ANDERSON REGIONAL
JOINT WATER SYSTEM

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

BOARD AGENDA

Board of Commissioners
April 22, 2026

Call to Order / Determination of Quorum
Pledge of Allegiance
Commissioners' Comments
Public Comment

I. Approval of Minutes from February 18, 2026

II. Consent Calendar (Old Business)
1. None

III. Items requiring immediate action
1. FY 2026/27 Budget – First Reading
2. Clemson University FY 2026/27 Wholesale Rate – First Reading
3. Adopt Financial Policy Statements
4. Adopt Capitalization and Group Purchasing Policy Statements

IV. Discussion (New Business)
1. Executive Director's Report (Oral)

V. Informational Reports
1. Executive Committee Summary
2. Finance and Administration Report
3. Operations Report
4. Maintenance and Project Report

VI. Closed Executive Session
1. Personnel

Future planned Board meeting dates are:
- June 24, 2026
- August 26, 2026
- October 28, 2026

ANDERSON REGIONAL
JOINT WATER SYSTEM

Your Community-Owned and Operated System

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

MINUTES OF THE ANDERSON REGIONAL JOINT WATER SYSTEM February 18, 2026

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: Dustin Hayes, City of Clemson; Bryan Bates, Starr-Iva; Matt Ruff, Big Creek-Hammond; Tracy Durham, Sandy Spring; Scott Banks, City of Anderson; David Niesse, Powdersville Water; Mitch Ellenburg, Belton-Honea Path Water; Kevin Simpson, Broadway Water; Kevin Strickland, Town of Williamston; John Lollis, West Anderson

OTHERS PRESENT: Lisa Evatt, ARJWS; Kendall Cleary, ARJWS; Chris Weber, ARJWS; Tony Putnam, Clemson University; Brandon Good, ARJWS; Justin Clemones, ARJWS; Jodi Logan, ARJWS; Billy Peele, Starr-Iva Water; Derrick Singleton, Hammond Water

Chairman Scott Banks called the Board meeting of Anderson Regional Joint Water System to order at 12:00 p.m. on February 18, 2026.

Chairman Scott Banks asked for any Commissioner comments. Mr. Banks welcomed David Niesse, P.E. to the Board. Mr. Niesse assumed the role of Executive Director at Powdersville Water in October. Mr. Ellenburg reminded the Board of the upcoming SCRWA Regional Rural Water Meeting and Corn Hole Tournament on March 12, 2026. Proceeds go to the Pre-Apprenticeship H20, SCRWA's High School Internship Program. Mr. Banks asked Ms. Evatt to share a safety moment with the Board. Ms. Evatt spoke on the South Carolina Hands-Free and Distracted Driving Act.

Chairman Scott Banks asked for any public comments. There were none.

Mrs. Durham made a motion to approve the October 22, 2025, minutes. Mr. Lollis seconded. Motion carried.

I. Consent Calendar (Old Business)

1. None

II. Items Requiring Immediate Action

1. Authorize the award of a construction contract for the Raw Water Pump Replacement Project

Mr. Weber recommended the approval of the construction contract to install two new raw water pumps and motors from the low bidder, Cove Utility. The equipment for this project was bid on May 19, 2025, and the purchase of two raw water pumps and motors was approved during the June 2025 board meeting. After discussions with the consulting engineer, GMC, it is recommended that ARJWS award Cove Utility the installation contract for its base bid and additive alternatives #1 and #2 for a contract price of $1,343,040. Mr. Banks asked for comments. There was none. Mr. Lollis made a motion to authorize the construction contract for the two new raw water pumps and motors. Mr. Simpson seconded that motion. The motion carried unanimously.

2. Approve the Flow-Based Voting Recalculation based on CY 2025 usage

Mrs. Cleary recommended the approval of the member agency flow-based vote allocation based on 2025 water deliveries to all member agencies except Clemson University. Mrs. Cleary reminded the Board that each Commissioner shall have one vote for each unit of flow measured by the immediate prior year's water purchase. The new vote totals will be effective with votes taken after March 1, 2026. Mrs. Durham made a motion to approve the flow-based vote recalculation. Mr. Ellenburg seconded. The motion carried unanimously.

III. Discussion (New Business)

1. Director's Report (Oral)

Mr. Weber updated the Board on several matters. On January 24, 2026, USACE Savannah District entered Drought Trigger Level 2. There are currently no impacts to ARJWS water supply. Mr. Weber is monitoring SC Senate Bill S.829. This bill was introduced on January 20, 2026, dealing with the governance of joint authority water and sewer systems in the state. Perchlorate, a chemical used in fireworks, including those used at DOD events, is leading to elevated levels in soil and surface water. ARJWS will continue to monitor. The 5MG tank project is nearing completion. The tank is filled and ARJWS staff will be sampling for total coliform. The paint will be applied to the tank once the weather permits.

IV. Informational Reports

1. Executive Committee Report
2. Finance and Administration Report
3. Operations Report
4. Maintenance and Project Update Report

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

V. Adjournment

With no further business, Mr. Lollis made a motion to adjourn at 12:29 p.m. and Mrs. Durham seconded. Motion carried unanimously.

Respectfully submitted,

Mitch Ellenburg

Secretary/Treasurer

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JOINT WATER SYSTEM

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COMMITTEE SUMMARY

Executive Committee
April 13, 2026
11:30 am

Discussion Summary

1. **Budget**
   Discussed the updated pro forma and supporting budget. The projected increased revenue requirement of 6.00% is primarily driven by maintenance contracts and repairs and will likely remain the same through the first reading of the budget at the April Board meeting.

2. **Capital Projects**
   CBS 5 MG Reservoir –SCADA implementation is materially complete. The tank construction is in its final phase of inspection and authorization by the contractor and engineer.

   Raw Water Pump Improvements –The 350 hp pump has been delivered and the 600 hp pump is expected to be delivered at the end of April. The refurbished pump has been installed and is in operation.

