



## American Rescue Plan (ARP) INFRASTRUCTURE GRANT APPLICATION

**Application Release:** 02/14/2022  
**Application Due:** 04/01/2022  
**Application Review Closes:** 04/29/2022

---

Laurens County is now accepting applications for infrastructure projects to be funded through the American Rescue Plan (ARP). Laurens County will receive \$13.1 Million in ARP funds, of which up to \$2.5 Million will be made available to agencies for eligible public service, housing, and infrastructure projects from the County's first appropriation of ARP funding. ARP funds are authorized under the American Rescue Plan Act.

This ARP funding round will focus on infrastructure projects. Specifically, proposals for water, sewer, and broadband improvement projects will be accepted for this solicitation. Infrastructure projects funded through this program should primarily benefit residents of unincorporated Laurens County.

Required Notices of Intent, describing the project, number of project beneficiaries, tentative timeline, and preliminary budget, are due via email [ARPA@co.laurens.sc.us](mailto:ARPA@co.laurens.sc.us), mail or hand delivery no later than 04/01/2022 at 5 PM to be eligible for funding consideration. Notices of intent that do not arrive by the deadline will not be considered.

Awards for a funded project, if selected, will be provided on a cost reimbursable basis for eligible activities undertaken after execution of a grant agreement with the subrecipient. Work that is contracted for prior to the execution of the agreement with the County or that has not been competitively procured cannot be paid with ARPA funds. All items purchased with ARPA funds must be competitively procured, whether by bid or quote, as specified in the grant agreement.

Applications can be downloaded at [www.laurenscounty.us](http://www.laurenscounty.us). Complete infrastructure applications (PDF Format preferred) are due via email at [ARPA@co.laurens.sc.us](mailto:ARPA@co.laurens.sc.us), mail or hand delivery no later than 04/01/2022 at 5 PM.



Scoring Matrix: Applications will be evaluated based on the criteria below.

Impact of Project and Clientele Served	20 points
Organizational Capacity and Experience	20 points
Budget	20 points
Feasibility	10 points
Protection of Public Health	20 points
Project Evaluation	10 points
<b>Total</b>	<b>100 points</b>



Hwy. 418 Waterline Improvements  
(Bethany Tank Water Supply)

**A. APPLICANT INFORMATION**

Applicant: Laurens County Water and Sewer Commission

Address: P.O. Box 1006, Laurens, SC 29360

DUNS #: 030103519

Contact: Jeff Field Title: Executive Director LCWSC

Phone #: 864-682-6516 Fax #: 864-682-3260

Email: jfield@lcwsc.com

Applicant Type: ☐ Local Government  
☒ Special Purpose District  
☐ Public Works Commission  
☐ Joint Municipal System  
☐ Applicant is submitting on behalf of a not for-profit water/sewer/broadband company or other eligible entity (provide name)  
Name: \_\_\_\_\_

***Please list below the information for any partner organizations that will be involved in the implementation of this grant.***

Firm/Organization Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Email: \_\_\_\_\_

Firm/Organization Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Email: \_\_\_\_\_



## B. GENERAL INFORMATION

**1. Project Name and Location:**

Name: Hwy 418 Waterline Improvements (Bethany Tank Water Supply)

Location: Hwy 418 Northern Laurens County

**2. Infrastructure project type (please select category and subcategory)**

☒ Water

- ☐ Energy conservation
- ☐ Water conservation
- ☐ Non-point source
- ☐ Treatment
- ☒ Transmission and distribution
- ☐ Transmission and distribution: Lead remediation
- ☐ Drinking water source
- ☐ Drinking water storage
- ☐ Other water infrastructure (Please specify, \_\_\_\_\_)

☐ Sewer

- ☐ Centralized wastewater treatment
- ☐ Centralized wastewater collection & conveyance
- ☐ Decentralized wastewater
- ☐ Combined sewer overflows
- ☐ Other sewer infrastructure (Please specify, \_\_\_\_\_)

☐ Broadband

- ☐ Broadband infrastructure (Please specify, \_\_\_\_\_)

**3. Has the applicant applied for Federal funds (FEMA, CDBG, etc.) for this specific project or project phase before?**

☐ Yes      ☒ No



a. *If so, please list dates and amounts.*

Date	Amount Requested

4. *If this is a phased project, please list prior phases and funding amounts received.*

Project Phase	Date	Funding
		<input type="checkbox"/> Yes <input type="checkbox"/> No Amount Received:
		<input type="checkbox"/> Yes <input type="checkbox"/> No Amount Received:
		<input type="checkbox"/> Yes <input type="checkbox"/> No Amount Received:

5. ***Exhibit A – Project Implementation Schedule – A list of required exhibits is provided at the end of this document. For Exhibit A, please provide a detailed schedule for project implementation. All projects must have 50% of the construction completed by June 30, 2023.***

## C. Organizational Capacity and Experience

C-1. *Please describe your organization's history, mission, year established, and services provided.*

The mission of the Laurens County Water and Sewer Commission is to ensure that our customers are provided with a sustainable supply of safe, quality drinking water and to provide environmentally sound wastewater collection and treatment services. Our dedication to our industry, customers and community are evident through our operations, outreach initiatives and efficiency of services while maintaining a continued focus on supporting the infrastructure for effective economic growth.

On July 1, 1993, Laurens County Water and Sewer Commission (LCWSC) became the successor by reason of consolidation of Rabon Creek Rural Water District and the Laurens County Water Resources Commission; both chartered in July 1972. Through the consolidation, Laurens County Water and Sewer Commission became the owner and operator of both the water supply system, the sewer system, and Lake Rabon. The consolidation allows for greater efficiency and economy in the provision of water and sewer services to the residents of Laurens County.

### Services Provided:

- Collection System: provides collection and transportation of sewer for treatment to the LCWSC Wastewater Treatment Plant or to various other treatment providers.
- Wastewater Treatment Plant: is a source of sewage treatment for the City of Clinton, communities of Joanna, Lydia Mill, and local industry, including the Laurens County Hospital and Laurens County Detention Center.
- Water Distribution System: acquires, treats, and distributes fresh water for industrial, agriculture, and domestic use. Currently there are approximately 15,500 residential homes (approximately 34,500 people) and 148 businesses serviced by the system.
- Lake Rabon Water Supply System: serves as one (1) source of water supply for Laurens County, primarily for the City of Laurens; as well as recreation and flood control reservoir.
- The Lake Greenwood Water Treatment Facility: began serving as the main location for water supply provided by Laurens County Water and Sewer Commission. The facility provides the highest quality of drinking water due to the advanced treatment process and the incorporation of ozone, which has become the water treatment of choice for taste and odor.



*C-2. Who will be the person responsible for the overall oversight of the proposed project? Please describe their experience with the project and length of service in their position. Additionally, please describe their experience managing grants.*

Jeff Field, P.E. Executive Director LCWSC.  
Served in this position since February 2005.  
Oversees administration and operation of the organization, including all projects and grants.

*C-3. Who will be the person(s) responsible for the day-to-day operations and management of the proposed project? Please provide no more than two individuals. Please describe their experience with the project and length of service in their position. Additionally, please describe their experience managing grants.*

Damas Mattison Regulatory Compliance and Operations Manager LCWSC.  
Served in this position since 2013. Assists in the needs assessment for water and sewer projects. Works with engineers on projects to ensure plans and specifications conform with LCWSC standards. Manages staff the operate the LCWSC water and sewer system.

Steve Griffin Construction Manager LCWSC.  
Served in this position since 2014. Assists in the needs assessment for water projects. Works with engineers and contractors on projects to ensure construction standards are adhered too. Manages staff the maintained and construct system improvements.

*C-4. Please describe your organization's experience and major accomplishments in providing services to LMI residents and/or communities.*

Since 2012, LCWSC has received five (5) Community Development Block Grants (CDBG) for the Joanna Community totaling around \$2.3 million which provided services to 234 LMI residential water customers and 263 LMI residential sewer customers.

Since 2015, LCWSC has received two (2) CDBG for the Lydia Mill Community totaling around \$1.1 million which provided services to 204 LMI residential sewer customers.

In addition, LCWSC was recently awarded a CDBG for approximately \$1 million which will replace a sewer line that serves approximately 2,500 LMI customers in the City of Clinton.



*C-5. Please describe your organization's overall experience managing grants.*

From fiscal year 2012 to 2021, Laurens County Water and Sewer Commission has received and managed approximately \$12.5 million in grant funding from various organizations including Community Development Block Grant program, Department of Parks, Recreation and Tourism, Economic Development Administration, Federal Emergency Management Division, South Carolina Rural Infrastructure, State Revolving Fund Program, and United States Department of Agriculture Rural Development.

In the current fiscal year, 2022, Laurens County Water and Sewer Commission has already received and managed about \$4.3 million in grant funding.

*C-6. Has your organization carried out or attempted this project before, with or without grant funds? If yes, what were the results?*

☐ Yes

☒ No



**D. APPLICANT RISK ASSESSMENT**

Note: All applicants must complete this risk assessment. Please answer all questions. Failure to complete this risk assessment will result in your program not being funded.

MANAGEMENT SYSTEMS		
D-1. Has your organization had any changes to key staff or positions in the past 12 months? If yes, explain.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
D-2. Has your organization had any changes to business systems in the past 12 months? If yes, please explain.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
D-3. Does your organization have policies and procedures for the following items?		
Procurement	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Drug Free Workplace	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Conflicts of Interest	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Financial Management	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Property/Equipment Management and Disposition	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Retention of Records	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Civil Rights	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No



AUDIT REPORTS AND MONITORING			
D-4. Did your organization expend \$750,000 or more in Federal grant funds in the previous fiscal year?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-5. Has your organization had a Single Audit or other financial audit in the last 12 months? If so, please attach the full audit report, including corrective actions as applicable.		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-6. Has your organization had any monitoring visits by a funding agency within the last 12 months? If yes, please complete the table below indicating the results of the monitoring activity.		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Awarding Entity	Result (Finding(s) - Yes/No)	Corrective Action Plan Required?	Status (Open or Closed)
SC Rural Infrastructure Authority	No	No	Closed
SC Dept of Commerce (CDBG)	No	No	Closed
FINANCIAL STABILITY			
D-7. Does your organization have an accounting system in place to segregate expenditures by funding source?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-8. Does the accounting system produce a budget vs. expenditures report?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-9. Does your organization maintain central files for grants, loans, or other types of financial assistance?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-10. Does your organization have a time and effort system that:			
a) records all time worked, including time not charged to awards?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b) records employee time specifically by cost objective/activity?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
c) is signed off by the employee and a supervisor?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
d) complies with the established accounting policies and practices of the organization?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
D-11. Does your organization allocate expenses, either directly or indirectly by means of a cost allocation plan?		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No



D-12. Does your organization have a Negotiated Indirect Cost Rate? If yes, and if indirect costs will be applied to this grant, please attach a copy of your indirect cost rate agreement.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------	----------------------------------------

PERFORMANCE HISTORY		
D-13. Is your organization currently debarred or suspended?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

D-14. Has your agency received other federal funds in any of the past four fiscal years? If yes, what was the project, timeframe, funding source, and funding amount?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------	-----------------------------

Including the current fiscal year, Laurens County Water and Sewer Commission has received approximately \$10 million in federal funds and they are as follows:

- Whitten Center Sewer Lift Stations, FY18-FY20, State Revolving Fund Program for \$662,252
- Lake Rabon Trails Phase III, FY18-FY19, Department of Parks, Recreation, and Tourism for \$52,614
- Mogul Sewer Lift Station, FY18-FY19, Economic Development Administration for \$1,223,660
- Joanna Mill Village Sewer Upgrade Phase V, FY18-FY19, Community Development Block Grant for \$512,771
- Lydia Mill Sewer Upgrade, FY20-FY21, Community Development Block Grant for \$659,780
- Stagecoach Road Waterline and Milam Road Tank, FY20-present, Economic Development Administration for \$2,820,053
- Water Treatment Facility and Distribution Lines, FY21-present, United States Department of Agriculture Rural Development for \$4,068,245

D-15. Has your organization been defunded or had a reduction in a grant, loan, or other type of financial assistance in the past 12 months? If yes, please explain.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------	----------------------------------------

--	--	--



## E. PROJECT BENEFICIARIES

Infrastructure projects MUST consist of water, sewer, or broadband improvements. All projects MUST principally benefit low and moderate-income persons.

### Service Area

Include a street map showing the location of the project and the area of primary benefit (service area).

### Project Benefit

Total Customers/Taps (existing and new) to be served by the project:

Residential 4585 Business 11

### Benefits to Low and Moderate-Income (LMI) Persons

Benefits will be available to *all residents in a particular area* where a majority of the residents are low and moderate-income persons (LMI) (check the statement that applies - check only one):

- ☐ The area is \_\_\_\_\_ Census Tract(s), \_\_\_\_\_ Block Group(s) that is \_\_\_\_\_ Percent LMI (*minimum 51%*); OR
- ☐ Benefits a low to moderate income service area, as evidenced through surveying

Note:

The requested LMI information can be found via the following link, through which applicants can search by address:

<https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd>

### Urgent Need

- ☒ Project addresses a critical public health need. Please describe below.

During high water demand periods, the water level in the Bethany Tank remains low leaving many customers in the area vulnerable to being without fire protection during these periods. The LCWSC has tried to mitigate this issue by closing water distribution system valves to reduce the area serviced by the Bethany Tank but this problem will only worsen over time as more and more water demand is placed on the system. Installing this larger 12-inch waterline will allow the tank to fill faster to better maintain the water level in the tank for fire protection. It will also allow LCWSC to increase the service area of the Bethany tank, forcing the water in the distribution system to circulate more, thus achieving required disinfecting levels to customers in the area.



**COVID-19 impacts**

Describe how the community to be served by this project has suffered disproportionate negative impacts due to the COVID-19 pandemic.

**F. PROJECT COSTS**

Provide the financial data requested below. Costs should be based on the best information available. More exact figures will be requested, if needed. When preparing this data, consider the following:

- A project should be completed in one phase if feasible;
- Cost estimates must be as detailed as possible; and
- A project timeline

**1. Total Project Costs: (Note: a + b must = c)**

- a. Amount of ARP Funds Requested: \$552,379
- b. Amount of Non-ARP Funds (Match): \$563,000
- c. Total Project Cost: \$1,115,379

**2. Breakdown of Non-ARP Funds (Match):**

Fund Type	Fund Name	Amount
State Grant	SC Rural Infrastructure	\$500,000
Capital Reserve Funds	LCWSC	\$63,000*+

\* LCWSC matching funds spent to date on engineering.

**Exhibit B – Letters of Commitment** - Letters of commitment for any matching funds contributed to the project should be included as Exhibit H.



Project Budget:

**Exhibit C – Project budget** - Provide a project budget including a detailed line-item construction estimate.

- a. It is recommended that a copy of the preliminary plans and specifications be submitted with the Construction Cost Estimate.*
- b. Construction Estimate (prepared within last 12 months):*
- c. Source of Estimate: ex: Engineering Firm*
- d. Date of Estimate:*

## **G. PROJECT NARRATIVE AND OBJECTIVES**

Please include a narrative on separate pages as Exhibit D  
(not to exceed 5 pages, single spaced, exclusive of exhibits).

1. Definition of the Problem and Need:

- a. Explain the need for this project including summary of current condition, capacity, and deficiencies of existing systems. Provide detailed specific information on the urgency and severity of the need for this project such as health and safety problems, substandard conditions, public facility problems, lack of essential services, etc.*
- b. Explain why the proposed project cannot be undertaken without ARP funds.*

2. Project Description

- a. Scope of Work – Include a description of the specific project activities that will be undertaken.*
- b. Service Area - Include the exact street location, the geographical boundaries, characteristics and nature of the neighborhood/community of the project.*
- c. Exhibit E – Location/Service Area Maps - Provide maps showing the location of the project and boundaries of the service area.*
- d. Exhibit F – Project Team - Provide a list of any and all partners whose participation in project implementation is required for successful project completion. Specify the role(s) of each partner in project implementation. Commitment letters and budgets (if required) for all*



partners and subrecipients participating in the project must be included as Exhibit F.

*e. Feasibility* – Identify how the project will solve the problem or improve conditions. If the project does not completely solve a systemic or area-wide problem, indicate plans and proposed funding for the remaining need and timeframe. Address the proposed project schedule and any anticipated or potential delays. Provide a plan for project sustainability, including the applicant's ability to operate and maintain system improvements.

*f. Evaluation* – Provide a plan to measure the success of the project and service provided to local clientele.

## H. ENGINEERING REQUIREMENTS

1. *List all applicable federal, state, and local permits or approvals required for this project and list the current status of each permit or approval in the space provided.*

Permit or Approval Required	Application Date	Status
SCDHEC Construction	6/11/2021	Approved
SCDOT Encroachment	6/11/2021	Approved
USACE Wetlands	6/21/2021	Approved

2. *List all applicable federal, state, and local permits or approvals required for this project and list the current status of each permit or approval in the space provided.*

Permit or Approval Required	Application Date	Status

3. *If the need for permits or approvals has not been identified and/or if the application submission process for permits has not been started, please explain why not. If application for permits has not begun, provide a schedule for application.*



## I. BUDGET

1. Provide a Budget Summary to include:

- a. Annual Budget
- b. Capital Improvements Budget
- c. Anticipated Operating Reserve

2. Exhibit G – Current Year Budget - All applicants must submit a current-year budget.

3. Exhibit H – Most Recent Audited Financial Statements - All applicants must submit a copy of their most recent audited financial statements

## J. APPLICANT CERTIFICATION

### THE APPLICANT CERTIFIES THAT:

To the best of its knowledge and belief, the data and statements presented in this application are true and correct; the governing body of the applicant has duly authorized the document; and the applicant will comply with the certifications listed above if the application is approved.

### Certifying Representative

Name: JEFF FIELD  
Title: Executive Director LCWSC  
Signature: [Signature]  
Date: 3-28-2022



## List of Exhibits

### EXHIBIT A - PROJECT IMPLEMENTATION SCHEDULE

	<u>Task/Activity</u>	<u>Completion Date</u>
1.	Submit Preliminary Plans and Specs	April 13, 2021
2.	Publish Notice to Bidders	January 06, 2022
3.	Public Bid Opening	February 08, 2022
4.	Award Construction Contract	February 17, 2022
5.	Preconstruction Meeting	March 30, 2022
6.	Issue Notice to Proceed	
7.	Start Construction	November 01, 2022
8.	Project Construction Must be 50% Completed	June 30, 2023
9.	Project Construction Must Be 100% Completed	December 31, 2024
10.	Complete "Punch List" Items	May 01, 2023
11.	Submit Final Change Order and Final Invoice	May 01, 2023
12.	Execute Certificate of Acceptance for Project	May 01, 2023



**EXHIBIT B – FUNDING COMMITMENT LETTERS**

- Please provide any letters of funding commitments received.

**EXHIBIT C - COST ESTIMATE**

- Please provide a cost estimate prepared within the last 12 months.

**EXHIBIT D – PROJECT NARRATIVE**

- Please answer all questions in Section G.
- Please do not exceed 3 pages.

**EXHIBIT E – LOCATION/SERVICE AREA MAPS**

- Attach a map of the entire County showing the general project location.
- Attach a map showing the specific project location.
- Attach at least one map showing the boundaries of the service area. All street names and reference points must be clearly labeled. If the project will be constructed in several phases, both the overall service area and individual service area for each phase of the project must be described and identified.

**EXHIBIT F – PROJECT TEAM INFORMATION, COMMITMENT LETTERS, AND BUDGETS**

- Provide a list of any and all partners whose participating in project implementation
- Specify the role(s) of each partner in project implementation.
- Please provide commitment letters and budgets (if required) for all partners and subrecipients participating in the project .

**EXHIBIT G - CURRENT YEAR BUDGET**

- Please provide the current year budget for your organization.

**EXHIBIT H - MOST RECENT AUDITED FINANCIAL STATEMENTS**

- Please provide a copy of your organization's most recent audited financial statements.

