



**Chester Metropolitan District**  
Regular Commission Meeting  
August 9, 2017

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Wednesday, August 9, 2017 at the CMD Office, 155 Wylie Street, Chester, SC. Members attending were: L.B. Cannon, Chairman; Jean H. Nichols, Secretary; Michael Brunson; James Cloud; and Earl Thrailkill. Others in attendance were Fred Castles, Executive Director; Susan Roddey, Executive Assistant; Andy Litten, District Engineer; Becky Moon, Finance Manager; Arthur Gaston, Attorney; and Debbie McMinn of Richburg.

Chairman LB Cannon called the meeting to order.

The minutes of the July 12, 2017 meeting were approved. Motion to approve was made by James Cloud, Seconded by Jean Nichols, and unanimously approved.

**Old Business:**

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

***Depot Report-*** Susan Roddey stated that the close-out documentation for the project has arrived and needs to be signed by the Chairman.

*Motion to approve the close-out of the Depot Project was made by Earl Thrailkill, Seconded by Michael Brunson, and unanimously agreed upon.*

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

***DMAG Update-*** The Catawba River Basin is currently in Stage 0.

**New Business:**

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

- We held a Water Loss Data Validation Conference call on July 26<sup>th</sup> - met with Cavanaugh & Associates to go over data validation. This is directly related to water loss. The results of this phase of the study will be out in November. 18 member utilities – all are involved.
- August 1 – We met with Chief Deputy Sprouse regarding Active Shooter Hands-On Training. We have asked for a walk-through with actual exercises with active shooter stunt doubles. Training will take place 9/5.
- On July 20<sup>th</sup> we finalized negotiations on Administrative Agreement with CSD. Bill has been reduced due to lowered services.
- Water For All flyer – This is a workshop hosted by WMG for decision-makers of member utilities. We request that Board permit us to pay for Board Member attendance. We will provide transportation to Belmont.

**SCWARN-**

Because CMD and CWR are included on the same membership agreement, CMD asks to sign and submit a new Mutual Aid Agreement.

*Motion to adopt and sign the updated SCWARN Mutual Aid Agreement was made by Earl Thrailkill, Seconded by James Cloud, and unanimously agreed upon by all.*

**Water Responsibility-** The purpose of this policy is to put into writing and clarify the responsibility of the District versus the responsibility of the customer with regard to water services.

*Motion to adopt the new Water Responsibility Policy was made by Jean Nichols, Seconded by James Cloud, and unanimously agreed upon by all.*

**Tuition Assistance-** The revised CMD policy manual allows for assistance with tuition for employees at the discretion of the Board. Holly Stacks is nearing completion of her Associate's Degree and has submitted a request for assistance in the amount of \$618.00. She meets all of the parameters set forth in the policy manual.

*Motion to approve Tuition Assistance in the amount of \$618 for Holly Stacks was made by Earl Thrailkill, Seconded by Jean Nichols, and unanimously agreed upon by all.*

**Reports:**

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

**Hydrant Report-** Mrs. Moon read the Hydrant Report for July. A copy of this report is attached to the minutes.

**Financial Report-** Mrs. Moon read the Financial Report for July. A copy of this report is attached to the minutes.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by James Cloud, Seconded by Michael Brunson, and unanimously agreed upon.

Approved:

Respectfully Submitted:

Date: September 13, 2017

By: Susan H. Roddey

# Chester Metropolitan District

## *Agenda*

*August 9, 2017*

*6:00 PM*

- I. Call Meeting to Order
- II. Approval of Last Meeting Minutes
- III. Old Business
  - A. Filter Plant - Fred Castles
  - B. Depot Report - Susan Roddey
    - 1. Close-Out Agreement
  - C. Engineer's Report - Andy Litten
  - D. DMAG Report - Andy Litten
  - E. Great Falls Agreement - Fred Castles
  - F. Financing Capital Improvements Projects - Fred Castles
- IV. New Business
  - A. Director's Update - Fred Castles
  - B. SCWARN Mutual Aid Agreement - Fred Castles
  - C. Water Responsibility Policy - Andy Litten
  - D. Tuition Assistance Request - Fred Castles
- V. Reports
  - A. Director's Report - Fred Castles
  - B. Hydrant Report - Fred Castles
  - C. Financial Report - Becky Moon
- VI. Adjourn

