



Mayor
Elise Partin

Mayor Pro-Tem
James E. Jenkins

Council Members
Phil Carter
Tim James
Hunter Sox

City Manager
Tracy Hegler

Deputy City Manager
Jim Crosland
Assistant City Manager
Michael Conley

**City of Cayce
Special Council Meeting
Budget Work Session
Friday, March 31, 2023**

A Special Council Meeting was held this morning at 9:00 a.m. in Council Chambers. Those present included Mayor Elise Partin, Mayor Pro Tem James Jenkins and Council Member Hunter Sox. City Manager Tracy Hegler, Deputy City Manager Jim Crosland, Assistant City Manager Michael Conley, Municipal Clerk Mendy Corder, Finance Director Kelly McMullen, Utilities Director Betsy Catchings and IT Director Jamie Beckham were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Call to Order

Mayor Partin called the meeting to order and Mayor Pro Tem Jenkins gave the invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Discussion Items

A. Discussion of Proposed FY2023/2024 Utility Fund Budget

Ms. Hegler stated that they were holding a workshop with Council to discuss the 2023-2024 Utility Fund budget. She stated that it was currently out of balance and always was at that point. She stated that the Utility Fund budget was out of balance by \$3,618,879. She stated that the projected revenues were \$36,693,800 and the projected expenditures were \$40.3 million. She stated that the proposed budget included a list of capital projects and other wishes and desires to better the City's utility system that Council would hear from the department managers about. Ms. Hegler stated that the proposed Utility Fund budget included a request for two (2) new full time employees, an electrician and a water treatment plant operator trainee.

Ms. Hegler stated that part of the \$3.6 million the budget was out included a number of capital items and projects as well as the two (2) full time employees. She stated that the capital items were shown on the capital list that was in the agenda packet. She stated that the City's municipal insurance and risk financing fund had an increase of 16%, the City's retirement increased 1% and there was a PEBA insurance increase of 3.7%. She stated that the PEBA insurance increased 18% last year so staff was glad the current increase was so low. She stated that as always the City had to cover its debt at 15%. She stated that included in the budget were the City's bond payments for all bonds. She stated that the 2002 bond was a pass through with Springdale and would fall off in August 2023. Ms. Hegler stated that the 2016 A bond

would roll off in 2024 and then the next bond to roll off would be in 2028. She stated that there was also approximately \$110,000 in convenience fees for credit card payments included in the budget.

Ms. Hegler stated that the budget did not include a cost of living adjustment for employees but staff included in the White Paper an estimate of what a COLA would look like it at 1, 2 and 3%. She stated that as of June 2022, the Utility Fund budget had a fund balance of \$12,523,427. She stated that there was a revenue sheet in the agenda packet that she would discuss at the end of the workshop so the department managers could discuss their expenditures first. She stated that Ms. Catchings would start and then her team would go through each of their departments individual budgets.

Ms. Catchings thanked Council for their time. She stated that she had a different perspective of things at times and was going to present some things a little bit differently, to make things a little more transparent and clear. She referred to her PowerPoint presentation and pointed to the Utility Department's organizational chart. She stated that the chart illustrated how many different areas the Utility Department covered. She stated that it was the largest branch of the City with approximately 80 employees when fully staffed and included seven (7) departments. She stated that the department included the City's 9.6 MGD Water Treatment Plant, the 25 MGD Wastewater Treatment Plant and a 100,000 gallon per day septic and grease receiving station. Ms. Catchings stated that the City had approximately 225 miles of water lines, approximately 285 miles of sewer lines, 76 sewer pump stations, five (5) water tanks in the distribution system, six (6) water booster pump stations, approximately 8,150 water customers and approximately 13,140 sewer customers.

Ms. Catchings pointed to a map of the City's water system in her presentation. She stated that the system stretched pretty far outside of the City's limits and 54% of the City's water lines were outside City limits. She stated that there was not a defined water service area and technically, it was kind of whoever got there first unless it was a public service district that had been defined by the legislature. She stated that the City's water service area was mutually agreed upon years ago as a regional approach when the Joint Municipal Water and Sewer Commission was first formed. She stated that did not mean that someone else could not serve a customer within that area if they so desired. Ms. Catchings stated that was a big distinction between the water and sewer side. She stated that the City had a tank on the outer edges of Gaston and in the White Knoll area so it was pretty widespread.

