ANDERSON REGIONAL
JOINT WATER SYSTEM

998 Hunters Trail Anderson, SC 29625 Phone: 864-332-6534 Fax: 864-224-6116

BOARD AGENDA

Board of Commissioners
July 2021

I. Minutes June 17, 2021

II. Informational Reports

1. Finance and Administration Report
2. Operations Report
3. Staff Member Focus

Future planned Board meeting dates are:

~~July 28, 2021 (No Meeting Planned)~~	August 25, 2021 (Regular Board Meeting)
September 22, 2021 (No Meeting Planned)	October 27, 2021 (Regular Board Meeting)
November 24, 2021 (No Meeting Planned)	December 22, 2021 (Regular Board Meeting)
January 26, 2022 (No Meeting Planned)	February 23, 2022 (Regular Board Meeting)
March 23, 2022 (No Meeting Planned)	April 27, 2022 (Regular Board Meeting)
May 25, 2022 (No Meeting Planned)	June 22, 2022 (Regular Board Meeting)

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Your Community-Owned and Operated System

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www.arjwater.com

MINUTES OF THE ANDERSON REGIONAL JOINT WATER SYSTEM June 17, 2021

LET THE MINUTES SHOW THAT THE MEDIA WERE NOTIFIED OF THIS MEETING IN ACCORDANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT.

A QUORUM OF THE BOARD IS PRESENT.

COMMISSIONERS PRESENT: Benjie McGill, City of Clemson; Patrick Jackson, Starr-Iva; Mitch Ellenburg, Belton-Honea Path; Tommy Phillips, Broadway; Dyke Spencer, Powdersville; David Rogers, Town of Williamston; Chuck Cortez, Big Creek-Hammond; Evan Link; Town of Pendleton; Phillip Mishoe, Town of Central; Jeff Caldwell, City of Anderson

ABSENT: Dwight Edwards, West Anderson; Douglas Locke, Broadway; Jeremy Gillespie, Sandy Springs; Larry Harrell, Homeland Park

OTHERS PRESENT: Scott Willett, ARJWS; Lisa Evatt, ARJWS; Erik Rolfe, ARJWS; Kendall Cleary, AJRWS; Christopher Weber, ARJWS; Jodi Logan, ARJWS; Trey Burns, ARJWS; David Gailey, ARJWS

Chairman Benjie McGill called the Board meeting of Anderson Regional Joint Water System to order at 11:55 a.m. on June 17, 2021.

Chairman McGill asked for any Commissioner comments. Mr. Spencer discussed details regarding Powdersville Water issues with USIC services. Mr. McGill announced that Mr. Caldwell has accepted a position with ARJWS and will no longer serve on the Board of Commissioners. Mr. Caldwell served 2 terms as Chairman.

There were no public comments.

Mr. Spencer made a motion to approve the April 22, 2021 minutes and Mr. Cortez seconded. Motion carried.

I. Consent Calendar (Old Business)

1. FY 2021/22 Budget – Final Reading

Mrs. Cleary recommended the approval of the annual budget for fiscal year 2021/22 with slight changes since the first reading. The proposed annual budget is for $12.12 million. The budget will fund $5.36 million in annual operating expenses, and $1.57 million in system R&R. In total, the proposed budget represents a 4.00% net change over the approved FY 2020/21 budget. Mr. Willett asked for any comments, there were none. Mr. Jackson made a motion to approve the final reading of the proposed FY 2021/22 Annual Budget. Mr. Spencer seconded. The motion passed with nine yay votes and one nay vote.

2. Clemson University Wholesale Rate-FY 2021/22-Final Reading

Mr. Willett recommended the approval of the increasing the water rate for service to Clemson University from $1.88 per thousand gallons to $2.05 per thousand gallons. The resulting expected rate increase is exacerbated by reduced System as well as University annual demand during the previous (COVID) previous year requiring the fixed cost for debt service to be spread over a significantly smaller base. Mr. Jackson made a motion to increase the existing water rate for Clemson University to $2.05 per thousand gallons. Mr. Mishoe made a second. The motion was unanimous.