# Chester Metropolitan District

## Filter Plant Report

### July 2017

- 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 maintaining an average Total Chlorine Residual level throughout the distribution system this month at .87 mg/l.
- Replaced the sample pump discharge line with Pex piping and worked with the laboratory to adjust the flow.
- Replaced the copper line on the backwash packing gland discharge to the drain.
- Changed out the flapper in the #3 raw water check valve.
- Replaced a cooling water solenoid on the #1 Willet sludge pump.
- Finished painting the valves on the Ammonia tank.
- Received the new laboratory TOC analyzer. The manufacturer performed a “hands on” class on the operations and the functions of the unit.
- Attended a presentation in Rock Hill on the Man-Down Lone Operator alert system. This system would allow “lone operators” to be tracked and alert supervisors or emergency personnel in the event the operator is incapacitated due to an accident.
- Repaired and adjusted the Chlorine storage room doors.
- We worked on trying to get the safety curtain on the sludge press working again with the help of the manufacturer’s technician. We now believe a control board has failed. We had Hobgood Electric come and bypassed the curtain so we can continue to produce sludge. We removed the curtain and returned it for repairs.
  - The sludge removed and sent to the landfill this month was 93.48 tons.

# CHESTER METROPOLITAN DISTRICT FILTRATION PLANT

## MONTHLY REPORT

MONTH: July 2017

QUANTITIES (million gallons)		PREVIOUS YEAR		PRESENT YEAR	
<b>Raw Water</b>		95.639		104.832	
<b>Finished Water</b>		90.978		125.244	
<b>Peak Day</b>	Raw	3.774		3.997	
	Finished	3.331		5.370	
<b>Minimum Day</b>	Raw	2.558		2.940	
	Finished	2.409		2.850	
<b>Average Day</b>	Raw	3.085		3.382	
	Finished	2.935		4.040	
<b>Total Hours Operated</b>		739.500		742.000	
<b>Monthly Load Factor (%)</b>	(Avg. day Plant cap.)	0.990		99%	

CHEMICAL COSTS	QTY USED (lb)	@COST PER lb.	TOTAL COST	UNIT COST	(Per mil. gal)
<b>Ferric Chloride</b>	129784.71	0.30	\$38,935.41	371.408	
<b>Chlorine</b>	7682.00	0.30	\$2,304.60	21.984	
<b>Flouride</b>	675.00	0.48	\$324.00	3.091	
<b>Corrosion Inhibitor</b>	1471.50	0.62	\$912.33	8.703	
<b>Caustic Soda</b>	87908.04	0.28	\$24,614.25	234.797	
<b>NACLO2</b>	7935.60	0.57	\$4,523.29	43.148	
<b>Polymer (press)</b>	150.00	2.20	\$330.00	3.148	
<b>Polymer (plant)</b>	0.00	2.00	\$0.00	0.000	
<b>AMMONIA</b>	612.00	0.80	\$489.60	4.670	
<b>SUB-TOTAL CHEMICALS</b>	<b>236218.85</b>	<b>7.55</b>	<b>\$72,433.49</b>	<b>690.948</b>	

# CMD Engineering Department's Engineering Project Progress Report August 2017

## Development Project Reviews

**Dollar General on Pinckney:** Completed the preliminary review. Those revisions are complete and now we need to perform the second review.

### **Fort Lawn Community Center Fire Line – Finished Review**

**Chester County Natural Gas – Construction:** There are a few issues with the construction of the service tap that we are trying to resolve.

**Chester Sewer District: Rocky River Improvements:** Finished the review and sent the comments back to the sewer district.