3. **Drought**
   ARJWS gave an update on the drought status in the reservoir and reminded the Executive Committee members of the trigger levels and recommendations in ARJWS' adopted drought policy.

Prepared by: Kendall Cleary, Accounting Manager
Approved by: Chris Weber, Executive Director

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JOINT WATER SYSTEM

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BOARD MEMORANDUM

April 15, 2026

Subject
FY 2026/27 Annual Budget

Recommendation
Management recommends approval of the first reading of the proposed FY 2026/27 Annual Budget.

Alternatives:

1. Seek amendment to the proposed annual budget.

Fiscal impact
The proposed annual budget is $16.21 million. The budget will fund $9.14 million in annual operating expenses, $5.44 million in annual debt service, and $1.63 million in system R&R. In total, the proposed budget represents a 6.00% net change over the approved FY 2025/26 budget.

Discussion
Under the terms of the Water Sale and Purchase Agreement, the Joint Water System must develop an annual budget for its anticipated costs for the upcoming year. The attached budget represents the Joint Water System's best estimate of costs anticipated for FY 2026/27.

1. Operations costs decreased by 2.4%, largely associated with a reduction in anticipated costs related to dredging the upper and lower lagoons, offset by nominal increases in chemicals and industrial power costs.

2. Maintenance costs increased by 188.6% mainly due ozone generator repairs and tank maintenance.

3. Total Employee costs increased by 4.6% primarily related to a return to the normal level of staffing and annual salary adjustments.

4. In total, the $1.46 million Joint Water System CIP for FY 2026/27 envisions balancing the immediate R&R needs of the System with long term capital planning.

    - $610,000 Plant Upgrades
    - $48,000 High Service Pump Repairs
    - $55,000 Tools and Equipment
    - $150,000 Meter Replacement/Meter Upgrades
    - $200,000 Safety Projects
    - $200,000 Miscellaneous Repairs
    - $200,000 SCDOT Unforeseen Projects

Prepared by: Kendall Cleary, CPA, Accounting Manager
Approved by: Chris Weber, Executive Director

Attachments:

Proposed FY 2026/27 Pro Forma Financial Plan
Proposed FY 2026/27 Operating Budget
Proposed FY 2026/27 Capital Improvement Plan

PRO FORMA	Adopted FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Operating Revenues					
O&M Payments	7,857,900	9,105,900	9,330,200	9,679,900	9,992,400
Rate Stablizaton Credit to O&M Payments	222,300	(111,250)	-	-	-
SAWS Credit to O&M Payments	-	(46,000)	-	-	-
Capital Charge - Debt Service	5,367,336	5,437,356	5,200,576	5,206,484	5,001,892
Capital Charge - Repair & Replacement	1,610,201	1,631,207	1,560,173	1,561,945	1,500,568
Capital Charge - Depreciation Charge	236,044	194,687	638,300	746,677	936,311
Total Revenues	15,293,781	16,211,899	16,729,249	17,195,006	17,431,171
Operating Expenses					
Administrative Expense	731,200	862,300	915,900	928,500	941,500
Operations Expense	3,840,900	3,750,100	3,948,000	4,082,000	4,220,700
Maintenance Expense	564,800	1,630,100	1,408,800	1,474,800	1,492,000
Employee Expense	2,567,300	2,686,200	2,810,600	2,941,100	3,077,900
Miscellaneous Expense	153,700	177,200	246,900	253,500	260,300
Total Operating Expenses:	7,857,900	9,105,900	9,330,200	9,679,900	9,992,400
Net Operating Revenues	7,435,881	7,105,999	7,399,049	7,515,106	7,438,771
Debt Service Payments - Senior Lien					
Series 2017A - Refunding (Matures 2032)	725,530	3,514,934	3,505,154	3,515,462	3,516,270
Series 2017 - T&O (Matures 2038)	771,037	771,037	771,037	771,037	771,037
Series 2020A (Tax Exempt) (Matures 2033)	1,163,350	1,084,750	857,750	853,350	647,950
Series 2020B (Taxable) (Matures 2026)	2,568,169	-	-	-	-
Series 2025 SRF	28,000	66,635	66,635	66,635	66,635
Series 2025 Bank Loan	111,250	-	-	-	-
Total Debt Service Requirements - Senior Lien	5,367,336	5,437,356	5,200,576	5,206,484	5,001,892
Senior Lien Coverage (x)	**1.344 X**	**1.336 X**	**1.423 X**	**1.443 X**	**1.487 X**
Net Revenues after Debt Service	2,068,545	1,668,643	2,198,473	2,308,622	2,436,879
Interest on Debt Service Reserve Fund	131,616	140,000	140,000	140,000	140,000
Renewal and Replacement Funds:					
System R&R Deposit	1,542,318	1,558,764	1,467,941	1,469,501	1,408,107
Pumped R&R Deposit	67,883	72,443	72,241	72,454	72,470
Depreciation	2,637,493	2,608,419	2,586,439	2,565,136	2,565,136
Total R&R Contributions	1,610,201	1,631,207	1,560,173	1,561,945	1,500,568
Depreciation Funding Percentage	70.0%	70.0%	85.0%	90.0%	95.0%
Depreciation Target Percentage	70.0%	70.0%	85.0%	90.0%	95.0%
Depreciation charge (Net)	236,044	194,687	638,300	746,677	936,311
Total Revenues Paid by Members	**15,162,165**	**16,071,899**	**16,589,249**	**17,055,006**	**17,291,171**
Increased Revenue Requirement	9.23%	6.00%	3.22%	2.81%	1.38%