II. Items requiring immediate action

1. FY 2021/22 Board Officer Elections

Mr. Willett stated that ARJWS shall elect Board Officers each year with each member of the Board having 1 (one) vote. The Nominating Committee has made the recommendations for FY 2021/22 Board Officers: Chairman Dyke Spencer, Powdersville Water District; Vice Chairman Patrick Jackson, Starr-Iva Water District; Secretary Phillip Mishoe, Town of Central. The establishment of an Executive Committee is to provide additional advice and counsel to the Chairman. The recommendations for At-large Executive Committee members are Dwight Edwards, West Anderson Water District and Chuck Cortez, Big Creek-Hammond Water Districts. Mr. Willett noted that the elected will take office on July 1, 2021, and will serve until replaced. Mr. Willett asked for any comments on elected officials, there were no comments. Mr. McGill requested a motion to nominate the listed Board Officers. Mr. Caldwell made a motion, Mr. Phillips seconded. The motion carried. Mr. McGill requested a motion to nominate the listed At-large members. Mr. Jackson made a motion, Mr. Caldwell seconded. The motion carried.

2. Future Board Meeting Dates

Mr. Willett made a recommendation to establish the fourth Wednesday of each month for future Board meetings. COVID related changes to facility availability required several member agencies to adjust their meeting schedules leading to a continuing conflict with the System Board dates. Ad Hoc changes to the planned meeting dates have created further conflict for other Commissioners resulting in reduced attendance threatening the ability to obtain the quorum necessary to legally conduct business. To address this issue, management is proposing the adoption of the fourth Wednesday of each month be reserved for Board meetings with meeting times remaining at 11:30 – 1:00. Normal business needs allow the Board to conduct required meetings during even months, but reserving each month provides a preplanned opportunity to conduct any special business. Mr. Willett asked for any comments on future Board meeting

dates, there were no comments. Mr. Mishoe made a motion to establish the fourth Wednesday of each month for future Board meetings, Mr. Cortez seconded. The motion carried.

III. Discussion (New Business).

1. Executive Director's Report (Oral)

Mr. Willett gave an update on the restructure of DHEC; State Water Planning, ARJWS strategic planning, and the Reallocation Study of Lake Hartwell.

IV. Informational Reports

1. Finance and Administration Report
2. Operations Report
3. Staff Member Focus

These reports are for information and for each Member to review as written. A copy of each report is attached to the file copy of these minutes.

V. Closed Executive Session

1. Personnel: Annual Executive Director's Performance Review

As stated by Chairman Benjie McGill:
A CLOSED EXECUTIVE SESSION HAS BEEN REQUESTED PURSUANT TO THE SC FREEDOM OF INFORMATION ACT SECTION 30-4-70(a)(1) FOR THE DISCUSSION OF EMPLOYMENT, APPOINTMENT, COMPENSATION, PROMOTION, DEMOTION, DISCIPLINE OR RELEASE OF AN EMPLOYEE REGULATED BY A PUBLIC BODY.

A motion was made by Mr. Spencer to enter a closed executive session at 12:32 p.m. and seconded by Mr. Jackson.

A motion was made by Mr. Spencer to exit the closed executive session at 12:53 p.m. and seconded by Mr. Mishoe.

As stated by Chairman Benjie McGill:
The Board has concluded its Closed Executive Session and per the SC Freedom Act, a motion was made by Mr. Cortez to accept no actions taken on the Executive Director Performance Appraisal and was seconded by Mr. Mishoe. The motion was unanimous.

VI. Adjournment

With no further business, Mr. Spencer made a motion to adjourn at 12:54 p.m. and Mr. Rogers seconded. Motion carried.

Respectfully submitted,

Phillip Mishoe
Town of Central

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BOARD MEMORANDUM

July 9, 2021

Subject

Finance and Administration Report

Discussion

Billing

Meters were read on June 30, 2021 with usage down 0.55% from last month (for the same number of days) and up 4.07% from last year (for the same number of days).