## 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. We are reviewing software to assist with the management of the program.

## Caustic Feed Day Tank and Ferric Chloride Tank Replacement

DHEC has approved the project for construction. We submitted comments to Keck & Wood on the bid documents and they are revising them so that we can proceed to bid phase.

## In-House Projects

**None underway at this time.**

## GIS Mapping

We are in the QAQC phase.

## Hydraulic Modeling Update

I met with AECOM and went over the results of the model and reviewed the preliminary report. They are making final revisions to the model and report.

## Water Meter Replacement Project

We are scheduled to begin the meter replacement project on August 21<sup>st</sup>. There has been a delay in getting all the materials here to start the project. The replacements will begin in Fort Lawn and follow our billing cycle.

## New Administration Building

We received the plan and report from the Architect and sent it to the Contractor to put a preliminary price together for the renovation, which will help to determine whether to continue to move ahead with the building or investigate other options.

# CMD: Funding the Future

Chester County is growing fast, and Chester Metropolitan District has endeavored to plan for the future while keeping its existing customers in mind. The balance is difficult to maintain, particularly with so small a customer base spread across so large a system. Every upgrade, every repair project, is a financial challenge. We strive to be good stewards of our water system and to do what is best for our water customers. When considering the future, we have to look at two things: maintaining the current system, and future expansion.

Our rates are our sole source of revenue. CMD is not part of Chester County Government or Chester's City Government. We are a Special Purpose District enacted by the SC General Assembly for the specific purpose of providing drinking water to Chester and surrounding areas within the County. We are not subsidized by taxes or county funds for everyday operations and maintenance costs. Monthly water bills alone are what fund our District, and right now they pay for everything: water production, system maintenance, bond repayments, staff salaries, repairs, and upgrades.

## **CAPITAL IMPROVEMENTS: FUNDING THE EXISTING WATER SYSTEM**

Parts of the CMD system are more than seventy-five years old, and nothing lasts forever. While our maintenance crews work tirelessly to repair line breaks and upgrade equipment, these actions have a cost. With the increased need for maintenance work to our existing system, CMD staff has evaluated options to help fund water line replacement projects.

Seven years ago, CMD introduced the Capital Projects Fee to help balance the Capital Improvements budget. This Capital Projects Fee serves a specific purpose – to help pay for repairs and replacements of the existing water system infrastructure.

For most customers, the charge is less than \$2.00 per month. That money goes to fund replacement and renovation projects such as the Magnolia Street Water Line Replacement in Great Falls and the Pinckney Road 10" Water Line Abandonment Project. By collecting this small Capital Recovery Fee every month, we are able to fund necessary repairs and replacements of existing lines, decreasing both water service and traffic interruptions while better serving our customers.

## **PAYING FOR THE FUTURE: WATER SYSTEM EXPANSIONS**

When it comes to future expansion, our options are limited. CMD has been fortunate enough to receive grant, loan, and bond money to fund both large-scale water line replacement projects *and* new growth. However, without increased revenue, our current funding sources will be easily exhausted.

CMD is excited about the increase in industrial growth and the creation of manufacturing jobs in Chester County. We welcome GiTi Tire, Sun Fiber, Jones-Hamilton, and Carolina Poly. CMD is encouraged that Jutokumpu, Boise Cascade, PPG, and Haddon House have been able to expand their operations in the County. The latest industrial announcement that Roseburg Forest Products is building an east coast facility in Chester County shows the continued success of County leaders to make Chester County a desirable place to locate to.

Unfortunately, growth is expensive for a water utility. Capacity upgrades can cost as much as \$8 per gallon (That's \$8,000,000 per million gallons of water treatment capacity). Expanding the water distribution and transmission system can cost \$40-\$200 per foot in some cases – that's more than \$1,000,000 per mile.

It has always been the philosophy of CMD that new growth should pay for growth. Because we believe our current customers should not pay for new capacity, CMD will be implementing Capital Recovery Fees for growth and development by the end of the year..

