineering Review Fee schedule was approve by unanimous consent of the Board.*

Capital Recovery – Mr. Castles stated that CMD staff held a public hearing to review the Capital Recovery Fees. NO members of the public were in attendance, and we received no comments from Facebook or the website. Mr. Castles then reviewed the fee schedule. A copy is attached to the minutes. *Motion to approve the Capital Recovery Fees for implementation was made by Jean Nichols, Seconded by George Wilmore, and unanimously approved.*

Due to time constraints, Mr. Castles requested that all other documents be taken as information. The Board agreed to this with unanimous consent.

Mr. Simpson asked Mr. Litten if the customer service valves are supposed to be installed with each new meter. Mr. Litten stated that they are typically installed when the meter is set, and are installed with all new taps. In theory, each meter should also have a CSV. Mr. Simpson stated that he has noticed a few in his neighborhood that may not have CSVs, his home included, and asked if they could be looked into. Mr. Litten stated that if he knows of anyone who does not have one, to have them call the office and enter a work order so maintenance crews can check and, if necessary, install one.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by Jean Nichols, Seconded by Michael Brunson, and unanimously approved.

Approved:

Date: _____

Respectfully Submitted:

By: Susan H. Roddey

Chester Metropolitan District

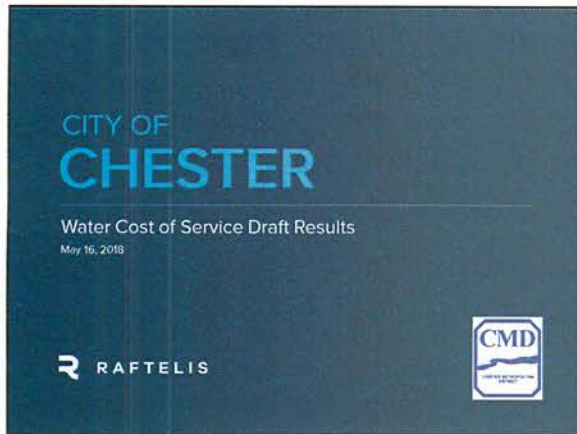
Agenda

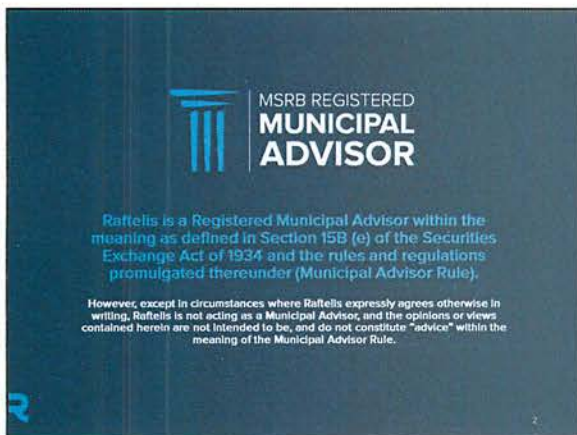
Tuesday, June 12, 2018

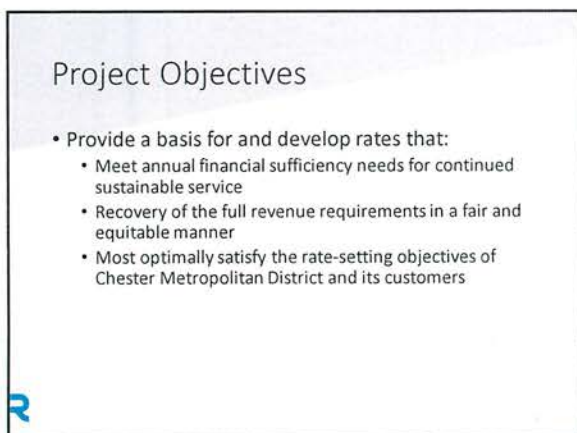
6:00 PM

- I. Call Meeting to Order**
- II. Approval of Last Meeting Minutes**
- III. Raftelis Rate Study Presentation** -Bart Kreps, *Raftelis*
 - A. Study Results & Proposed Rate Schedule
- IV. 2018-2019 Budget** -Becky Moon
 - A. Hydrant Meter Fees -Fred Castles
 - B. Engineering Review Fees -Andy Litten
- V. Old Business**
 - A. Filter Plant - Fred Castles
 - B. Engineer's Report - Andy Litten
 - C. DMAG Report - Andy Litten
 - D. Capital Recovery Fee Update - Fred Castles
- VI. New Business**
 - A. Director's Update - Fred Castles
- VII. Reports**
 - A. Director's Report - Fred Castles
 - B. Hydrant Report - Fred Castles
 - C. Financial Report - Becky Moon
- VIII. Adjourn**