Ms. Catchings reviewed the City's sewer system next. She stated that the City had a lot of pump stations and many of them were outside city limits. She stated that 65% of the city's sewer lines were outside City limits. She stated that the City had pump stations and lines on Kittiwake Drive and out to the White Knoll area and went as far southwest as Indian River and South Congaree and as far southeast to the Calhoun County line. She stated that the City actually received flow from Calhoun County on the

sewer side. She stated that the City's sewer system was defined by the 208 Water Quality Management Plan that was adopted by the COG and DHEC. She stated that to change it the COG would have to approve it and it would have to go through EPAC in order for the changes to be made. She stated there had been some challenges with other utilities regarding the area the City serviced that were ongoing. Ms. Catchings stated that the areas that the City was designated as the provider did not mean the City had to pay for anything to get sewer there but it is the City's management area to basically decide how to go about providing sewer to those areas. She stated that there were a lot of areas where the City did not have sewer service yet.

Ms. Catchings stated that there had been a good bit of growth inside the City limits over the last year and those projects were close to being finished. She stated that the City had a lot of fill-in growth where there had been vacant lots. She stated that most of that growth was residential. She stated that if anyone had vacant property that was thought to not be buildable, the land owner had found ways to build on it because people wanted to be a part of Cayce. She stated that the City also had larger commercial developments to include the Lexington Rehab Hospital and Lexington Urgent Care both currently under construction as well as the Southern Commons proposed commercial development on Saxe Gotha and a tech equipment rental business and Dunbar Villas at the old Busby school site. Ms. Catchings stated that the Utility Department got involved with new developments because the City typically provided the water and sewer. She stated that staff was involved from a review standpoint and to determine how to provide those utilities to the new businesses. She stated that staff did plan reviews and the inspections once the construction was finished and it added to the City's new customer accounts and to meters that staff reads.

Ms. Catchings reviewed growth outside the City limits next. She stated that the Department of Education was building a new building at the State Farmers Market which was within the City's water and sewer service area. She stated that there was a spec building that CIUS was going to take over at Colite Drive and Platt Springs Road to expand their operations. She stated that Indian River phases six and seven had about 50 new homes being built and The Cottages at Roofs Pond had 190 homes that were being planned there. Ms. Catchings stated that Dominion Energy had their new fleet center on 12th Street Extension and Nephron Nitrile and the new Lexington Two District Office and Performing Arts Center all had City sewer. She stated that Nephron also had Inject EZ and Palmetto State Armory had two new businesses at the CAE Industrial Park, one a gun manufacturing site and one an ammunition site. She stated that the Tomfoolery speculative building at Saxe Gotha was underway and the Emanuel Creek subdivision phase two was underway with 38 lots and some pump stations. She stated that the City had received plans for Glen Hills which had almost 200 homes on the City's water system. Ms. Catchings stated that the City provided sewer service for the Murphy's in Springdale and the Take Five in West Columbia. She stated that Mattress Warehouse was coming to the new 803 Industrial Park near the airport and Southern

Glacier Wine and Spirits distribution center was just announced to be locating in Saxe Gotha.

Ms. Catchings stated that a lot of the development in certain areas of West Columbia affected the City because there were areas where the City provided sewer. She stated that there were also areas where the City provided water to some of West Columbia's residents. She stated that there were also areas that the Joint Municipal Water and Sewer Commission served the water but the City had the sewer. She stated that the Town of Lexington was the same and both had a big impact to the City because there was a lot a lot of growth in those areas. She stated all the sewer there came to the City and even if they were not the City's customers, the City received the waste and it was an increase at the Wastewater Treatment Plant that the City had to treat. Ms. Catchings stated that pretty much anything in Lexington County, but especially the Lexington County Industrial Parks that they owned, were being actively advertised and pursued for new businesses by the County and was something that as they were doing that and trying to bring in people, it affected the City greatly from a capacity standpoint and from every aspect of engineering approvals, and having new parts of the City's system that had to be taken care of. Ms. Catchings stated that the City currently had an agreement and arrangement with Calhoun County for 300,000 gallons per day and that would be growing. She stated that Calhoun County had an industrial park that they were really pushing. She stated that the areas the City covered and the impacts from growth in Lexington County had either massively directly or indirectly affected the Utility Department.

Ms. Catchings stated that next she would review the challenges that the Utility Department would have to overcome in the current year. She stated that staffing and workforce development had been a tremendous challenge for the department for the past year. She stated that the department had an overall vacancy of about 20% and some of the departments within the Utility Department were far worse than that. She stated that they had started to make some progress in those areas but still had at least one department that was extremely understaffed. She stated that they had known for a long time that there was a shortage of plant operators and it was industry wide, not just a Cayce issue. She stated that staff had been thinking outside the box and trying to figure out ways to try to find operators. Ms. Catchings stated that there were not a lot of licensed operators and those that were out there had their pick of jobs. She stated that it was very hard to get licensed people, especially at a higher level license, who wanted to transfer because typically they had been where they were for some time. Ms. Catchings stated that in the past year they had develop a utilities PR and recruitment team. She stated that they had been exhibiting at conferences and trying to think about different ways to recruit people. She stated that they had scheduled school visits and tours to make contact with the kids who were getting ready to graduate high school and did not want to go to college and wanted to enter the workforce immediately. She stated that utilities was rarely taught in schools and that was something that people in the utility field were trying to work on statewide so people knew it was an option.