	Adopted FY 25/26	FY 26/27
Administrative Expenses		
Office Expenses		
Advertising	1,500	1,500
Office Expenses	18,500	19,100
Printing	1,000	1,000
Postage/Freight	5,500	5,500
Dues and Renewals	35,000	35,900
Office Expenses Subtotal	61,500	63,000
Insurance/Licences/Permits		
Employee Licenses and Applications	3,700	3,800
Purchased Water	180,000	230,000
General Liability	100,000	115,000
Workman's Compensation	52,000	85,000
Insurance/Licences/Permits Subtotal	335,700	433,800
Banking and Tax Expense		
Bank and Credit Card Service Charges	10,800	10,900
Check Supplies	700	700
Sales Tax Accrual	2,500	2,000
Banking Expense Subtotal	14,000	13,600
Telecommunications		
Cell Phones	9,500	9,700
IT Services	76,000	80,000
IT Equipment	15,300	20,000
Telephone/TV/Internet	18,800	19,200
Telecommunications Subtotal	119,600	128,900
Administrative Plant Expense		
Janitorial Services/Pest Control	7,900	10,000
Janitorial Supplies	2,000	2,000
Trash Pickup	2,000	2,000
Gas Purchases	18,000	18,500
Administrative Plant Expense Subtotal	29,900	32,500
Professional Fees & Services		
Consultants	108,000	95,000
Legal	20,000	30,000
Accounting	20,000	32,000
Engineering	20,000	30,000
Other Professional Fees & Services	2,500	3,500
Professional Fees & Services Subtotal	170,500	190,500
TOTAL Administrative Expense	**731,200**	**862,300**

	Adopted FY 25/26	FY 26/27
Operations Expenses		
Safety Equipment	25,000	25,800
Laboratory		
Control Maintenance Agreements	5,800	5,900
Control Equipment	5,000	8,000
Lab Testing Supplies	76,000	80,000
Lab Office Expense	4,300	5,000
Lab Equipment	37,000	57,700
HAZMAT Fees	-	2,500
Lab Certification/Yearly fees	10,200	10,400
External Lab Testing Fees	8,300	15,000
PFAS Sampling Fees	20,000	15,000
Laboratory Subtotal	166,600	199,500
Chemical Supplies		
Fluoride (HFS)	48,900	45,400
Phosphate	66,500	95,000
Alum	215,000	215,000
Winter Coagulant	135,500	140,900
Liquid Oxygen	332,000	348,600
Hydrogen Peroxide	10,400	10,700
Lime	95,400	105,000
Sodium Hypochlorite	200,000	-
Salt	60,000	140,000
Misc. Chemicals	5,200	10,000
Chemical Disposal	5,200	7,500
Chemical Supplies Subtotal	1,174,100	1,118,100
Sludge Dredging and Disposal	800,000	700,000
Utilities		
CBS - Electricity	364,600	375,500
WTP - Electricity	1,159,100	1,173,900
HV - Electricity	105,300	107,900
Offsite Water Tanks/Meter Power	2,200	2,300
Generator Fuel	7,700	10,000
Natural Gas	2,000	2,000
Admin Building - Electricity	12,700	12,900
Utilities Subtotal	1,653,600	1,684,500
Security Monitoring Systems	2,500	2,500
TOTAL Operations Expense	**3,840,900**	**3,750,100**

	Adopted FY 25/26	FY 26/27
Maintenance Expense		
Meter Repair		
Meter Parts	2,300	2,300
Meter Maintenance/Testing	1,500	-
Meter Repair Subtotal	3,800	2,300
Pump & Motor Maint/Repair		
CBS Pumps	4,300	4,400
HV Pumps	4,300	4,400
Transfer Pumps	4,300	4,400
Raw Water Pumps	23,500	24,000
High Service Pumps	23,500	24,000
Lagoon Pumps	1,500	1,500
Chemical Feed Pumps	5,600	5,700
Sample Pumps	2,000	2,000
Pump & Motor Maint/Repair Subtotal	69,000	70,400
Transmission Repairs & Maintenance		
Generator Repair & Maint. Contract	31,500	32,000
Raw Water Intake	4,400	4,500
Misc. Maintenance and Repairs	24,800	50,000
Transmission Mains	3,900	20,000
ROW Maintenance/Grass Cutting	43,700	45,900
Contracted Locates	31,600	-
CBS Repairs	1,900	4,900
Highview Repairs	1,200	3,200
Transmission Repairs & Maintenance Subtotal	143,000	160,500
Water Treatment Repairs		
Filters	12,200	12,400
WTP Equipment	13,500	13,800
Clarifiers	6,300	6,400
WTP Misc Repairs	7,200	7,300
SCADA and Controls	21,100	21,500
Cooling/HVAC	5,300	5,400
Stock Inventory and Parts	21,400	21,900
Filter Plant	6,000	6,100
Water Treatment Repairs Subtotal	93,000	94,800
Tanks/Standpipes/Reservoirs		
Tanks/Standpipes/Reservoirs	120,000	850,000
Tanks/Standpipes/Reservoirs Subtotal	120,000	850,000
Ozone		
Ozone Maintenance Agreement	6,200	6,200
Ozone Generator Repair	1,100	301,100
Ozone Inventory and Parts	97,000	101,900
Tools and Equipment	7,300	10,000
Outdoor Equipment	2,800	2,900
Vehicle Maintenance	10,400	10,600
Equipment Rental	11,200	30,000
TOTAL Maintenance Expense	**564,800**	**1,630,100**