### **WHAT ARE CAPITAL RECOVERY FEES?**

Capital Recovery Fees are charges imposed by a water utility upon new development to tie onto the water system and use existing water supply capacity that has already been paid for by the existing customer base. Capital Recovery Fees simply and fairly distribute the burden of providing additional water supply capacity from the water utility and its' customers to new customers of new development. The fees collected from new industries, new commercial businesses and new residential construction will allow the new customer to "buy-in" to any remaining water capacity that CMD has available. It will also help fund large water system capital improvement projects such as water treatment plant expansions, water transmission main replacements, and water line extensions that will be necessary to keep pace with future economic development and residential growth.

Implementing a Capital Recovery Fee is not a complete solution to funding an unimpeded large-scale water system expansion. The fees are only a part of the funding plan, but they require new developments to pay their portion of the costs to expand and upgrade our water system. It is important to note that new development should not unfairly impose costs to existing water customers in the form of direct rate increases. The Capital Recovery Fees will be used to help pay back notes, loans, and bonds that are used to fund large water system projects to increase capacity. The implementation of the fees will not eliminate normal periodic water rate increases to account for inflation, materials cost increases, and increased operations and maintenance expenses.

Capital Recovery Fees are not new. Water utilities and municipalities across the country have been charging Capital Recovery Fees for years to help pay for expansions to water and wastewater systems. York County, the City of Rock Hill, and Lancaster County charge capital recovery fees for new development. It is the fairest way to pass on the cost of new growth to those who are developing new sites.





# Chester Metropolitan District Water Service Responsibility Policy

Approval Date:

This policy establishes the repair and maintenance limits of water service lines, private mains, and appurtenances, that are the responsibility of Chester Metropolitan District (District). Water service line is defined as the connection between the public distribution system and the Customer or end user (residential or commercial/government). Types of water service lines are domestic/potable service, irrigation service, process, agricultural, or fire service. All services shall be metered in accordance with the District's policies.

Private mains are privately owned and maintained water lines used to provide service to multiple service line connections on a single qualifying property. Private water mains may provide fire service, potable service, process, irrigation, agricultural, or any combination of services to properties such as apartment complexes, industrial/manufacturing complexes, schools, shopping centers, and town homes.

## **Residential Potable or Irrigation Service ( $\frac{3}{4}$ " or 1")**

- The District shall be responsible for the portion of the service line from the water main to the water meter, including the water meter.
- The Customer shall be responsible for the service line from the water meter to the building or end connection.

## **Commercial Potable, Irrigation, or Fire Service**

- The District shall be responsible for the portion of the service line from the water main to the public right-of-way or water easement line.
- The Customer shall be responsible for the service line from the public right-of-way or water easement line to the building or end connection.

All meters shall be the responsibility of Chester Metropolitan District.

## **Materials and Construction Methods**

All repairs, maintenance, or replacement shall be in-accordance with the requirements of Chester Metropolitan District's Standard Specifications, latest edition.

## **Customer Repair Time Limits**

Leaks on a Customer's water service line or private main must be repaired within ten days of the date the District notifies the Customer. If the District determines that the leak is causing substantial property damage or wasting a significant amount of water, the District will provide 72 hours written notice to the

Customer that the leak must be repaired or the District will shut off the leaking water service line or private main and bill the property owner for costs incurred by the District. In cases where the leak is a safety risk or is causing extreme danger to public or private property, the District may elect to shut the water off immediately and, after providing written notice to the Customer, may repair the leak. The Customer will pay the District for all costs incurred to shut off the leaking water service line or private main as well as all costs of repair including, but not limited to traffic control, excavation, water service line repair, private main repair, landscape repair, street repair, and sidewalk repair. Notice pursuant to this section may be mailed to the service address or such other address the District has on-file. The notice shall be conclusively presumed to have been received by property owner forty-eight (48) hours after mailing. Notice pursuant to this section may also be personally delivered to the property owner and shall be effective upon delivery.