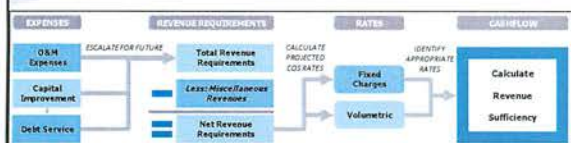
This agenda is subject to change up to 24 hours in advance of the meeting.







Rate Setting



Cost of Service

What is Cost of Service:

The process of determining the total annual revenue requirement to be recovered from each customer class based on the costs of providing them service.

That is, the cost of providing service to each customer class must be **reasonably** recovered from that class.

Cost Functionalization



Pricing Objectives

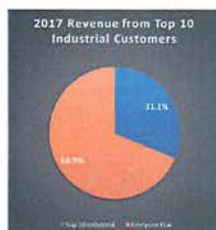
- Objectives often compete and must be balanced

- » High fixed charges promote revenue stability but may be contrary to affordability or conservation goals
- » Detail cost of service allocations and class-based rate structures may be more equitable but can be difficult to understand



Chester Service Area Characteristics

- Industrial customers make up a significant portion of consumption and revenue
- Creates more inherent risk compared to highly diversified utilities



Review: Existing Rate Structure

Current Rate Structure

Minimums are actually capped at 2"

Size	2018
3/4"	2
1"	4
1.5"	8
2"	12
3"	20
4"	33
6"	50
8"	75
10"	100
12"	150

Minimum Charges

Size	2018
3/4"	2
1"	4
1.5"	8
2"	12
3"	20
4"	33
6"	50
8"	75
10"	100
12"	150

Size	2018
3/4"	21.18
1"	27.56
1.5"	37.74
2"	47.62
3"	64.22
4"	82.42
6"	127.82
8"	167.52
10"	204.32
12"	254.32

Minimum Charges

Size	2018
3/4"	8.08
1"	5.15
1.5"	4.74

This is a flat fee for 3/4" customers and a volumetric fee for larger mains (but not less than \$3.71)

Size	2018
3/4"	1
1"	1.71
1.5"	3.71
2"	5.94
3"	8.87
4"	11.27
6"	15.58
8"	19.44
10"	23.30

**30% discount for Tier 2
45% discount for Tier 3**

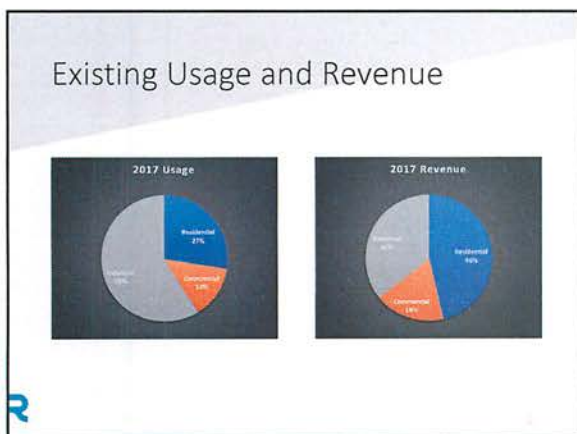
Current Rate Structure

Pros

- Has been in place for many years
- Good revenue stability
- Economic development incentives
 - » Less reliance on industrial revenue
- Separate fees provide transparency

Cons

- Complicated
- Relatively high fixed charge
 - » Many customers use less than 2,000 gallons
- Hard to link to costs
 - » Large industrial customers are being subsidized
- Industry has moved away from declining blocks
 - » Inconsistent with water conservation



2017 Peaking Factor



R

COS Results

R

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Rate Structure Considerations

- Simplify Rate Structure
 - Convert from minimum charges to base charge
 - Base charge includes:
 - Account component – customer service, billing and collection & meter reading
 - Equivalent meter component – “readiness-to-serve”
- Consolidate Fees and Charges within core rate structure
- Eliminate Declining Blocks and Move to a Uniform Volumetric Rate