	Adopted FY 25/26	FY 26/27
Employee Expense		
Wages		
Pumped Wages	17,600	18,500
Pumped OT Wages	7,000	7,400
Overtime Wages	104,100	109,400
Wages	1,615,000	1,695,800
Wages Subtotal	1,743,700	1,831,100
Payroll Tax	144,300	151,500
Benefits		
Insurance - Health & Life	280,100	285,700
SCRS Company Match	323,700	339,900
Payroll Expenses - Other	60,500	62,500
Car Allowance	15,000	15,500
Benefits Subtotal	679,300	703,600
TOTAL Employee Expense	**2,567,300**	**2,686,200**
System Expenses		
Travel	13,500	14,000
Manager's Expense	6,800	6,900
Board Expense	4,600	4,700
Incentive Program	5,200	5,400
Training and Education	15,800	16,300
Safety Training and Annual Inspections	10,300	30,000
Meals/Entertainment	9,800	10,100
Public Meetings/Outreach	4,000	4,100
Source Water Protection	50,000	51,000
Uniforms	19,100	19,700
Conference/Seminars/Conventions	14,600	15,000
TOTAL System Expenses	**153,700**	**177,200**
TOTAL Operating Expense	**7,857,900**	**9,105,900**
Debt Expense		
Series 2017A - Refunding	725,530	3,514,934
Series 2017 - T&O	771,037	771,037
Series 2020A (Tax Exempt)	1,163,350	1,084,750
Series 2020B (Taxable)	2,568,169	-
Series 2025 SRF	28,000	66,635
Series 2025 Bank Loan	111,250	-
TOTAL Debt Expense	**5,367,336**	**5,437,356**
TOTAL	**13,225,236**	**14,543,256**

Anderson Regional Joint Water System
Capital Improvement Plan FY 2027
DRAFT April 2026

			Sources of Funds			
	Project Name	**Total Estimated Project Costs**	**State/Federal Grants**	**Debt Financing**	**ARJWS Cash**	**2027**
	Plant					
1	Radio Upgrades	10,000	-	-	10,000	10,000
2	Filter Media	50,000	-	-	50,000	50,000
3	Motor Protection Relay x11	80,000	-	-	80,000	80,000
4	Transfer Pump #1 Upgrade	90,000	-	-	90,000	90,000
5	Transfer Pump #2 Upgrade	90,000	-	-	90,000	90,000
6	Plant Generator PLC Upgrade	170,000	-	-	170,000	170,000
7	Raw Water Probe	120,000	-	-	120,000	120,000
	High Service					
8	High Service Pump #1-4 motor (spare)	12,000	-	-	12,000	12,000
9	High Service Pump #6	36,000	-	-	36,000	36,000
	Tools and Equipment					
10	Vibration Analyzer	15,000	-	-	15,000	15,000
11	Vehicle Replacement	40,000	-	-	40,000	40,000
	Transmission System					
12	Master Meter Replacement & Remote Read (50%)	150,000	-	-	150,000	150,000
	Safety					
13	Railing/restraint for filters 1-7 walkways	40,000	-	-	40,000	40,000
14	Lighting for filter deck, clarifiers, raw water	100,000	-	-	100,000	100,000
15	Chemical containment drain	60,000	-	-	60,000	60,000
	Other					
16	Miscellaneous Repairs	200,000	-	-	200,000	200,000
17	SCDOT Unforseen	200,000			200,000	200,000
	Total		-	-		1,463,000

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BOARD MEMORANDUM

April 15, 2026

Subject

FY 2026/27 Water Rate for Clemson University

Recommendation

Management recommends setting the water rate for Clemson University at $2.26 per thousand gallons for FY 2026/27.

Alternatives:

1. Set a different FY 2026/27 water rate for Clemson University.
2. Maintain existing water rate.

Fiscal impact

Under the Water Service Agreement between Clemson University and the Joint Water System, dated April 17, 2002 rates were established for service through FY 2005/06, with subsequent changes approved by the Board to ensure equitable treatment of Clemson University. For the current fiscal year, the Board adopted rate is $2.31 per thousand gallons.

Discussion

Total System budgetary cost of supply will increase 6.00% under the proposed FY 2026/27 budget. While Clemson University's average water deliveries over the last two calendar years increased, the percentage of gallons the University used compared to the other members decreased. This decrease in percentage of gallons coupled in a decrease in capital charges offset the budget increase to reduce the University's revenue requirement compared to FY 2025/26. These costs were spread over more gallons, resulting in a decrease in the rate per thousand gallons. This results in full cost recovery for normal service and the fixed capital costs for the 2.0 MGD of reserve capacity.

Based on recent demand, a water rate of $2.26 per thousand gallons will collect the required revenue. The "WHOLESALE WATER RATE SCHEDULE APPLICABLE TO CLEMSON UNIVERSITY" of charges shall update Exhibit B of the 2002 Water Service Agreement is included on the following page.

WHOLESALE WATER RATE SCHEDULE APPLICABLE TO CLEMSON UNIVERSITY
(Dollars per thousand gallons)

Step (Maximum Consumption)	**FY 2025/26 (Existing)**	**FY 2026/27 (Proposed)**
2.00 mgd	$2.31	$2.26
2.05 mgd	$2.32	$2.27
2.10 mgd	$2.33	$2.28
2.15 mgd	$2.34	$2.29
2.20 mgd	$2.35	$2.30

Fiscal Year	**Capital Charge**	**O&M Charge**	**Total Cost of Supply**	**Gallons**
2023	$289,028	$429,064	$718,093	364,225,617
2024	$286,594	$491,693	$778,287	402,680,131
2025	$280,032	$545,955	$825,987	397,665,750
2026	$286,205	$624,357	$910,562	387,814,375*
2027	$246,381	$653,124	$899,505	N/A

*Estimated last 3 months of fiscal year based on prior year demand

Prepared by: Kendall Cleary, Accounting Manager
Approved by: Chris Weber, Executive Director

April 2026
Draft

Anderson Regional Joint Water System
Financial Policies

Policy Statement: The purpose of these policies is to ensure that Anderson Regional Joint Water System (the "System") maintains financial sustainability, operational efficiency, and compliance with all regulatory and contractual requirements. These policies should be read in conjunction with the "Restated and Amended Water Sale and Purchase Agreement" as well as Articles IX-XI in the System's bylaws.