Ms. Catchings stated that staff was definitely trying to work on getting young kids interested in utilities. She stated that recruitment was new to staff and they had not had to get that involved with trying to recruit applicants in the past. She stated that staff was grateful that a good many new people had been hired over the last month but most of those people were coming in with little to no experience. She stated that it was going to be a learning curve for staff and it would take time to get them trained, and to help them get their licenses. Ms. Catchings stated that was something staff was prepared to do and hoped to start making progress. She stated that she knew operations was a big problem with lack of staffing but she did not know there was an industry wide shortage of engineers until the City started looking for a new engineer. She stated that she spoke to her counterparts at other municipalities and some had been looking for an engineer for two (2) years. She stated that it was a culture that had to change with not just the City but across the board.

Ms. Catchings stated that the next challenge that she was going to discuss was renewal and replacement. She stated that she had been working with staff across the board to think proactively and not reactively. She stated that unfortunately, for many years, and for several past administrations within utilities, that was not really encouraged. She stated that the concept of renewal and replacement was responding to an emergency. She stated that they had their fair share of emergencies in the last six (6) months to a year and realized there were obvious problems with that approach. She stated that there was also a serious supply chain issue so when emergencies occur, staff could not get materials or parts. Ms. Catchings stated that it was likely that materials were not going to be received in a timely manner, which meant it was more likely the City would have overflows, or critical situations and emergency situations where the City would have to connect to the interconnects on the water side because the materials were just not out there for the City to even be able to do things in house if they had that ability. Ms. Catchings stated that moving forward staff was going to work better to plan out their department's needs. She stated that part of that process was asset management. She stated that responsible planning was needed to know the condition of the system and the life expectancy for all the pieces and parts of the system. She stated for example, it was important to know the condition of the pumps, the equipment and even the meters, so staff would be able to get a grasp on when things needed to be replaced so they could budget for those items.

Ms. Catchings stated that meters seem like a very simple piece of equipment but without working meters, staff could not bill and collect revenue for the City. She stated that everything had to work together to make sure that staff had what they needed to keep functioning. She stated that this was all part of what an asset management program was all about. She stated that as the City moved towards the rate study, part of that was trying to project some of the replacement life and needs and then trying to plan for growth. She stated that Lexington County was booming and there were a lot of areas in the City's service areas that had the potential for development. Ms. Catchings stated that the City's Utility Department did not have a master plan of how the City

wanted areas to be developed. She stated that was something that staff needed to be looking at to figure out what it would take to serve those areas. She stated that by doing that when developers approached the City regarding new development staff could at least say that was an area the City wanted to serve and if it was, the developer would have to do XYZ. She stated that currently staff did not really have anything to say to developers and recommend to them. Ms. Catchings stated that staff also needed to look at potential partnerships with developers so if there were areas that had potential for high growth, and there was more than one developer wanting to come in and do something. She stated that staff could put those people together so that they could talk and come up with the funding to help with the development. She stated that master planning was something that staff was going to be striving to do and the City was fortunate enough to have Ms. Hegler and Mr. Conley who were really good resources in master planning and could help staff chart the path forward with that.

Ms. Catchings stated that staff was also planning for a wastewater treatment plant expansion and were already in touch with the City's partners to obtain information from them on future needs. She stated that those discussions would continue so staff could look at timelines for expansions and how much expansion was needed. She stated that she thought within the next five (5) years the City would have to start the process of talking to the COG, going through EPAC to get increases on discharge approval, starting with a design for an expansion, and shortly thereafter, it would be time to move towards the expansion because it would take time to get everything in place and it was not a quick process.

Ms. Catchings stated that one of the Utility Department's top three (3) challenges currently was the rising costs for operations. She stated that in July 2019, there was the last of a series of small increases that took place in order to satisfy debt service coverage for the bonds on the waterline replacement project. She stated that there was not an increase included for normal operating expense increases in the future and when one looked at just the general CPI for that time period from 2019 to now, across the board, it was about a 17% increase inflation-wise. She stated that starting next year, some specifics within utilities such as sludge disposal, would have had a 41% increase in sludge disposal, chemicals, supplies and materials. She stated that there was a 120% increase in the cost of water treatment plant chemicals and a greater than 55% increase in wastewater treatment plant chemicals and a greater than 100% increase on hydrants and some of the pipe that was used on a regular basis and greater than 25% increase on meters and hertz, which were used to help staff communicate and get the data needed from the meters. Ms. Catchings stated that the Utility Department's operating expenses had changed, and the City's rates had stayed the same, therefore there was less money for capital needs. She stated that all needs then got consolidated and condensed and relegated to what had to be done in order to survive. She stated that some capital items had been deferred, and were now at a critical point or getting very close to being at a critical point. She stated that a lot of what Council would hear from staff that day were at that critical point. She stated that almost everything in the

manager's budgets were not so much wishes, but were getting to be critical items, because they had been deferred for so long.