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Results: Rate Comparison (\$ Change)

	Minimum Charges		Existing	ATB	Proposed Rates			% Change						
	Included	2018			2019	2018	2019	2019	Low Base	Mid-Base	High Base	ATB	Low Base	Mid-Base
Service Charge														
1/4"	2	21.18	22.66	\$ 11.43	\$ 12.23	\$ 14.35	\$ 19.32	\$ 23.47	\$ 0.80	2.92	7.89	12.04		
1"	4	37.34	39.55	11.43	12.23	21.32	29.82	36.75	0.00	10.29	18.39	25.32		
1 1/2"	9	77.74	81.88	11.43	12.23	19.26	33.81	49.89	0.00	17.83	44.42	58.20		
2"	22	147.62	157.95	13.36	14.30	60.64	87.13	109.25	0.94	47.28	73.77	95.88		
3"	22	147.62	157.95	14.56	15.54	110.56	160.26	203.76	1.02	96.00	145.70	187.30		
4"	22	147.62	157.95	17.22	18.43	181.87	264.72	333.90	1.21	164.55	247.50	316.68		
6"	22	147.62	157.95	21.07	22.54	339.96	523.01	693.92	1.47	338.39	504.24	642.66		
8"	22	147.62	157.95	24.93	26.63	579.76	838.81	1,060.13	1.75	548.63	813.88	1,035.20		
10"	22	147.62	157.95	28.79	30.81	823.27	1,204.32	1,522.50	2.02	794.48	1,175.53	1,493.71		
Volume Charge														
Tier 1 (0 - 100 kgal)				\$ 8.08	\$ 8.48	\$ 7.19	\$ 6.45	\$ 5.84	\$ 0.57	-(5.98)	-(1.61)	-(2.24)		
Tier 2 (111 - 1000 kgal)				5.15	5.51	7.19	6.45	5.84	0.16	2.04	1.10	0.89		
Tier 3 (1001 - 10000 kgal)				4.74	5.07	7.19	6.45	5.84	0.11	2.43	1.71	1.10		

* implied rates include additional fees

Results: Rate Comparison (% Change)

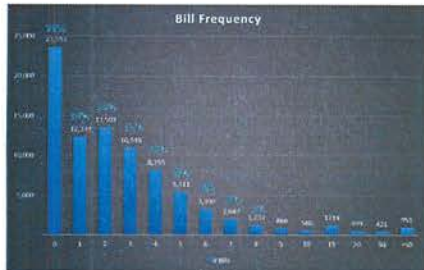
	Minimum Charge		Existing Rates*	ATB	Proposed Rates			% Change						
	Included	2018			2019	2018	2019	Low Base	Mid-Base	High Base	ATB	Low Base	Mid-Base	High Base
Cons.														
Service Charge														
1/4"	2	21.18	22.66	\$ 11.43	\$ 12.23	\$ 14.35	\$ 19.32	\$ 23.47	7%	26%	69%	105%		
1"	4	37.34	39.55	11.43	12.23	21.32	29.82	36.75	7%	28%	161%	222%		
1 1/2"	9	77.74	81.88	11.43	12.23	39.26	55.31	69.85	7%	247%	388%	209%		
2"	22	147.62	157.95	13.36	14.30	105.24	156.31	201.78	7%	354%	552%	718%		
3"	22	147.62	157.95	14.56	15.54	110.56	160.26	203.76	7%	659%	1003%	1286%		
4"	22	147.62	157.95	17.22	18.43	181.87	264.72	333.90	7%	956%	1437%	1839%		
6"	22	147.62	157.95	21.07	22.54	339.96	523.01	693.92	7%	1500%	2195%	2651%		
8"	22	147.62	157.95	24.93	26.63	579.76	838.81	1,060.13	7%	2201%	3205%	4152%		
10"	22	147.62	157.95	28.79	30.81	823.27	1,204.32	1,522.50	7%	2760%	4083%	5183%		
Volume Charge														
Tier 1 (0 - 10 kgal)				\$ 8.08	\$ 8.45	\$ 7.19	\$ 6.45	\$ 5.84	7%	-11%	-20%	-28%		
Tier 2 (11 - 100 kgal)				5.15	5.51	7.19	6.45	5.84	7%	40%	25%	13%		
Tier 3 (101 - 1000 kgal)				4.74	5.07	7.19	6.45	5.84	7%	52%	36%	23%		