AGENCY	PREV.YR SAME MONTH	LAST MONTH	CURRENT
# of Billing Days	**33**	**28**	**34**
Anderson	118,631,503	121,253,907	132,285,618
Big Creek	29,900,000	25,600,000	33,700,000
Broadway	24,921,466	18,083,681	24,324,086
Clemson	62,291,698	55,317,403	56,843,931
Clemson University	26,667,793	23,930,533	32,908,881
Hammond	76,974,602	67,393,427	85,933,793
Homeland Park	22,395,920	19,706,642	23,803,914
Pendleton	12,918,011	10,233,513	12,703,691
Powdersville	6,522,452	4,142,671	4,448,132
Sandy Springs	64,408,000	55,753,839	71,266,779
Starr-Iva	34,283,738	27,961,963	35,810,631
West Anderson	50,367,256	40,421,965	53,950,309
Williamston	15,947,391	15,204,415	17,690,193
TOTAL	**546,229,830**	**485,003,959**	**585,669,958**

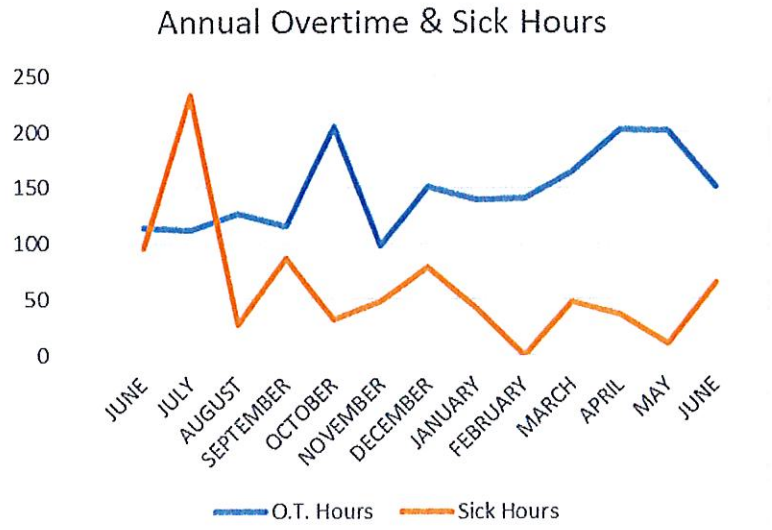
Changes in State and Federal Rules

GASB Statement No. 87, "Leases"

GASB Statement number 87, Leases, eliminates operating leases. All contracts that meet the definition of lease should be accounted for as an asset and a liability by the lessee, similar to capital leases. For governments that are a lessee or a lessor will have to report these leases from when the lease began throughout the lease term. The requirement for this statement will take effect for financial statements for the fiscal year ending December 31, 2020. See the GFOA website for guidance and examples.

Safety
There have been 2,808 days since the last work-related injury at ARJWS.

As shown below on the Annual Overtime & Sick Hours Chart, there was a spike in sick leave in July 2020 due to one employee out on paternity leave and two employees out sick. Other months show overtime and sick hours trending accordingly.



Prepared by: Kendall Cleary, Accountant
Approved by: Jeff Caldwell, Deputy Director