1. Budgeting and Financial Planning Policy
    a) **Financial Plan**: Budgetary and financing decisions will be based on a multi-year financial plan with a 3-year preview of impacts. All assumptions used to generate the multi-year financial plan should reflect a financially conservative estimate based on existing known data. Budgetary and financing decisions should seek to optimize other financial policies adopted by the Board of Commissioners. The long-term financial plan will be prepared in alignment with any strategic and infrastructure plans adopted by the Board of Commissioners.
    b) **Annual Operating Budget**: The annual budget and related revenue requirement shall be adopted each fiscal year. The budget and the proposed change in the revenue requirement shall ensure that revenues are sufficient to fund operations, maintenance, administration, renewal & replacement, and annual debt service payments of the System.
    c) **Capital Improvement Plan (CIP)**: The System's CIP shall cover at least 3 years and identify major projects, estimated costs, and funding sources.
    d) **Rate Implementation Policy**: Rates shall be computed with a 3-year forward view to ensure that unanticipated rate spikes are avoided. Reserve balances above the minimum can be used to mitigate rate spikes over multiple fiscal years.
    e) **Budget Process**: The preliminary budget shall be presented to the Executive Committee in March of each year, followed by the first reading of the budget at the April Board Meeting. The second reading and approval of the budget shall be conducted at the June Board Meeting prior to the start of the fiscal year on July 1.

2. Renewal and Replacement Policy
    a) **System R&R Reserve**: The end of year balance after all planned and expected R&R costs shall be at least 1.0x the System R&R Minimum Balance. The Minimum Balance shall be the present cost of repairing or replacing the single largest component in the System multiplied by a 50% emergency contingency factor.
    b) **Pumped R&R Reserve**: The end of year balance after all planned and expected R&R costs shall be at least 1.0x the Pumped R&R Minimum Balance. The Minimum Balance shall be the present cost of repairing or replacing the single largest component in the System multiplied by a 50% emergency contingency factor.

c) **Depreciation Charge**: In the event it is determined that the amounts collected for the System R&R Fund and/or the Pumped R&R are not sufficient to meet the need for capital replacement, a monthly Depreciation Charge will be issued to each member to maintain adequate reserve balances in each fund.
d) **Rate Stabilization Fund**: Reserve balances in the System R&R and the Pumped R&R funds in excess of the fund minimum requirements and Board approved capital projects, may be used for mitigating future rate spikes.

3. Debt Policy
   a) **Debt Issuances**: The System will seek to optimize capital project funding with available R&R funds and debt issuances. Debt repayment schedules shall seek to balance the cost of infrastructure improvement projects over the useful lives of the assets.
   b) **Composition of Issued Debt**: The System seeks to balance its bonded debt by issuing refunding bonds for higher cost debt if the term is not extended and significant financial savings are realized. The current best practice for refunding bonds is a minimum net present value (NPV) savings of 3%. Amortization and principal repayment schedules of debt shall be developed in concert with the multi-year financial plan.
   c) **Debt Service Coverage**: Issued bonds require 1.20x revenue net of operating expenses to annual debt service cost. The System's funding documents require a minimum of 1.30x.

4. Reserve Policy
   a) **Total Reserve Ratio**: The total of all cash reserves (exclusive of any required debt service reserves) relative to the annual debt service obligation shall be greater than 1.00.
   b) **Operating Reserve**: The net operating cash on hand expressed as the number of days of operation (less debt service and rate stabilization funds) shall not be less than 90 days.
   c) **Balanced Budget**: The Joint Water System's adopted annual budget shall have total revenue, including any Rate Stabilization monies, meeting or exceeding the total estimated expenses. The Water Treatment Plant requires constant reinvestment to maintain assets and ensure efficiency. The System aims to fund 100% of annual depreciation with collected System R&R funds, Pumped R&R funds, and Depreciation charges. Annual depreciation expense is calculated using historical amounts, therefore, a funding level of 100% of annual depreciation will not support cash funding all capital projects due to replacement costs typically trending greater than historical costs. R&R revenue not used in one year will be kept in reserve to fund the future replacement of capital assets in subsequent years. The percentage of depreciation to be funded each year will be presented to the Board as part of the budget process.

5. **Use of Miscellaneous Revenue**: Miscellaneous revenues shall not be budgeted to fund same-year expenses. Unused miscellaneous revenues shall accrue to the operating fund.

April 2026
Draft

Anderson Regional Joint Water System
Capitalization & Group Purchasing Policies

Policy Statement: The purpose of these policies is to ensure that Anderson Regional Joint Water System (the "System") maintains consistent and accurate accounting for capital assets.

1. Capitalization Threshold
    a) An expense shall be capitalized when:
        1. The total acquisition or construction cost equals or exceeds $10,000 per individual asset, and
        2. The estimated useful life is greater than one (1) year.

2. Group Purchase Policy
    a) A group purchase of individual low-cost items (below the capitalization threshold) shall be treated as one significant capital asset if:
        1. The total cost of the group of items is greater than $100,000, and
        2. The estimated useful life is greater than one (1) year.

ANDERSON REGIONAL
JOINT WATER SYSTEM

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BOARD MEMORANDUM

April 9, 2026

Subject

Finance and Administration Report

Discussion

Billing

Meters were read on March 31, 2026. The average daily usage in March was 10.50% lower than in the previous month and 2.05% lower than in the corresponding month last year. The average daily usage for each member agency is presented below.

AGENCY	PREV.YR SAME MONTH	LAST MONTH	CURRENT
# of Billing Days	**31**	**28**	**33**
Anderson	3,974,579	4,501,963	3,915,922
Big Creek	979,851	1,136,514	928,142
Broadway	647,789	682,692	605,924
Clemson	2,131,321	2,045,432	2,038,351
Clemson University	1,010,896	1,256,774	870,992
Hammond	1,906,526	1,969,404	1,899,773
Homeland Park	667,195	683,879	631,946
Pendleton	344,656	409,796	380,904
Powdersville	158,903	147,382	163,210
Sandy Springs	2,159,215	2,208,680	2,115,946
Starr-Iva	1,053,805	1,182,707	1,010,654
West Anderson	1,012,478	1,406,953	1,215,105
Williamston	530,280	510,952	460,732
Total Average Daily Usage	**16,577,492**	**18,143,127**	**16,237,600**

Finance/Budget Summary

For the month ending March 31, 2026, ARJWS is trending appropriately for revenues and expenses for the first nine months of the fiscal year.