Ms. Catchings stated that previous utilities administration did not stress the urgency of some things and that was why she was being completely transparent. She stated that at the time Ms. Hegler and Mr. Crosland did not know that a lot of the things were as urgent as they were. She stated therefore staff was trying to make sure to keep Council in the loop. She stated that with the rate study, staff would be taking a closer look at all of the Utility Department's services and try to find ways to create more funding and to cover cost. She stated that part of that would also be coming up with a plan to try to find renewals, replacements and capital needs. She stated that staff was very much looking forward to trying to get some of that assessed with the rate study.

Ms. Catchings stated that another thing that impacted both the water and the wastewater side was the changing river conditions. She stated that one of the challenges was the City was getting more influence from the Broad River than it had ever historically had. She stated that the Saluda River and Broad River waters were very different and had different characteristics. She stated that the algae situation that the City experienced last year from the Broad River was going to be around for a while. She stated that the algae issue was one staff was working on to try to understand it and make sure staff was being proactive and knowing what to look at and what to measure since it did impact the City's water treatment. Ms. Catchings stated that it impacted things significantly from a cost perspective because more chemicals had to be used to try to counteract that algae. She stated that the river conditions also impacted the City's discharge limits for the wastewater treatment plant. She stated that the City was currently in the process of having its MPDF discharge permit renewed and that had been in DHEC's hands for close to four (4) or five (5) months and staff had not seen any protected limits. She stated that flows had decreased especially from the Saluda and that impacted what the City was allowed to discharge. She stated that it also impacted the level that the City had to treat so staff was anxiously awaiting those limits to see if there were any significant changes there.

Ms. Catchings stated that there were new regulations for Utility Departments. She stated that one was the new lead and copper rule revisions on the drinking water side. She stated that there were also new P FOSS regulations that just came out on the drinking water side and there was going to have to be treatment added to meet the limits that the EPA had proposed on it. She stated that new regulations for wastewater was in talks as well. She stated that there had already been significant talk on biosolids and sludge disposal. She stated that staff was going to be spending a lot of time on these regulations going forward trying to chart a path forward.

Ms. Catchings reviewed the Utility Department's accomplishments with Council. She stated that Mr. Chris Orpilla was recognized as the State Water Treatment Plant Operator of the Year and Mr. Denis Bergeron also received the Capital District Lab

Analyst of the Year award. She stated that there were licensing advancements from Mr. Glendon Butler, who got his DEA water distribution, Mr. Jaime Summers received his DEA license for wastewater collections and Mr. Ben Taylor received his B level water distribution license. She stated that a new program that Mr. Crosland had been intimately involved with was trying to get a CDL training program implemented for the City. She stated that Mr. Alan Clayborn and Mr. Erick Kennedy got certified as CDL third party examiner's and as soon as the program was up and running, they would actually be teaching the courses in order to help people to obtain their licenses for driving certifications. She stated that Mr. Mike Howell and Mr. Dustin Nelson received their backflow certification. Ms. Catchings stated that Mr. Vince Osborne obtained a grant for the fluoride feed system that had been replaced and was in operation. She stated that Mr. Osborne also indicated that they had zero missed days for injuries and accidents and no workers compensation claims.

Ms. Catchings stated that the Utility Department had quite a few accomplishments in the GIS Department. She stated that the department now had a system map where staff could click on an area and the record drawings in that area appeared on the screen therefore staff no longer had to sort through hundreds of drawings to find what they needed. She stated that the Cayce Arts District story map, even though it was something that was not quite utilities, it did fall under the ArcGIS manager. She stated that map was completed as well. She stated that much of the City's water meters had been GSP'd and that information has been reconciled with Edmonds in the GIS system. Ms. Catchings stated that some of the Utility Department's software did not communicate with each other very well so staff had to do a lot of manual inputs. She stated that since Mr. Todd Shafer had started with the City he had helped with line size identifications on the department's maps. She stated that Mr. Shafer had gone into the field and added all the line sizes for all the City's pipes. She stated that with that information when the Field Crew staff was in the field, they could look at the map, and see what materials they were going to need without having to dig up everything in the ground. She stated that the department also had a new Water Service Inventory app and two (2) staff members were going to be dedicated to obtaining data for the pipe material on the City's water services. She stated that staff had developed the app for staff to be able to easily input that information in as they go, so that whenever all that information was inputted and staff needed to put that information in a spreadsheet to give to DHEC later, the foundation was there for staff to be able to do that.