* implied rates include additional fees

Results: 3/4" Meter Bill Comparison

Meter Size	Consumption (kgal)	% of Bill	Customer Bill					% Change				
			Existing	ATB	Low Base	Mid-Base	High Base	Existing	ATB	Low Base	Mid-Base	High Base
3/4"	10	20%	\$ 17.19	\$ 18.52	\$ 14.32	\$ 19.32	\$ 23.47	\$ 1.83	-(13.54)	-(8.27)	-(4.12)	-(1.75)
3/4"	15	14%	27.89	30.52	21.34	29.77	36.75	1.86	-(8.55)	-(4.82)	-(1.75)	-(1.75)
3/4"	20	10%	37.89	41.32	29.75	41.32	51.85	1.89	1.14	4.61	7.66	7.66
3/4"	25	14%	47.89	51.32	39.75	51.32	61.85	2.90	0.25	3.00	5.32	5.32
3/4"	30	12%	57.89	61.32	49.75	61.32	71.85	3.00	0.44	2.27	2.88	2.88
3/4"	35	10%	67.89	71.32	59.75	71.32	81.85	4.19	0.42	0.89	1.40	1.40
3/4"	40	10%	77.89	81.32	69.75	81.32	91.85	5.32	0.42	0.89	1.40	1.40
3/4"	45	10%	87.89	91.32	79.75	91.32	101.85	6.46	0.46	0.89	1.40	1.40
3/4"	50	10%	97.89	101.32	89.75	101.32	111.85	7.59	0.46	0.89	1.40	1.40
3/4"	55	10%	107.89	111.32	99.75	111.32	121.85	8.72	0.46	0.89	1.40	1.40
3/4"	60	10%	117.89	121.32	109.75	121.32	131.85	9.85	0.46	0.89	1.40	1.40
3/4"	65	10%	127.89	131.32	119.75	131.32	141.85	10.98	0.46	0.89	1.40	1.40
3/4"	70	10%	137.89	141.32	129.75	141.32	151.85	12.11	0.46	0.89	1.40	1.40

Residential and Commercial Bill Frequency



Existing Usage and Proposed Revenue



Thank you!

Contact: Bart Kreps
704.936.4438 / bart.kreps@raffetis.com

Contact: Delaney Ridgley
704.247.3225 / drdgley@raffetis.com

Monthly Cashflow



Chester Metropolitan District

	<i>Fiscal Year Ending June 30, 2018 <u>Adopted Budget</u></i>	<i>Fiscal Year Ending June 30, 2019 <u>Proposed Budget</u></i>
Revenues:		
Water Service Revenue	\$5,131,076	\$6,345,364
Residual Management Fees	714,665	-
Tap Fees for New Development	0	450,684
Expense Reimbursements	327,000	223,500
Penalties	48,000	74,000
Other Miscellaneous Revenue	<u>69,759</u>	<u>128,000</u>
Total Projected Revenues	<u>\$6,290,500</u>	<u>\$7,221,548</u>
Expenditures:		
Admin and General Exp	\$1,325,017	1,174,480
Filter Plant	1,399,474	1,566,481
Sludge Operations	218,289	-
Distribution - Chester	902,666	1,326,562
Distribution - Great Falls	224,571	-
Distribution - Hydrant	15,200	-
Meter Department	295,088	417,170
Engineering	266,183	257,528
MIS	155,305	215,478
Human Resources	<u>283,940</u>	<u>605,851</u>
Total Operations and Maintenance	\$5,085,733	\$5,563,550
 <i>Principal and Interest on Debt</i>	 520,453	 577,126
 <i>Capital Outlay</i>	 357,241	 763,573
 <i>Capital Projects</i>	 147,063	 147,000
 <i>Depreciation and Contingency</i>	 <u>327,073</u>	 <u>170,299</u>
Total Projected Expenditures	<u>\$6,437,563</u>	<u>\$7,221,548</u>

Chester Metropolitan District
Fiscal Year 2019
Budgetary Highlights for Large
Variances Between Fiscal Years

Personnel:

Administration	Reduction - (1) Full-time Cashier position
Filter Plant	Addition - (1) Lab Technician position
Distribution	Addition - (1) Mid-level position , (3) Entry level positions
I.T.	Addition - (1) IT entry level
Meter	Reduction - (1) Full-time Meter position

Capital:

Administration	Amount budgeted is the remainder of the Tyler software contract. This was budgeted in the IT Department in FY 2018
Meter	Projected expenses for meters and supplies of \$450,684 for the new development in Richburg area A corresponding revenue of \$450,684 for tap fees is budgeted. Purchases will only occur if tap fees are paid. Otherwise, there will be no expenditures. Zero sum to the budget.
Distribution	Primarily vehicles for new employees.