Attachments: Profit & Loss Summary – Budget, Actual and Forecast

ANDERSON REGIONAL
JOINT WATER SYSTEM

Profit & Loss
For the Month ending June 30, 2021

Ideal Percentage: 100%

12+0

	Annual Budget	YTD Budget (12 months)	YTD Actual	Year End Projection	% of Budget Used	YTD Variance	
Operating Revenue							
Operations and Maintenance	4,626,200	4,626,200	4,346,334	4,346,334	94%	(279,866)	F
Capital Charges	5,392,245	5,392,245	5,392,245	5,392,245	100%	-	
Renewal and Replacement							
Water System	1,574,695	1,574,695	1,574,467	1,574,467	100%	(228)	
Pump Station	72,378	72,378	72,361	72,361	100%	(17)	
Miscellaneous	50,599	50,599	175,722	175,722	347%	125,123	
Total Operating Revenue	11,716,117	11,716,117	11,561,130	11,561,130			
Operating Expenses							
Salaries and Wages	1,403,800	1,403,800	1,333,426	1,333,426	95%	(70,374)	
Payroll Taxes and Employee Benefits	566,700	566,700	533,598	533,598	94%	(33,102)	
Operations and Maintenance							
Administrative Expenses	191,400	191,400	251,639	251,639	131%	60,239	A
Operations Expenses							
Lab Supplies/Uniforms/Safety Equipment	88,800	88,800	114,874	114,874	129%	26,074	B
Chemicals	446,900	446,900	577,483	577,483	129%	130,583	C
Sludge and Chemical Disposal	185,000	185,000	236,656	236,656	128%	51,656	D
Utilities and Security	1,112,500	1,112,500	1,070,942	1,070,942	96%	(41,558)	
Maintenance Expenses	281,700	281,700	357,571	357,571	127%	75,871	
Professional Fees	90,000	90,000	38,556	38,556	43%	(51,444)	
Insurance	93,100	93,100	83,050	83,050	89%	(10,050)	
Debt Expenses	5,490,245	5,490,245	5,150,415	5,150,415	94%	(339,830)	
Junior Lien Bond Payments	-	-	726,176	726,176	100%	726,176	E
Source Water Protection	51,000	51,000	23,543	23,543	46%	(27,457)	
Miscellaneous Expenses	115,300	115,300	105,545	105,545	92%	(9,755)	
Total operating expenses before depreciation	10,116,445	10,116,445	10,603,474	10,603,474			
Net operating income	1,599,672	1,599,672	957,656	957,656			
Raw Water							
Raw Water Income	57,646	57,646	238,517	238,517	414%	180,871	
Raw Water O&M Expenses	-	-	173,936	173,936	100%	173,936	
Raw Water Operating Income	57,646	57,646	64,581	64,581			

	Cash Balances	Days Cash on Hand
Operating Cash	1,855,758	67
Capital Project Fund	1,964,427	
R&R Funds (Restricted)	1,842,367	
	5,662,552	

A: Administrative expenses are over budget due to the payment to the Corp for purchased water of $72,000, the purchase of a vehicle for $22,000, and the payment for NetSuite implementation. The vehicle will be reclassed to assets during the year-end procedures.

B: Lab Supplies is over budget due to the purchase of turbidimeters for $14k.

C: Chemicals are over budget due to the use of Cedar Clear 757 during the cold weather months to help with settled water turbidity.

D: Sludge Disposal is over budget due to ARJWS allowing the project to exceed the budget by approximately $35,000 to make a more substantial impact in the effort to rid the lagoon from excess sludge caused by using PAC in prior years.

E: Junior Lien bond payments are non budget impacting and are paid for from reserves.

F: Revenue collections from Clemson University were under budget by $107,700 due to the school closing during the COVID-19 pandemic. The remainder of the deficit is made up by the $140,000 collected as interest on the debt service reserve fund that is charged back to the members as a part of the billing pro forma.

SYSTEMS REPAIR & REPLACEMENT ACCOUNT

June 30, 2021

DATE	TRANSACTION MEMO	CREDIT	DEBIT	BALANCE
06/01/2021	Balance Forward LGIP Investment			$1,363,403.42
06/25/2021	System Transfer for May 2021 Billing	$131,224.60		$1,494,628.02
06/30/2021	Interest Earned June 2021	$105.93		$1,494,733.95
06/30/2021	Ending Balance LGIP			**$1,494,733.95**

PUMPED REPAIR & REPLACEMENT ACCOUNT

June 30, 2021

DATE	TRANSACTION MEMO	CREDIT	DEBIT	BALANCE
06/01/2021	Balance Forward LGIP Investment			$85,719.50
06/25/2021	System Transfer for May 2021 Billing	$6,031.52		$91,751.02
06/30/2021	Interest Earned June 2021	$6.61		$91,757.63
06/30/2021	Ending Balance LGIP			**$91,757.63**

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BOARD MEMORANDUM

July 14, 2021

Subject
Operations Report

Discussion

Operations

As of July 14, 2021, Lake Hartwell's surface elevation was 660.17 ft., 0.17 ft. above full pool. Raw water is being drawn from the top gate of the intake structure. Water temperature at the top gate is 82.9°F. The Joint Water System reached 100% of settled water turbidity goals for the month of June. Raw water pH levels are relatively constant. Settled and Finished water pH levels are normal. The maximum day for June water production was 51% of Finished water capacity.