Ms. Catchings stated that the Utility Department, to include the water billing, water distribution and wastewater collection departments, had completed 6,230 work orders in the last year. She stated that the Water Billing Department had handled 16,816 calls with only four (4) complaints elevated. She stated that to receive that many calls and only have four (4) complaints from people was absolutely amazing. She stated that the reception area at the grease receiving station had been improved and now had two (2) bays that trucks could drive through. She stated that the department

had its first dedicated fog inspector and that Council approved that position last year. She stated that they were actually able to hire someone who had experience and she had been blazing a trail with her work at the City.

Ms. Catchings stated that one of the things that she was most proud of as being a part of the Utility Department was their teamwork. She stated that during the past year, they had their challenges with staffing and they pulled together to cover operations to try to maintain their workload, even when they had critical staffing shortages. She stated that every department had to learn to cross train and make sure that they were available to help with whatever came up. She stated that she could not have survived the last six (6) months without Mr. Ben Wright and his staff. She stated that it had been a challenge to be the Utilities Director and cover the engineering. She stated that Mr. Wright's staff assisted her with inspections and looking at drawings. Ms. Catchings stated that it was teamwork and everyone pulling together to make sure the department functioned one way or the other through everything. She stated that she wanted to share something with Council that Mr. Legrand June said to her. She stated that he had recently hired a lot of new people but had been in a very critical state with his staffing before that. She stated that a lot of the people he hired did not have experience but they were getting there. She said that Mr. June stated they had grown into a team to be proud of and sent her a picture from one of their monthly meals where everyone chipped in. She stated that she was very proud to be able to work with everyone.

Mayor Partin thanked staff for everything that Ms. Catchings shared about what they had been doing and how they had pulled together and the teamwork and the customer service. She stated that they were the best. She stated that that she thought there were some things that Administration and Council might need to dig into with the Wastewater Treatment Plant contract with the City's partners and look into if there were not some things that maybe would alleviate some of what staff had talked about with the challenges they faced. She stated that the City's partners could be helping and the City should not be the ones who have to navigate all this. She stated that the City's partners contributed, but they should be feeling every one of these pain points as well for that segment of what we do. Mayor Partin stated that she also wanted to look to see if there was anything that could be done regarding the upstream input on the river. She stated that some people had to be held accountable and there should be some pain pressures on them to keep those things from coming the City's way and to keep it from being an impact on the river in general. She stated that the City needed to push for entities upstream and other partners to be required to treat some things like lead and P FOSS. She stated that sludge disposal was not paying for itself like it was when DHEC first asked the City to do it. Ms. Hegler stated that the rate increases did help but less so now.

Ms. Catchings stated that there were a few general items that covered expenditures across the board in each department with the Utility Department. She stated that there was a small increase in salaries in pretty much every department with

just a few exceptions. She stated that there were minimal increases mostly due to anticipated advancement of licensing. She stated that insurance costs and retirement increases affected the overall budget as well as the inflationary aspect of supplies and chemicals and equipment.

Ms. Kay Hutchinson, the Customer Accounts Manager, stated that it was always great to be able to meet with Council and she was happy to have some of her staff there because they were interested in the budget process. She introduced Mr. Ben McCartha, the senior meter technician. She stated that Mr. McCartha had worked previously in the Field Crew and in Parks. She then introduced Mr. Mike Howell who she stated had been instrumental in helping to design the future plan for reading meters and the cycles that would be reorganized in the future. Next she introduced Ms. Melissa Denny, the Utility Billing Specialist and Mr. Robert Haynes, a former Employee of the Year. She stated that she had a great team who took wonderful care of the City's customers.

Ms. Hutchinson stated that that she was going to review her proposed budget in order of importance. She stated that most of the City's customer's paid their bills online, which she encouraged, because it was a timely manner of getting paid since the post office and Bill Pay were horrible. She stated that training was an aspect that she wanted to focus on as part of her succession plan so there was an increase in that line item. Mayor Partin asked if the City had an option for people to get electronic bills. Ms. Hutchinson stated that the City sent out both e-bills and a paper bill.

Ms. Hutchinson stated that the rate study would be beneficial to find out what the City's true costs were for everything they did and to have a qualified professional, assess and evaluate the existing utility rate structure, as well as all costs of services and operations and all fees and to provide recommendations. She stated that the rates should fully fund the City's operations costs, debt coverage ratios, depreciation, and provide a structure for funding the current and five-year capital improvement plan, while minimizing the impact to citizens and customers. She stated that the approximate cost for the study would be \$65,000.