Other:

Human Resources	For current record keeping and reporting, all health, property and liability, workers comp insurance and retiree insurance have been budgeted in HR. Previously these amounts were allocated across departments. This practice makes it difficult to determining the total costs for these large items.
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	Fiscal Year 2018 Approved Expenditures	Fiscal Year 2019 Proposed Expenditures
OPERATING		
ADMIN	\$1,324,237	\$1,174,480
FILTER PLANT	1,399,474	1,566,481
SLUDGE	218,289	0
DIST CHESTER	902,666	1,326,562
DIST GREAT FALLS	224,571	0
HYDRANT	15,200	0
METER DEPT	295,088	417,170
ENGINEERING	266,583	257,528
MIS	156,085	215,478
HUMAN RESOURCES	283,941	605,851
	<u>\$5,086,133</u>	<u>\$5,563,550</u>
CAPITAL OUTLAY		
ADMIN CAPITAL	\$0	\$27,767
FILTER PLANT/SLUDGE CAPITAL	141,870	34,400
DIST CHESTER CAPITAL	108,700	220,700
HYDRANT CAPITAL	-	
METER DEPT CAPITAL	-	465,706
ENGINEERING CAPITAL		15,000
MIS CAPITAL	106,271	
HUMAN RESOURCES CAPITAL	-	
	<u>\$356,841</u>	<u>\$763,573</u>
DEBT SERVICE		
PRINCIPAL		\$197,125
INTEREST		380,001
	<u>\$520,453</u>	<u>\$577,126</u>
CAPITAL FEE	<u>\$147,063</u>	<u>\$147,000</u>
	<u>\$147,063</u>	<u>\$147,000</u>
	<u>\$327,073</u>	<u>\$170,299</u>
DEPRECIATION	<u>\$327,073</u>	<u>\$170,299</u>
Total	<u><u>\$6,437,563</u></u>	<u><u>\$7,221,548</u></u>

Chester Metropolitan District

Proposed Water Rate & Fee Schedule

Effective September 1, 2018

Water Service Base Rate

(Based on Meter Size)

3/4"	\$ 14.35
1"	\$ 21.52
1.5"	\$ 39.26
2"	\$ 60.64
3"	\$ 110.56
4"	\$ 181.87
6"	\$ 359.96
8"	\$ 573.76
10"	\$ 823.27

Cost per 1,000 Gallons \$ 7.19

Metered Fire Line Fees

10/2	\$ 203.95
8/2	\$ 193.15
6/2	\$ 163.44
4/2	\$ 135.07

Tap Fee

1" or smaller, simple install	\$ 1,391.00
All others -- Cost of Installation	

Other Fees

Non-Payment Fee	\$ 45.00
After Hours Reconnect Fee	\$ 65.00
Pulled Meter Fee	\$ 65.00
Late Fee	\$ 3.00

Capital Recovery Fees

Single 3/4" Water Service Connection	\$ 1,045.00 each
Single 1" Water Service Connection	\$ 1,740.00 each
Single 2" Water Service Connection	\$ 5,575.00 each

Use the formula below to calculate the capital recovery fee (CRF) for water meter sizes 3" to 10". Fee is based on daily water demand requested by the owner/developer.

$$\text{CRF} = (\text{Water Demand, gal/day}) \times 1.4 \times 1.25 \times \$1.99$$

Engineering Fees

Backflow Test Fee	\$ 12.00 per result
Plan Review Fees	See Attached Schedule

Hydrant Meter Fees

Refundable Deposit	\$ 100.00
Single Day Permit	\$ 50.00
15-Day Permit	\$ 100.00
30-Day Permit	\$ 200.00 <i>renewable before expiration</i>
Relocation Fee	\$ 35.00

Hydrant water billed at regular rate per thousand gallons

Hydrant Meter Application Policy

The Chester Metropolitan District is required by the South Carolina Department of Health & Environmental Control (SCDHEC) to enforce the proper use of all fire hydrants throughout its water distribution system. Because of this, it is the general policy of the CMD to restrict the use of fire hydrants only to CMD Maintenance Employees and fire department personnel for firefighting purposes.