In addition to water quality sampling for the Lake Hartwell Water Treatment Plant, Joint Water System staff processed 181 Total Coliform distribution samples for local entities during the month of June.

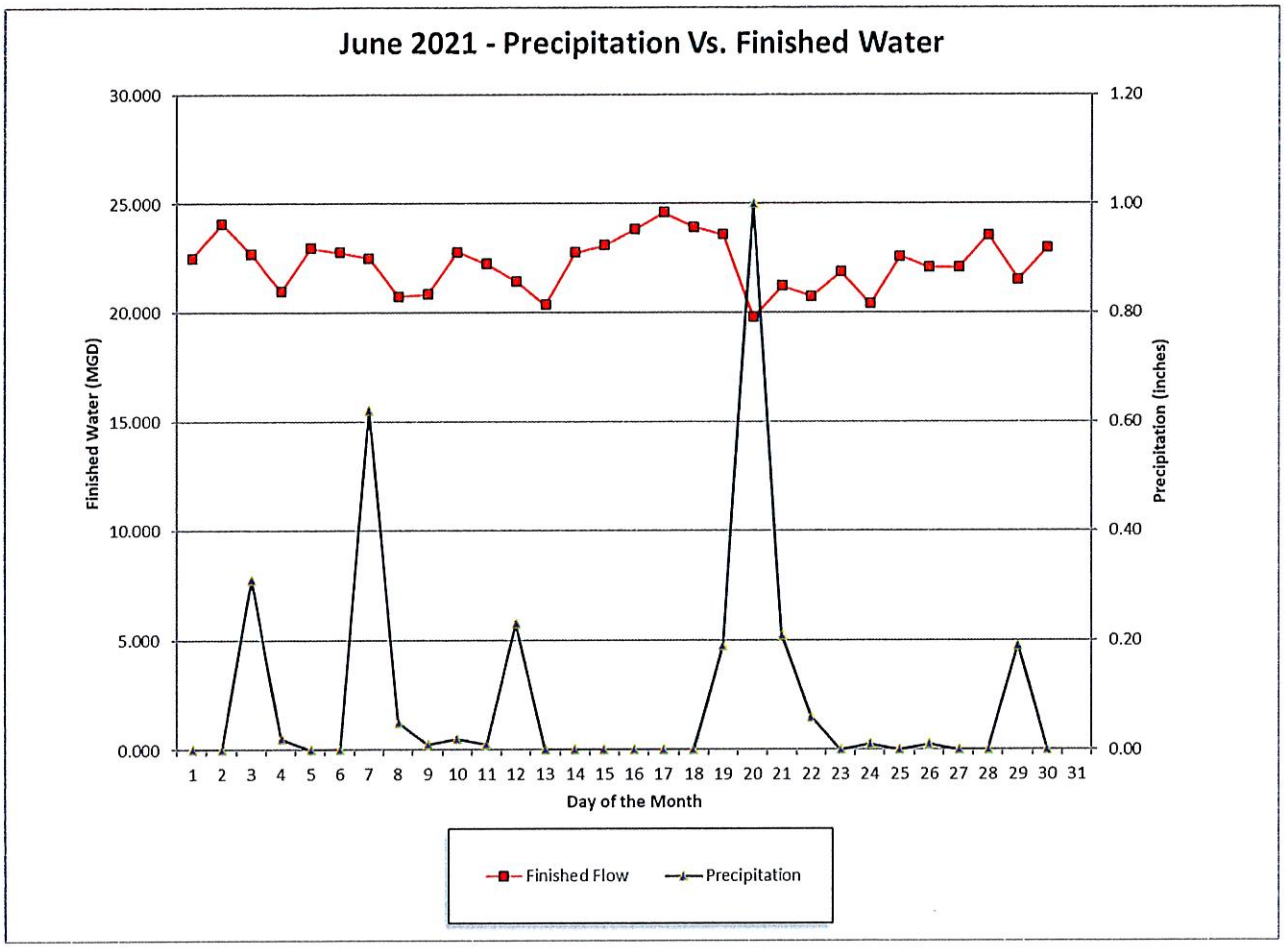
Weather Data

	Minimum	Maximum	Total
Rainfall	0.00 in.	1.00 in.	2.94 in.
Temperature	55.8° F	90.5° F	N/A
Humidity	26%	100%	N/A

Water Production Data

	Average	Minimum	Maximum	Total
Raw Water (MG)	21,657,000	17,983,000	25,064,000	649,704,000
Finished Water (MG)	22,246,000	19,775,000	24,588,000	667,382,000
Finished Max Capacity	46.3%	41.1%	51.2%	46.3%

NOTE: Percentages are finished water capacities.