**EXHIBIT I – ADDITIONAL SUPPORTING DOCUMENTATION**

- Attach documents and current data including such items as surveys, reports, feasibility studies, letters, traffic/pedestrian counts, well/on-lot sewage disposal system test data, newspaper articles, petitions, preliminary site plans/drawings/technical specifications, zoning/tax maps, inter-municipal agreements, letters from residents, letters of support from organizations, and other descriptive information.
- Attach photographs that will help visually show the problem and need.
- Please provide all preconstruction documentation including water, sewer, DHEC, Army Corps of Engineers, local building code approval, planning, zoning, and permitting if necessary for the project.



## Exhibit B

### FUNDING COMMITMENT LETTER(S)



Robert M. Hitt III  
Chairman



Bonnie Ammons  
Executive Director

South Carolina  
Rural Infrastructure Authority

November 2, 2020


The Honorable Ted Davenport  
Chairman  
Laurens County Water & Sewer Commission  
Post Office Box 1006  
Laurens, South Carolina 29360

Dear Chairman Davenport:

On behalf of the South Carolina Rural Infrastructure Authority, I am pleased to inform you that a Basic Infrastructure grant has been approved in the amount of \$500,000 for the Bethany Tank Water Supply Improvements project. This project will help address a critical need in your community.

You will receive a grant agreement which identifies the conditions of this assistance within the next few days. We look forward to working with you to build infrastructure capacity for the future.

Sincerely,

  
Robert M. Hitt III  
Chairman

cc:

The Honorable Daniel B. Verdin III  
The Honorable Leon D. Gilliam

The Honorable Stewart O. Jones  
The Honorable Mark N. Willis



**Grant Award**


Grantee: Laurens County Water & Sewer Commission      Date of Award: November 2, 2020  
Grant Title: Bethany Tank Water Supply Improvements      Award Amount: \$500,000  
Grant Period: November 2, 2020 – November 1, 2022      Grant Number: R-21-1274

The South Carolina Rural Infrastructure Authority ("RIA") hereby awards funds to the above named Grantee, in the amount shown above, for the activities specified in the application and for the purposes authorized. The acceptance of this award creates a contract between RIA and the Grantee legally binding the Grantee to carry out the activities set forth in the approved grant application in accordance with the terms and conditions of the Grant Agreement.


**SPECIAL CONDITIONS**

1. Grantee must submit all required documents to close RIA Grant #R-18-1173 prior to RIA issuing a Notice to Proceed.
2. Grantee must provide certification that all easements have been obtained prior to bidding the project.
3. Grantee must submit revised application forms. Contact RIA for more information.
4. Grantee must comply with the RIA Project Management Procedures.

This contract shall become effective, as of the date of award, upon return of one copy of this grant award which has been signed in the space provided below. The copy must have original signatures and must be returned within thirty (30) days from the date of award.

  
Bonnie Ammons, Executive Director  
SC Rural Infrastructure Authority

**ACCEPTANCE FOR THE GRANTEE:**

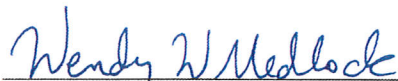
  
Signature of Executive Official (with authority to execute contract)

11-11-2020

Date

JEFF FIELD  
Typed Name and Title of Chief Executive Official

**ATTEST:**

  
Signature of Authorized Official

Director of Finance  
Title of Authorized Official





POST OFFICE BOX 1006  
LAURENS, SOUTH CAROLINA 29360

(864) 682-3250  
FAX (864) 682-3260

[WWW.LCWSC.COM](http://WWW.LCWSC.COM)

March 25, 2022

Thomas R. Higgs, II  
County Administrator, Laurens County  
100 Hillcrest Square  
P.O. Box 445  
Laurens, SC 29360

RE: Hwy 418 Bethany Tank Water Supply

Dear Mr. Higgs,

Laurens County Water Sewer Commission (LCWSC) is committed to providing \$63,000 match for the completion of the Hwy 418 Bethany Tank Water Supply project. In addition to this match commitment, we are prepared to cover any additional funds needed for change orders, etc. to complete the project. Laurens County Water and Sewer Commission has the staff and sufficient income to own, operate and maintain this infrastructure after construction.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Field', is written over a blue circular graphic element.

Jeff Field, P.E.  
Executive Director, LCWSC



## Exhibit C

### COST ESTIMATE



**Tabulation of all Bids**  
**Laurens County Water and Sewer Commission**  
**February 8, 2022 2:00 @ PM**

**Project:**  
**Bethany Tank Water Supply Improvements**  
**KCI Project # 962009095 / HMW Project # LCW-005**

**BIDDER:**  
**Payne, McGinn and**  
**Cummins, Inc.**  
**2017 N. Hwy 25**  
**Travelers Rest, SC 29690**  
**864-834-8221**

**BIDDER:**  
**Piedmont Utility Group, Inc.**  
**681 NC 120 Hwy**  
**Mooresboro, NC 28114**  
**704-473-4066**

**BIDDER:**  
**Tom Brigman**  
**Contractors, Inc.**  
**1509 Sunset Ave.**  
**Newberry, SC 29108**  
**803-276-4083**

ITEM #	APPROX QUAN.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL AMT.	UNIT PRICE	ORIGINAL TOTAL AMT.	CORRECTED TOTAL AMT.	UNIT PRICE	TOTAL AMT.
1	1	LS	Contractor Mobilization	\$45,000.00	\$45,000.00	\$58,914.21	\$58,914.21	\$58,914.21	\$50,372.19	\$50,372.19
2			Water Lines - Open Cut:							
a.	5,590	LF	12" DIP (Push-on Joint)	\$76.70	\$428,753.00	\$96.19	\$537,702.10	\$537,702.10	\$87.32	\$488,118.80
b.	1,600	LF	12" DIP (Restrained Joint)	\$86.75	\$138,800.00	\$105.82	\$169,312.00	\$169,312.00	\$106.00	\$169,600.00
3			Steel Casing w/ Carrier Pipe (Bored and Jacked)							
a.	120	LF	20-inch Steel Casing w/ 12" DIP (RJ) Carrier Pipe	\$340.00	\$40,800.00	\$830.15	\$99,618.00	\$99,618.00	\$430.11	\$51,613.20
4	7,190	LF	Line Ball Markers	\$0.40	\$2,876.00	\$1.35	\$9,706.50	\$9,706.50	\$1.75	\$12,582.50
5	3,000	LBS	Fittings	\$15.00	\$45,000.00	\$7.65	\$22,950.00	\$22,950.00	\$19.09	\$57,270.00
6			Gate Valves w/ Box:							
a.	14	EA	12 - inch	\$3,400.00	\$47,600.00	\$3,970.59	\$55,588.26	\$55,588.26	\$4,760.51	\$66,647.14
b.	1	EA	8 - inch	\$2,150.00	\$2,150.00	\$2,321.44	\$2,321.44	\$2,321.44	\$3,085.13	\$3,085.13
7	3	EA	Fire Hydrant Assemblies	\$6,300.00	\$18,900.00	\$6,581.21	\$19,743.63	\$19,743.63	\$9,079.69	\$27,239.07
8	2	EA	Temporary Blow-Off Assemblies	\$1,500.00	\$3,000.00	\$4,462.64	\$8,925.28	\$8,925.28	\$2,431.10	\$4,862.20
9	3	EA	Air Release Valve Assemblies	\$11,500.00	\$34,500.00	\$13,440.54	\$40,321.62	\$40,321.62	\$17,185.59	\$51,556.77
10			Connect to Existing Water Lines:							
a.	3	EA	12-inch	\$3,250.00	\$9,750.00	\$5,819.00	\$17,457.00	\$17,457.00	\$9,831.73	\$29,495.19
b.	2	EA	8-inch	\$3,200.00	\$6,400.00	\$5,038.31	\$10,076.62	\$10,076.62	\$7,435.90	\$14,871.80
11			Abandonment/Removal/Disposal:							
a.	1	EA	Remove Ex. Fire Hydrant	\$500.00	\$500.00	\$1,815.00	\$1,815.00	\$1,815.00	\$1,203.87	\$1,203.87
b.	2	EA	Remove Ex. Valve Box	\$400.00	\$800.00	\$495.00	\$990.00	\$990.00	\$494.50	\$989.00
12			Plug Existing Water Lines:							
a.	2	EA	6-inch	\$1,100.00	\$2,200.00	\$2,451.90	\$4,903.80	\$4,903.80	\$1,412.79	\$2,825.58
13			Water Service Reconnections:							
a.	19	EA	Tap on Water Main	\$700.00	\$13,300.00	\$655.75	\$12,459.33	\$12,459.25	\$1,041.51	\$19,788.69
b.	100	LF	3/4" Service Line (Open Cut)	\$25.00	\$2,500.00	\$12.19	\$1,219.00	\$1,219.00	\$34.21	\$3,421.00
c.	500	LF	3/4" Service Line (Open Cut)	\$40.00	\$20,000.00	\$12.19	\$6,095.00	\$6,095.00	\$34.21	\$17,105.00
d.	19	EA	Re-Connect to Ex. Customer Service Line	\$250.00	\$4,750.00	\$643.50	\$12,226.50	\$12,226.50	\$832.99	\$15,826.81



**Tabulation of all Bids**  
**Laurens County Water and Sewer Commission**  
**February 8, 2022 2:00 @ PM**

**Project:**  
**Bethany Tank Water Supply Improvements**  
**KCI Project # 962009095 / HMW Project # LCW-005**

**BIDDER:**  
**Payne, McGinn and**  
**Cummins, Inc.**  
**2017 N. Hwy 25**  
**Travelers Rest, SC 29690**  
**864-834-8221**

**BIDDER:**  
**Piedmont Utility Group, Inc.**  
**681 NC 120 Hwy**  
**Mooresboro, NC 28114**  
**704-473-4066**

**BIDDER:**  
**Tom Brigman**  
**Contractors, Inc.**  
**1509 Sunset Ave.**  
**Newberry, SC 29108**  
**803-276-4083**

ITEM #	APPROX QUAN.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL AMT.	UNIT PRICE	ORIGINAL TOTAL AMT.	CORRECTED TOTAL AMT.	UNIT PRICE	TOTAL AMT.
14			Erosion & Sediment Control Facilities:							
a.	3,600	LF	Silt Fence	\$4.00	\$14,400.00	\$2.20	\$7,920.00	\$7,920.00	\$5.34	\$19,224.00
b.	35	EA	Sediment Tube	\$80.00	\$2,800.00	\$49.50	\$1,732.50	\$1,732.50	\$226.71	\$7,934.85
c.	10,000	SF	Erosion Control Blanket	\$0.25	\$2,500.00	\$1.65	\$16,500.00	\$16,500.00	\$3.46	\$34,600.00
15			Pavement Replacement:							
a.	100	LF	Asphalt Driveway Patch	\$50.00	\$5,000.00	\$94.11	\$9,411.00	\$9,411.00	\$50.06	\$5,006.00
b.	100	LF	Free/Dry Bore Driveway (12" Water Line)	\$100.00	\$10,000.00	\$115.50	\$11,550.00	\$11,550.00	\$77.63	\$7,763.00
c.	200	SY	Asphalt Overlay	\$50.00	\$10,000.00	\$44.00	\$8,800.00	\$8,800.00	\$47.28	\$9,456.00
d.	10	CY	Supplemental Controlled Density Fill	\$200.00	\$2,000.00	\$99.00	\$990.00	\$990.00	\$276.15	\$2,761.50
e.	20	CY	Supplemental Crushed Stone	\$60.00	\$1,200.00	\$60.50	\$1,210.00	\$1,210.00	\$86.05	\$1,721.00
16			Testing/Miscellaneous:							
a.	5	EA	Compaction Test	\$300.00	\$1,500.00	\$495.00	\$2,475.00	\$2,475.00	\$598.39	\$2,991.95
b.	4	EA	Pressure Test	\$1,200.00	\$4,800.00	\$2,200.00	\$8,800.00	\$8,800.00	\$1,849.20	\$7,396.80
c.	8	EA	Bacteriological Test Sampling	\$700.00	\$5,600.00	\$330.00	\$2,640.00	\$2,640.00	\$986.70	\$7,893.60
17	2	EA	Creek Crossing	\$25,000.00	\$50,000.00	\$26,950.00	\$53,900.00	\$53,900.00	\$18,101.00	\$36,202.00
18	50	CY	Unsuitable Soil Excavation and Backfill with Select Material	\$60.00	\$3,000.00	\$77.00	\$3,850.00	\$3,850.00	\$40.39	\$2,019.50
19	100	CY	Classified Excavation	\$150.00	\$15,000.00	\$150.00	\$15,000.00	\$15,000.00	\$150.00	\$15,000.00
<b>TOTAL BASE BID:</b>					<b>\$995,379.00</b>		<b>\$1,237,123.79</b>	<b>\$1,237,123.71</b>		<b>\$1,248,444.14</b>

**Notes:**

1. The highlighted values for the Piedmont Utility Group, Inc. bid represent the corrected line item amounts due to minor math errors. The corrected value for the Total Base Bid is \$1,237,123.71. These errors are considered an irregularity and do not affect the outcome of the bids.

CERTIFIED TO BE A TRUE AND ACCURATE TABULATION OF ALL BIDS RECEIVED AND PUBLICALLY READ ALOUD ON FEBRUARY 8, 2022,  
TO THE BEST OF MY KNOWLEDGE AND BELIEF.

KCI Technologies, Inc.

Clay Helms, P. E.



# BETHANY TANK WATER SUPPLY IMPROVEMENTS

## FOR

# LAURENS COUNTY WATER AND SEWER COMMISSION

FOUNTAIN INN, SOUTH CAROLINA  
MAY 2021

### Board of Commissioners:

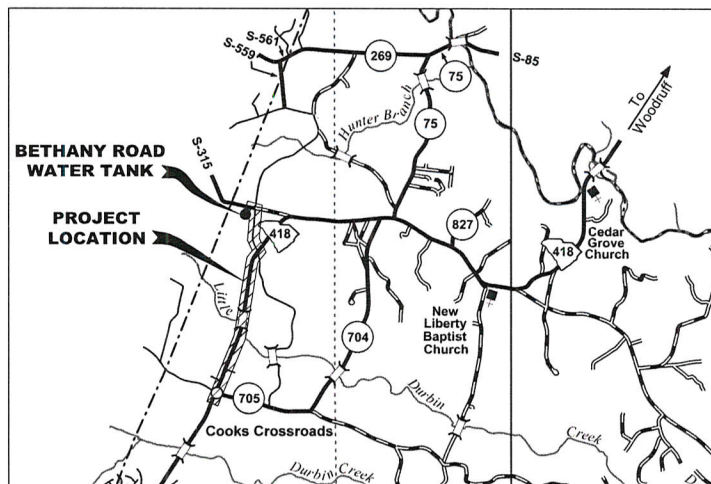
Chairman: Ted Davenport  
Vice Chairman: William Teague  
Secretary: Jurell Byrd, Jr.  
Treasurer: Susan Curry  
Member: John McMurray  
Member: Doug Hendrick  
Member: Phil O'Dell  
Member: Sam Peden

Executive Director: Jeff Field, P.E.

PO Box 1006  
Laurens, South Carolina 29360  
Phone: (864) 682-6519

### Engineer:

KCI Technologies, Inc.  
Clay M. Helms, P.E.  
101 North Pine Street, Suite 410  
Spartanburg, S.C. 29302  
PHONE: (864) 269-0890  
FAX: (864) 269-9030



VICINITY MAP  
N.T.S.

INDEX TO DRAWINGS	
C1	TITLE SHEET
C2	LEGEND AND GENERAL NOTES
C3	INDEX PLAN
C4 - C11	WATER LINE PLAN & PROFILE
C12 - C13	WATER SYSTEM DETAILS
EC1 - EC4	EROSION AND SEDIMENT CONTROL PLAN
EC5 - EC6	EROSION CONTROL DETAILS



NOTE:  
NO WORK AS SHOWN ON THESE PLANS SHALL COMMENCE UNTIL ALL  
FEDERAL, STATE AND LOCAL PERMITS, ENCROACHMENT PERMITS AND  
EASEMENTS HAVE BEEN OBTAINED.



NO.	DATE	DESCRIPTION



**KCI TECHNOLOGIES**  
ENGINEERS | PLANNERS | SCIENTISTS | CONSTRUCTION MANAGERS  
106 Clair Drive Piedmont, South Carolina 29673-7771  
Phone: (864) 269-0890 Fax: (864) 269-9030

TITLE SHEET

BETHANY TANK WATER SUPPLY IMPROVEMENTS  
LAURENS COUNTY  
WATER AND SEWER COMMISSION

PROJECT: LOW 005 962006005  
DESIGNED: DKS  
CHECKED: CMB  
APPROVED: DJD

C1



C:\USERS\DAVID.GARDEN\AT HOME 3-27-20\LOCAL\008-BETHANY TANK WATER SUPPLY 982008090\CADD\CADD DRAWINGS\CH005000\VERDELONG 4/18/2021 8:16:12 AM















SOUTH CAROLINA  
KCI  
TECHNOLOGIES  
INC.  
No. C0651

[illegible]

 **KCI TECHNOLOGIES**  
ENGINEERS | PLANNERS | SCIENTISTS | CONSTRUCTION MANAGERS  
KCI  
1006 Clair Drive, Piedmont, South Carolina 29673-7771  
Phone (864) 269-0890 Fax (864) 269-9030

WATER LINE  
PLAN AND PROFILE

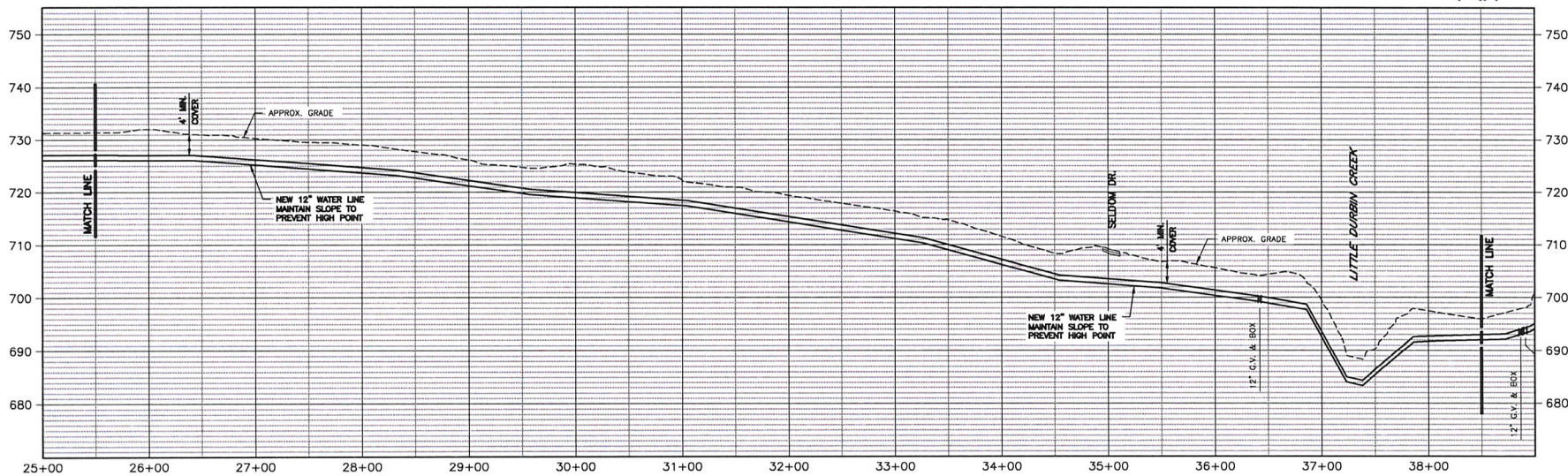
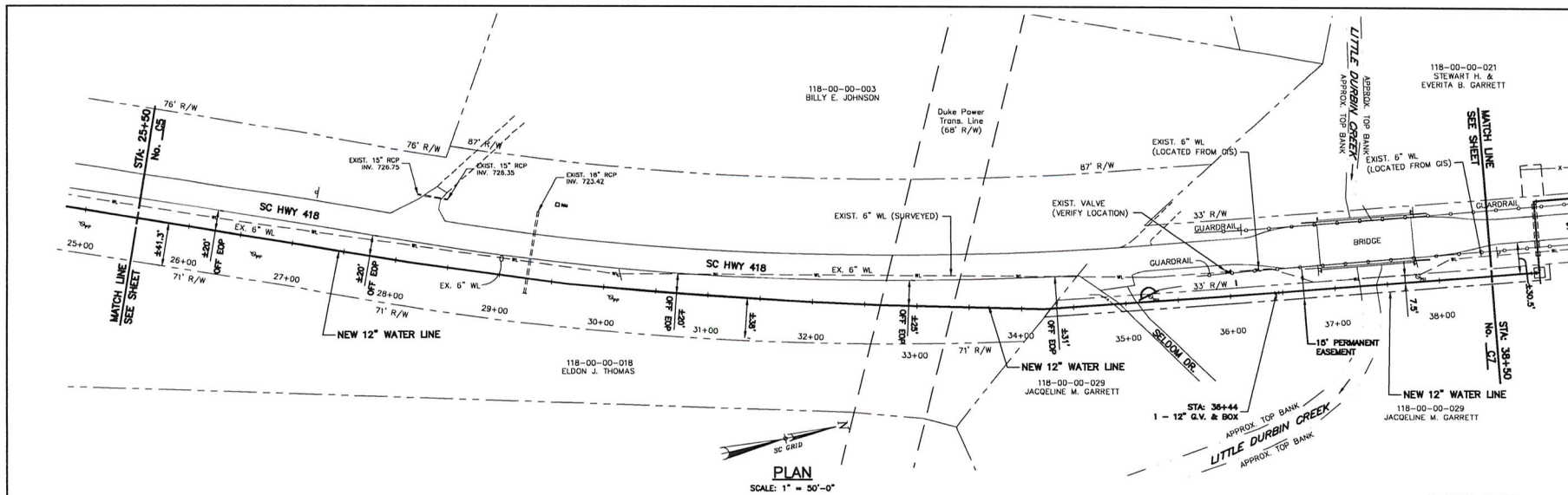
LAURENS COUNTY  
WATER AND SEWER COMMISSION

PROJECT: LCW 005 962009093  
DESIGNED: DKG  
CHECKED: CMH  
APPROVED: DJD

C5



C:\USERS\BANG\GARRETT\AT HOME\2-27-20\DWG\005-BETHANY TANK WATER SUPPLY\005000050.CADD  
DRAWING 1: 11:00:00 AM 1/11/2021 BY: J. J. J. J.



PRELIMINARY  
NOT FOR  
CONSTRUCTION



ISSUE	DATE	DESCRIPTION

**KCI TECHNOLOGIES**  
ENGINEERS | PLANNERS | SCIENTISTS | CONSTRUCTION MANAGERS  
106 Clair Drive | Piedmont, South Carolina 29673-7771  
Phone: (864) 269-0890 Fax: (864) 269-9030

**WATER LINE  
PLAN AND PROFILE**

BETHANY TANK WATER SUPPLY IMPROVEMENTS  
LAURENS COUNTY  
WATER AND SEWER COMMISSION

PROJECT: LCW 005 005 005000005  
DESIGNED: DJG  
CHECKED: CMH  
APPROVED: DJG

**C6**











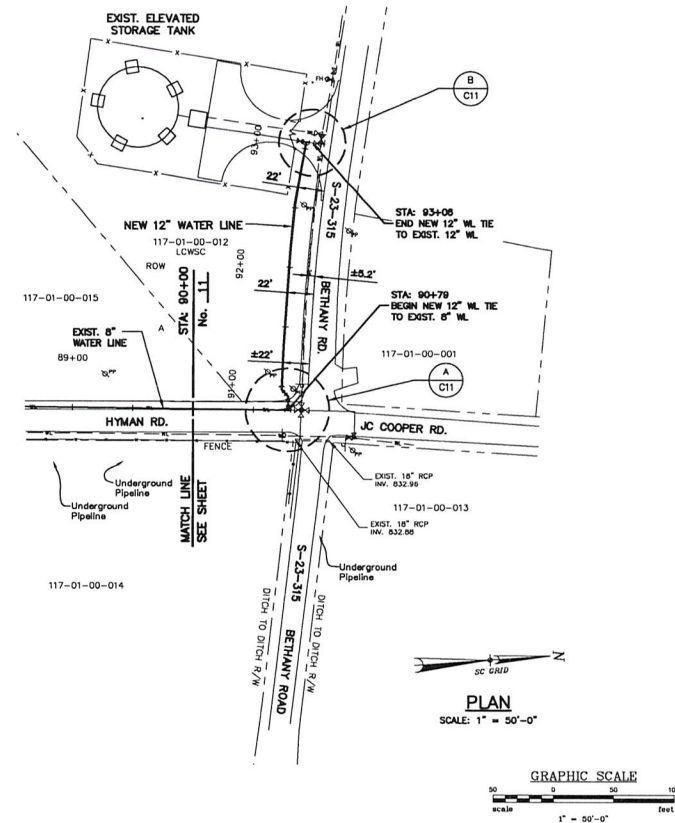
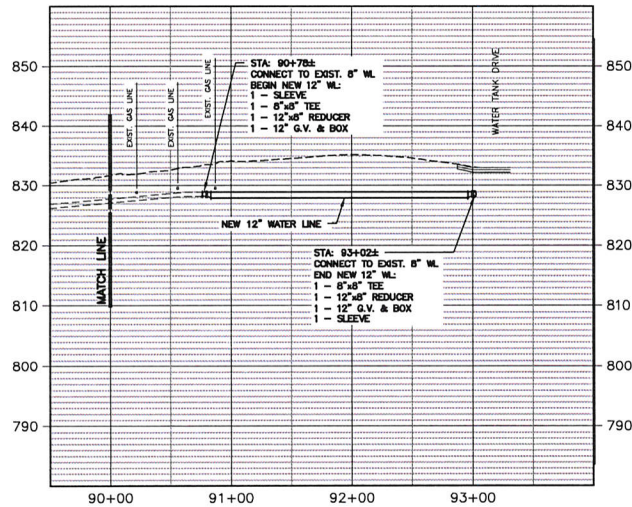
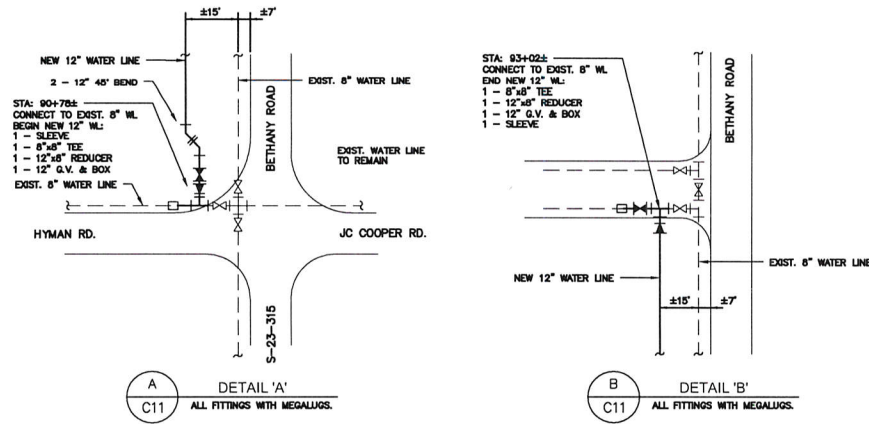








C:\WORKS\LAND\GARRISON\1-10-06\1-27-20\DWG\W06-BETHANY TANK WATER SUPPLY 9/20/2006\CA001.DWG  
 DRAWN BY: J. GARRISON  
 CHECKED BY: J. GARRISON  
 DATE: 9/20/2006



PRELIMINARY  
 NOT FOR  
 CONSTRUCTION



NO.	DATE	DESCRIPTION

**KCI TECHNOLOGIES**  
 ENGINEERS | PLANNERS | SCIENTISTS | CONSTRUCTION MANAGERS  
 106 Clair Drive, Piedmont, South Carolina 29673-7771  
 Phone: (864) 269-0890 Fax: (864) 269-8030

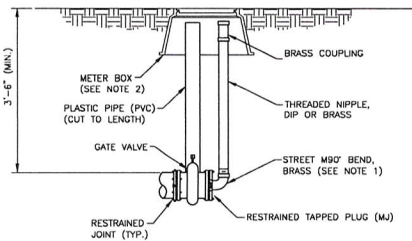
**WATER LINE  
 PLAN AND PROFILE**

**BETHANY TANK WATER SUPPLY IMPROVEMENTS  
 LAURENS COUNTY  
 WATER AND SEWER COMMISSION**

PROJECT: LW 005 9/20/2006  
 DESIGNED: DMH  
 CHECKED: CMH  
 APPROVED: DJJ

**C11**



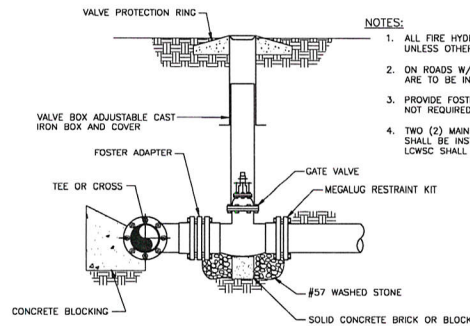


- NOTES:
1. PROVIDE CONCRETE THRUST BLOCK BEHIND STREET 90 BEND.
  2. METER BOX SHALL BE THE SAME METER BOX USED FOR 3/4" AND 1" METER INSTALLATIONS.

PIPE SIZE	BLOW-OFF SIZE
8"	2 1/2"
6"	2"
4"	1-1/2"
3"	1-1/4"

STANDARD BLOW-OFF WITH FULL SIZE VALVE

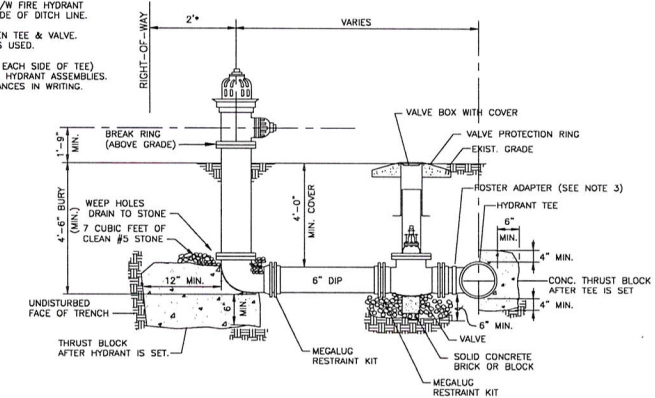
DETAIL  
SCALE: NONE



- NOTES:
1. SEE STANDARD THRUST BLOCK.
  2. CONCRETE SHALL NOT CONTACT BOLTS OR ENDS OF MECHANICAL FITTINGS.

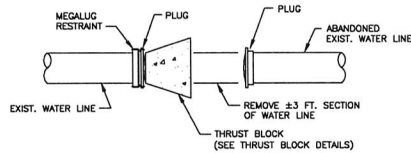
DETAIL FOR SETTING GATE VALVE

DETAIL  
SCALE: NONE



FIRE HYDRANT, VALVE & TEE SETTING

DETAIL  
SCALE: NONE

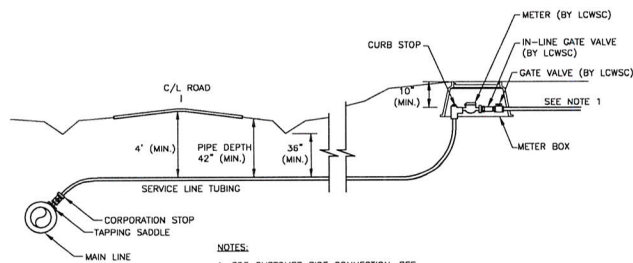


WATERLINE PLUG

DETAIL  
SCALE: NONE

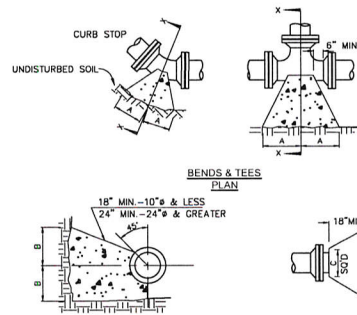
PRESSURE ZONE A  
(150 psi)

PIPE SIZE	90° BEND	45° BEND	22 1/2° BEND	11 1/4° BEND	TEE	PLUG
4"	8"	10"	6"	8"	3"	8"
6"	16"	10"	9"	10"	6"	8"
8"	22"	13"	12"	13"	8"	10"
10"	26"	17"	14"	17"	10"	13"
12"	30"	20"	18"	20"	12"	16"
14"	36"	24"	21"	24"	14"	18"
16"	39"	28"	24"	28"	16"	20"
18"	42"	30"	26"	30"	18"	22"
20"	42"	32"	28"	32"	20"	24"



TYPICAL WATER SERVICE DETAIL FOR  
3/4" RESIDENTIAL METER INSTALLATIONS

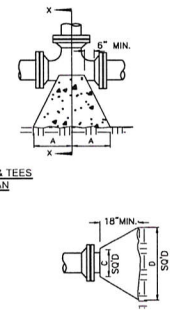
DETAIL  
SCALE: NONE



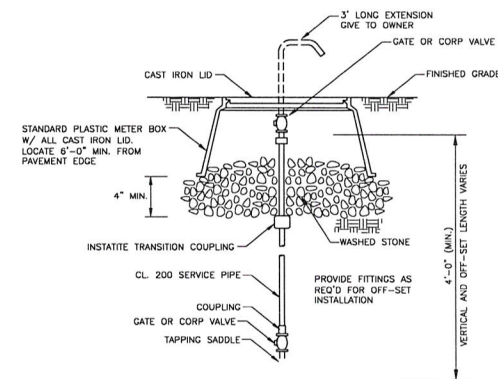
BENDS & TEES  
SECTION 'X'

THRUST BLOCK

DETAIL  
SCALE: NONE



PLUGS  
PLAN & ELEVATION



TYPICAL MANUALLY OPERATED  
AIR RELEASE VALVE CONNECTION

DETAIL  
SCALE: NONE

ISSUE	REVISION	DATE	DESCRIPTION



**KCI TECHNOLOGIES**  
ENGINEERS | PLANNERS | DESIGNERS | CONSTRUCTION MANAGERS  
106 Clair Drive, Piedmont, South Carolina 29673-7771  
Phone: (864) 269-0890 Fax: (864) 269-9030

WATER SYSTEM DETAILS

BETHANY TANK WATER SUPPLY IMPROVEMENTS  
LAURENS COUNTY  
WATER AND SEWER COMMISSION

PROJECT: LOW 005 000000005  
DESIGNED: DMG  
CHECKED: CMH  
APPROVED: DJD



C12







## Exhibit D

### PROJECT NARRATIVE



## **Exhibit D**

### **Project Narrative and Objectives**

#### **Need:**

The Bethany Tank is a 250,000-gallon elevated water storage tank located in the northeastern portion of Laurens County (near the Greenville County and Spartanburg County lines). The tank was originally constructed in year 2000 to provide water service to the northeastern area of the LCWSC distribution system. The tank is supplied by an existing 6" PVC water line which parallels SC Hwy 418. The "second phase" of the original tank project was to extend a new 12" water line up Hwy 418 to supply the tank, but this phase was never constructed due to financial limitations. The new Owings Tank (ZF) was placed into service in 2009 and started to supply some of the demands of the Bethany service area. Thus, the 12" line along SC Hwy 418 (second phase) was delayed even further.

As the water demand for the Bethany Tank District Metering Area (DMA) increased, the Bethany Tank struggled to fill completely during higher demand periods. During these high demand periods the water level in the Bethany Tank often did not extend higher than the top of the riser pipe. Without the water storage in the tank, fire flow demands were diminished and many customers in the area were vulnerable to being without fire protection during these periods. As a result, the LCWSC closed water distribution valves to reduce the area serviced by the Bethany Tank. This has added additional demands on the Owings Tank DMA (service area) and the Owings Tank now struggles, though to a lesser extent, to fill and cycle correctly during high demand periods in the summer.

The replacement of the existing 6" water line with a new 12" DIP water line will reduce the friction losses in the supply line to the Bethany Tank and the tank will be able to fill and cycle as it was originally intended. This will allow LCWSC to increase the Bethany service area, reducing the burden and stress on the Owings Tank.

The LCWSC has received \$500,000 in grant funding from the SC Rural Infrastructure Authority (SCRIA) and is requesting \$552,379 in ARPA funds from Laurens County to complete construction of the project. This will allow the LCWSC to maintain its current reserve fund balance for other needed projects in the County and minimize the potential for future rate increase to our customers.

#### **Project Description:**

The proposed water replacement will consist of approximately 8,850 LF of 12" water main, 5 fire hydrants, and 18 water service reconnections. The total construction cost of the Bethany Tank Water Supply Improvements project is \$1,115,379, which includes engineering.

This project has bid and been awarded to a licensed contractor therefore the LCWSC should not exceed this budget amount unless there are unforeseen change orders. The LCWSC will be



responsible for the operation and maintenance of the improvements once the project is placed in operation.

The anticipated project schedule is shown in the table below.

No.	Estimated Completion Date	Milestone
1	Completed	Submit SC RIA Application
2	Completed	Design Plans and Specs
3	Completed	Submit Plans to SC DHEC, SCDOT
4	Completed	Permit Approval
5	Completed	Acquire Easements
6	Completed	Advertise Project for Bids
7	Completed	Receive Bids
8	November 2022	Begin Construction
9	May 2023	Construction Completion

**Feasibility:**

There is no feasible, more cost-effective option to the proposed project. Failure to construct the proposed water system upgrades will continue to jeopardize the operation and reliability of the LCWSC water distribution system and impact the LCWSC's ability to serve future growth in the Fountain Inn/Bethany area.

Construction methods for this project will be typical. No extraordinary depths are anticipated. The project has already been awarded to the successful low bidder. When construction is complete, project testing, startup and closeout will be conducted per LCWSC and SCDHEC protocols, at which point LCWSC will take ownership and maintenance responsibilities for the waterline.

**Evaluation (Benefits):**

The proposed 12" water line will provide additional water supply capacity to the existing Bethany Tank. Currently the existing 6" water line that feeds the tank is a bottleneck. As a result, during high demand periods, the water supply is limited, and the tank cannot fill and function as needed. The new 12" water line will solve this condition and it will improve the overall functionality of the Bethany Tank and the associated DMA.

The project will directly benefit approximately 1,332 residential, 11 commercial customers, and 5 Churches. There will be an indirect benefit to 3,253 customers located in the Owings Tank DMA. Customers in both areas should see sustained residual pressures and increased fire protection potential.



Finally, the Northern portion of Laurens County, especially near the Fountain Inn area is experiencing a surge in housing developments due to its proximity to Greenville County. This project will lead to greater sustainability for the Bethany Tank and Owings Tank DMAs, which service this portion of the LCWSC system. A more balanced DMAs for the Bethany Tank and Owings Tank will better allocate existing capacity and allow for future growth.

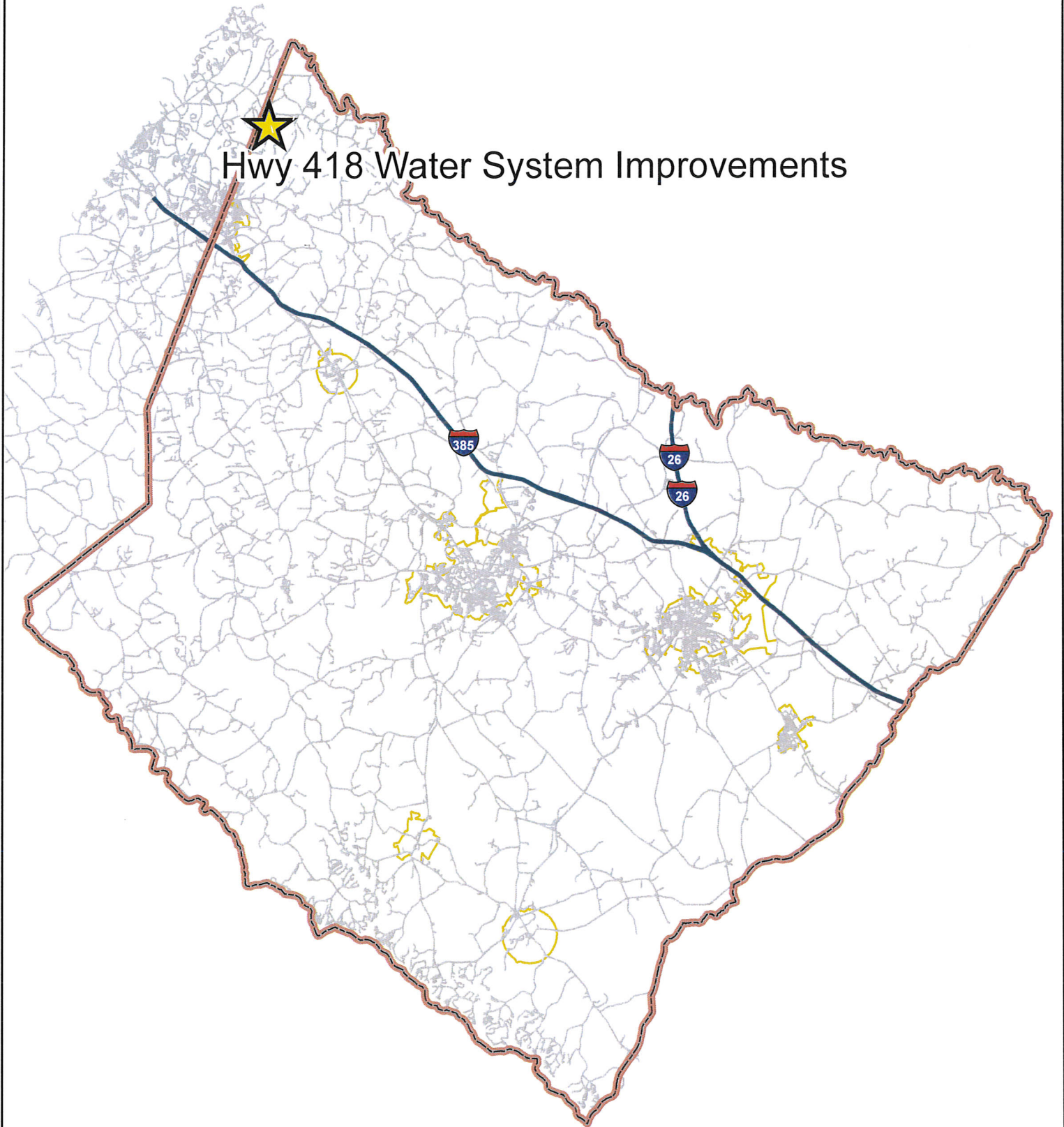


## Exhibit E

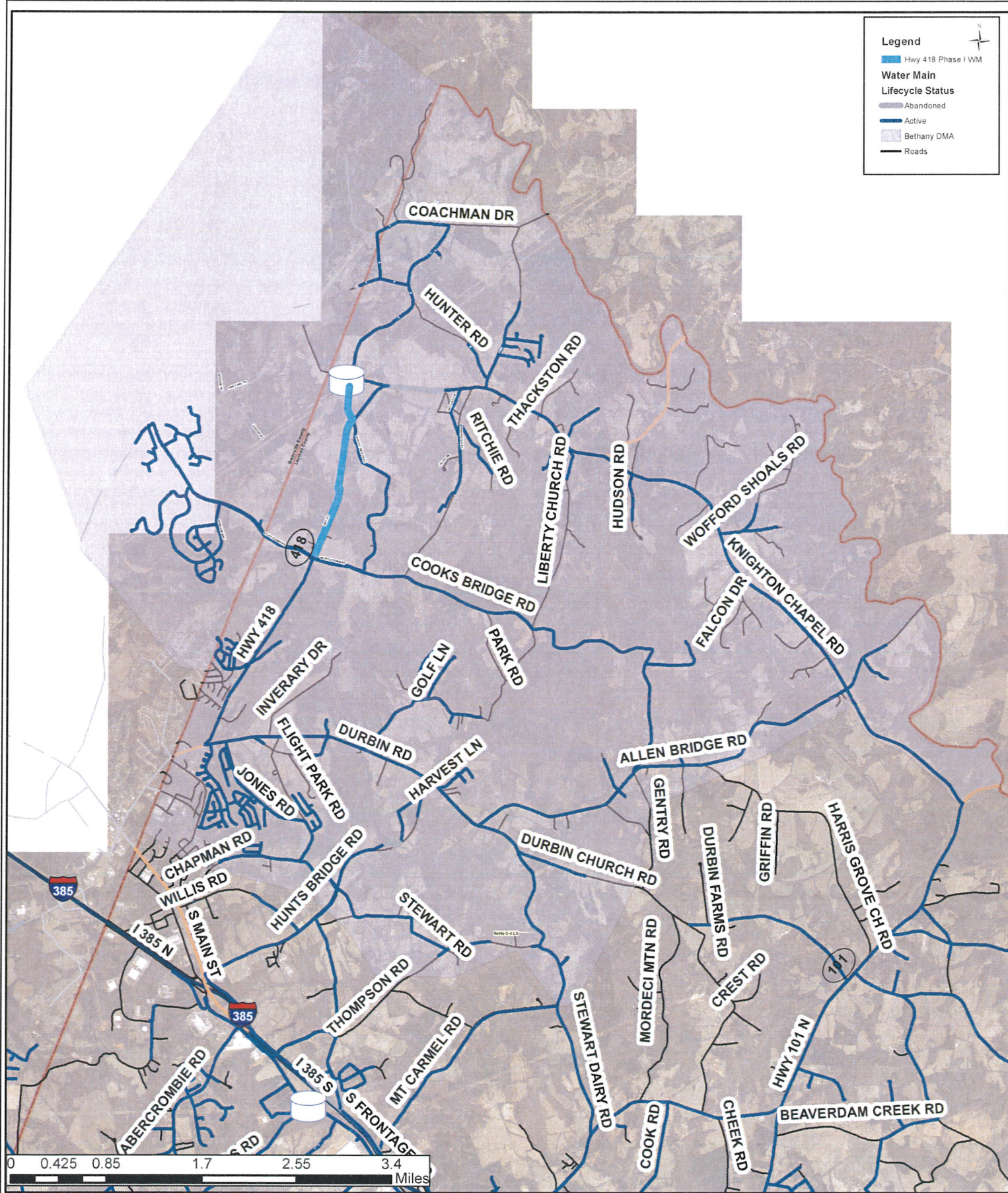
### LOCATION/SERVICE AREA MAPS



# Hwy 418 Water System Improvements







Hwy 418 Water System Improvements  
 8,850 ft of 12" DIP  
 Project Cost: \$1,115,379



## Exhibit F

---

### Project Team:

The Laurens County Water and Sewer Commission (LCWSC) will be responsible for the administration and construction of this project. After construction, the LCWSC will be solely responsible for ownership, operations, and maintenance of the life of the project.



---

## Exhibit G

### CURRENT YEAR BUDGET

---



# **ANNUAL BUDGET**

**FISCAL YEAR 2022**

**Starting July 1, 2021**



**[www.LCWSC.com](http://www.LCWSC.com)**



**I. Water Budget Summary**

In FY2022 the annual budget included operating income for Water of \$9,083,429 and operating expenses including water purchases and water treatment of \$6,179,925. The net revenue of \$2,903,504 plus expected capacity and tap fees of \$715,000 along with water reserve funds and other miscellaneous income is used to pay for annual capital improvements totaling \$1,486,722 and debt service payments totaling \$2,760,392.



	FY21 BUDGET	PROPOSED FY22 BUDGET	INCREASE / (DECREASE)	%OF BUDGET
<b>OPERATING BUDGET</b>				
<b>INCOME</b>				
Water Tier 1 Volume (Residential / Sm Non Res)	\$ 4,001,970	\$ 4,102,379	\$ 100,409	45.16%
Water Tier 1 Monthly Base Rate (\$16 residential/sm non res)	\$ 2,740,878	\$ 2,864,064	\$ 123,186	31.53%
Water Tier 2 Volume (Lg Non Res)	\$ 1,226,534	\$ 1,192,464	\$ (34,070)	13.13%
Water Tier 2 Monthly Base Rate (\$91 Lg Non Res)	\$ 162,261	\$ 160,524	\$ (1,737)	1.77%
Gray Court	\$ 93,789	\$ 106,438	\$ 12,649	1.17%
Fire Line Volume	\$ 2,434	\$ 3,772	\$ 1,338	0.04%
Fire Line Monthly Base Rate (\$91 metered, \$30 non metered)	\$ 17,280	\$ 18,096	\$ 816	0.20%
Fire Hydrant Water Sales	\$ 12,000	\$ 5,000	\$ (7,000)	0.06%
Valve Installation Fees	\$ 30,000	\$ 30,000	\$ -	0.33%
Origination Fees (Transfers)	\$ 49,200	\$ 51,600	\$ 2,400	0.57%
Bad Debt Delinquent Fees	\$ 500	\$ 500	\$ -	0.00%
Reinstatement Fees	\$ 36,000	\$ 38,400	\$ 2,400	0.01%
Reconnect Fees (Unlocks)	\$ 124,200	\$ 118,800	\$ (5,400)	0.42%
Broke Lock Fee	\$ 2,400	\$ 2,400	\$ -	1.31%
Return Check Fee	\$ 5,040	\$ 4,680	\$ (360)	0.03%
Late Penalties	\$ 300,000	\$ 276,000	\$ (24,000)	0.05%
Testable Device Fees	\$ 12,864	\$ 12,624	\$ (240)	3.04%
Billing Admin Fee	\$ 8,820	\$ 8,820	\$ -	0.14%
After Hours Service Calls	\$ 2,880	\$ 2,880	\$ -	0.00%
Tank Lease (AT&T/Sprint/T-Mobile)	\$ 81,346	\$ 83,989	\$ 2,643	0.92%
<b>TOTAL OPERATING INCOME</b>	<b>\$ 8,910,396</b>	<b>\$ 9,083,429</b>	<b>\$ 173,034</b>	<b>100.00%</b>
<b>EXPENSES</b>				
<b>PAYROLL</b>				
Gross Salaries (Includes Temporary Help)	\$ 890,804	\$ 995,740	\$ 104,935	
Overtime/On-call	\$ 96,219	\$ 101,241	\$ 5,022	
FICA/Medicare	\$ 75,507	\$ 83,919	\$ 8,412	
S. C. Retirement	\$ 151,054	\$ 178,549	\$ 27,495	
Employee YMCA Membership	\$ 3,600	\$ 3,600	\$ -	
Employee Uniform Expenses	\$ 18,525	\$ 20,775	\$ 2,250	
S.C. Unemployment	\$ -	\$ -	\$ -	
Insurance Health/Dental/Long-Term Disability	\$ 217,336	\$ 243,925	\$ 26,589	
Insurance Disability (Short Term)	\$ 7,804	\$ 8,270	\$ 466	
Insurance Workers Compensation	\$ 19,000	\$ 24,000	\$ 5,000	
Employee Accrual Cost for Other Retirement Benefits	\$ 42,665	\$ -	\$ (42,665)	
Employee Drug Test / Background Checks	\$ 800	\$ 1,500	\$ 700	
Employee Health Services	\$ 3,500	\$ 3,500	\$ -	
<b>TOTAL PAYROLL</b>	<b>\$ 1,526,814</b>	<b>\$ 1,665,019</b>	<b>\$ 138,204</b>	<b>26.94%</b>
<b>ADMINISTRATIVE</b>				
Administrative Fees	\$ 1,088,520	\$ 806,126	\$ (282,394)	
Attorney Fees	\$ 7,500	\$ 20,000	\$ 12,500	
Building and Cleaning Supplies	\$ 500	\$ 500	\$ -	
Consulting Engineer	\$ 6,000	\$ 6,000	\$ -	
Merchant Service Fees	\$ 74,400	\$ 78,900	\$ 4,500	
IVR / Online Transaction Fees	\$ 32,100	\$ 32,100	\$ -	
Billing Outsource Bill Contract	\$ 87,804	\$ 90,756	\$ 2,952	
DHEC License & Fees	\$ 29,006	\$ 30,106	\$ 1,100	
Employee License Fees	\$ 1,400	\$ 1,400	\$ -	
Employee Reimbursement (Mileage, etc.)	\$ 500	\$ 500	\$ -	
Computers/Software Maintenance	\$ 7,724	\$ 5,900	\$ (1,824)	
Meter Reading Software Maintenance	\$ 9,300	\$ 12,800	\$ 3,500	
Palmetto Utility Protection Service (PUPS)	\$ 12,000	\$ 12,492	\$ 492	
Mission Controls Service	\$ 10,441	\$ 13,535	\$ 3,094	
Phone Landline (Monthly Bill)	\$ 11,460	\$ 11,856	\$ 396	
Phone Mobile (Monthly Bill)	\$ 16,440	\$ 17,322	\$ 882	



	FY21 BUDGET	PROPOSED FY22 BUDGET	INCREASE / (DECREASE)	%OF BUDGET
Training Conferences / Seminars	\$ 8,000	\$ 8,000	\$ -	
Training Safety/Operations	\$ 9,567	\$ 9,567	\$ -	
Railroad R/W Fees and MS4	\$ 3,775	\$ 3,775	\$ -	
Water Resource Programs	\$ 20,000	\$ -	\$ (20,000)	
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 1,436,437</b>	<b>\$ 1,161,634</b>	<b>\$ (274,802)</b>	<b>18.80%</b>
<b>OPERATION &amp; MAINTENANCE</b>				
Building Maintenance	\$ 1,346	\$ 1,346	\$ -	
Grounds Maintenance	\$ 20,153	\$ 20,160	\$ 7	
Right of Way Maintenance	\$ 21,000	\$ 21,000	\$ -	
Inventory - Loss	\$ 2,000	\$ 2,000	\$ -	
Sampling Line Extensions & Water Quality	\$ 9,130	\$ 9,743	\$ 613	
Sampling Total Coliform Rule	\$ 23,760	\$ 11,880	\$ (11,880)	
E Arrow Board	\$ 300	\$ 300	\$ -	
E Backhoe Cat 420E	\$ 1,000	\$ 2,000	\$ 1,000	
E Boring and Tapping	\$ 5,000	\$ 5,000	\$ -	
E Lube general use	\$ 1,000	\$ 1,000	\$ -	
E Skid Steer Loader	\$ 1,500	\$ 1,500	\$ -	
E Trailer Maintenance	\$ 2,500	\$ 3,000	\$ 500	
E Mini Excavator - Line Crew	\$ 2,500	\$ 1,500	\$ (1,000)	
E Mini Excavator - Leak & Tap Crew	\$ 2,500	\$ 2,500	\$ -	
E Hydroexcavator	\$ 250	\$ 250	\$ -	
Equipment Rental / Plumber	\$ 2,500	\$ 5,000	\$ 2,500	
Facilities Maintenance	\$ 11,500	\$ 8,440	\$ (3,060)	
F Standby Generators	\$ 3,800	\$ 3,800	\$ -	
F PRV's & Altitude Valves	\$ 2,700	\$ 2,700	\$ -	
Contractor for Asphalt	\$ 10,000	\$ 10,000	\$ -	
L Contractor for Cleanup	\$ 4,000	\$ 4,000	\$ -	
Line Cuts (other utilities)	\$ 3,000	\$ 3,000	\$ -	
L Fill Materials	\$ 4,000	\$ 4,000	\$ -	
L Hydrant Parts & Paint	\$ 2,000	\$ 2,000	\$ -	
L Marking Paint and flags	\$ 11,000	\$ 11,000	\$ -	
L Repair Sleeves, Pipe, Fittings	\$ 50,000	\$ 50,000	\$ -	
L Straw and grass seed	\$ 3,000	\$ 3,000	\$ -	
Meter Locks	\$ 1,000	\$ 1,500	\$ 500	
Meter Reading Equipment / Testing	\$ 2,500	\$ 2,500	\$ -	
Tools & Supplies	\$ 10,000	\$ 10,000	\$ -	
Maintenance Tools & Supplies	\$ 350	\$ 350	\$ -	
Tools safety equipment	\$ 9,500	\$ 9,000	\$ (500)	
Utilities Clinton	\$ 20,976	\$ 10,542	\$ (10,434)	
Utilities Elevated Tanks and PRVs	\$ 7,200	\$ 6,762	\$ (438)	
Utilities Fountain Inn	\$ 16,788	\$ 19,248	\$ 2,460	
Utilities Hwy 92	\$ 900	\$ -	\$ (900)	
Utilities Maint Buildings	\$ 5,069	\$ 4,548	\$ (521)	
Utilities Raider Road	\$ 46,200	\$ 43,596	\$ (2,604)	
Utilities Intake	\$ 2,400	\$ -	\$ (2,400)	
Utilities Milam Road	\$ -	\$ 17,500	\$ 17,500	
Utilities Waterloo PS	\$ -	\$ 12,000	\$ 12,000	
WD Fuel/Fuel Card	\$ 54,120	\$ 55,890	\$ 1,770	
WD 11 Maintenance - 2 ton International Dump	\$ 3,000	\$ 3,000	\$ -	
<del>WD 19 Maintenance - Jimmy Dodge 2011</del>	<del>\$ 2,500</del>	<del>\$ -</del>	<del>\$ (2,500)</del>	
WD 28 Pat 2015 Chevy 1500 4 X 4	\$ 1,500	\$ 1,500	\$ -	
<del>WD 29 Maintenance - Jay - 2017 Chevy 1500</del>	<del>\$ 1,500</del>	<del>\$ -</del>	<del>\$ (1,500)</del>	
WD 30 New Dump Truck	\$ 8,000	\$ 8,000	\$ -	
WD 32 Maintenance - Jason Schultz - 2018 Ford F150	\$ 1,500	\$ 1,500	\$ -	
WD 33 Maintenance - Alex	\$ 1,500	\$ 1,500	\$ -	
WD 34 Maintenance - Bean	\$ 1,000	\$ 1,000	\$ -	
WD 35 Maintenance - Justin J	\$ 1,500	\$ 1,500	\$ -	



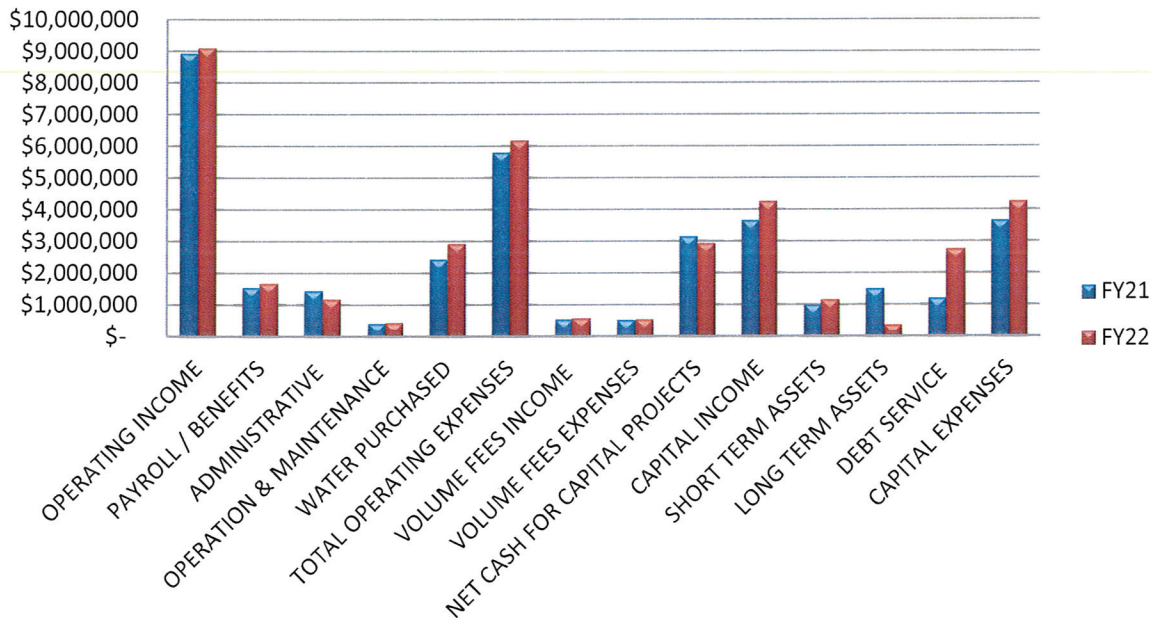
	FY21 BUDGET	PROPOSED FY22 BUDGET	INCREASE / (DECREASE)	%OF BUDGET
WD 36 Maintenance - KC	\$ 750	\$ 750	\$ -	
WD 37 Maintenance - Jimmy	\$ 1,500	\$ 1,500	\$ -	
WD 38 Maintenance - Steve	\$ 1,500	\$ 1,500	\$ -	
WD 39 Maintenance - Danny	\$ 1,500	\$ 1,500	\$ -	
WD 40 Maintenance - Bean Crew	\$ 1,500	\$ 1,500	\$ -	
WD 41 Maintenance - Bubba	\$ 1,000	\$ 1,500	\$ 500	
WD 42 Maintenance - Andy	\$ 1,000	\$ 1,500	\$ 500	
WD 43 Maintenance - Josh	\$ 1,500	\$ 1,500	\$ -	
WD 44 Maintenance - Jimmy Crew	\$ -	\$ 1,500	\$ 1,500	
WD 1 Maintenance - New Truck	\$ -	\$ 1,500	\$ 1,500	
WD 2 Maintenance - New Truck	\$ -	\$ 1,500	\$ 1,500	
<b>TOTAL OPERATION &amp; MAINTENANCE</b>	<b>\$ 410,692</b>	<b>\$ 417,305</b>	<b>\$ 6,613</b>	<b>6.75%</b>
<b>WATER PURCHASED</b>				
City of Clinton	\$ 1,136,416	\$ 554,954	\$ (581,462)	
City of Laurens	\$ 479,760	\$ 213,400	\$ (266,360)	
Greenville WS	\$ 657,600	\$ 661,000	\$ 3,400	
Raw Water Lake Rabon	\$ 148,789	\$ 72,857	\$ (75,932)	
Lake Greenwood WTP	\$ -	\$ 1,433,755	\$ 1,433,755	
<b>TOTAL WATER PURCHASED</b>	<b>\$ 2,422,565</b>	<b>\$ 2,935,967</b>	<b>\$ 513,401</b>	<b>47.51%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,796,509</b>	<b>\$ 6,179,925</b>	<b>\$ 383,416</b>	<b>100.00%</b>
<b>NET CASH FOR CAPITAL PROJECTS</b>	<b>\$ 3,113,887</b>	<b>\$ 2,903,504</b>	<b>\$ (210,382)</b>	
<b>VOLUME FEES BUDGET INCOME</b>				
<b>VOLUME FEES COLLECTED FOR OTHER ENTITIES</b>				
Volume Fees Ware Shoals (plus \$1.50/bill)	\$ 13,272	\$ 12,072	\$ (1,200)	2.13%
Volume Fees ReWa (plus \$1.50/bill plus 5%)	\$ 381,504	\$ 405,504	\$ 24,000	71.61%
Volume Fees MetroConnects	\$ 39,504	\$ 39,504	\$ -	
Base Fees Fountain Inn (plus \$1.50 / bill)	\$ 82,224	\$ 109,152	\$ 26,928	19.28%
<b>TOTAL VOLUME FEES COLLECTED FOR OTHER ENT</b>	<b>\$ 516,504</b>	<b>\$ 566,232</b>	<b>\$ 49,728</b>	<b>93.02%</b>
<b>EXPENSES</b>				
<b>VOLUME FEES PAID TO OTHER ENTITIES</b>				
Ware Shoals	\$ 13,200	\$ 12,000	\$ (1,200)	2.22%
ReWa	\$ 372,000	\$ 396,000	\$ 24,000	73.22%
MetroConnects	\$ 30,000	\$ 30,000	\$ -	
Volume Fees Fountain Inn	\$ 75,888	\$ 102,816	\$ 26,928	19.01%
<b>TOTAL VOLUME FEES PAID TO OTHER ENTITIES</b>	<b>\$ 491,088</b>	<b>\$ 540,816</b>	<b>\$ 49,728</b>	<b>94.45%</b>
<b>NET CASH FOR CAPITAL PROJECTS</b>	<b>\$ 25,416</b>	<b>\$ 25,416</b>	<b>\$ -</b>	
<b>CAPITAL BUDGET CAPITAL INCOME</b>				
Revenue	\$ 3,139,303	\$ 2,928,920	\$ (210,382)	68.96%
Reserve Funds	\$ -	\$ 583,394	\$ 583,394	13.74%
Interest Income	\$ 3,313	\$ 4,800	\$ 1,487	0.11%
New Account Fees Distribution (Capacity Fees)	\$ 92,000	\$ 130,000	\$ 38,000	3.06%
New Account Fees Treatment (Capacity Fees)	\$ 184,000	\$ 260,000	\$ 76,000	6.12%
Tap Fees (residential)	\$ 230,000	\$ 325,000	\$ 95,000	7.65%
Tap Fees (non-residential)	\$ -	\$ -	\$ -	0.00%
Assets Sold	\$ -	\$ 15,000	\$ 15,000	0.35%
<b>TOTAL CONTRIBUTED CAPITAL INCOME</b>	<b>\$ 3,648,615</b>	<b>\$ 4,247,114</b>	<b>\$ 598,499</b>	<b>100.00%</b>



	FY21 BUDGET	PROPOSED FY22 BUDGET	INCREASE / (DECREASE)	%OF BUDGET
<b>CAPITAL EXPENSES</b>				
<b>SHORT TERM ASSETS</b>				
<b>1 - 5 YEAR ASSETS</b>				
Tool Purchase	\$ 21,400	\$ 10,300	\$ (11,100)	
Vehicle Purchase	\$ 73,000	\$ 45,000	\$ (28,000)	
Equipment Purchase	\$ 6,000	\$ 65,000	\$ 59,000	
Computer/Phone/ Software	\$ 7,600	\$ 3,600	\$ (4,000)	
<b>TOTAL 1 - 5 YEAR ASSETS</b>	<b>\$ 108,000</b>	<b>\$ 123,900</b>	<b>\$ 15,900</b>	<b>2.92%</b>
<b>5 - 10 YEAR ASSETS</b>				
Residential Tap Parts	\$ 138,200	\$ 282,500	\$ 144,300	
Non-residential Tap Parts	\$ 3,000	\$ 3,000	\$ -	
Booster Pump Rehab	\$ 3,000	\$ 6,880	\$ 3,880	
PRV's & Altitude Valve/Tank Rehab, Vault Rehab	\$ -	\$ 24,132	\$ 24,132	
Hydrant, Blowoff & Auto Flusher Replacement & Repair	\$ 30,600	\$ 26,200	\$ (4,400)	
Gate (And Butterfly) Valve Rehab	\$ 15,000	\$ 15,000	\$ -	
<b>TOTAL 5 - 10 YEAR ASSETS</b>	<b>\$ 189,800</b>	<b>\$ 357,712</b>	<b>\$ 167,912</b>	<b>8.42%</b>
<b>10 - 15 YEAR ASSETS</b>				
Meters (residential)	\$ 539,950	\$ 516,000	\$ (23,950)	
Meters (non-residential)	\$ 15,000	\$ 15,000	\$ -	
Elevated Tank Rehab	\$ 132,110	\$ 132,110	\$ -	
<b>TOTAL 10 - 15 YEAR ASSETS</b>	<b>\$ 687,060</b>	<b>\$ 663,110</b>	<b>\$ (23,950)</b>	<b>15.61%</b>
<b>TOTAL SHORT TERM ASSETS</b>	<b>\$ 984,860</b>	<b>\$ 1,144,722</b>	<b>\$ 159,862</b>	<b>26.95%</b>
<b>&gt;15 YEAR (LONG TERM) ASSETS</b>				
Building and Grounds Projects	\$ 25,000	\$ 7,000	\$ (18,000)	
Bethany Tank Water Supply Improvements		\$ 250,000	\$ 250,000	
Self Funded Waterline Projects	\$ 258,000	\$ 85,000	\$ (173,000)	
Water Plant Reserve Fund	\$ 1,200,000	\$ -	\$ (1,200,000)	
Depreciation	\$ -	\$ -	\$ -	
<b>TOTAL LONG TERM ASSETS</b>	<b>\$ 1,483,000</b>	<b>\$ 342,000</b>	<b>\$ (1,141,000)</b>	<b>8.05%</b>
<b>DEBT SERVICE</b>				
Bond Trustee Fee (US Bank)	\$ 3,233	\$ 16,163	\$ 12,930	
Debt Service 2016 Bonds (Retires March 2032)	\$ 605,265	\$ 608,980	\$ 3,715	
Debt Service 2017 Bonds (Retires March 2029)	\$ 572,259	\$ 571,697	\$ (562)	
Debt Service USDA WTP 2020 Series A-F	\$ -	\$ 1,563,553	\$ 1,563,553	
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,180,756</b>	<b>\$ 2,760,392</b>	<b>\$ 1,579,637</b>	<b>64.99%</b>
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 3,648,615</b>	<b>\$ 4,247,114</b>	<b>\$ 598,499</b>	<b>100.00%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 9,445,124</b>	<b>\$ 10,427,039</b>	<b>\$ 981,914</b>	
<b>NET CASH FOR RESERVE FUNDS</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	



## Water Distribution Budget



### Water Distribution

1. **Overall Budget: \$10,427,039 (Increase of \$981,914)**
2. **Operating Budget: \$6,179,925 (Increase of \$383,416)**
3. Increase in income by **\$173,034**
  - Adjustment in water tier 1 volume due to decrease in monthly averages in FY21 and growth in customer base
  - Increase in water tier 1 monthly base due to growth in customer base
  - Decrease in water tier 2 volume due to decline in active customers
  - Decrease in water tier 2 monthly base due to reduction in customer base
  - Increase in Town of Gray Court income due growth in customer base
  - Decrease in fire hydrant water sales
  - Adjustment in reconnect fees based on decline in monthly averages in FY21
  - Adjustment in Late Penalties based on decrease in monthly averages in FY21
4. Payroll and Benefits increased by **\$138,204**
  - Includes a 1.0% increase in South Carolina Retirement System
  - Includes a 2.6% increase for the State Health Insurance Plan starting in January 2022
  - Includes various merit increases for employees
  - Includes salary and benefits for three additional people:
    - Water Crew Technician
    - Water Distribution System Operator
    - Water Service Field Technician
  - Moved Chief Water Plant partial year salary and benefits to Water Treatment budget
5. Administrative decreased by **(\$274,802)**
  - Decrease in Administration Fee Allocation – *See Administration Budget*
  - Increase in attorney fees
  - Moved Water Resource Programs to Water Treatment budget



6. Operation and Maintenance increased by **\$6,613**
  - Decrease sampling for total coliform rule because we will start to utilize our new lab
  - Increase in utilities due to the new pump stations
7. Water Purchase from other providers including raw water from Lake Rabon decreased by **(\$920,353)** but overall water purchase increased **\$513,401**
  - As our new Water Treatment Facility comes online, we will have overlapping expenses related to purchasing water and producing water for approximately three months
    - Budgeted to purchase water from City of Clinton, City of Laurens, and Lake Rabon for five months
    - Budgeted to produce water for ten months
  - City of Clinton rate increase of 20%
  - Greenville increased by \$3,400 due to increased usage even though we will shift about 1,500 taps off after the plant goes online
8. Volume Fees for Other Entities (**No change**)
  - Administrative expenses for billing sewer customers for other entities
    - Fountain Inn
    - MetroConnects
    - ReWa
    - Ware Shoals
9. **Capital Budget: \$4,247,114 (Increase of \$598,499)**
  - Revenue from Operations: \$2,928,920 (**Decrease of \$210,382**)
  - Reserve funds: \$583,394 (**Increase of \$583,394**)
    - To absorb the one-year deficit due to the transition from water purchase to water treatment. This prevents the need for a rate increase because a deficit is not expected for FY2023
    - To cover the required \$250,000 local match for the Bethany Tank Water Supply Improvements project
    - To cover the extra two months of debt service payments for closing the USDA loan early
  - Tap Fees and Capacity Fees estimated to increase from 230 Taps to 325 Taps
  - Increase in assets sold due to truck transfer to Water Treatment
10. Short Term Assets (1-15 years) increased by **\$159,862**
  - Decrease in tool purchase
  - Decrease in vehicle purchase
  - Increase in equipment purchase
  - Increase in residential tap parts
  - Increase in PRVs, altitude valve, and vault rehabilitation
  - Decrease in residential meters due to purchasing drive by meters instead of cell meters
11. Long Term Assets (Greater than 15 years) decreased by **(\$1,141,000)**
  - Decrease in building and grounds projects – new a/c heat unit for warehouse
  - Required local match for Bethany Tank Water Supply improvements project
  - Decrease in self-funded waterline projects – creek crossings projects, Milton Road project, and other miscellaneous work
  - No longer funding the Water Plant Reserve Fund (\$1,200,000)



12. Debt Service increased by **\$1,579,637**

- Increase in Bond Trustee fee due to the new USDA loans
- New debt service established in October 2020 for the USDA loans for the Water Treatment Plant and new distribution line work
  - Early loan closer, September 2020 vs August 2021, will save LCWSC approximately \$264,719 per year for the life of the loan



	PROPOSED FY22 BUDGET	%OF BUDGET
<b>OPERATING BUDGET</b>		
<b>INCOME</b>		
Water Distribution Transfer	\$ 1,433,755	100.00%
<b>TOTAL OPERATING INCOME</b>	<b>\$ 1,433,755</b>	<b>100.00%</b>
<b>EXPENSES</b>		
<b>PAYROLL</b>		
Gross Salaries (Includes Temporary Help)	\$ 252,971	
Overtime / On Call	\$ 25,620	
FICA/Medicare	\$ 21,312	
S.C. Retirement	\$ 45,863	
Employee YMCA Membership	\$ 900	
Employee Uniform Expenses	\$ 3,975	
S.C. Unemployment	\$ -	
Insurance Health/Dental/Long-Term Disability	\$ 46,637	
Insurance Disability (Short Term)	\$ 2,110	
Insurance Workers Compensation	\$ 3,500	
Employee Accrual Cost for Other Retirement Benefits	\$ -	
Employee Drug Test / Background Checks	\$ 500	
Employee Health Services	\$ 500	
<b>TOTAL PAYROLL</b>	<b>\$ 403,889</b>	<b>28.56%</b>
<b>ADMINISTRATIVE</b>		
Administrative Fees	\$ 313,493	
Attorney Fees	\$ -	
Computers/Software Maintenance	\$ 7,500	
Consulting Service	\$ -	
DHEC / LLR License and Fees	\$ 1,725	
Employee License Renewal/Testing	\$ 370	
Employee Reimbursement (Mileage)	\$ -	
Greenwood County Lake Management Fee	\$ 58,333	
Mission Controls Service	\$ 563	
Office, Kitchen and Cleaning Supplies	\$ 2,292	
Phone Landline (Usage/Purchase)	\$ 4,000	
Phone Mobile (Usage/Purchase)	\$ 800	
Training Conferences / Seminars and associated costs	\$ 1,600	
Training Safety	\$ 4,671	
Water Resource Programs	\$ 12,000	
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 407,348</b>	<b>28.81%</b>



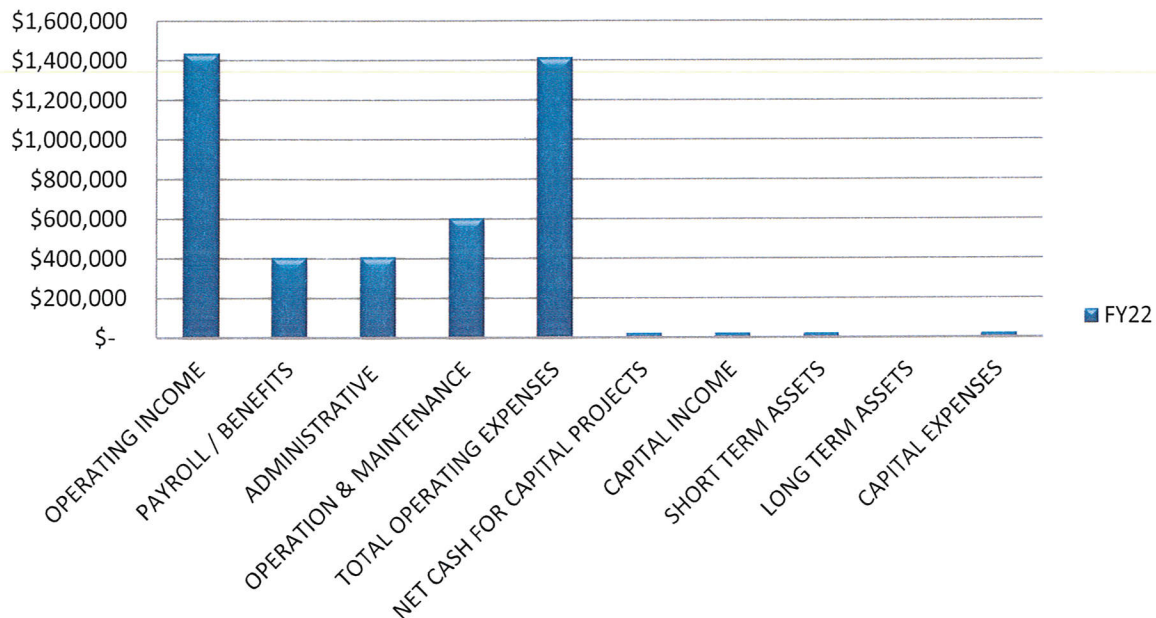
	PROPOSED FY22 BUDGET	%OF BUDGET
<b>OPERATION AND MAINTENANCE</b>		
Building & Grounds Maintenance (Warehouse, Admin)	\$ 4,061	
C Alum	\$ 79,167	
C Ammonium Sulfate	\$ 9,500	
C GOX	\$ 17,917	
C Hydrogen Peroxide	\$ 8,500	
C Lime	\$ 40,500	
C Orthophosphate	\$ 16,750	
C Polymer	\$ 12,000	
C Sodium Hypochlorite	\$ 18,833	
C Sodium Permanganate	\$ -	
C Sodium Thiosulfate/Vitamin C	\$ 8,333	
Chemicals (Herbicides / Pesticides)	\$ 460	
Contract Grounds Maintenance	\$ 11,000	
Contract Plant Operations	\$ -	
Contract Sludge Removal	\$ 10,000	
E Oil and Lube	\$ -	
E Other Equipment Maintenance	\$ 500	
E Polaris Ranger	\$ 500	
Fittings & Supplies	\$ 500	
L Contract Lab Work	\$ 25,000	
L Supplies	\$ 52,000	
M Bulk Storage	\$ -	
M Calflow Liquid Lime	\$ 1,100	
M Chemical Feed Systems	\$ 2,500	
M Flow Meters, Samplers, Instrumentation	\$ -	
M High Service Pumps	\$ 5,000	
M Intake	\$ 2,900	
M Intake Generator	\$ -	
M Lab	\$ -	
M Ozone	\$ -	
M Suez / SuperP / Greenleaf	\$ -	
M WTP Generator	\$ -	
Maintenance Tools & Supplies	\$ 350	
Sampling Special	\$ 6,000	
Tools & Supplies	\$ 750	
Tools Safety Equipment	\$ 1,000	
Utilities Intake	\$ 67,184	
Utilities WTP	\$ 196,080	



	PROPOSED FY22 BUDGET	%OF BUDGET
WT 1 Maintenance	\$ 1,500	
WT Gasoline	\$ 833	
WT Off Road Fuel	\$ 2,100	
<b>TOTAL OPERATION AND MAINTENANCE</b>	<b>\$ 602,818</b>	<b>42.63%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,414,055</b>	<b>100.00%</b>
<b>NET CASH FOR CAPITAL PROJECTS</b>	<b>\$ 19,700</b>	
<b>CAPITAL BUDGET INCOME</b>		
Revenue	\$ 19,700	100.00%
Reserve Funds	\$ -	0.00%
Assets Sold	\$ -	0.00%
<b>TOTAL CAPITAL INCOME</b>	<b>\$ 19,700</b>	<b>100.00%</b>
<b>EXPENSES</b>		
<b>SHORT TERM ASSETS</b>		
Vehicle Purchase	\$ 15,000	
Equipment Purchase (Tractors & such)	\$ -	
Tool Purchase	\$ -	
Office Furniture and Equipment (Inc. Radios)	\$ -	
Mission / GIS	\$ -	
Computer/Phone/ Software	\$ 4,700	
<b>TOTAL SHORT TERM ASSETS</b>	<b>\$ 19,700</b>	<b>100.00%</b>
<b>LONG TERM ASSETS</b>		
Buildings	\$ -	
Intake Rehab	\$ -	
WTP Rehab	\$ -	
Depreciation	\$ -	
<b>TOTAL LONG TERM ASSETS</b>	<b>\$ -</b>	<b>0.00%</b>
<b>TOTAL CAPITAL EXPENSES</b>	<b>\$ 19,700</b>	<b>100.00%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,433,755</b>	
<b>NET CASH FOR RESERVE FUNDS</b>	<b>\$ -</b>	



## Water Treatment Budget



### Water Treatment

1. **Overall Budget: \$1,433,755**
  - Represents only ten (10) months of operation instead of a full year
2. **Operating Budget: \$1,414,055**
3. **Payroll and Benefits: \$403,889**
  - Includes the following:
    - Full year for the Chief Water Plant Operator
    - Partial year for four (4) full-time Water Plant Operators
    - Partial year for one (1) part-time Water Plant Operator
4. **Administrative: \$407,348**
  - 17.5% in Administration Fee Allocation – *See Administration Budget*
  - Includes a partial year of the Greenwood County Lake Management fee
5. **Operation and Maintenance: \$602,818**
  - Largest expenses include:
    - Chemicals totaling \$211,500
    - Lab work and supplies totaling \$77,000
    - Utilities for the intake and the plant totaling \$263,264
6. **Capital Budget: \$19,700**
  - Revenue from Operations: \$19,700
  - Reserve funds: \$0
7. **Short Term Assets: \$19,700**
  - Purchase truck from Water Distribution
  - Purchase computers and phones



## Exhibit H

### AUDITED FINANCIAL STATEMENTS



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**LAURENS, SC**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**



**LAURENS COUNTY WATER AND SEWER COMMISSION  
YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3 - 9
<b>BASIC FINANCIAL STATEMENTS</b>	
Combined statements of net position	10 - 11
Combined statements of revenues, expenses, and changes in net position	12 - 13
Combined statements of cash flows	14 - 15
<b>NOTES TO FINANCIAL STATEMENTS</b>	16 - 40
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Schedule of Commission's proportionate share of the net pension liability	41
Schedule Commission's of pension plan contributions	42
Schedule of changes in total OPEB liability and related ratios	43
<b>COMBINING AND INDIVIDUAL FUND SCHEDULES</b>	
All proprietary fund types	
Combining statements of net position	44 - 45
Combining statements of revenues, expenditures, and changes in net position	46 - 47
Combining statements of cash flows	48 - 49
Collection system	
Statements of net position - collection system	50
Statements of revenues, expenses and changes in net position budget to actual - collection system	51
Statements of cash flows - collection system	52
Clinton/Joanna Wastewater Treatment Plant	
Statements of net position - Clinton/Joanna Wastewater Treatment Plant	53
Statements of revenues, expenses and changes in net position budget to actual - Clinton/Joanna Wastewater Treatment Plant	54
Statements of cash flows - Clinton/Joanna Wastewater Treatment Plant	55



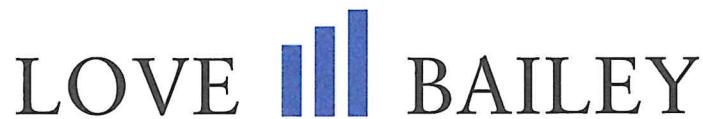
**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS**

(continued)

	<b><u>Page</u></b>
<b>COMBINING AND INDIVIDUAL FUND SCHEDULES, continued</b>	
Lake Rabon Water Supply System	
Statements of net position - Lake Rabon Water Supply System	56
Statements of revenues, expenses and changes in net position budget to actual - Lake Rabon Water Supply System	57
Statements of cash flows - Lake Rabon Water Supply System	58
Water Distribution System	
Statements of net position - Water Distribution System	59
Statements of revenues, expenses and changes in net position budget to actual - Water Distribution System	60
Statements of cash flows - Water Distribution System	61
Administrative Fund	
Statements of net position - Administrative Fund	62
Statements of revenues, expenses and changes in net position budget to actual - Administrative Fund	63
Statements of cash flows - Administrative Fund	64
 <b>OTHER SUPPLEMENTAL INFORMATION</b>	
Revenue bond debt coverage ratios	65
 <b>COMPLIANCE SECTION</b>	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Governmental Auditing Standards</i>	66 - 67
Report on compliance for each major program and on internal control over compliance required by uniform guidance	68 - 69
Schedule of expenditures of federal awards	70
Notes to schedule of expenditures of federal awards	71
Schedule of findings and questioned costs	72
Summary schedule of prior audit findings	73





CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Commissioners  
Laurens County Water and Sewer Commission  
Laurens, South Carolina

We have audited the accompanying financial statements of Laurens County Water and Sewer Commission, Laurens, South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laurens County Water and Sewer Commission as of June 30, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

As discussed in Note 12 to the financial statements, Laurens County Water and Sewer Commission recorded a prior period adjustment related to a management estimate regarding depreciation.



#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan schedules and other postemployment benefit plan schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Laurens County Water and Sewer Commission's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of the Laurens County Water and Sewer Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Laurens County Water and Sewer Commission's internal control over financial reporting and compliance.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC  
Laurens, South Carolina  
December 13, 2021



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

This section presents management's analysis of the Laurens County Water & Sewer Commission (the "Commission") financial condition and activities for the year. This information should be read in conjunction with the financial statements.

**FINANCIAL ANALYSIS AND HIGHLIGHTS**

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are self-supporting and are thus accounted for with a separate set of accounts. The opinion of management and the supporting facts presented in this discussion are based on the combined financial statement of all the funds.

The Commission's financial condition is stable with a 3% increase in operating revenue and a 11% increase in net position. This stability can be contributed primarily to continued increases in water sales, water tap fees and wastewater treatment revenues. Management believes consumption is slightly increasing in water sales and that the recently adopted rate plan for sewer collection and sewer treatment will result in sufficient operating revenue. The following are key financial highlights:

- Total assets did increase by \$42.7 million or 35% from the previous fiscal year, primarily from an increase in cash and capital assets. At year-end total assets were \$165.7 million which exceeded total liabilities by \$57.5 million. The Commission's Net Position is still strong at \$58.3 million, an increase of \$5.6 million or 11% from the previous fiscal year.
- Unrestricted cash and cash equivalents to support short-term operations were \$7.9 million compared to \$5.9 million the prior year.
- Operating revenues for fiscal year 2021 increased 3% or \$376 thousand, compared to the previous fiscal year.
- Operating expenses for fiscal year 2021, before depreciation, decreased 7% or \$529 thousand, compared to fiscal year 2020.
- Total operating income for the year was \$1.6 million compared to an operating income of \$1.9 million in the prior year.
- Ratios of operating income to total operating revenues are at 13% for 2021 compared to 16% for 2020.
- Long-term debt increased from \$59.7 million in 2020 to \$96.8 million in 2021; an increase of 38 percent however Series 2020 Anticipation bonds of \$42.7 million were paid in full subsequent to yearend.

**OVERVIEW OF ANNUAL FINANCIAL REPORT**

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Commission's financial condition and performance.

The financial statements report information about the Commission using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position presents the financial position of the Commission on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end. The statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements; the notes present information about the Commission's accounting policies, significant account balances and activities, dependencies, obligations, and commitments, if any.

The financial statements were prepared by the Commission's external independent auditors from the detailed books and records of the Commission. The financial statements were audited and adjusted, if material, during the independent external audit process.

**ECONOMIC CONDITION AND OUTLOOK**

The Commission operates in all of Laurens County and portions of southern Greenville County with the exceptions of areas inside the municipal boundaries of Laurens, Clinton and Gray Court, and agreed upon areas contiguous thereto.

Customer growth rate within the Commission's service area continues to increase and there are no signs that this growth is slowing, quite the opposite. Several sites in the upper part County, where public sewer is available, are being considered for large residential developments in excess of 2000 lots. Additionally, because South Carolina is known as an extremely pro-business State, it is anticipated the Upstate of South Carolina, including Laurens County, will continue to see robust growth as the U.S. economy starts to recover from the pandemic. The County has already seen more industrial RFI's (Request for Information) than it did all last year.

The three Clinton Corporate Industrial Parks and associated hotel/restaurant development continues to draw interest from companies looking to locate to the region. The Clinton-Adair Industrial Park, located near the intersection of I-385 and I-26, is home to General Electric and a "Spec" building being considered by another prospective industry. The Pharmacy school and Physicians Assistance Curriculum at Presbyterian College has brought in new faculty members and increased enrollment at the college. This has led to new housing in the form of several apartment complexes and many renovations to existing housing that was formerly unoccupied. The college has adopted a new strategic plan for the next decade that will lead to continued growth in enrollment and engagement in the community. These activities indicate that the Clinton area is poised for growth which will help sustain if not slightly increase sewer revenue moving forward.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

Just over 14 years ago the Commission constructed significant water and sewer infrastructure, including a 1,000,000-gallon elevated tank, in the northern part of its service area to provide enough water and sewer service for both large and small manufacturing facilities that were anticipated to locate in this part of Laurens County. Shortly thereafter, construction of the German owned ZF Transmissions facility in Phase I of Owings Industrial Park was complete. The 1,200,000-square foot manufacturing facility and the associated research and development facility employ over 2,200 people and manufactures some of the most advanced transmissions for automobile suppliers all over the world. Inteplast Group, a plastic company, located in Phase III of the Owings Industrial Park, currently employs 350 employees. A new industrial park, the Connexial Center, is being developed near the Owings Industrial Park. The 500-acre park is almost complete and is home to a 150,000 square foot Spec that was recently purchased by company relocating to the area. Finally, in FY 2018 the Commission installed a \$1.5 million sewer collection system to extend sewer service to an existing industrial park just over two miles south of the Owings Industrial Park. This sewer collection system, funded by the Economic Development Administration (EDA), serves an existing industrial building that has been purchased and repurposed by Fibertex Nonwovens (Fibertex). Fibertex has since decided to locate their North American headquarters at this site and further expand the production lines. As a result, LCWSC has received another \$2.0 million in grant funds from the EDA and an additional \$500 thousand in grant funds from the SC Rural Infrastructure Authority to upsize this entire sewer system to serve Fibertex expansion and other adjacent industrial and residential sites. Industrial prospects continue to look in this area of the County as an attractive location given its proximity to interstate I-385 and Greenville County. For this reason, management anticipates that the industrial/commercial/residential population in the northern part of the Commission's service area will substantially increase over the next 20+ years.

With northern and southern Laurens County primed for industrial development and the residential growth associated with these developments and the development of Lake Greenwood, the Commission's financial outlook for the future continues to look very strong. To better encourage this growth, the Commission will continue to play a leadership role in economic development for Laurens County.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**TOTAL NET POSITION**

The following schedule is a summary of Commission's net position for the fiscal year ended June 30, 2021 and the amount and percentage differences in relation to the prior year net position. The Commission's net position improved 11 percent over the prior fiscal year or \$5.6 million.

	<b>Total Net Position</b>			
	<u>FY 2021</u>	<u>FY 2020</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent increase (decrease)</u>
<u><b>Assets</b></u>				
Total Cash	\$ 7,938,040	\$ 5,992,064	\$ 1,945,976	32%
Restricted Cash for Debt Service	866,420	829,852	36,568	4%
Restricted Cash <sup>1</sup>	44,973,813	31,514,849	13,458,964	43%
Due from Gray Court	127,293	155,580	(28,287)	-18%
Net Receivables	1,133,579	2,166,256	(1,032,677)	-48%
Other Assets	169,941	156,746	13,195	8%
Capital assets	110,548,058	82,232,752	28,315,306	34%
Total assets	165,757,144	123,048,099	42,709,045	35%
<u><b>Deferred Outflows/Inflows</b></u>				
Deferred Outflows - Pension	788,975	642,415	146,560	23%
Deferred Inflows - Pension	(17,284)	(120,397)	103,113	-86%
Loss on Refunding of Debt	7,863	15,454	(7,591)	-49%
Total Deferred Outflows	779,554	537,472	242,082	45%
<u><b>Liabilities</b></u>				
Current liabilities	48,348,373	5,689,140	42,659,233	750%
Long-term liabilities	51,922,025	58,337,221	(6,415,196)	-11%
Other Non-Current Liabilities	7,955,586	6,925,125	1,030,461	15%
Total liabilities	108,225,984	70,951,486	37,274,498	53%
<u><b>Net Position</b></u>				
Net invested in capital assets	56,182,434	52,379,436	3,802,998	7%
Restricted for Debt Service	866,420	829,852	36,568	4%
Restricted for Future Capacity	2,160,075	1,788,599	371,476	21%
Unrestricted	(898,215)	(2,363,802)	1,465,587	-62%
Total net position	\$ 58,310,714	\$ 52,634,085	\$ 5,676,629	11%

*Note 1: Restricted cash consists of Construction Funds and Capacity Fees*



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**REVENUES**

The following schedule presents a summary of Commission's revenues for the fiscal year ended June 30, 2021 and the amount and percentage differences in relation to prior year revenues.

<u>Operating Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent increase (decrease)</u>
Sewer Collection Revenues	\$ 625,586	5%	\$ 38,564	7%
Wastewater Treatment Revenues	1,826,845	15%	(83,545)	-4%
Water Sales	8,627,868	70%	80,492	1%
Tap Fees and penalties	905,627	7%	294,203	48%
Other Operating Income	368,240	3%	35,062	13%
Total Operating Revenue	\$ 12,354,166		\$ 364,776	3%

<u>Non-Operating Revenues (Expenses)</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent increase (decrease)</u>
Property Tax Collections	\$ 375,920	-50%	(13,010)	-3%
Interest Earned	14,736	-2%	(98,960)	-87%
Insurance Proceeds	42,113	-6%	42,113	100%
Interest Expense	(1,419,779)	187%	(999,081)	237%
Bond Administration Expense	(30,609)	4%	(23,820)	351%
Gain on Sale of Assets	9,560	-1%	(60,997)	62%
Capacity Fees	435,375	-57%	165,905	62%
Miscellaneous Income (Expense)	43,083	-6%	266,835	-119%
Sale of Service Area	1,203,161	86%	1,203,161	100%
Non Cash - State Retirement	(263,796)	35%	(76,366)	41%
Non Cash - Post Employment Expense	(516,990)	68%	(358,023)	225%
Total Non-Operating Revenues (Expenses)	\$ (107,226)		\$ (602,980)	-31%



**LAURENS COUNTY WATER AND SEWER COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**EXPENSES**

The following schedule presents a summary of Commission's expenses for the fiscal year ended June 30, 2021 and the amount and percentage differences in relation to prior year expenses.

<u>Expenses</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent increase (decrease)</u>
Salaries and Employees' Benefits	\$ 3,003,814	28%	\$ (24,540)	-1%
Liability Insurance	93,505	1%	5,649	6%
Water Purchase	2,343,452	22%	201,732	9%
Contract Plant Operations	187,205	2%	36,156	24%
Utilities	415,972	4%	45,256	12%
Telephone and Other Communications	84,547	1%	(2,442)	-3%
Vehicle and Equipment	269,504	3%	54,012	25%
Repairs and Maintenance	702,289	7%	104,389	17%
Audit and Legal Fees	113,317	1%	47,794	73%
Engineering Fees	38,500	0%	5,910	18%
Depreciation	2,715,727	25%	206,972	8%
Flow Monitoring	18,900	0%	16,200	600%
Economic Development	35,710	0%	(141)	0%
Billing	86,550	1%	(10,180)	-11%
IVR and Merchant Fees	118,925	1%	14,080	13%
All Other	494,315	5%	26,390	6%
<b>Total Expenses</b>	<b>\$ 10,722,232</b>		<b>\$ 727,237</b>	<b>7%</b>

**CONTRIBUTED CAPITAL**

Capital Contributions for the fiscal year ended June 30, 2021 were \$4,151,920. This is a decrease of 6 percent or \$402,692 from the prior fiscal year's capital contributions. Capital contributions to the Commission are detailed in Note 4.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At the end of 2021, the Commission had invested \$110.5 million in capital assets. This amount represents an increase (including additions and deductions) of \$28.3 million from the prior year. More detailed information about the Commission's capital assets is presented in Note 3 to the financial statements.

<u>Capital Assets</u>	<u>FY 2021</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent Increase (decrease)</u>
Land & Right of Ways	\$ 1,602,073	\$ 25,748	2%
Buildings, Furniture & Fixtures	4,295,979	67,668	2%
Mains, Pumps & Accessories	14,720,007	2,059,362	16%
Water Distribution System	56,528,656	1,840,991	3%
Water Capacity Rights	4,342,243	-	0%
Sewer WWTP and Lines	23,226,429	177,143	1%
Dam, Intake Tower & Other	4,038,145	-	0%
Equipment	1,343,126	85,190	7%
Vehicles	886,635	71,112	9%
Recreation Park	1,323,485	-	0%
Construction in Progress	47,852,888	26,596,217	125%
Accumulated Depreciation	(49,609,558)	(2,606,075)	-6%
<b>Net</b>	<b>\$ 110,550,108</b>	<b>\$ 28,317,356</b>	<b>34%</b>

**LONG-TERM DEBT AND CAPITAL LEASES**

At year-end, the Commission had \$96.87 million in bonds, notes and capital leases outstanding; a increase of 38 percent or \$41.3 million from the prior year. More detailed information about the Commission's long-term liabilities is presented in Note 5 to the financial statements.

<u>Outstanding Debt</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>Increase (decrease) from FY 20</u>	<u>Percent Increase (decrease)</u>
Bonds and Notes	\$ 96,878,373	\$ 59,708,184	\$ 37,170,189	62%
Capital Leases	-	-	-	0%
<b>Total</b>	<b>\$ 96,878,373</b>	<b>\$ 59,708,184</b>	<b>\$ 37,170,189</b>	<b>62%</b>

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jeff Field, P.E., Executive Director, Post Office Box 1006, Laurens, South Carolina 29360.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 7,938,040	\$ 5,992,064
Restricted cash for debt service	866,420	829,852
Accounts receivable, net	906,783	1,055,443
Contributed capital receivable	226,796	1,110,813
Inventories	72,119	69,222
Prepaid expenses	97,822	87,524
Total current assets	<u>10,107,980</u>	<u>9,144,918</u>
Non-Current Assets		
Restricted cash - capacity funds	2,160,075	1,788,599
Restricted cash - construction funds	42,813,738	29,726,250
Due from Gray Court	127,293	155,580
Capital assets, net	110,548,058	82,232,752
Total non-current assets	<u>155,649,164</u>	<u>113,903,181</u>
Total assets	<u>165,757,144</u>	<u>123,048,099</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	788,975	642,415
Loss on refunding of debt	7,863	15,454
Total deferred outflow of resources	<u>796,838</u>	<u>657,869</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	2,793,994	3,708,057
Accruals	163,191	222,479
Due to other governmental entities	65,741	36,002
Accrued interest	300,989	284,314
Customer deposits	50,826	50,825
Deferred revenue	17,284	16,500
Current portion of bonds payable	44,956,348	1,370,963
Total current liabilities	<u>48,348,373</u>	<u>5,689,140</u>

The accompanying notes are an integral part of these financial statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>Non-Current Liabilities</b>		
Bonds payable	51,922,025	58,337,221
Net pension liability	4,570,539	4,057,069
Accrued other post employment benefits	<u>3,385,047</u>	<u>2,868,056</u>
Total non-current liabilities	<u>59,877,611</u>	<u>65,262,346</u>
Total liabilities	<u>108,225,984</u>	<u>70,951,486</u>
 <b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>17,284</u>	<u>120,397</u>
 <b>NET POSITION</b>		
Net investment in capital assets	56,182,434	52,379,436
Restricted for debt service	866,420	829,852
Restricted for future capacity	2,160,075	1,788,599
Unrestricted	<u>(898,215)</u>	<u>(2,363,802)</u>
Total net position	<u><u>\$ 58,310,714</u></u>	<u><u>\$ 52,634,085</u></u>

The accompanying notes are an integral part of these financial statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>OPERATING REVENUE</b>		
Collection revenue	\$ 625,586	\$ 587,022
Wastewater treatment revenue	1,826,845	1,910,390
Water sales	8,627,868	8,547,376
Penalties	253,695	250,778
Tap fees	651,932	360,646
Reinstate, reconnect and delinquent fees	153,393	137,551
Origination fees	56,570	49,825
Other operating revenue	158,277	145,802
Total revenue	12,354,166	11,989,390
<b>OPERATING EXPENSES</b>		
Salaries	2,074,079	2,101,595
Payroll taxes	157,848	150,807
Group insurance	384,944	374,351
State retirement	322,516	329,096
Worker's compensation	38,390	30,627
Employee health/safety expense	6,931	5,527
Employee memberships	6,925	6,100
Employee training, conferences and seminars	13,056	30,251
Uniform expense	30,057	29,907
Dues, subscriptions and licenses	15,870	14,707
Commissioners & legislative expense	38,581	35,488
Water purchases	2,343,452	2,141,720
Chemicals	96,904	92,935
Contract plant operations	187,205	151,049
System maintenance	523,127	406,506
Vehicle and equipment maintenance	225,847	215,492
Buildings and grounds maint	86,660	90,466
Software and office equipment maintenance	156,856	100,928
Property and casualty insurance	93,505	87,856
Depreciation	2,715,727	2,508,755
Utilities	415,972	370,716
Telephone and mobile communications	78,277	86,989
DHEC licenses and fees	33,279	32,651
Tools and supplies	36,127	54,982
Flow monitoring	18,900	2,700
Right of way maintenance	56,526	58,207
Billing fees	86,550	96,730
Office expense	73,185	51,448
Professional fees	113,317	65,523
Engineering and consulting	38,500	32,590
Economic development	35,710	35,851
Community outreach	62,467	82,198
Entertainment expense	15,951	17,797
IVR and merchant service fees	118,925	104,845
Miscellaneous expense	20,065	(2,396)
Total operating expenses	10,722,231	9,994,994
Operating income	1,631,935	1,994,396

The accompanying notes are an integral part of these financial statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>		
Property tax collections	375,920	388,930
Interest earned	14,736	113,696
Insurance proceeds	42,113	-
Gain on sale of assets	9,560	70,557
Sale of service area	1,203,161	-
Capacity fees	435,375	269,470
Bond administration expense	(30,609)	(6,789)
Miscellaneous non-operating rev(exp)	43,083	(223,752)
Interest expense	(1,419,779)	(420,698)
Non cash - state retirement	(263,796)	(187,430)
Non cash - post employment expense	(516,990)	(158,967)
Total non-operating revenue (expense)	<u>(107,226)</u>	<u>(154,983)</u>
Change in net position before capital contributions	<u>1,524,709</u>	<u>1,839,413</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>4,151,920</u>	<u>4,399,965</u>
Change in net position	<u>5,676,629</u>	<u>6,239,378</u>
Net position, beginning of year	52,634,085	45,694,851
Prior period adjustment (Note 12)	<u>-</u>	<u>699,856</u>
Net position, beginning of year, restated	<u>52,634,085</u>	<u>46,394,707</u>
Net position, end of year	<u><u>\$ 58,310,714</u></u>	<u><u>\$ 52,634,085</u></u>

The accompanying notes are an integral part of these financial statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 13,444,500	\$ 11,126,918
Payments for supplies for goods and services	(6,045,615)	(1,280,343)
Payments for labor and related services	(2,250,416)	(2,116,357)
Payment for employee benefits	(746,474)	(721,133)
Net cash provided by operating activities	<u>4,401,995</u>	<u>7,009,085</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Property tax collections	375,920	388,930
Capital outlay	(29,196,783)	(20,569,759)
Capital contributions	2,421,174	4,015,693
Proceeds from sale of assets	(9,560)	(44,415)
Interest paid on bonds	(1,412,589)	(408,864)
Bonds proceeds, net	37,170,165	41,302,736
Bond administration fees	(30,609)	(6,789)
Property lease fees	81,792	86,400
Sale of service area	1,203,161	-
Bond issuance savings	(55,382)	(310,452)
Capacity fees	435,375	269,470
Net cash provided by capital and related financing activities	<u>10,982,664</u>	<u>24,722,950</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	14,736	113,696
Net cash flows provided by investing activities	<u>56,849</u>	<u>113,696</u>
Net increase in cash	15,441,508	31,845,731
Cash, beginning of year	38,336,765	6,491,034
Cash, end of year	<u>\$ 53,778,273</u>	<u>\$ 38,336,765</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	7,938,040	5,992,064
Restricted cash - debt service funds	866,420	829,852
Restricted cash - capacity funds	2,160,075	1,788,599
Restricted cash - construction funds	42,813,738	29,726,250
Total cash and cash equivalents	<u>\$ 53,778,273</u>	<u>\$ 38,336,765</u>

The accompanying notes are an integral part of these financials statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 1,631,934	\$ 1,994,396
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,715,727	2,508,755
Gain on sale of assets	(9,560)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	921,262	(935,422)
(Increase) decrease in inventory	(2,897)	2,439
(Increase) decrease in prepaids	(5,768)	(8,057)
Increase (decrease) in accounts payable	(881,633)	3,201,687
Increase (decrease) in due to other governmental entities	94,028	(153,008)
Increase (decrease) in accrued expenses	(61,098)	398,295
Total adjustments	<u>2,770,061</u>	<u>5,014,689</u>
Net cash provided by operating activities	<u>\$ 4,401,995</u>	<u>\$ 7,009,085</u>

-

The accompanying notes are an integral part of these financial statements.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Pursuant to an Ordinance enacted on November 24, 1992, as amended on March 23, 1993, by the Laurens County Council and by an Ordinance enacted on March 2, 1993, by the Greenville County Council, respectively, Rabon Creek Rural Water District and the Laurens County Water Resources Commission were consolidated effective July 1, 1993. The consolidated district is known as Laurens County Water and Sewer Commission (the "Commission"). In enacting the Ordinances, the County Councils determined that the Water Resources Commission and Rabon Creek should be consolidated in order to obtain greater efficiency and economy in the provision of water and sewer services to the residents of rural Laurens County. The consolidation created a unified water supply and distribution and wastewater collection and treatment system for the unincorporated areas of the county. The Commission sells on credit to customers in this rural area of Laurens County and two small areas of Southern Greenville County.

The consolidated district is governed by the Commission, which comprises nine members, each of whom is either an individual user in the service area operated and maintained by the consolidated district or a resident of the service area of the consolidated district. The Commission succeeded to all the rights, powers and privileges and obligations of Rabon Creek Rural Water District and the Laurens County Water Resources Commission as set forth in the acts creating each, including the debt obligations issued by such entities.

The Commission's eight members as appointed by the Governor of South Carolina are as follows:

<u>Name of Member</u>	<u>Beginning of Term</u>	<u>Expiration of Term</u>
John S. Peden	07-01-19	06-30-23
Philip O'Dell	07-01-17	06-30-21
Jurell Byrd, Jr.	07-01-17	06-30-21
William Teague	07-01-19	06-30-23
Susan Curry	07-01-19	06-30-23
John L. McMurray	07-01-17	06-30-21
Thomas E. Davenport	07-01-17	06-30-21
Doug Hendrick	07-01-19	06-30-21
Vacant		

Notwithstanding the consolidation of Rabon Creek and the Water Resources Commission, the Commission continues to operate the Water Distribution System, the Water Supply System and the Sewer System as separate "systems" and maintains separate books of account for each. In addition, at present, improvements to each system are financed independently and such financing is secured by pledges of the revenues of the applicable system. The Commission is authorized to fix rates for service without any supervision or regulation by the state or county. The Commission is further authorized to build, construct, maintain and operate reservoirs, water treatment facilities, and water distribution systems to sell water on a retail and wholesale basis for domestic, industrial and agricultural uses.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The Commission may also construct sewage treatment facilities and sewage collection facilities to collect and treat sewage on a retail and wholesale basis.

The Commission is independent of any other governing body. There are no significant continuing relationships between the Commission and Laurens County for carrying out the day to day functions. The Commission hires management and prepares budgets independently. The Commission is responsible for its own debt. It is not financially accountable to Laurens County. Consequently, the County is not entitled to the surpluses of the system and is not obligated for its deficits or debts.

The Commission operates five funds under a Board-Manager form of government.

The accounting policies of Laurens County Water and Sewer Commission conform to generally accepted accounting policies as applicable to governments. The following is a summary of the more significant policies:

**Fund Accounting**

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements as follows:

**Proprietary Funds**

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following are brief descriptions of the four enterprise funds presented in this report.

Collection System – The Collection System provides collection and transportation of sewer for treatment by the Clinton/Joanna Wastewater Treatment Plant or by various other treatment providers.

Clinton/Joanna Wastewater Treatment Plant – The plant is a source of sewage treatment for the City of Clinton, Communities of Joanna, Lydia Mill, and local industry.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Lake Rabon Water Supply System – The watershed is comprised of three dams forming Lake Beulah, Lake Stoddard and Lake Rabon. The Commission owns and operates Lake Rabon which serves as a water supply for Laurens County as well as recreation and flood control. The Commission of Public Works of the City of Laurens also purchases raw water from the watershed.

Water Distribution System – The water distribution system acquires, treats and distributes fresh water for industrial, agricultural, and domestic use. There are approximately 15,263 residential homes and 148 businesses serviced by this system. Included in those numbers are the Town of Gray Courts 392 residential customers (see Note 11).

Internal Service Fund – Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the Commission on a cost-reimbursement basis. The following is a brief description of the Internal Service Fund presented in this report.

Administrative Fund – The Administrative Fund provides the management and other administrative needs required of the other funds for proper execution of their duties. The Administrative Fund is funded by an administrative fee charged to other funds based on time required by the other funds.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at year end. With this measurement focus, all assets and liabilities are included on the Statement of Net Position. Net position is segregated into invested in capital assets, restricted, and unrestricted.

**Budgets and Budgetary Accounting**

Prior to June 30, the Executive Director submits to the Board of Commissioners a proposed operating budget for each fund for the fiscal year commencing July 1. The operating budgets include proposed expenditures and the means for financing them.

All Commission Board Meetings are open to the public. The commission will discuss the proposed budgets at the public meetings and make changes as necessary. The budgets are passed by the Commissioners by vote at a public meeting to adopt it. They are always adopted prior to the beginning of the fiscal year on July 1.

All changes in the budgets are authorized by the Commission in subsequent meetings. The Executive Director has no authority to make changes in the budget.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

All funds presented are budgeted. Revenues and expenses are presented in comparison with the budget.

Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.

**Economic Dependency**

The City of Clinton is the major source of revenue for the Clinton/Joanna Wastewater Treatment Plant. The Commission of Public Works of the City of Laurens is the major source of revenue for the Lake Rabon Water Supply System.

**Cash and Cash Equivalents**

Demand deposits and short-term investments with a maturity of three months or less when purchased are considered cash and cash equivalents.

**Investments**

The Commission currently or in the past year has primarily used the following investments in its operating activities:

- South Carolina Local Government Investment Pool (“LGIP” or “Pool”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*, investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- U.S. Government Agency Bonds are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. government.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Restricted Cash**

The Commission is required to maintain debt service funds under the terms of certain bonds (see Note 6). The debt service funds are used to segregate resources accumulated for debt service payments coming due over the next twelve months. The Commission also established accounts for capacity fees and construction funds that may only be used for construction purposes. These funds are shown as restricted cash on the Statement of Net Position because their use is limited.

**Accounts Receivable**

The Commission renders bills to residential, commercial, and industrial customers on billing cycles that end on various days throughout the month. The accounts receivable are financial instruments that potentially subject the Commission to credit risk. If accounts have not been collected within the designated time, the service is disconnected, and a penalty is required to be paid before the service is reconnected. Accounts which are not considered collectible are written off as bad debts at various times during the year.

Collection System customer accounts receivable at June 30, 2021 was \$93,187. The accumulated allowance for doubtful accounts in the Collection System was \$39,978 at June 30, 2021. Collection System bad debt expense for the year ended June 30, 2021 was \$21.

Clinton/Joanna Wastewater Treatment Plant accounts receivable due from the City of Clinton for wastewater services was \$153,228 at June 30, 2021. The accumulated allowance for doubtful accounts in the Clinton/Joanna Wastewater Treatment Plant was \$16,713 at June 30, 2021. Clinton/Joanna Wastewater Treatment Plant bad debt expense for the year ended June 30, 2021 was \$13.

Lake Rabon Water Supply System accounts receivable due from the Laurens Commission of Public Works for sale of raw water was \$26,801 at June 30, 2021 and LCWSC \$16,307 (eliminated in consolidation) at June 30, 2021.

Water Distribution System accounts receivable at June 30, 2021 was \$1,321,136. The accumulated allowance for doubtful accounts in the Water Distribution System was \$632,977 at June 30, 2021. The Water Distribution System bad debt expenses for the year ended June 30, 2021 was \$3,016.

**Inventories**

Inventory is valued at cost. Cost is determined by the first-in, first-out method.

**Inter-fund Transfers**

The inter-fund transfers were the transfers from each of the other four funds to the Administrative Fund for each fund's prorated share of the costs incurred by that fund in performing administrative duties for the other four funds. For the year ended June 30, 2021, the Collection System transferred \$171,694, the Clinton/Joanna Wastewater Treatment Plant transferred \$343,386, the Lake Rabon Water Supply System transferred \$128,770, and the Water Distribution System transferred \$1,073,082 to the Administrative Fund.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Capital Assets**

The accounting and reporting treatment applied to the Capital Assets associated with a fund are determined by its measurement focus. All proprietary funds are accounted for on a cost of service or “capital maintenance” measurement focus. This means that all assets (whether current or non-current) associated with their activity are included on their Statements of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Description</u>	<u>Useful Life</u>
Dam, Intake Tower	60 – 100 years
Plant, Buildings and Improvements	10 – 50 years
Sewer Mains and Pump Stations	20 – 50 years
Water Distribution System	20 – 60 years
Equipment	5 - 7 years
Vehicles	5 years

**Capitalization of Interest**

Amounts incurred for interest costs during the construction phase of fixed assets are capitalized.

**Compensated Absences**

The Commission has a general leave program which provides employees with annual paid general leave days. Employees can carry a maximum of ninety days of sick time and twenty-five days of accrued leave. At June 30, 2021 \$129,671 for compensated absences is included in accrued expenses reported on the Statement of Net Position. No liability is booked for sick pay because it is not payable to the employee at termination.

**Long-term Obligations**

If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Gains or losses on debt refundings are deferred and amortized over the life of the new debt or the remaining life of the refunded debt, whichever is shorter, using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Gains or losses on debt refundings are treated as deferred inflows of resources and deferred outflows of resources, respectively.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission currently has two

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

types of deferred outflows of resources. (1) The Commission reports *deferred refunding charges* in its Statement of Net Position. If material, *deferred refunding charges*, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of *deferred refunding charges* is included in interest expense. (2) The Commission also reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission currently has one type of deferred inflows of resources. The Commission reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Pensions**

Pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 7 and the required supplementary information immediately following the notes to the financial statements for more information). The Commission recognizes a net pension liability for its qualified pension, which represents the Commission's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Commission's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**Fair Value**

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Commission believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification of prior year presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results for the year ended June 30, 2021.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk – Financial Institutions**

Custodial credit risk is the risk that the Commission's bank deposits may not be returned to it in the event of financial institution failure. All of the Commission's cash deposits are with financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000.

South Carolina Law requires deposits in excess of \$250,000 to be collateralized. Loss would only occur if the financial institution fails and is seized by the Federal Deposit Insurance Corporation, which would not be legally obligated on cash deposits in excess of \$250,000. At June 30, 2021, all of the commission's deposits in excess of the amount insured by the Federal Deposit Insurance Corporation were fully collateralized.

**Investment Credit Risk**

At June 30, 2021, the Commission has cash equivalent short term investments of \$7,367,094 in the South Carolina Local Government Investment Pool. This investment pool holds investment grade governmental and corporate bonds and notes with an average maturity of ninety days or less. Information regarding the underlying security rating of the Commission's investment in this local government investment pool is available in the South Carolina Local Government Investment Pool's financial statements. This investment pool does not have a credit quality rating assigned. A copy of these financial statements may be obtained by writing to the state treasurer at the following address:

The State Treasurer's Office  
Local Governmental Investment Pool  
Post Office Box 11778  
Columbia, South Carolina 29211



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable					
Land	\$ 1,576,325	\$ 25,748	\$ -	\$ -	\$ 1,602,073
Construction in Progress	21,256,671	27,827,579	-	(1,231,362)	47,852,888
Total Capital Assets, Non-Deprec	22,832,996	27,853,327	-	(1,231,362)	49,454,961
Capital Assets, Depreciable					
Buildings, Furniture and Fixtures	4,228,311	67,668			4,295,979
Mains, Pumps, and Accessories	12,660,645	1,137,230	(8,882)	931,014	14,720,007
Water Distribution System	54,687,665	1,522,528	-	318,463	56,528,656
Water Capacity Rights	4,342,243	-	-	-	4,342,243
SS Treatment Plant and Lines	23,049,286	177,143	-	-	23,226,429
Dam, Intake Tower, and Other Costs	4,038,145	-	-	-	4,038,145
Equipment	1,257,936	85,190	-	-	1,343,126
Vehicles	815,523	199,557	(100,575)	(27,870)	886,635
Recreation Park	1,323,485	-	-	-	1,323,485
Total Capital Assets, Depreciable	106,403,239	3,189,316	(109,457)	1,221,607	110,704,705
Less: Accumulated Depreciation	47,003,483	2,715,727	(99,897)	(9,755)	49,609,558
Total Capital Assets, Depreciable, Net	59,399,756	473,588	(9,560)	1,231,632	61,095,147
Total Capital Assets, Net	\$82,232,752	\$28,326,916	\$ (9,560)	\$ -	\$110,550,108

Construction in Progress consists of \$62,404 in improvements to the Collection System, \$89,450 in improvements to the Clinton/Joanna Wastewater Treatment, \$21,262 in improvements to the Lake Rabon Water Supply System and \$47,679,773 system improvements to the Water Distribution System.

In 2009, the Commission hired a consultant to perform a water resources master plan. The master plan determined that current water resources are not sustainable for future growth. On November 14, 2019 the Commission held a ground breaking ceremony at the Raw Water Intake on Lake Greenwood. The project's estimated costs is \$56,293,923, at June 30, 2021 the Commission has spent \$47,544,483 in construction in progress and has construction obligations of \$8,749,440. The Commission has obtained revenue bonds (see Note 5) for a majority of the construction costs. As of June 30, 2021, the Commission has also received grant funds of \$500,000 from the South Carolina Rural Infrastructure Authority and of \$2,605,421 from the U.S. Economic Development Administration towards the project's costs. The Commission will receive an additional \$412,457 in grants funds from the U.S. Economic Development Administration and \$5,013,070 from the U.S. Department of Agriculture to cover a portion of the remaining project's costs.



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 4 – CAPITAL CONTRIBUTIONS**

During the year ended June 30, 2021, the Commission received a total of \$4,802,657 in capital contributions. The following is a brief description of the various sources of these capital contributions:

The Commission received \$497,370 in federal Community Development Block Grant funds as a sub-recipient from Laurens County for construction of water and sewer facilities.