Refer to the Profit & Loss report for additional information and details.

Safety Training

March 2026
Subject: Next Steps - Safety Meeting
Training Date: March 11, 2026
Attendance
In Person – 5

Prepared by: Jodi Logan, Accounting & Procurement Specialist
Approved by: Kendall Cleary, Accounting Manager

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

ANDERSON REGIONAL JOINT WATER SYSTEM

Profit & Loss
For the Month ending March 31, 2026

	Annual Budget	YTD Budget (9 months)	YTD Actual	Ideal Percentage	% of Budget	YTD Variance	
Operating Revenue							
Operations and Maintenance	7,857,900	5,893,425	5,834,170	75%	74%	(59,255)	
Capital Charges	5,825,680	4,369,260	4,369,260	75%	75%	-	
Renewal and Replacement							
Water System	1,542,317	1,156,738	1,156,587	75%	75%	(151)	
Pump Station	67,883	50,912	50,865	75%	75%	(48)	
Miscellaneous	53,180	39,885	502,780	75%	945%	462,895	**A**
Total Operating Revenue	15,346,960	11,510,220	11,913,662				
Operating Expenses							
Salaries, Wages, and Benefits	2,552,300	1,914,225	1,735,906	75%	68%	(178,319)	
Operations and Maintenance							
Administrative Expenses	574,500	430,875	279,829	75%	49%	(151,046)	**B**
Operations Expenses							
Lab Supplies/Uniforms/Safety Equipment	166,600	102,300	113,387	75%	68%	11,087	
Chemicals	1,168,900	872,775	801,269	75%	69%	(71,506)	
Sludge and Chemical Disposal	805,200	600,000	544,375	75%	68%	(55,625)	
Utilities and Security	1,700,200	1,275,150	995,922	75%	59%	(279,228)	
Maintenance Expenses	564,800	423,600	437,709	75%	77%	14,109	
Professional Fees	168,000	126,000	79,271	75%	47%	(46,729)	
Debt Expenses	5,603,380	4,025,502	3,343,011	75%	60%	(682,491)	**C**
Miscellaneous Expenses	157,400	118,050	100,148	75%	64%	(17,902)	
Total operating expenses before depreciatio	13,461,280	9,888,477	8,430,827				
Net operating income	1,885,680	1,621,743	3,482,835				
Raw Water							
Raw Water Income	60,648	45,486	281,463				
Raw Water O&M Expenses	-	-	185,433				
Raw Water Operating Income	60,648	45,486	96,030				
Non-Budget Impacting Items							
SCIIP Grant Revenue (FY 2025 & FY 2026)	-	-	(8,194,285)				
SCIIP Grant Capital Outlay	-	-	10,988,282				
Hydraulic Model	-	-	79,892				
Vehicles	-	-	167,937				
Transfer Pumps	-	-	84,639				
Pipe Inventory	-	-	265,054				
Capital Outlay, Net	-	-	3,391,519				

	Previous Month Cash Balances	Current Cash Balances	Days Cash on Hand
Operating Cash	4,793,691	4,537,798	123
Capital Project Fund	4,170,158	4,597,027	
System R&R Fund (Restricted)	1,022,801	1,154,750	
Pumped R&R Fund (Restricted)	491,451	498,722	
PFAS Fund	3,883,384	3,896,117	
Raw Water	572,001	494,098	
	14,933,486	15,178,511	

A: Over projected revenue primarily due to $267k in interest income, $114k in water samples, $72k from FEMA related to Hurricane Helene, and $40k from Pioneer Water.

B: Under budget in administrative expenses due to the annual payments for purchased water and insurance coming due later in the year.

C: In July 2025, US Bank issued ARJWS a credit for interest earned in the debt service reserve funds in FY 2025. This reflects as an underpayment by ARJWS, but the FY 2026 debt obligations have been fully met as of March 2026.

ANDERSON REGIONAL
JOINT WATER SYSTEM

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BOARD MEMORANDUM

April 13, 2026

Subject

Operations Report

Discussion

As of April 13, 2026, Lake Hartwell's surface elevation was 653.60 ft, 6.40 ft. below full pool and 6.40 ft. below the guide curve. Raw water is being drawn from the top gate of the intake structure. Water temperature at the top gate is 68.9°F. Anderson Regional Water reached 100% of its settled water turbidity goals for the month of March. Raw water pH levels are relatively constant. Settled and finished water pH levels are normal. The maximum day for March water production was 48.8% of finished water capacity.