Water Quality Data

	Raw	Settled	Finished
pH	6.56	6.50	7.14
Turbidity (NTU) Range	1.10 to 6.60	0.29 to 0.67	0.03 to 0.05
Turbidity (NTU) Average	2.73	0.44	0.04
Turbidity (NTU) Exceedance	-	0.00%	0.00%
Total Organic Carbon	1.77	-	1.00
Fluoride Average (ppm)	-	-	0.54
Residual Disinfectant (ppm)	-	-	1.69
TTHM (DBP)	-	-	3.3 ppb
Methylisoborneol (MIB)*	11.0 NG/L	-	<1.0 NG/L
Geosmin*	1.9 NG/L	-	<1.0 NG/L

*Note: For the general population, detection of MIB & Geosmin occurs at 10 NG/L.

**Note: DHEC has encouraged all water treatment plants to maintain Fluoride levels between 0.60-1.00 ppm. ARJWS will comply with this request, which will be reflected on future water quality data summaries.

Total Trihalomethane Discussion

Trihalomethanes (THMs) are one type of disinfection byproduct that can form during the treatment process and within the distribution system. THM concentrations vary primarily as a function of total organic carbon (TOC), temperature, disinfectant type, and residence time. THMs can have adverse health effects at high concentrations, and the EPA has established compliance criteria for these compounds in aggregate, termed Total Trihalomethanes (TTHMs). These criteria are established in Stage 2 of the Disinfection Byproduct Rule, which has a numerical MCL of 80 micrograms per liter (or parts per billion, ppb) based on a Locational Running Annual Average. The Operations Staff at ARJWS collect monthly, one-time samples, as a spot check for TTHM formation in the distribution system. The table below displays this month's readings, along with annual maximum, minimum, and overall averages at the designated sample locations.

Disinfection Byproduct Analysis Report

Sample Location	Current TTHM Reading	12 Month Maximum	12 month Minimum	12 Month Average
Broadway	19.7	24.3	4.0	12.8
Big Creek	26.1	26.1	2.3	14.7
Clemson Armory	16.5	18.5	3.4	10.3
Sandy Springs-Michelin	13.6	17.9	2.3	10.6
Sandy Springs-5 Forks	17.5	17.5	3.9	10.7
West Anderson	9.5	23.0	2.1	7.9
Bolt Drive Tank	26.5	28.6	4.5	16.2
McAlister Tank	19.3	25.4	3.8	14.1
Highview Pump Station	20.0	20.0	2.8	11.2
Starr-Iva Hydrant	55.9	58.1	1.3	15.9
Clemson Pump Station	14.0	17.9	1.5	9.3

Note: All TTHM results are in ppb, or parts per billion. Also, the Water Quality Data Table displays the plant TTHMs.

Water Quality Strategic Planning Discussion

For the month of June, the following Water Quality Strategic Planning goals were met:

- Finished water pH was held within the designated 7.1-7.2 range.
- Finished water Chlorine residual was maintained above a 1.2 ppm leaving the facility.
- Non-detect for taste and odor was achieved, despite detectable concentrations at the source.
- Achieved settled water turbidity goal < 1 NTU for the entire month.

Corrosion Discussion

Metal pipe naturally corrodes based on the chemical properties surrounding it. Corrosivity of water is directly related to pH. Lower pH concentrations, less than 7.0, are considered acidic, and therefore increase corrosion to metal piping. For this reason, The Lake Hartwell Water Treatment Plant adds lime to increase the pH levels to non-corrosive levels. In addition, orthophosphate is added to create a protective barrier on the inner linings of all distribution and premise piping. The added orthophosphate barrier keeps water from contact with bare metal.