Ms. Hutchinson reviewed her equipment needs next. She stated that currently meter readers were using a handheld device to read meters that was no longer supported by ITron. She stated that the handhelds would be replaced with a system through ITron called Symetra. She stated that the new system would receive and transmit the reads to a cell phone and then staff would be able to upload the data into the system. She stated that the new system would cost approximately \$55,100 and that included the training for the software and the mobile reading unit. She stated that the department currently had two (2) mobile reading units and she was requesting to replace one of them.

Ms. Hutchinson stated that the City still had a lot of old meters in the system and that whole part of the system needed to be replaced completely. She stated that currently the meter technicians when reading meters drove through a neighborhood and approximately half of the homes do not get picked up electronically so the meter technicians had to go back out to the neighborhood with a report of all the homes that were skipped and read them manually. She stated that the benefits of the project would be more efficient reading and it would eventually allow for monthly billing. She stated that it would be a vast improvement in safety for the meter techs, because currently they had to walk down very busy roads. She stated that it would also be customer friendly for budgeting, usage graphs and detecting leaks.

Ms. Hutchinson stated that currently the City's read cycles were spread out over large areas and did not make sense logistically. She stated that currently it took the meter technicians 45 days to read each cycle and the City billed every two (2) months. She stated that staff worked at most 40 days in two (2) months and usually less than that because of holidays and staff being out sick. She stated that she had a lot of dedicated people that worked on Saturdays to read meters which in turn caused overtime. She stated that she and Ms. Denny learned to read sewer meters to assist the meter technicians. She stated that other surrounding municipalities were moving to different technologies which would impact the City. Ms. Hutchinson stated that the City would have to change the meters in the system. She stated that the Joint Municipal Water & Sewer Commission was preparing to change their software system which was concerning because the City read their sewer meters with their current equipment. She stated that would be 1,000 more meters that the technicians would have to walk to read. Mayor Partin asked if the City had any input in what changes they made. Ms. Hutchinson stated that the City did not pay for it so they did not have any influence on their decision making.

Ms. Hutchinson stated that the Bill Presentment software cost \$30,000 but encompassed a lot of things. She stated that it would add the option for phone payments which was a benefit because some of the City's elderly customers preferred to pay by phone because they did not trust online services. She stated that it would add e-billing and the option to opt-out for paper bills. She stated that eventually it would save the City money on postage. She stated that the bills would look much better and would have graphs to illustrate usage. She stated that the software had customer portals where customers could request assistance. Ms. Hutchinson stated that the meter technicians read 75,220 meters last year, and 17,400 of those had to be read by walking.

Ms. Catchings stated that she would review the Water Administration budget. She stated that the department consisted of five (5) staff members. She introduced Ms. Sandra Phillips, the department's Administrative Coordinator. She stated that the largest increase was for consulting fees because they had budgeted for a position assessment to be conducted. She stated that it would assist with the rate study to

figure out the needs with that. She stated that the intent would be to obtain the services of a local government consultant that could assist staff in evaluating the department's positions, position classifications and advise staff on those future needs. Ms. Catchings stated that she knew the department had needs but staff did not know what those positions were that were needed. She stated that they also needed to make sure that the current positions were classified appropriately. Mayor Partin stated that she thought Mr. Hawks did rate studies. Ms. Catchings stated that he did rate assessments and she did not think a rate study had ever been done. Ms. Hegler stated that the last time the City did a new bond, the City's Bond Attorney strongly recommended the City doing one.

Mr. Vince Osborne, the City's Water Treatment Plant Superintendents, reviewed his department's budget next. He stated that his main goal was to recruit more staff. He stated that he had lost three (3) operators within the last 18 months. He stated that he had two (2) full time positions open but was having a terrible time trying to fill them. He stated that he was requesting another trainee position to help with the department's succession plan and continuation of the water plant operations. He stated that he would be eligible to retire in two (2) years and had one (1) employee who was eligible to retire currently and one retiring next August. He stated that it was a real challenge to get certified employees in water plant operations. Mayor Partin asked what certification entailed. Mr. Osborne stated that there was on the job training and a certification test. He stated that if a person did not have any type of science background or college, it would take two (2) years on the job to attain a C license to run the Water Treatment Plant assuming they passed all their certifications. He stated if one was a college graduate with a science degree, and trained to pass the test within a year, they could hold a C license with a college degree but unfortunately, there were not many people like that.

Mayor Partin suggested reaching out to Ms. Ann Reamer, one of the finalists for the South Carolina State Teacher of the Year, who was the Digital Multimedia/Animation Instructor at the Innovation Center. She stated that Ms. Reamer would probably love to have her class create some type of recruitment video. Ms. Catchings stated that a group from the Innovation Center was scheduled to tour the plant the following week. Ms. Hegler stated that staff had reached out to all the schools and tech programs.