However, due to the need of contractors and other agencies for large volumes of water, CMD will allow, at its discretion, the use of *metered* fire hydrants for such purposes. Applications must be made to the CMD Office for hydrant usage in accordance with the guidelines below.

Hydrant Meter Fee Schedule

Usage Deposit: \$100.00

Single-day permit: \$50.00

15-day permit: \$100.00

30-day permit: \$200.00

Relocation Fee: \$35.00 per site

Water Usage Billed at Regular Rate Per Thousand Gallons.

Long Term Hydrant Usage: *If a hydrant meter will be required beyond 30 days, the applicant must request and pay the 30-day permitting fee for the number of months in question. At the end of the predetermined usage period, the hydrant meter will be removed and the applicant returned to the waiting list if necessary. Should the permittee require additional months after the permit is approved, additional months must be requested and paid for **prior to the expiration of the permit.***

Please Note:

- Hydrant meters may not be immediately available, and are distributed on a first-come, first-served basis.
- If a hydrant meter is pulled due to an expired permit, the permittee must come to the office to renew the permit. Due to demand, a meter cannot be guaranteed the same day.
- Hydrant meters may only be moved or removed by CMD personnel. Any damages to a hydrant meter due to misuse or attempted removal will result in additional charges to the permittee. Any other damages to the hydrant meter may also result in additional charges.

Approved By:

Date



Chester Metropolitan District Development Review Fees

Effective Date: July 1, 2018

Plan Review Fees:

Construction Plan Type

	<u>Fee</u>
Subdivision	\$250 + \$100 per lot
Commercial	\$250 + \$25 per parking space
Linear (no property Improvements)	\$250 + \$0.25 per linear foot

As-built Plan Type

	<u>Fee</u>
Subdivision	\$100 + \$10 per lot
Commercial	\$100 + \$2 per parking space
Linear (no property Improvements)	\$100 + \$0.25 per linear foot

Revisions Review

	<u>Fee</u>
1 st Resubmittal	No Charge
2 nd Resubmittal	25% of the Initial Review Fee
3 rd + Resubmittal	50% of the 2 nd Resubmittal Fee

Construction Inspections

	<u>Fee</u>
1 st Inspection	No Charge
2 nd + Inspection	\$75

Bac-T Sampling

	<u>Fee</u>
Per Sample	\$60

Samples shall be taken by the Contractor and delivered to the District's Filter Plant for testing.

MAY 2018

- 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 2.11 mg/l.
- The new Lime Slurry tank and pumps were installed. Burnett Lime Co. performed a start-up and use class for the staff.
- Performed 10 bacteria samples for the new line construction in Fort Lawn.
- Made repairs to the exhaust fan in the men's restroom.
- Cleared/busted up thickened sludge from around the rake arms in the thickener.
- Installed a sample point for the Flash mix water.
- Cleaned and cleared the back fencing around the clearwell and clarifier.
- Performed preventive maintenance on the Quincy air compressor running the Trac-Vac's.
- Made 10 anti-sway rollers for Plate & Frame Press.
- Performed preventive maintenance on the Plate & Frame Press. Installed new anti-sway rollers, 2" Core blow hose, 2" check valve on the Core blow assembly, Carriage positioner belt, Spray head belt and replaced the Carriage stop sensor. Made necessary adjustments to the Carriage stop sensor for accurate placement.
- The sludge removed and sent to the landfill this month was 99.44 tons.

CMD Engineering Department's Engineering Project Progress Report June 2018

Development Project Reviews

Lincolnvile Hydrant: Further investigation is needed.

Sleep Inn – Richburg: We submitted comments again on the plans and are awaiting revisions.

Rocky River Sewer Improvements: The project is under construction. We are monitoring activities as they relate to our water lines.

Roseburg: We received revised calculations and plans and will have the review completed the week of 6/18/18.

Lennar – Lando: We (and Planning and other utilities) met with the Developer and Engineer to discuss the preliminary layout of the site which is proposed to include 301 single family lots. No detailed discussion of water service has taken place.

Cross-Connection Control Program

We're working with the backflow software vendor to get the software functional and website running so that all future test results will be submitted through the website.