Orthophosphate corrosion inhibitor technique

The Lake Hartwell Water Treatment Plant has determined to adjust the baseline numbers for Orthophosphate to a running annual average to establish a consistent dose rate. During the month of June, the Lake Hartwell Water Treatment Plant Finished water running annual average dose rate is within the desired 1.0 ppm to 1.6 ppm protective barrier range at 1.5 ppm.

Monthly Power Consumption Data

Month	On Peak kW	Off Peak kW	Total kW	Finished Water MG	$/ MG	12 month Average
Jun – 20	228,000	969,600	1,197,600	621.3	$104.51	$101.57
Jul – 20	235,200	1,111,200	1,346,400	730.7	$104.09	$100.98
Aug – 20	259,200	1,137,600	1,396,800	675.3	$115.59	$101.75
Sep – 20	230,400	1,060,800	1,291,200	643.4	$112.53	$101.83
Oct – 20	208,800	945,600	1,154,400	619.7	$88.86	$100.45
Nov – 20	201,600	914,400	1,116,000	561.8	$84.53	$99.14
Dec – 20	172,800	864,000	1,036,800	550.6	$81.30	$97.43
Jan – 21	208,800	856,800	1,065,600	595.9	$86.81	$96.62
Feb – 21	194,400	871,200	1,065,600	530.6	$92.36	$96.48
Mar – 21	168,000	787,200	955,200	559.9	$75.67*	$94.39
Apr – 21	194,337	880,130	1,074,467	571.7	$89.46	$94.23
May – 21	215,996	909,415	1,125,411	662.4	$74.97*	$92.58
Jun – 21	218,574	1,098,505	1,317,079	667.4	$94.20	$94.16

*Noting that the March and May bills from Duke Energy were lower than historical normal.

Monthly Power Consumption Update

For the month of June, ARJWS treated 667,382,000 gallons of water at a power cost of $94.20 per million gallons produced. This includes the power needed to produce Ozone continuously for effective taste and odor removal for the system. ARJWS also incurred a power rate increase, which went into effect on May 15, 2019. The 12 month Running Annual Average is currently at $94.16.

Discussion

June Operations Highlights

- New Team Member Announcement
  - Robert Yates will join our operations team on July 19th. Robert is an "A" licensed Water Treatment Operator.

- Noteworthy Issues
  - Ozone Generator #2 went down with electrical problems in early June. Currently, there is no impact to operations. Ozone Generator #1 is operational.

  - MIOX Generator #3 went down in mid-June. There is one currently operational MIOX Generator in service. We are currently operating disinfection with a hybrid strategy to better optimize cost impacts by using a blend of 12.5% sodium hypochlorite and MIOX.

Prepared by: Chris Weber, Operations Manager
Approved by: Jeff Caldwell, Deputy Director

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BOARD MEMORANDUM

July 05, 2021

Subject

Personnel Report: Staff Member Focus

Discussion

Anderson Regional Joint Water would like to introduce Julius "Trey" Burns. Trey was hired in October 2017, as a Source Water Specialist. Trey quickly passed all treatment and distribution exams and now maintains an "A" license in Water Treatment and Water Distribution. Trey graduated from Clemson University's Civil Engineering program in 2010. While attending Clemson University in 2007, Trey was the first-ever Co-Op at ARJWS. Trey was recognized in 2019 by Anderson Independent for the 20 under 40 of Anderson County award. Trey currently serves on the Leadership Anderson Board of Regents.

Trey resides in the City of Anderson with his two sons, Colten (8) and Caden (4). They love adventures, fishing, and half off pizza nights at Summa Joe's on Wednesdays. They are faithful members at NewSpring Church and attend every Sunday. When Trey has time to himself, he enjoys leadership consulting through the John Maxwell Certification Program.

"I enjoy working at ARJWS because I can't imagine my life, nor any of our 200,000 customers' lives, without water. It matters, and as a public utility, we are THE essential business. Every wrench we turn, every email we send, and every chemical adjustment we make is affecting the tap where our children brush their teeth and drink their water. It is our responsibility to serve the community and remind each of us that we all share the same water, and only together can we steward and protect it."