Operations Highlights

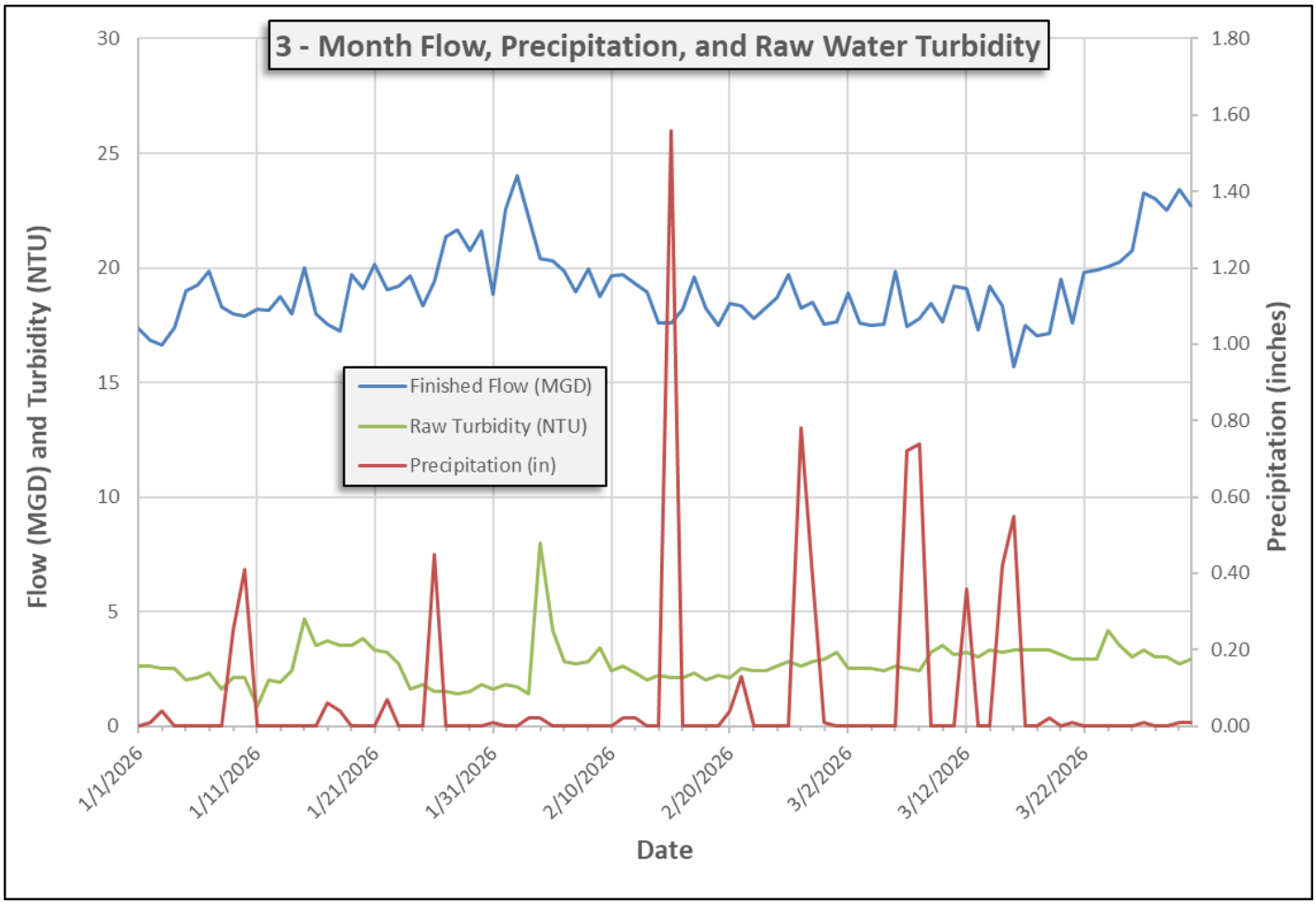
- Lagoon dredging is completed. Removed 156 tons of sludge for the month of March and 682 tons total

In addition to water quality sampling for the Lake Hartwell Water Treatment Plant, Anderson Regional Water staff processed 242 Total Coliform distribution samples for local entities during the month of March.

Water Quality Data

	Raw	Settled	Finished
pH	7.16	7.04	7.20
Turbidity (NTU) Range	2.4 – 4.2	0.40 – 0.84	0.02 – 0.04
Turbidity (NTU) Average	3.02	0.56	0.02
Turbidity (NTU) Exceedance	-	0%	0%
Total Organic Carbon	1.48	-	1.08
Fluoride Average (ppm)	-	-	0.65
Phosphate Average (ppm)	-	-	0.48
Residual Disinfectant (ppm)	-	-	1.71
TTHM (DBP)	-	-	5.4 ppb
Methylisoborneol (MIB)	<1.0 NG/L	-	<1.0 NG/L
Geosmin	7.75 NG/L	-	<1.0 NG/L