Lime Tank Installation at the Filter Plant

Tank and equipment are installed at the plant. We are working on a permit from SCDHEC so that we can start using the system.

In-House Projects

The Lawndale project is complete.

GIS Mapping

We're reviewing maps and what has been located to ensure the GIS is up to date. MIS is working on getting the GIS server running so that we can have real-time access in the field.

Water Meter Replacement Project

We have the statement of work from the vendor and have placed orders for the equipment. Installation of the equipment has not been scheduled.

Office Building Renovation

We are meeting with the Architect to go over the 60% plans this week.

Unmetered Lines

GAF is finished installation of their fire line meter.

We are meeting this week with Omnova to discuss the installation of their fire line meter.

We sent a letter to the City of Chester to install a meter on the service line feeding the old fairgrounds.

Haddon House is in the process of getting quotes to install a meter on their fire line.

We sent a second letter to Footprint for them to install a fire line/process water meter.



Chester Metropolitan District **Proposed Capital Recovery Fee Schedule**

Proposed Fees

Single ¾" Water Service Connection	\$ 1,045.00 (per each)
Single 1" Water Service Connection	\$ 1,740.00 (per each)
Single 2" Water Service Connection	\$ 5,575.00 (per each)

Use the formula below to calculate the capital recovery fee (CRF) for water meter sizes 3" to 10" based on daily water demands requested by the owner/developer and detailed in Chester Metropolitan District's Willingness and Capability Letter to the owner/developer.

$$\text{CRF} = (\text{Water Demand, gal/day}) \times 1.4 \times 1.25 \times \$1.99$$

System Peaking Factor = 1.25

Water Loss Factor = 1.4

Proposed Collection of Capital Recovery Fees

Single ¾" Water Service Connection – Capital Recovery Fees will be paid at the time that the tap fees are paid.

Residential Subdivisions – 50% of the Capital Recovery Fees will be paid up front based on the number of lots on the approved plat and 50% paid at the time that the tap fees are paid.

Commercial/Industrial Water Connections – 100% of the Capital Recovery Fee will be paid at the time of the issuance of the Willingness and Capability Letter by Chester Metropolitan District. Fees will be based on daily water demands provided by the owner/developer's design engineer. If, after one year, the actual daily water demands are in excess of the design engineer's estimation which were used to determine CRF's, the owner/developer will be assessed additional CRF's to cover the excess water demand.

Fire Supply Line Connections – 100% of the Capital Recovery Fee will be paid at the time of the issuance of the Willingness and Capability Letter by Chester Metropolitan District. Fees will be based on the quantity of water required over the specified period of time necessary to meet fire code requirements.

Chester Metropolitan District

Director's Report

FY 2017-2018

	May 2018	TOTAL L 12 MOS	AVERAGE L 12 MOS
DISTRIBUTION NUMBER:			
Taps	0	24	2.0
Leaks	12	295	24.6
DISTRIBUTION MANHOURS:			
Taps	0.0	540	45.0
Leaks	83.5	2,129	177.4
Equipment	0.0	-	-
Shop	307.5	3,359	279.9
Dist. System	358.0	9,952	829.3
Asphalt	54.0	564	47.0
Meters	271.5	2,148	179.0
Filter Plant	3.0	30	2.5
Hydrants	15.0	238	19.8
Construction Projects	227.5	983	81.9
Main Break	15.0	1,491	124.2
Total Manhours	1335.0	21,434	1,786.1
Overtime Hours	140.8	2,084	189.4
METER CALLS:			
Ons	98	951	79.3
Offs	87	914	76.2
Checks	96	1,933	161.1
Total Calls	281	3,798	316.5
Overtime Hours	95.5	457.3	41.6
BILLING INFORMATION:			
Non-Leak Adjustments:	38	146	12.2
Leak Adjustments	8	618	51.5
\$\$\$ Adjusted	\$ 2,318.20	\$ 48,281.81	\$ 4,023.48
Bills Mailed	6,145	69,713.0	5,809.4
Thousand Gallons Billed	74,848.0	780,417.6	65,034.8
Thousand Gallons Pumped	105,794.0	1,222,964.0	101,913.7
% Accounted For	70.7%		64.0%
Other Gallons Accounted For	1,540.3	44,885.3	3,740.4
Estimated System Leakage (20%)	21,158.8	244,592.8	20,382.7
Adjusted % Accounted For	72.2%		69.3%