### **Temporary Service Shut-Off**

When a new residential service is installed, the District installs a gate valve immediately downstream of the water meter for the Customer's convenience to shut off the water supply to their property. The Customer is responsible for the maintenance, repair, and replacement of the gate valve when necessary. If a Customer requests the District to temporarily shut-off service to a property, the Customer shall notify the District at least one business in advance unless it is an emergency. A trip charge (as listed in the fee schedule) will be charged to turn the water off. When the water service is ready to be turned back on, the Customer shall notify the District at least one business day in advance. A trip charge will be charged to turn the water on. The trip charges will be billed following the turn-on and appear on the next bill. No adjustment will be made to the charges for water as a result of temporary shut-off.

A licensed plumber may turn-off/turn-on the water service at the District's water meter, for repairs to a Customer's water system. Anyone opening the District's meter box other than District personnel or licensed plumbers will be charged with tampering and the applicable fee will be charged to the Customer. The District will not be responsible for damage due to defective materials on the Customer's service.

Only District personnel shall operate valves in the District's distribution system. Valves downstream (Owner's side) of the meter may be operated by the Owner or their representatives.

*Approved By:* \_\_\_\_\_ *Date:* \_\_\_\_\_

## Chester Metropolitan District

Director's Report

FY 2016-2017

	July 2017	TOTAL L 12 MOS	AVERAGE L 12 MOS
<b>DISTRIBUTION NUMBER:</b>			
Taps	0	21	1.8
Leaks	14	269	22.4
<b>DISTRIBUTION MANHOURS:</b>			
Taps	22.5	424	35.3
Leaks	91.0	1,906	158.8
Equipment	0.0	-	-
Shop	238.0	3,392	282.7
Dist. System	950.0	10,990	915.8
Asphalt	56.0	661	55.0
Meters	99.5	1,357	113.0
Filter Plant	0.0	159	13.2
Hydrants	22.0	350	29.1
Construction Projects	119.5	898	74.8
Main Break	57.0	1,226	102.1
Total Manhours	1655.5	21,359	1,779.9
Overtime Hours	190.5	2,729	227.4
<b>METER CALLS:</b>			
Ons	59	950	79.2
Offs	60	941	78.4
Checks	218	1,604	133.7
Total Calls	337	3,495	291.3
Overtime Hours	26.5	199.5	16.6
<b>BILLING INFORMATION:</b>			
Non-Leak Adjustments:	5	54	4.5
Leak Adjustments	36	549	45.8
\$\$\$ Adjusted	\$ 3,007.27	\$ 27,909.51	\$ 2,325.79
Bills Mailed	6,105	73,857.0	6,154.8
Thousand Gallons Billed	71,933.2	772,025.4	64,335.4
Thousand Gallons Pumped	104,832.0	1,169,171.0	97,430.9
% Accounted For	68.6%		66.1%
Other Gallons Accounted For	2,421.0	41,167.5	3,430.6
Adjusted % Accounted For	70.9%		69.6%

## Chester Metropolitan District

### Hydrant Report

August 9, 2017

<u>0</u>	New Placement
<u>0</u>	Hydrants Replaced
<u>1</u>	Hydrants Repaired
<u>1</u>	Hydrants Removed
<u>\$150</u>	\$ Spent on Hydrant Work

<u>5498</u>	Total Hydrants Worked to Date
<u>\$ 1,190,127</u>	Total Cost to Date
<u>- 0 -</u>	Local Match
<u>- 0 -</u>	Contract Services
<u>\$ 1,190,127</u>	Total Cost