Weather Data



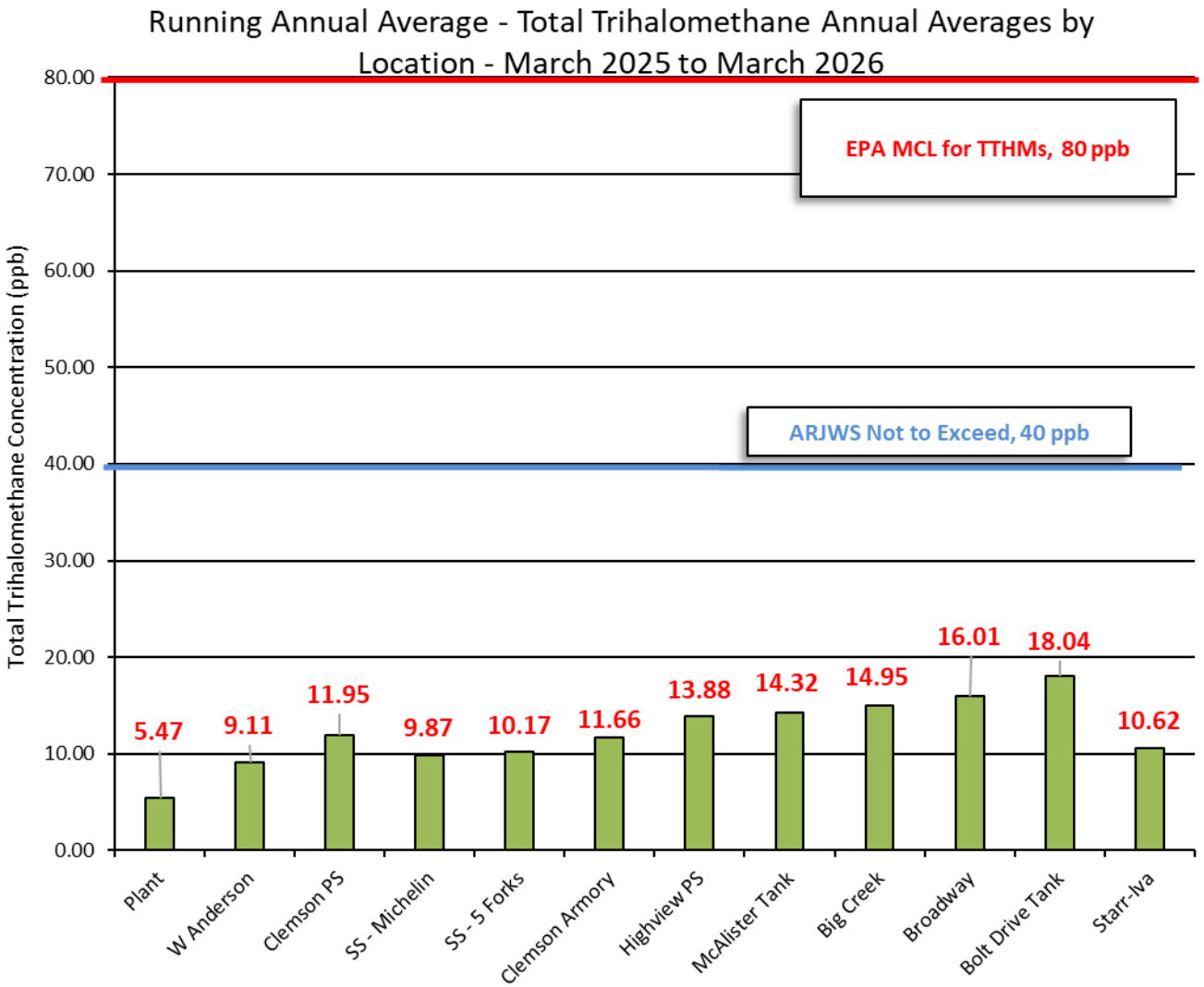
	Minimum	Maximum	Total
Rainfall	0.00 in.	0.74 in.	2.85 in.
Temperature	28.9° F	88.9° F	N/A
Humidity	20%	99%	N/A

Water Production Data

	Average	Minimum	Maximum	Total
Raw Water	20,152,000	16,684,000	23,716,000	624,720,000
Finished Water	19,149,000	15,677,000	23,419,000	593,628,000
Finished Max Capacity	39.9%	32.7%	48.8%	

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. ARJWS Operations Staff collects monthly, one-time samples, as a spot check for TTHM formation in the transmission system. The running annual averages of those results are shown in the figure below.



Monthly Power Consumption Update

For the month of March, ARJWS treated 624,720,000 gallons of water at a power cost of $110.58 per million gallons produced. The 12-month running annual average is currently $116.78.

Monthly Power Consumption Data

Month	On Peak kWh	Off Peak kWh	Total kWh	Finished Water MG	$/ MG	12 month Average
Mar – 25	186,691	847,865	1,034,556	647.4	$94.45	$119.35
Apr – 25	198,599	995,914	1,194,514	665.6	$101.12	$118.67
May – 25	210,505	993,205	1,203,710	657.0	$103.16	$117.94
June – 25	248,988	1,037,253	1,286,241	709.2	$112.28	$117.74
July – 25	233,660	1,233,829	1,467,489	811.9	$114.66	$116.82
Aug – 25	258,141	1,188,290	1,446,432	679.0	$133.83	$116.21
Sept – 25	256,963	1,163,383	1,420,347	685.4	$132.08	$116.00
Oct – 25	227,280	1,136,296	1,363,576	653.3	$121.12	$112.61
Nov – 25	223,905	1,027,586	1,251,491	569.8	$123.65	$112.46
Dec – 25	193,151	922,239	1,115,390	563.6	$119.34	$112.95
Jan – 26	203,697	897,324	1,101,021	619.9	$116.37	$113.85
Feb – 26	216,383	993,409	1,209,793	574.9	$135.46	$116.86
Mar - 26	184,469	846,413	1,030,883	624.7	$110.58	$116.78

Water Quality Strategic Planning

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

- Finished water pH was held within the designated 7.1-7.3 range.
- Finished water chlorine residual was maintained above a 1.2 ppm leaving the facility.

Prepared by: Brandon Good, Operations Manager
Reviewed by: Chris Weber, Executive Director

ANDERSON REGIONAL
JOINT WATER SYSTEM

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BOARD MEMORANDUM

April 14, 2026

Subject
Maintenance and Project Update

Discussion:

CBS 5MG Reservoir
The exterior paint coating has been applied to the 5MG Reservoir and final interior tank construction is being completed. SCADA testing was performed on 4/8/26. Harper will be working on punch list items until project completion.

Raw Water Improvements
The refurbished #4 raw pump has been placed into service. Cove Utility will be mobilized by the end of April for their portion of the SCIIP project. They will be replacing 2 raw water pumps and installing flow monitoring equipment. Substantial completion is expected by mid-June for this project.

ARJWS Maintenance

- Clarifier 3 has been placed back into service after the drive refurbishment. All 4 clarifiers have received extensive repairs or refurbishments within the last 4 years.
- The maintenance team has replaced all piping inside the lime building and containment. This allows for easier access during future maintenance needs.
- Prep is underway for the replacement of all pipe and gaskets on the hydrogen peroxide tank. HEPACO will be assisting ARJWS by temporarily storing the hydrogen peroxide until necessary repairs are made.
- The maintenance team has completed 68 work orders during the month of March. This includes preventive maintenance, as well as reactive maintenance. All work orders vary greatly in time due to complexity of the asset.

Prepared by: Justin Clemones, Maintenance & Asset Manager
Approved by: Chris Weber, Executive Director