Mr. Osborne stated that another main need was to replace the gas cooling system at the Water Plant with a safer bleach hyper chlorine system. He stated that the purchase of a new high service pump would cost \$300,000. He stated that the Plant currently had three (3) high service pumps available for use but he would like to get a fourth one in case the flow capacity had to be increased. Council Member Sox asked if they large room he saw when he toured the facility was the gas chlorine conversion room. Ms. Osborne stated that was correct, it was the room with the large cylinders. Council Member Sox stated that the pump was out last year when he toured the plant.

Mayor Pro Tem Jenkins asked what condition the three pumps were in that the plant currently had. Mr. Osborne stated that they were originally installed in 2001 and were rebuilt in 2000, 2010, 2011 and 2013. Mr. Osborne stated that they were 10 years into their current run. Mayor Pro Tem Jenkins asked if the new pumps had the same design as the older one. Mr. Osborne stated that they were similarly designed but staff had to work against logistics and problems with getting parts. He stated that if he ordered a new pump it would eight (8) to nine (9) months before he would actually have it onsite for installation.

Mr. Ben Wright presented the Water Distribution budget. He stated that his training budget had increased because he was trying to create new ways to train his staff and to keep them with the City, once they were trained, and obviously pay them more because of the training they received. He stated that Mr. Tim Wimple was now the Assistant Superintendent over special projects since he had an extreme amount of knowledge and experience from previous jobs which enabled them to do a lot more special projects in-house. He stated that he asked for new vehicles in his budget. One for a crew leader to fill Mr. Wimple's former position and two (2) other trucks that needed to be replaced per the City's garage staff. He stated one truck had 101,000 miles and close to 10,000 hours of idle time and the other had 120,000 miles and close to 9,000 hours of idle time. Mr. Wright stated that the idle hours came from the trucks running in the street with their lights on so they could run equipment. He stated that he had requested a generator for the booster station. He stated that if they lost power at the booster station the generator would continue to run the City's pumps to get water out to the White Knoll area. He stated that if they lost power for a significant amount of time, they would have to tie on to the interconnects to fill White Knoll and keep pressure in the Three Fountain's area.

Ms. Catchings stated that she mentioned earlier in the meeting that one of the things she and her staff were doing to have a proactive approach was to look at their critical areas or critical pump stations, whether it was booster pump stations, sewer pump stations, especially on the sewer side, areas that were near water bodies and things of that nature where if those things were out, the pumps were out, or the power was out, it would create an environmental nightmare. She stated therefore they were trying to make sure to have emergency generators or diesel fuel backup bypass pumps in those areas.

Mr. LeGrand June presented the Wastewater Treatment Plant's budget. Mr. June introduced Mr. Mike Maxwell, their lead operator and only licensed A operator. He stated that he was requesting a position for an Electrical Controls Technician. He stated that the plant had a lot of complicated critical systems and in utilities as a whole that was time consuming to troubleshoot. He stated that in the past they relied on the fact that the plant was big enough so there was some redundancy built in but as the flows increased and the age of the plant increased, that really was not the case anymore. He stated that they really needed someone that could be dedicated to

troubleshooting the controls, and keep up with them. He stated that his training budget had increased because they had so many new people that were not licensed yet. He stated that they had several people that were licensed but they really needed to increase their licensing.

Mr. June stated that Mr. Maxwell was their sole A operator five (5) days a week and they were required to have an A operator on site to be the responsible party to sign off. He stated that during the weekends and holidays, they had to have at least a B licensed operator and it took years of training to come up to those levels. He stated that there were significant price increases in all products and chemicals. He stated that they had a 50% increase on the price of chemicals due to inflation. He stated that he had requested a return activated sludge pump. He stated that they currently had six (6) pumps in combination that ran about 10 million gallons a day through the plant. He stated that if they had a failure on one, they had to pull it and send it off to be repaired. He stated that if they had one in spare, they could swap it out immediately and keep the process going. Mr. June stated that he had requested a track skid steer because as staff did plant maintenance, they had to take certain parts of the plant, clean it and actually unload into an area onto drying beds. He stated that the drying beds were really time consuming to clean up and the skidsteer would cut time down in cleaning up from days to hours. He stated that he had requested Kubota membrane upgrades. He stated that the membranes were a component of the plant that actually in the end saved money on hauling. He stated that the more efficient staff could keep them, the more sludge reduction occurred so we there was not as much to send to the landfill.