Chester Metropolitan District

Hydrant Report

June 12, 2018

<u>1</u>	New Placement
<u>1</u>	Hydrants Replaced
<u>1</u>	Hydrants Repaired
<u>0</u>	Hydrants Removed

<u>\$4,265</u>	\$ Spent on Hydrant Work
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<u>5509</u>	Total Hydrants Worked to Date
<u>\$ 1,203,637</u>	Total Cost to Date
<u>- 0 -</u>	Local Match
<u>- 0 -</u>	Contract Services
<u>\$ 1,203,637</u>	Total Cost

* Repair: Cemetery Street

* New Placement: Lawndale (Fort Lawn)

* Replacement: Lawndale (Fort Lawn)



Chester Metropolitan District
Cash Balances
Per Month End Bank Statements

May 31, 2018

CMD Merchant Account	\$90,933
CMD Gross Revenue GF	139,240
CMD Gross Revenue Chester	1,720,868
CMD Debit Card	6,360
CMD CPF	895,121
CMD Bond Funds	968,467
	<u>\$3,820,989</u>
SC Local Govt Investment Pool	1,332,833
Wells Fargo Drafts	\$1,768,837
MBS Securities	207,021
	<u>3,308,691</u>
US Bank (for debt payment)	<u>\$474,113</u>
Grand Total	<u><u>\$7,603,793.00</u></u>

US Bank Cash reflects two transfers from operating cash instead of one.

The transfer for June was initiated at the end of May because the principal and interest on the bonds were due June 1, 2018.

There next transfer is scheduled for July 2018.

Chester Metropolitan District

Budget to Actual Comparison

May 31, 2018

unaudited

	Month Ended May 31, 2018	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	\$244,420	\$2,559,182	\$2,854,024	(\$294,842)
Industrial Meter Water Service	176,526	1,806,134	2,277,051	(470,917)
Residual Management Fees	58,638	602,670	714,666	(111,996)
Penalties	7,167	69,292	48,000	21,292
Taps/Exts./Inst. Fees	4,907	34,330	23,000	11,330
Billing/Collection/Admin Fees	20,092	201,578	320,296	(118,718)
Miscellaneous	34,969	358,526	200,526	158,000
TOTAL OPERATING REVENUE	\$546,719	\$5,631,712	\$6,437,563	\$ (805,851)
OPERATING EXPENSES				
Admin & General Exp	\$107,679	\$914,326	\$1,245,212	\$330,886
Filter Plant	160,294	1,323,859	1,347,769	23,910
Sludge Operations	18,595	180,725	196,861	16,136
Distribution - Chester	99,424	848,782	827,211	(21,571)
Distribution - Great Falls	20,963	159,751	202,591	42,840
Distribution - Hydrant	13	11,440	15,200	3,760
Meter Dept.	36,545	221,006	268,051	47,045
Engineering	26,033	204,897	249,663	44,766
MIS	18,757	202,460	172,682	(29,778)
Human Resources	26,280	471,595	582,552	110,957
TOTAL OPERATING EXPENSES	\$514,583	\$4,538,841	\$5,107,792	\$568,951
OPERATING INCOME	\$32,136	\$1,092,871		
NON-OPERATING EXPENSES				
Admin & General Exp	\$0	\$47	\$0	(\$47)
Filter Plant	-	9,616	141,870	132,254
Sludge Operations	-	-	-	-
Distribution	7,040	31,811	108,700	76,889
Meter Dept.	-	-	-	-
Engineering	-	-	-	-
MIS	-	72,376	84,613	12,237
Depreciation	-	-	327,072	327,072
Capital Fee Funds (SRF)	81	62,173	147,063	84,890
Debt Service (DSF)	-	104,113	578,225	474,112
Bond Proceeds (CPF)	7,500	534,874		
TOTAL NON-OPERATING EXPENSES	\$14,621	\$815,010	\$1,387,543	\$1,107,407
NON-OPERATING REVENUE				
Interest Income	\$2,740	\$22,158	\$0	\$ 22,158
Unrealized Gain / (Loss)	(3,136)	(964)	-	(964)
Appropriation of Debt Service Reserve	-	-	57,772	(57,772)
TOTAL NON-OPERATING REVENUE	-\$396	\$21,194	\$57,772	\$ (36,578)
INCREASE IN NET POSITION	\$17,119	\$299,055	\$0	