\* Removal: Church & College

\* Repair: Fort Lawn



Chester Metropolitan District

Budget to Actual Comparison

July 31, 2017

unaudited

	Month Ended July 31, 2017	Year-to-Date Income Statement	Annual Budget for Fiscal Year Ended June 30, 2018	Budget to Actual Variance Fav/(Unf)
<b>OPERATING REVENUE</b>				
Res. & Com. Water Service	\$241,176	\$241,176	\$2,854,024	(\$2,612,848)
Industrial Meter Water Service	202,978	202,978	2,277,051	(2,074,073)
Residual Management Fees	61,216	61,216	714,666	(653,450)
Penalties	8,168	8,168	48,000	(39,832)
Taps/Exts./Inst. Fees	2,543	2,543	23,000	(20,457)
Billing/Collection/Admin Fees	16,909	16,909	320,296	(303,387)
Miscellaneous	31,999	31,999	200,526	(168,527)
<b>TOTAL OPERATING REVENUE</b>	<b>\$564,989</b>	<b>\$564,989</b>	<b>\$6,437,563</b>	<b>\$ (5,872,574)</b>
<b>OPERATING EXPENSES</b>				
Admin & General Exp	\$64,359	\$64,359	\$1,324,237	\$1,259,878
Filter Plant	94,171	94,171	1,399,474	1,305,303
Sludge Operations	9,395	9,395	218,289	208,894
Distribution - Chester	46,980	46,980	902,666	855,686
Distribution - Great Falls	9,840	9,840	224,571	214,731
Distribution - Hydrant	-	-	15,200	15,200
Meter Dept.	17,657	17,657	295,088	277,431
Engineering	17,255	17,255	266,183	248,928
MIS	12,606	12,606	156,085	143,479
Human Resources	9,122	9,122	283,941	274,819
<b>TOTAL OPERATING EXPENSES</b>	<b>\$281,385</b>	<b>\$281,385</b>	<b>\$5,085,734</b>	<b>\$4,804,349</b>
<b>OPERATING INCOME</b>	<b>\$283,604</b>	<b>\$283,604</b>		
<b>NON-OPERATING EXPENSES</b>				
Admin & General Exp	\$0	\$0	\$0	\$0
Filter Plant	-	-	141,870	141,870
Sludge Operations	-	-	-	-
Distribution	-	-	108,700	108,700
Meter Dept.	-	-	-	-
Engineering	-	-	400	400
MIS	-	-	106,271	106,271
Depreciation	-	-	327,072	327,072
Capital Projects Fee	3,680	3,680	147,063	143,383
Debt Service	-	-	578,225	578,225
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$3,680</b>	<b>\$3,680</b>	<b>\$1,409,601</b>	<b>\$1,405,921</b>
<b>NON-OPERATING REVENUE</b>				
Interest Income	\$1,326	\$1,326	\$0	\$ 1,326
Unrealized Gain / (Loss)	-	-	-	-
Appropriation of Debt Service Reserve	-	-	57,772	(57,772)
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$1,326</b>	<b>\$1,326</b>	<b>\$57,772</b>	<b>\$ (56,446)</b>
<b>INCREASE IN NET POSITION</b>	<b>\$281,250</b>	<b>\$281,250</b>	<b>\$0</b>	

**Chester Metropolitan District**  
 Cash Balances  
 Per Month End Bank Statements

	<u>July 31, 2017</u>	<u>June 30, 2017</u>
CMD Merchant Account	\$647,204	\$615,842
CMD Gross Revenue GF	427,604	391,115
CMD Gross Revenue Chester	511,351	562,762
CMD Debit Card	497	2,606
CMD CPF	793,159	793,159
CMD Bond Funds	1,482,111	1,482,111
	<u>\$3,861,926</u>	<u>\$3,847,595</u>
SC Local Govt Investment Pool	\$1,316,698	\$1,315,429
Wells Fargo Drafts	1,192,821	1,142,574
MBS Securities	202,269	202,269
	<u>\$2,711,788</u>	<u>\$2,660,272</u>
US Bank ( for debt payment)	<u>\$101,141</u>	<u>\$57,774</u>
Grand Total	<u><u>\$6,674,855</u></u>	<u><u>\$6,565,641</u></u>