

Mayor  
Elise Partin

Mayor Pro-Tem  
Tara S. Almond

Council Members  
Phil Carter  
Eva Corley  
James E. Jenkins

City Manager  
Tracy Hegler



## City of Cayce Special Council Meeting March 19, 2019

A Special Council Meeting was held this afternoon at 5:30 p.m. in Council Chambers. Those present included Mayor Elise Partin, Council Members Tara Almond, Phil Carter, Eva Corley and James Jenkins. City Manager Tracy Hegler, Assistant to the City Manager Rachelle Moody, Municipal Clerk Mendy Corder, City Treasurer Garry Huddle and Director of Utilities Blake Bridwell 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 Council Member Carter gave the invocation for Council. Mayor Partin led the assembly in reciting the Pledge of Allegiance.

### Public Comment Regarding Items on the Agenda

Ms. Corder stated no one had signed up for public comment.

### Other

#### A. Discussion of Proposed FY2019/2020 Utility Fund Budget

Ms. Hegler stated that staff had updated the Budget White Paper since it was sent to Council on March 15, 2019. She stated that the 2019-2020 Utility Fund Budget is currently out of balance by \$1,597,651, with Projected Revenues of \$20,201,944, and Projected Expenditures of \$21,799,595. The Utility Fund Budget includes Capital Expenditures totaling \$1,523,774; included in this are the following:

- \$450,000 for a new SCADA panel for the Water Treatment Plant
- Items to improve the Septage and Grease operations
- \$585,000 raw water intake and generator transfer switch (which is also accounted for in grant revenue with a 75% reimbursement); a project that was budgeted for, but not completed in FY19
- Four (4) vehicles; 1 for new FTE and 3 replacements
- Two (2) new positions: One in Water Distribution (1912) and one in Wastewater Collection (1917)
- 15% debt coverage for the City's utility fund debt

- The bond payment for all bonds: 2002, 2009, 2012, 2015, 2016A, 2016B and 2017
- \$60,000 reduction of sewer sales revenue for a proposal to switch Pine Ridge sewer accounts from a flat rate to regular meter billing
- A 3.0% rate increase as required by the terms of the SRF Loan (This is the third and final year of that increase. Once the budget has been balanced, staff will need to send it to the Auditor to perform a rate analysis to determine if a rate increase is still needed.)
- \$350,000 decrease in septage and grease revenue
- Approximately \$80,000 in convenience fees for credit card payments
- Transfer to General Fund for Indirect Costs

Ms. Hegler stated that the Utility Budget does not include any COLA raises for the Utility employees or the lease/purchase payment options for Capital purchases. She stated that as of June 30, 2018, the Utility Fund had an Unrestricted Fund Balance of \$7,155,429.

Council Member Almond asked if staff had a dollar amount calculated for the cost of a COLA so Council will have that information for their discussions. Ms. Hegler stated that staff could have the calculations for the next Council Meeting. Council Member Almond stated that the projected cost of worker's compensation insurance expense almost doubled for most departments and asked if staff knew why. Mr. Huddle stated that the estimates for FY2018/2019 were lower than they should have been and the City's modifier was not very good. Mayor Partin asked if staff had been able to calculate the projected cost for the other purchasers. Ms. Hegler stated that the indirect cost for the General Fund had not been calculated yet so the projected cost for the City's partners was not known yet.

Ms. Hutchinson, the Customer Billing Manager, stated that on behalf of her department she wanted to say thank you for the meter replacement part of the waterline replacement and meter replacement project. She showed Council photos of the Julius Felder Street Apartments that prior to the project the water meters were behind a fence and the City's Meter Techs had to climb over the fence onto private property to read the meters. Ms. Hutchinson stated that the meters in the project area were meters that had to be manually read and were replaced with meters that could be electronically read from the Meter Tech's vehicle. The new meters provide daily readings and up to forty days of readings when a leak starts.

Ms. Hutchinson stated that her department was charged an auditor fee this year therefore increasing her service contracts line item. Mayor Partin asked why the auditor fee increased. Mr. Huddle stated that the auditor fee for this year and next year increased because a single audit has to be done. He stated that a lot of the funds the City receives through SRF loans are considered Federal funding and a major program and have to be audited at 100%. Mayor Partin asked if the audit still gets split among the purchases. Mr. Huddle confirmed that the audit was split among the purchasers.

Ms. Hutchinson stated that the collection expense by agencies and credit card fees line item includes all the companies that the City either pays a charge card fee or a bank fee. She stated that for example with SC.GOV the customer pays the one (1) dollar portal fee but the City absorbs the 1.7% fee which costs the City approximately \$75,000 annually. Mr. Huddle stated that the City is charged by the bank when customers pay their bill online. The bank accepts the payment and then mails the City a check for the payment. The City also pays a fee to provide auto draft for customers. Ms. Hutchinson stated that if the City did not allow online payments then a staff member would have to open all the checks received and manually key each one in. Mayor Partin asked if it was typical for utilities to absorb the 1.7%. Ms. Hutchinson stated that some do but not all. Ms. Hegler stated that she has seen where some utilities pass on the fee to their customers. Mayor Partin stated that the City's customers can currently pay their bill online, use the drop box or drive through at City Hall, pay in person or use auto draft for the amount of their bill. Mayor Partin stated that the City may need to consider not absorbing the 1.7% since people do have other ways to pay their bill. She asked Ms. Hutchinson her thoughts on the City no longer paying the 1.7%. Ms. Hutchinson stated that it would certainly save the City money but the City would receive a substantial increase in mail payments and walk up payments which requires more staff time. She stated that it would also have to be decided whether or not to charge walk in customers the credit card fee. Council Member Almond asked if it was possible to split the 1.7% fee. Ms. Hutchinson stated that she would have to check with SC.gov to see if that was possible. Council Member Carter asked if it was possible to bill online. Ms. Hutchinson stated that the city started online billing this year but currently everyone still receives a paper bill as well. She stated that the City's billing software does not offer an opt- out for paper bills but is eventually going to have that option. Mayor Partin suggested heavily advertising the auto draft option to save the City money in postage expenses. Ms. Hutchinson stated that with the City's billing being bi-monthly that option is not as budget friendly. Council Member Almond stated that she personally does not like auto draft. She stated it can be a nightmare if your identity is stolen or if a mistake is made.

Ms. Hutchinson stated that her budget includes 300 new meters for replacement meters, new construction and failing meters. She stated that she currently has 43 work orders for meters that are failing and need to be replaced. She stated that 300 new meters is a very conservative number. She stated that her budget also includes 200 new ERTS. Council Member Jenkins asked if the new software company told City staff that the meters would change in the future. Ms. Hutchinson stated that the company notified City staff 6 years ago that there would be an upgrade that would change the meter requirement.

Ms. Hutchinson stated that she has requested two (2) new trucks for the meter techs. One of her department's current trucks has a gas gauge that does not work. The City Garage has replaced the gauge, the gas tank, the electronics and the dash and it still does not work. She stated that the truck will probably be given to a department that staff only travels in the close vicinity of City Hall. She stated that her

department has another truck that is going to be given to the City electrician. She stated that it is a large truck that is not good on gas mileage and the meter techs drive more than any other staff members. Mayor Partin asked how many miles the trucks had on them. Ms. Hutchinson stated that one has 124,000 and the other has 156,000. Council Member Almond thanked Ms. Hutchinson for the photos of the meter replacements and for bringing the new meters so Council could see what they look like.

Mr. Bridwell, Director of Utilities, presented the budget for the Utility Administration Department. He stated that he was not requesting any capital equipment or new employees. He stated that the additional single audit fee was split between his department and Ms. Hutchinson's department. Mayor Partin asked if the City was just starting to have to pay the additional audit fee. Mr. Huddle stated that the regular audit cost increased as well because of the many SRF loans the City currently has which takes much more time to audit. He stated that there are additional Federal reports that the auditors have to do for the SRF loans. He stated that the City's water and sewer junior lien requires additional reporting as well. He stated that the auditing costs are now being split among various departments in Utilities.

Mr. Vince Osborne, the Superintendent of the Water Treatment Plant, thanked Council for the funds they have approved in past budgets to upgrade the water plant and keep it running well. He stated that his service contract line item increased quite a bit because of the painting of the plant with the City's new logo and various other items that were painted. He stated that he was requesting a new SCADA, Supervisory Control and Data Acquisition, system for the water plant. He stated that all the functions of the plant and all the outlying tanks go into the SCADA system. He stated that the system is 18 years old and has been running 24 hours a day every day since it was installed in 2001. He stated that in years past he has included replacing the SCADA on his 5 Year Plan but he was trying to put off the purchase for as long as possible because of the cost. Mr. Bridwell stated that the Water Plant is fully automated and if the SCADA System is down the Water Plant cannot be manually operated. He stated that it is a very complex system and if it is not working then the City cannot make water. Mayor Partin asked if there was only one company that makes the SCADA System. Mr. Osborne stated that there are three (3) companies that make them and they all cost about the same. He stated that the cost includes installation and rewiring using the current wiring. Council Member Jenkins asked if the current SCADA System could be used as a backup. Mr. Osborne stated that it might be possible but the system is so old that there are no longer replacement parts being made for it. He stated he would ask the vendor if any of the current system can be used for backup. Council Member Carter asked if the wiring was actual wire or fiber. Mr. Osborne stated that most of it is copper wire but there is some fiber optic.

Mr. Osborne stated that he requested funds to purchase a new sludge pump and funds to replace all the variable frequency drives. He stated that the new VFD's will be the culmination of all pumps, motors and VFD's being replaced in the last five (5) years. Mr. Bridwell stated that the pumps Mr. Osborne was referring to were the City's seven

(7) large main pumps that all cost between \$60,000 and \$90,000 each and now they have all been rebuilt. Council Member Almond asked if the old VFD's would be kept as backups. Mr. Osborne stated that usually the old VFD's are sold for scrap. He stated that since they are so old replacement parts are no longer made for them. Council Member Jenkins asked if the company that makes the VFD's has a rebuild program where the City could send them the old VFD's and they would rebuild them. Mr. Osborne stated that he did not think they did but said he would check.

Mr. Ben Wright, the Utilities Field Manager, presented the budget for Water Distribution and Maintenance. He stated that he was requesting an additional position, a Meter Tech, to help take some of the burden off of Ms. Hutchinson's Meter Techs. He stated that they are extremely busy with reading meters, re-checks, water turn ons and offs and reading elder valves. He stated that the proposed new position would be a preventative maintenance Meter Tech replacing meters, calibrating meters and repairing meters and repairing water leaks from the curb to the meter box. Mr. Wright stated that initially he was going to request two (2) new positions but it was decided to see how it goes with one (1) first.

Mr. Wright stated that he did request a building expansion. He stated that he and his staff have outgrown their current building and also need to make room for female employees. He stated that currently there are only two (2) bathrooms and one of them is a urinal only and there is only one dressing room. Council Member Jenkins asked Mr. Wright if he was referring to the building on Old Dunbar Road. Mr. Wright confirmed that was the building he was referring to. He stated that he and his staff did all the inside work in the building when it was purchased 10 years ago. He stated that there are more and more females working in the industry and he wants to get the facility ready. Council Member Carter asked if there was room on site to expand. Mr. Wright confirmed that there was plenty of room from the front of the building to the road to expand.

Mr. Wright stated that he requested new software to move away from paper work orders to a paperless work order system. He stated currently each work order is written by hand by Ms. Hall then given to a staff member who has to input the work orders into the computer, then the work orders are distributed to the correct staff members by hand and then given back to Ms. Hall. He stated that the new software maps out each work order and tracks where trouble areas are. Council Member Jenkins asked how the current work orders are closed out. Mr. Wright stated that they are all hand written so they are marked closed.

Mr. Legrand June, the Assistant Superintendent of the Wastewater Treatment Plant, stated that his salary line item is increasing not due to a new position but a reclassification of a current position. The position is being moved to a line item that is a shared expense with the City's partners since the position is the Assistant Superintendent of Septage and Receiving and works in Pretreatment which is related to

the Treatment Plant itself. Mr. June stated that the remaining increase is for salary increases when an employee gets new licensing.

Mr. June stated that he requested scales to measure the chlorine since currently the majority of the tanks are sitting on the floor but should be on scales. The scales are needed to tell how much gas is drawn off when it is taken out of the tank. He stated that this would keep the Plant in compliance with the EPA's risk management program. He stated that he has also requested a mobile gantry to move tanks from the inside of a building to a truck outside. Mr. June also requested a utility trailer and a scrubber dishwasher. The current dishwasher runs constantly six (6) days a week for the past six (6) years and needs to be replaced.

Mr. June stated that he requested new membrane panels. The membranes are torn down every year and usually at least 500 panels have to be replaced. He stated that there are several sample points around the plant and a new refrigerated sampler is requested since one of the existing samplers is six (6) years old and samples have to be done constantly to be in DHEC compliance. He stated that if a sampler goes down for even one (1) day then the plant is out of compliance and in violation. He stated that the sampler that is replaced will be rebuilt so it can be used as a spare.

Mr. Michael Paulchel, the Assistant Wastewater Fields Manager, presented the Wastewater Collection budget. He stated that the City has 68 pump stations and he has requested a new position since currently there are only three staff members checking the pump stations. Mayor Partin asked if all 68 pump stations were the City's or if some were the City's partners. Mr. Paulchel stated that they were all the City's and that the Wastewater Plant has a few additional pump stations for a total of 72. He stated that it is a safety concern since no one should ever check a pump station alone. He stated someone could be electrocuted to death or drown while checking a pump station. He stated that he needs someone who is qualified to do the job so the salary is higher than an entry level salary.

Mr. Paulchel stated that City staff built a new pump station at Steel Hands Brewery and saved the City a lot of money by doing it in-house. He stated that his overtime budget increased because it is getting harder to keep employees in the Utility field. Mayor Partin asked if the Innovation Center might be able to help with recruiting new employees. He stated that the Wastewater field is a hard field to work in.

Mr. Paulchel stated that he requested a new truck for his pump mechanics. He stated that they haul generators, pumps, trailers, etc. and need a truck with better towing capacity. The truck they are using currently has over 150,000 miles on it. He stated that he also requested a Kobota mower. He stated that his current mower was passed down to him from a different department and is on its last legs.

Ms. Hegler stated that the next department's budget to be presented was Wastewater Pretreatment. She stated that Mr. Neal Klimek, the Assistant

Superintendent of Septage and Grease, would present the budget to Council. Mr. Klimek was employed with the City 2014 – 2016 and was recently rehired. Mr. Klimek stated that he was with the City when the Septage and Grease Receiving Facility first opened. Mr. Bridwell stated that Mr. Klimek was recently rehired and was not part of the initial budget process so he would be assisting him with his budget presentation.

Mr. Bridwell stated that he requested a belt press service contract because the current belt press was part of the original Wastewater Treatment Plant and was restored for the Septage and Grease Receiving Facility. He stated that it breaks down often and will need maintenance. He stated that the main goal for the Facility is to keep it operational every day but currently there is no redundancy over the whole process. He stated that lack of redundancy has created tremendous problems during the current fiscal year.

Mr. Bridwell stated that he requested a sludge hauling trailer for an 18-wheeler truck that would be used to haul sludge that comes off the belt press. He stated that currently the only way to haul solids is over the belt press and dump them into a trailer. The existing trailer is old and has cracks so it leaks when going down the highway. He stated that the old trailer will be kept as a spare. Mr. Klimek stated that a new trailer would help with turnaround time and staff could haul more trucks during the day. Mr. Bridwell stated that he also requested a Muffin Monster which grinds the solids when they first come off the trucks. A SOG perforated screen was also requested to be used as part of the upfront process. Council Member Jenkins stated that on the budget sheet it states sludge trailer or belt filter press sludge auger. He asked if an auger could take the place of the sludge trailer. Ms. Hegler stated that that section should have been taken out before being added to the agenda packet. She explained that it was a note for her to choose between one or the other and it would be taken out before the next budget workshop.

Mr. Bridwell stated that he did request an additional \$50,000 in the equipment repair expense line item to cover the cost of equipment that needs to be repaired immediately to keep the Facility operational. He stated that the proposed budget for the department is \$861,295 but it is projected to make \$900,000 in revenues. He stated that the operation has slowed down due to both tanks filling up with solids that built up over the last few years. Both tanks had to be cleaned out one at a time which slowed down operations. Mr. Bridwell stated that he has full confidence in Mr. Klimek and his abilities to get the Facility back to its full potential.

Mr. Bridwell stated that DHEC wants the Facility back open as soon as possible. He stated that when he talked to DHEC he reminded them that when the Septage and Grease Receiving Facility first opened DHEC offered the City \$1,000,000 if they would open the Facility in Lexington County. DHEC also offered the City \$2,000,000 if they would open up regionally. Mr. Bridwell stated that the Facility is technically open to the entire state so it is definitely regional. He reminded DHEC that the City left \$1,000,000 on the table and DHEC agreed with that statement and told him to submit an application

for more grant money. He stated that he is currently working with AEC, Inc. on the application and it is due by March 22, 2019. Council Member Almond stated that the cost of illegal dumping for DHEC would far outweigh the cost that they may put into the City's Receiving Facility. Council Member Jenkins stated that he thought man holes were supposed to have locks on them. Mr. Bridwell stated that the City has locks on some of the man holes but that most of the lids weigh 150 pounds each and are very heavy so they rarely get stolen.

### **Executive Session**

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege

Mayor Partin asked if there was anything to be discussed in Executive Session. Ms. Hegler stated that there was not anything to be discussed.

Mayor Partin thanked staff for attending the meeting and said she and Council really enjoy the time to sit with staff and thanked them for everything they do for the City.

### **Adjourn**

Council Member Almond made a motion to adjourn the meeting. Council Member Corley seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 7:01 p.m.

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Elise Partin, Mayor

ATTEST:

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Mendy Corder, Municipal Clerk



