

In compliance with the Freedom of Information Act, the news media and the public were notified of the time, date, and place along with a copy of the agenda of this meeting and a notice was posted on the outdoor bulletin board at the Batesburg-Leesville Town Hall and the Town's website no later than twenty-four hours prior to the meeting.

COUNCIL WORK SESSION

JUNE 22, 2020

The Council Work Session for the Town of Batesburg-Leesville, held in Building B of the Town Hall Complex, was called to order by Mayor Shull at 6:00 P. M. Members present were Mayor Shull, Council Member Etheredge, Gambrell, Cain, Lemon, Mitchell, Wise, Prouse, and Hall.

INVOCATION

The invocation was given by Ms. Betty Hartley.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Council Member Gambrell.

NEW BUSINESS

A. Discussions Related to Water Project

On the table for discussion is the question of how the Town will provide water to the residents of Batesburg-Leesville. Council Member Cain and Hall questioned in the June 2, 2020 Budget Work Session whether buying water from Joint Municipal Water & Sewer Commission is, in fact, the most cost-effective option for Town water service. Council Member Cain asked Mr. Jason Fell, General Manager, Saluda County Water & Sewer Authority, to come forward and discuss an email that was dated July 3, 2019 concerning B-L distribution cost estimates. The attached was Mr. Fell's presentation. After the presentation there was a question and answer period.

Council Work Session

June 22, 2020

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ADJOURNMENT

A motion was made by Council Member Prouse with a second by Council Member Etheredge to adjourn at 7:10 P. M. With no discussion, a vote was taken.

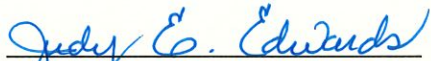
VOTE: 9 Approved 0 Denied

Approved this 13th day of July 2020.



Lancer D. Shull, Mayor

ATTEST:



Judy E. Edwards, Town Clerk

From: jason.fell.scwsa@gmail.com
To: Wednesday, July 3, 2019 11:29 AM
'Orne, Bill'; 'Joseph McGougan'; 'Maciaszek, Troy'
Subject: RE: Batesburg-Leesville Stakeholder Meeting with SCWSA
Attachments: BL Distribution Cost Estimates 070219.pdf

Bill,

As you mentioned in your e-mail below, Joe and I promised to provide you a few additional items. Joe was to provide hydraulic information for your report, which he has done. I am to provide a forecasted wholesale rate and a shared cost breakdown that would deliver finished water to Batesburg-Leesville at the County Line on Highway 391. I am providing a description of both items you requested and a spreadsheet attachment for how SCWSA determined its capital distribution cost for Batesburg-Leesville.

First, as you know, I needed to speak with my board about your reasonable request for an estimated wholesale rate you can include in your report to Batesburg-Leesville. I have obtained authorization on Friday to provide a wholesale water purchase rate. SCWSA forecasts a finished water wholesale, cost-to-serve rate to be \$1.98 per 1000 gallons, with the actual rate only known after substantive negotiations are held with Batesburg-Leesville, and after approval of SCWSA's Board. SCWSA arrived at **\$1.98 per 1000 gallons** which consists of O&M of \$1.28 / 1000 gallons, Debt Service at \$0.52 / 1000 gallons which equals \$1.80 / 1000 gallons plus a 10% administrative cost to arrive at \$1.98 per 1000 gallons.

Second, please find attached a spreadsheet breaking down how SCWSA estimates the cost for distribution capacity to provide 1600 gpm or a design flow of 2 MGD from SCWSA's WTP to Batesburg-Leesville at the county line on Highway 391. Please know as well that this is a preliminary estimate for planning purposes for your report and is not definitive and requires final approval of SCWSA's Board. With that said, SCWSA projects a distribution cost of **\$2,597,165.00**. As we discussed in our meeting SCWSA estimated a percentage of flow in its waterlines from the WTP to the county line. Line items 1 through 4 follows this methodology. SCWSA created the table included for estimating average pipe flow to arrive at an equitable percentage distribution of cost. SCWSA estimated a shared capacity of 35% for Batesburg-Leesville for the 20-inch waterlines for the first 4 segments. SCWSA would reserve the right to review this breakdown if SCWSA's proposal is selected by Batesburg-Leesville as their best alternative.

For the final 20-inch waterline segment of 3.24 miles from the intersection of Holley Ferry and Highway 391 to the County line on Highway 391, SCWSA shows a 90% shared capacity for Batesburg-Leesville. As we also discussed, the percentage methodology doesn't appear equitable for Batesburg-Leesville. SCWSA proposes an alternate methodology to share in the cost. Individually, Batesburg-Leesville would require a 16-inch line for this segment and SCWSA would need a 8-inch waterline. Sharing resources a 20-inch waterline would be required. SCWSA estimated cost for this segment by subtracting the 8-inch line cost from the 20-inch line cost. Using this methodology for segment 5 saves Batesburg-Leesville over \$340,000 compared the percentage of flow methodology. If nothing else, SCWSA hopes Batesburg-Leesville recognizes our willingness to think of ways to work in a collaborative manner in sharing resources.

Thanks for your time and attention to this e-mail. Please do not hesitate to contact me if you have any questions! I hope you both have a great 4th of July!

Sincerely,

JASON R. FELL, P.E., MBA

General Manager

Saluda County Water and Sewer Authority

SCWSA WTP PROPOSAL DISTRIBUTION
CAPACITY COST FROM WTP TO COUNTY LINE

02-Jul-19

DI Pipe Flow Capacity

Pipe Size (in)	Low End (MGD)	High End (MGD)	Avg. Flow (MGD)	WL cost per LF
8	0.5	1.1	0.8	\$ 35.00
10	0.7	2	1.35	\$ 45.00
12	1	3.2	2.1	\$ 65.00
16	1.8	4.8	3.3	\$ 95.00
20	2.9	8.6	5.75	\$ 110.00

Option 2		Length (ft)	Length (mi)	Pipe Size (in)	WL cost per LF	Construction Cost	Avg. Flow Capacity (MGD)	B-L Capacity	B-L Shared Capacity (%)	B-L Capacity Cost	SCWSA Capacity	SCWSA Shared Capacity (%)	SCWSA Capacity Cost
LINE COST BASED ON PERCENTAGE OF FLOW													
1.	WTP to Aull Rd	4,242	0.80	20	\$ 110.00	\$ 466,620.00	5.75	2.00	35%	\$ 162,302.61	3.75	65%	\$ 304,317.39
2.	Aull Rd to Old Duncan Rd	2,258	0.43	20	\$ 110.00	\$ 248,380.00	5.75	2.00	35%	\$ 86,393.04	3.75	65%	\$ 161,986.96
3.	Old Duncan Rd to (Hwy 378/Holley Ferry)	8,496	1.61	20	\$ 110.00	\$ 934,560.00	5.75	2.00	35%	\$ 325,064.35	3.75	65%	\$ 609,495.65
4.	Hwy 378/Holley Ferry to Holley Ferry/ Hwy 391	12,843	2.43	20	\$ 110.00	\$ 1,412,730.00	5.75	2.00	35%	\$ 491,384.35	3.75	65%	\$ 921,345.65
5.	Hwy 391/Holley Ferry to County Line on Hwy 391												
5a.	BL alone 16-inch line	17,111	3.24	16	\$ 95.00	\$ 1,625,545.00	2.10	2.00	100%	\$ 1,625,545.00		0%	\$
5b.	SCWSA alone 8-inch line	17,111	3.24	8	\$ 35.00	\$ 598,885.00	0.80		0%	\$	8.00	100%	\$ 598,885.00
5c.	20-inch Shared capacity percentage	17,111	3.24	20	\$ 110.00	\$ 1,882,210.00	5.75		90%	\$ 1,693,989.00		10%	\$ 188,221.00
5d.	Shared capacity SCWSA pay for 8-inch	17,111	3.24	20	\$ 110.00	\$ 1,882,210.00	5.75		68%	\$ 1,283,325.00		32%	\$ 598,885.00
TOTAL		44,950	8.51			\$ 4,944,500.00							\$ 1,997,145.65
Total B-L Distribution Cost										\$ 2,597,165.00			

BATESBURG-LEESVILLE WHOLESALE OFFER EXECUTIVE SUMMARY

OFFER EXTENDED ON 7/3/2019 AND BOARD EXTENDED OFFER EARLIER TODAY

- SCWSA is offering finished water wholesale on a cost-to-serve approach at \$1.98/1000 gallons
- Wholesale costs includes: 1. O&M, 2. Debt Service, 3. Administrative, 4. Depreciation, 5. 10% Margin
- Offered 2 Million Gallons a Day of Capacity in SCWSA's Distribution System for \$2.6 Million for 8.5 miles from WTP to county line on Highway 391 as the primary Interconnection.
- Offered two additional interconnections at 1. County line on Highway 378, 3 Miles from WTP and 2. County line on Rock N Creek Road in the Acapulco Community, 4 miles from WTP, for no additional cost.

BACKGROUND

- SCWSA'S WTP mission is to provide access to everyone in the Western Midlands good clean water.
- Based on the business concept of scale, the more water sold, the less it costs to produce water on a per unit basis with fixed costs holding constant.
- SCWSA proposed to sell water to 1. Batesburg-Leesville, 2. Ridge Spring, 3. Saluda CPW and 4. Gilbert-Summit.
- This is a win-win for all concerned.

BENEFITS OF PURCHASING WATER FROM SCWSA

- **Excellent Raw Water Quality** – Intake is located at the bottom of the submerged Saluda River that provides constant slow velocity with lower turbidity levels. While SCWSA has taken steps to mitigate, fortunately SCWSA has not experienced taste and odor issues to date.
- **Excellent Finished Water Quality** – SCWSA won 2019 SCEC best tasting water award. New WTP has improved all aspects of water quality, less corrosive, lower turbidity, lower TTHM and adequate chlorine residuals throughout SCWSA's distribution system that extends over 25 miles from WTP.
- **Proximity to SCWSA's WTP** - Batesburg-Leesville is only 12.5 Miles from SCWSA's WTP. It's even closer on the northern part of B-L's service area.
- **Service Territory Development** – B-L can address future growth on Hwy 1 and Lake Murray.
- **Shared Cost in Distribution Capacity** - Cost based on percentage of flow in pipe.
- **Shovel Ready Projects** – 1. SCWSA's Project to be bid in 90 days with waterlines & all 3 BL connections. 2. BL already has engineering design in Lexington County on Hwy 391 and Hwy 378.
- **Accountability** – SCWSA's standard of providing quality water is not just at the county line but also at the last tap. SCWSA is willing to provide assistance

sampling. As our second largest customer, SCWSA will be accountable and willing to help.

- **Transparency** – SCWSA is open to holding an annual meeting to present financial data, discuss water quality status and to answer questions.
- **Excess Capacity for Future Growth** – Currently permitted to treat 4 MGD, next year WTP will be rated to treat 6 MGD, by increasing the size of 2 pumps. WTP is plumbed on-site for future expansion for between 12 to 15 MGD.

SCWSA OFFER CLARIFICATION IN HAZEN REPORT

6/22/2020

Tables 6.1 & 6.2: SCWSA Supply Alternative Capital Cost - Section 1 & 2

(From SCWSA WTP to Point of Sale at County Line on Hwy 391)

Item #	Description	Qty	Hazen Estimate	Qty	SCWSA Estimate
	Section 2 Town Total	1.00	\$ 2,669,000	1.00	
	Section 3 Town Total	1.00	\$ 2,294,000	1.00	
	Total Sections 2 & 3 Town Total		\$ 4,963,000		\$ 2,600,000
	Difference				\$ 2,363,000

6/22/2020

Table 6.3 SCWSA Supply Alternative Capital Cost - Section 3

(From Point of Sale to Town's System)

SCWSA Supply Alternative - Section 3

Item #	Description	Qty	Hazen Estimate	Qty	SCWSA Estimate
1	Waterline Construction	1.00	\$ 3,858,000	1.00	\$ 1,500,000
2	Meter Station	1.00	\$ 250,000	1.00	\$ -
3	1.0 MGD Ground Storage Tank	1.00	\$ 1,550,000	1.00	\$ 750,000
4	Booster Pump Station	1.00	\$ 1,250,000	1.00	\$ 750,000
5	Existing WTP Decommissioning	1.00	\$ 200,000	1.00	\$ 200,000
6	Engineering, Surveying, Permitting	10.00%	\$ 691,000		\$ 100,000
7	New Easements/Property Acquisition	0.75%	\$ 52,000	0.75%	\$ 52,000
8	Contingency	20.00%	\$ 1,381,000	10.00%	\$ 320,000
	Section 3 Town Total		\$ 9,232,000		\$ 3,672,000
	Difference				\$ 5,560,000
	Total Sections 1 - 3 Town Total		\$ 14,195,000		\$ 6,272,000
	Difference				\$ 7,923,000

Notes:

1. SCWSA performed similar construction in 2019 for \$95/LF in more difficult conditions
2. Distance from County line to County line to Town's System is inadvertently reported by Hazen at 3.7 miles it's 3.1 miles.
3. Ground Storage Tank is reported to be just \$300,000 less than Elevated Tank for Alternative 2. SCWSA has built an equivalent ground storage tank for 1/2 the price.
4. SCWSA would recommend reusing the existing plans and have an engineer revise and bid.
5. Contingency is typically 10% for USDA-RD projects