Mr. June stated that the centrifuge was one of the most critical pieces of equipment in the entire plant and the poly blend system was one of the main components for it and was used to help the solids cake. He stated that those systems had been running for about 10 years and were actually one of the oldest parts of the plant. He stated that they were having some issues and needed to be replaced. He stated that the existing system could be used as spare parts for the new system. He stated that he had requested a work platform that could be used along with the forklift. He stated that there were a lot of areas in the plant where this would be a safer option, especially compared to having ladders. Mr. June stated that one could harness off on the platform and get up to two (2) people on it and do a better job. He stated that he had requested a new security camera system because they one they currently had was aging. Mayor Partin stated that there was federal money for more security for infrastructure. She stated that there might be some grant work there for the security for one side and the others.

Mr. June reviewed the septage and grease receiving station budget next. He stated that the improvements were in place for the receiving station and both lanes were online and open and the new belt press was online and working. He stated that staff was doing everything to make sure to keep the revenue up and keep the traffic flowing

through. He stated that they had requested a replacement truck based on a recommendation from the City's garage staff.

Mr. Ben Wright reviewed the Wastewater Collection budget. He stated that they had requested to upgrade the old Barnwell pump station with a new control panel. He stated that the current control was getting dilapidated. He stated that the next request was a new dry prime pump. He stated that if power was lost the pump would actually keep the station running without having to have a generator. He stated that he also requested a confined space debit hoist system. He stated that the wet wells confined space hoists that they currently had were designed for manholes and the new system would allow staff to spread out wider and get down in the big wet wells that have a bigger diameter. He stated that his last request was to replace the panel for the Laurel Hill pump station. Mayor Partin asked if the City did their own asphalt paving. Mr. Wright stated that staff did some of it but if it was a large project they had to contract it out. Mayor Partin asked if the City had equipment to bore underneath the road. Mr. Wright stated that they had several machines that bored under the road.

Ms. Catchings stated that she would do a brief recap. She stated that currently the Utility Department's expenditures exceeded their revenues that were projected. She stated that over the next couple of weeks, staff was going to have to work really hard to balance the budget. She stated that they were going to have to face some difficult decisions on what staff could do with what they had. She stated that she and her staff appreciated Council's support with everything and appreciated their time.

Council Member Sox stated that it was awesome to see all that staff did and he was so grateful for everything they do. He stated that it was so much more than he ever thought. He stated that he hoped that they could get back to doing tours of all the facilities soon.

Ms. Hegler thanked Ms. McMullen and Ms. Catchings for doing such a good job of estimating the revenues more closely and making them more in line with prior year's actuals. She stated that they were conservative, but precise. She stated that the revenues were very similar to what had been done over the last two (2) or three (3) years. She stated that they were in line with what the City made the prior year, so the City had to find ways to increase those revenues. She stated that sewer sales were a little lower than they were last year but all of the projects coming online, made staff feel good about the future. She stated that the grease disposal fees were down and there were a number of reasons for that. Ms. Hegler stated that the new FOG inspector and the second lane being open and the aggressive, proactive approach that staff was taking they were working on getting that up. She stated that staff did a really good job with revenue estimation so that it was realistic. She stated that it was comprehensive, but thoughtful and not over inflated.

Mayor Pro Tem Jenkins stated that he thought staff was doing a fantastic job for the amount of equipment that was just limping through the winter. He stated that by working in maintenance and on pumps, that was why he asked about the lining of the other pumps. He stated that if they had to invest in another pump, they had to try to get the best. He asked if the panels were failing inside the pump station and the electrical box was rusting out, then how were the contacts in. Mr. Wright stated that staff did everything they could to prevent the gases from coming in the boxes but it was right next to the sewer. Mayor Pro Tem Jenkins asked how large the box was and if it was possible to get a spare panel. Mr. Wright stated that sometimes it was easier, or more cost efficient to buy a new panel box instead of piecing it out.

Mayor Partin thanked Ms. Catchings for the PowerPoint presentation and stated it was very helpful. She stated that she liked Ms. Catchings fresh approach to looking at everything. She stated that her goal was to sit down and look at the next level to ensure that every entity that was involved was paying their fair share and responsible for making sure that what staff was doing was as easy and efficient as possible, because there were people who were contributing in ways that were making staff's jobs harder. She stated that she also wanted to look at the inflation adjustments and new regulations that the City was being proactive at looking at since they were contributors to issues staff was having to navigate. Mayor Partin stated that staff and Council would probably have to advocate for NPVS reallocation. She stated that it was not fair that the City was at a lower place than some of the other entities in the region. She thanked staff for the level of excellence they brought to everything they did. She stated that she and Mayor Pro Tem Jenkins were at a neighborhood association meeting recently and the citizens really appreciate staff and all that they do.

Adjourn

Council Member Sox made a motion to adjourn. Mayor Pro Tem Jenkins seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 10:54 a.m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk