

**GREENWOOD METROPOLITAN DISTRICT
MINUTES OF THE APRIL 28, 2021
REGULAR MEETING**

The Regular Meeting of the Greenwood Metropolitan District Commission was held Wednesday, April 28, 2021, at 3:00 p.m., in the Commission Room of Greenwood Metropolitan District's Emmett F. Brooks Facility, 110 Metro Drive, Greenwood, SC 29646.

In Attendance:

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| Commissioner Tim Burke, Chairman | Jeff Chapman | Roy Hemphill |
| Commissioner Bob Haynie, Vice Chairman (via Zoom) | Lisa Hornyak | Donna Rhodes |
| Commissioner Byron W. Smith, Secretary | Brian Waldrep | Wayne Daniel |
| Commissioner Henry Watts | Marsha Meyer | DJ Miller |
| Commissioner Mike Monaghan | Tony Williamson | Bonnie McManus |
| Commissioner Art Bush | John Wiseman, Greenwood Capital | Marion Boone |

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- I.** Chairman Burke called the meeting to order and gave the statement of compliance with the notification provisions of the Freedom of Information Act. Chairman Burke welcomed everyone in attendance.
 - II.** Commissioner Watts gave a word of prayer.
 - III. QUORUM:**
All Commissioners were in attendance.
 - IV. REPORT FROM GREENWOOD CAPITAL:**
Mr. Wiseman gave a written and a verbal report of the District's Reserve and Capacity Fee investment accounts for the quarter ending March 31, 2021.
 - V. APPROVAL OF MINUTES:**
May 14, 2021 – Regular Meeting Minutes
Vice Chairman Haynie said Commissioner Watts' prayer was listed twice. Commissioner Watts made a motion to approve the Minutes with Vice Chairman Haynie's correction and Commissioner Bush seconded the motion. Motion passed unanimously.
 - VI. FINANCE REPORTS:**

CFO Hornyak asked the Commission to be aware of line 6 (Bad Debt Expense), on page 9 (Budget to Actual Report), Actual Year to Date (FY21) -\$70,334. GMD's budgeted bad debt for the fiscal year is \$75,000. CFO Hornyak said GMD will most probably exceed that for the fiscal year. Although collections are looking better, the next three to four months will be the remainder of the Covid-19 late payments where there was a moratorium on cutoffs and she anticipates an additional \$40,000 bad debt for the remainder of the fiscal year. That would have GMD's bad debt expense at 0.7% of revenue. It is higher than our average, which is usually about 0.5% of GMD's revenue for the year.

Commissioner Watts said CPW is experiencing bad debt as well. Chairman Burke asked Commissioner Watts if it was the same percentage. Commissioner Watts said CPW cut the utilities for 350 CPW customers in a one-month time frame.

CFO Hornyak presented a credit profile from Moody's rating service. Moody's did affirm GMD's profile for debt as an "Aa3", rating. "Aa" rating is defined as "Obligations rated "Aa" are judged to be high quality and are subject to low credit risk. CFO Hornyak said she wanted to note that Moody's noted Greenwood's median household income at 72% of the national. That is a system characteristic. Also our customer concentration risk hurts us in the ratings. In her opinion, the results of the next census will have an impact on our rating. She is unsure if GMD will be able to retain the Aa3 rating in the future.

Commissioner Monaghan said he had some questions in the financial reports, page 10 (Budget to Actual), two areas under the Investments line number 23 "Investment Income Net Actual Year to Date FY21" -\$51,047 and "Prior Year to Date FY20" was \$516,797 and line number 26 "Total Other Income Actual Year to Date FY21 \$379,625" and "Prior Year to Date FY20 \$958,343." He asked what the reason for the difference was. CFO Hornyak said the investment income is the market and this is March 2020 to March 2021. In March 2020 the rates dropped tremendously and that was the difference in the investment income. Commissioner Monaghan said GMD made \$516,797 in the previous year versus -\$51,047. CFO Hornyak said a good bit of that is unrealized gains that will be offset as discussed earlier. Not all of that is realized. Line 20 "Interest Earned" the actual interest that GMD has earned is \$171,223 versus \$484,133 which was last year's amount.

CFO Hornyak asked Commission Monaghan on which line did he have concerns. Commissioner Monaghan said line number 26, "Total Other Income". CFO Hornyak said the difference in those two lines would be the investment income and also the capacity fees.

Commissioner Monaghan said at the last meeting (April 14th), it was discussed to move line 30, "Pension and Other Post-Employment Benefits Liability". CFO Hornyak said she will move that.

Commissioner Monaghan referenced page 15, "County Treasurer Funds FY21 Activity" there was \$7 million remaining and page 10, "Budget to Actual", line 24, "Capacity Fees" \$378,669. CFO Hornyak said page 10, is the capacity fees account, and page 15, is tax revenue that Greenwood County retains. Commissioner Monaghan said it is money that GMD has not received and that is why it is not shown. CFO Hornyak said it is not an account that GMD holds, Greenwood County is the custodian. CFO Hornyak said she could include it should the Commission wanted her to. Commissioner Monaghan said he did. CFO Hornyak said she would.

CFO Hornyak presented a "Five Year Capital Funding and Rate Plan FY 2022 – FY 2026", which was prepared to help identify GMD's capital needs in rate planning and budgeting.

As a part of CFO Hornyak’s presentation, the Commission discussed the need to raise rates for the next fiscal year and beyond. As a result of the discussions, staff was directed to prepare a budget for 2021-2022 with no sewer service charge rate increases.

Chairman Burke asked everyone to be aware of the next regular meeting on May 19th.

VII. OTHER BUSINESS:

General Manager Chapman said at the last meeting, April 14th, it was discussed rejecting the bids for the Automatic Tank Gauging & Leak Detection System due to non-compliance. We need to ratify that decision.

Commissioner Bush made a motion to reject the bids submitted for the Automatic Tank Gauging & Leak Detection System due to non-compliance with bid specifications and Commissioner Watts seconded the motion. Motion passed unanimously.

VIII. EXECUTIVE SESSION:

S.C. Code Ann., § 30-4-70(a)(2) – personnel matters and receipt of legal advice.

Secretary Smith made a motion to go into Executive Session for receipt of legal advice and to discuss a personnel matter and Commissioner Bush seconded the motion. Motion was unanimously approved.

After the Executive Session, the meeting was re-opened to the public and Chairman Burke stated there was nothing discussed in Executive Session that required action.

The meeting was adjourned.

Date

Byron W. Smith, Secretary