The Commission received \$1,624,494 from the U.S. Economic Development Administration funds.

The Commission received \$159,835 in nonfederal grants.

Other contributions from homeowners and industry toward waterline and sewer facility construction totaled \$2,520,958.

**NOTE 5 – LONG TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2021.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Bonds:</b>					
Series 2013	\$ 1,388,000	\$ -	\$ 319,000	\$ 1,069,000	\$ 334,000
Series 2013 USDA	4,148,682	-	81,963	4,066,719	84,246
Series 2016	6,725,000	-	475,000	6,250,000	490,000
Series 2017	4,685,000	-	485,000	4,200,000	490,000
Series 2020 BAN	42,761,502	-	-	42,761,502	42,761,502
Series 2020 A-F USDA	-	39,120,814	589,662	38,531,152	796,600
<b>Total Bonds</b>	<b>\$ 59,708,184</b>	<b>\$ 39,120,814</b>	<b>\$ 1,950,625</b>	<b>\$ 96,878,373</b>	<b>\$ 44,956,348</b>

The following is a summary of the long-term obligations at June 30, 2021 operating unit:

**Collection System**

Series 2013 General Obligation Advanced Refunding Bond

Dated October 31, 2013, due March 1, 2024

Interest rate 2.25% \$ 1,069,000

**Clinton/Joanna Wastewater Treatment Plant**

United States Department of Agriculture – Series 2013 USDA Bond

Dated September 26, 2013, due September 26, 2053, at 2.75% \$ 4,066,719

**Water Distribution System**

Series 2016 Revenue Bonds

Dated December 7, 2016, due March 1, 2032

Interest rate at 1.90% \$ 6,250,000

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 5 – LONG TERM OBLIGATIONS, Continued**

Series 2017 Revenue Bonds	
Dated January 26, 2017, due March 1, 2029	
Interest rate at 1.90%	4,200,000
USDA Series 2020 A-F Revenue Bonds	
Dated October 28, 2020, due September 28, 2060	
Interest rate at 1.500%	38,531,152
Series 2020 Bond Anticipation Notes	
Dated August 1, 2020, due February 1, 2022	
Interest rate at 1.375%	<u>42,761,502</u>
Total Water Distribution System Obligations	<u>\$ 91,742,654</u>
Total Long-Term Obligations of the Commission	<u><u>\$ 96,878,373</u></u>

Annual debt service requirements to maturity for all long-term debt at June 30, 2021 are as follows:

Year Ending June 30	Principal	Interest	Total Requirements
2022	\$ 44,956,348	\$ 1,654,302	\$ 46,610,650
2023	2,253,223	1,029,964	3,283,187
2024	2,141,848	990,445	3,132,293
2025	1,784,724	956,194	2,740,918
2026	1,814,857	930,306	2,745,163
2027-2031	9,750,582	3,964,509	13,715,091
2032-2036	6,420,188	3,245,140	9,665,328
2037-2041	5,784,538	2,834,670	8,619,208
2042-2046	6,083,395	2,361,176	8,444,571
2047-2051	5,834,156	1,794,622	7,628,779
2052-2056	5,453,790	742,840	6,196,630
2057-2060	4,600,724	145,340	4,746,065
	<u>\$ 96,878,373</u>	<u>\$ 20,649,508</u>	<u>\$ 117,527,881</u>

All revenue bonds are secured by pledges of revenue of the applicable system. Therefore, sewer system revenue cannot be used to service the debt of the water distribution system, or vice versa. The South Carolina State Budget and Control Board Revolving Fund loan and the United States Department of Agriculture Rural Development loans are secured by a pledge of sewer revenue and a statutory lien on the sewer system.

The Series 2020 Bond Anticipation Notes is interim financing for the Water Treatment Plant under construction (see Note 3). The bond was paid off by the Series 2020 A-F Revenue Bonds subsequent year-end (see Note 12).

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 5 – LONG TERM OBLIGATIONS, Continued**

The general obligation bonds of the Collections System is payable through property tax collections from the service area (see Note 9).

The Government Accounting Standards Board (GASB) in Statement No. 23 requires that the loss on debt defeasance be amortized in a rational and systematic way as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. This deferred amount is shown as a Loss on Refunding of Debt in the Deferred Outflows of Resources section of the Statements of Net Position. The losses on refunding of debt per system are as follows:

Collection System \$ 7,591

**NOTE 6 – COMPLIANCE WITH BOND REQUIREMENTS – RESTRICTED CASH**

The amount of cash or cash equivalents restricted by the bond resolutions is summarized below.

	Debt Service Fund	Debt Service Reserve Fund	Total
Collection System	\$ 210,178	\$ -	\$ 210,178
Clinton/Joanna Wastewater Treatment Plant	-	155,548	155,548
Water Distribution System	394,086	106,608	500,694
Total Debt Service Funds	<u>\$ 604,264</u>	<u>\$ 262,156</u>	<u>\$ 866,420</u>

**NOTE 7 – PENSION PLAN**

**Employee Retirement Systems**

The Commission participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA").

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

**Plan Descriptions**

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

**Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

State ORP – As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

**Benefits**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

**Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

Required employer contribution rates (1) are as follows:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
SCRS		
Employee Class Two	15.41%	15.41%
Employee Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%

**Actuarial Assumptions and Methods**

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

(1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

(2) Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

	<b>SCRS</b>
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.25%
Projected Salary Increases	3.0% to 12.5% (varies by service) <sup>1</sup>
Benefit Adjustments	Lesser of 1% or \$500 annually
<sup>1</sup> Includes Inflation at 2.25%	

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020, TLP are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**Net Pension Liability**

The net pension liability (NLP) represents the total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. SPL totals, as of June 30, 2020, for SCRS is presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component. (Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

<b>Asset Class</b>	<b>Total Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long-term Expected Portfolio Real Rate of Return</b>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (private)	2.0%	4.88%	0.10%
Infrastructure (public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset	7.0%	3.56%	0.25%
Other	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Marketing Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (net)	1.0%	0.56%	0.01%
Total Expected Real Return	100%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

**Pensions**

At June 30, 2021, the Commission reported a liability of \$4,570,539 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

For the year ended June 30, 2021, the Commission recognized pension expense of \$586,312. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$ 58,338	\$ 17,284
Changes of assumptions:		
Investment experience changes	336,202	-
Changes in proportion and differences between:		
Commission contributions and proportionate share of contributions	71,627	-
Commission contributions subsequent to the measurement date	322,808	-
Total	<u>\$ 788,975</u>	<u>\$ 17,284</u>

An amount of \$322,808 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS:

Measurement Period Ending June 30	
2021	\$ 113,869
2022	125,375
2023	123,848
2024	85,791
Net Balance of Deferred Outflow/(Inflow) of Resources	<u>\$ 448,883</u>

**Discount Rate**

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 7 – PENSION PLAN, Continued**

**Sensitivity Analysis**

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower or (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 5,664,621	\$ 4,570,538	\$ 3,656,965

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

**NOTE 8 – OTHER POST EMPLOYMENT BENEFITS**

**Plan Description**

The Commission's post-employment benefit plan is a single employer plan that pays a portion of the health insurance premiums of retired employees. Coverage is provided through the Employee Insurance Program for the State of South Carolina. For current retirees age 65 and over, the Commission pays a percentage of the insurance premium of retirees' Medicare supplemental policies and optional dental insurance. Retirees under age 65 are covered under the same health insurance policy as are active employees, and the Commission pays a portion of their premiums. The plan was amended for employees hired after November 2010, whereby eligibility in the plan remains the same, but the Commission will no longer pay any portion of the health insurance premium when the retiree becomes eligible for Medicare. The Board of Commissioners establishes plan policies, including benefits and contribution requirements of the Commission and plan members, which may be amended at its discretion. The retiree health plan does not issue a publicly available financial report.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 8 – OTHER POST EMPLOYMENT BENEFITS, Continued**

As of June 30, 2021, the measurement date, there were 44 covered participants, including 38 active participants (11 hired before November 2010 and 27 hired after November 2010) and 6 retirees. The percentage of the health insurance premium paid by the Commission for retiree health insurance is based on the number of years of service as follows:

Continuous Years of Service	Percentage Paid by the Commission
Less than 10	0%
10	20%
15	40%
20	60%
25	80%
30+	100%

**Funding Policy**

The Commission's annual other post-employment benefits (OPEB) cost (expense) is a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

Health Insurance Continuation of Coverage – As required by the Consolidated Omnibus Budget and Reconciliation Act (COBRA), the Commission provides health insurance benefits to eligible former employees and eligible dependents based upon requirements outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth day of the month for the actual month covered. There is no associated cost to the Commission.

Total OPEB Liability – The Commission's total OPEB liability of \$3,385,047 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.00 percent
Discount rate	2.16 percent

The discount rate was based on the 20-Bond GO Index.

Mortality rates were based on the July 1, 2017, SCRS valuation (see Note 8).

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study with a measurement date of June 30, 2021.

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 8 – OTHER POST EMPLOYMENT BENEFITS, Continued**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2020	\$ 2,868,056
Changes for the year:	
Service cost	127,932
Interest	79,307
Economic losses	78,094
Effect of assumptions	260,976
Employer contributions	(29,317)
Net changes	516,991
Balance at 6/30/2021	<u>\$ 3,385,047</u>

**Post-Employment and Other Employee Benefits, Continued**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (1.16)	Discount Rate (2.16)	1% Increase (3.16)
Total OPEB liability	\$ 4,004,300	\$ 3,385,047	\$ 2,890,050

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the Commission recognized OPEB expense of \$472,919. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Total	<u>\$ -</u>	<u>\$ -</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**NOTE 9 – PROPERTY TAXES**

Property taxes are levied against all real and tangible personal property located in the Commission's service area in Laurens County. The Laurens County Treasurer and Auditor annually sets the millage in the Commission's service area sufficient to service the principal and interest repayment schedules of the General Obligation Bonds of Laurens County Water and Sewer Commission, South Carolina. The county treasurer also collects all levied property taxes for the Commission, and makes principal and interest payments on this debt from the property tax collections.

The Commission reports property taxes actually collected as non-operating revenue. Property tax collections are kept in a debt service fund which is maintained by the Laurens County Treasurer. The Commission reports the balance of funds in this account as restricted cash in debt service funds.

**NOTE 10 – LITIGATION**

The Laurens County Water and Sewer Commission and the commissioners are not a material party as a defendant or plaintiff in any litigation.

**NOTE 11 – UTILITY MANAGEMENT SERVICE AGREEMENT**

On January 1, 2020, the Commission signed a three-year utility management service agreement with the Town of Gray Court (the "Town") to manage and maintain the Town's water system. The Commission provides operation, maintenance and administrative services for the water system and the Commission collects the monthly water usage fees as payment for these services however the monthly fees cannot be lower than \$3,775. The Town continues to fund certain expenses associated with the water system such as utilities, rehabilitative and upgrades to the system and non-inventory parts used in system maintenance.

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

The Commission has recorded a prior period adjustment to the prior period's financial statements due to mistakes in applying management estimates regarding depreciation. The adjustment is summarized as follows:

	<u>Lake Rabon</u>
Beginning net position – Lake Rabon Water Supply System, as previously reported at June 30, 2019	\$ 3,165,459
Prior period adjustment – depreciation estimate	<u>699,856</u>
Net position – Lake Rabon Water Supply System, as restated at July 1, 2019	<u>\$ 3,865,315</u>

(Continued)



**LAURENS COUNTY WATER AND SEWER COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**NOTE 12 – PRIOR PERIOD ADJUSTMENT, Continued**

	Combined
Beginning net position – Combined, as previously reported at June 30, 2019	\$ 46,694,851
Prior period adjustment – depreciation estimate	<u>699,856</u>
Net position – Combined, as restated at July 1, 2019	<u>\$ 46,394,707</u>

**NOTE 13 – SUBSEQUENT EVENTS**

On July 1, 2021, the Commission's outstanding Water Distribution System Series 2020 Bond Anticipation Notes were paid off (see Note 5).

The Commission has evaluated events and transactions for subsequent events through the date of the auditor's report, the date the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**LAURENS COUNTY WATER AND SEWER COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM  
YEAR ENDED JUNE 30, 2021**

Only eight years of information is presented as only eight years of data were available.

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability	0.017887%	0.017768%	0.017571%	0.017040%	0.016452%	0.015875%	0.015862%	0.015862%
Commission's proportionate share of the net pension liability	\$ 4,570,539	\$ 4,057,069	\$ 3,937,170	\$ 3,835,978	\$ 3,514,123	\$ 2,986,494	\$ 2,730,911	\$ 2,845,077
Commission's covered-employee payroll	\$ 2,074,603	\$ 1,995,578	\$ 1,876,214	\$ 1,701,032	\$ 1,719,245	\$ 1,476,446	\$ 1,440,044	\$ 1,359,813
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	220.3%	203.3%	209.8%	225.5%	204.4%	202.3%	189.6%	209.2%
Plan fiduciary net position as a percentage of the total pension liability	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%	56.4%

Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.



**LAURENS COUNTY WATER AND SEWER COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMMISSION'S PENSION CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM  
YEAR ENDED JUNE 30, 2021**

Only eight years of information is presented as only eight years of data were available.

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 322,808	\$ 310,538	\$ 273,177	\$ 230,660	\$ 198,745	\$ 176,200	\$ 160,933	\$ 152,645
Contributions in relation to the contractually required contribution	\$ 322,808	\$ 310,538	\$ 273,177	\$ 230,660	\$ 198,745	176,200	160,933	152,645
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$ 2,074,603	\$ 1,995,578	\$ 1,876,214	\$ 1,701,032	\$ 1,719,245	\$ 1,593,126	\$ 1,476,446	\$ 1,440,044
Contributions as a percentage of covered-employee payroll	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

For the last four fiscal years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 127,932	\$ 114,577	\$ 98,016	\$ 127,150
Interest	79,307	98,320	99,958	114,533
Economic losses	78,094	(368,801)	(1,533)	(360,043)
Effect of assumptions	260,976	344,188	348,128	189,481
Employer contributions	<u>(29,318)</u>	<u>(29,317)</u>	<u>(28,530)</u>	<u>(27,835)</u>
Net change in total OPEB liability	516,991	158,967	516,039	43,286
Total OPEB liability - beginning	<u>2,868,056</u>	<u>2,709,089</u>	<u>2,193,050</u>	<u>2,149,764</u>
Total OPEB liability - ending	<u><u>\$ 3,385,047</u></u>	<u><u>\$ 2,868,056</u></u>	<u><u>\$ 2,709,089</u></u>	<u><u>\$ 2,193,050</u></u>
Covered-employee payroll	\$ 2,074,603	\$ 1,995,578	\$ 1,876,214	\$ 1,701,032
Total OPEB liability as a percentage of covered-employee payroll	163.2%	143.7%	144.4%	128.9%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Notes

(1) Pursuant to GASB 75, a 10-year history of the information shown above is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.



## **COMBINING AND INDIVIDUAL FUND SCHEDULES**



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	ENTERPRISE				INTERNAL			
	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	Eliminations	2021	2020
<b>ASSETS</b>								
Current Assets								
Cash and cash equivalents	\$ 367,409	\$ 1,633,024	\$ 450,102	\$ 5,308,259	\$ 179,246	\$ -	\$ 7,938,040	\$ 5,992,064
Restricted cash for debt service	210,178	155,548	-	500,694	-	-	866,420	829,852
Accounts receivable, net	53,209	136,515	43,108	688,159	2,099	(16,307)	906,783	1,055,443
Contributed capital receivable	-	-	-	226,796	-	-	226,796	1,110,813
Inventories	8,925	49,356	-	13,838	-	-	72,119	69,222
Prepaid expenses	-	-	-	4,530	93,292	-	97,822	87,524
Total current assets	639,721	1,974,443	493,210	6,742,276	274,637	(16,307)	10,107,980	9,144,918
Non-Current Assets								
Restricted cash - capacity funds	185,248	-	-	1,974,827	-	-	2,160,075	1,788,599
Restricted cash - construction funds	-	-	-	42,813,738	-	-	42,813,738	29,726,250
Due from Gray Court	-	-	-	127,293	-	-	127,293	155,580
Capital assets, net	10,946,888	12,847,501	3,592,308	82,526,047	635,314	-	110,548,058	82,232,752
Total non-current assets	11,132,136	12,847,501	3,592,308	127,441,905	635,314	-	155,649,164	113,903,181
Total assets	11,771,857	14,821,944	4,085,518	134,184,181	909,951	(16,307)	165,757,144	123,048,099
<b>DEFERRED OUTFLOW OF RESOURCES</b>								
Pensions	69,686	79,654	29,762	318,346	291,527	-	788,975	642,415
Loss on refunding of debt	7,863	-	-	-	-	-	7,863	15,454
Total deferred outflow of resources	77,549	79,654	29,762	318,346	291,527	-	796,838	657,869



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	ENTERPRISE			INTERNAL			
	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	Eliminations	
							2021
							2020
<b>LIABILITIES</b>							
Current Liabilities							
Accounts payable	11,540	32,163	11,808	2,683,703	71,087	(16,307)	2,793,994
Accruals	12,246	11,439	9,218	68,113	62,175	-	163,191
Due to other governmental entities	-	-	-	65,741	-	-	65,741
Accrued interest	6,016	1,244	-	293,729	-	-	300,989
Customer deposits	-	-	-	50,826	-	-	50,826
Deferred revenue	-	-	-	17,284	-	-	17,284
Current portion of bonds payable	334,000	84,246	-	44,538,102	-	-	44,956,348
Total current liabilities	363,802	129,092	21,026	47,717,498	133,262	(16,307)	48,348,373
Non-Current Liabilities							
Bonds payable	735,000	3,982,473	-	47,204,552	-	-	51,922,025
Net pension liability	403,691	461,435	172,409	1,844,182	1,688,822	-	4,570,539
Accrued other post employment benefits	380,469	339,105	133,860	1,327,408	1,204,205	-	3,385,047
Total non-current liabilities	1,519,160	4,783,013	306,269	50,376,142	2,893,027	-	59,877,611
Total liabilities	1,882,962	4,912,105	327,295	98,093,640	3,026,289	(16,307)	108,225,984
<b>DEFERRED INFLOW OF RESOURCES</b>							
Pensions	1,527	1,745	652	6,974	6,386	-	17,284
<b>NET POSITION</b>							
Net investment in capital assets	9,871,872	8,779,538	3,592,308	33,303,402	635,314	-	56,182,434
Restricted for debt service	210,178	155,548	-	500,694	-	-	866,420
Restricted for future capacity	185,248	-	-	1,974,827	-	-	2,160,075
Unrestricted	(302,381)	1,052,662	195,025	622,990	(2,466,511)	-	(898,215)
Total net position	\$ 9,964,917	\$ 9,987,748	\$ 3,787,333	\$ 36,401,913	\$ (1,831,197)	\$ -	\$ 58,310,714
							\$ 52,634,085



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	ENTERPRISE				INTERNAL			
	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	Eliminations	2021	2020
<b>OPERATING REVENUE</b>								
Collection revenue	\$ 625,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,586	\$ 587,022
Wastewater treatment revenue	-	1,826,845	-	-	-	-	1,826,845	1,910,390
Water sales	-	-	485,547	8,305,190	-	(162,869)	8,627,868	8,547,376
Penalties	-	-	-	253,695	-	-	253,695	250,778
Tap fees	134,500	-	-	517,432	-	-	651,932	360,646
Reinstate, reconnect and delinquent fees	271	34	-	153,088	-	-	153,393	137,551
Origination fees	2,070	-	-	54,500	-	-	56,570	49,825
Other operating revenue	25,458	9,213	32,240	100,396	-	(9,030)	158,277	145,802
Total revenue	787,885	1,836,092	517,787	9,384,301	-	(171,899)	12,354,166	11,989,390
<b>OPERATING EXPENSES</b>								
Salaries	155,324	146,880	97,387	915,306	759,182	-	2,074,079	2,101,595
Payroll taxes	11,799	11,213	7,454	70,602	56,780	-	157,848	150,807
Group insurance	30,257	32,261	9,312	217,374	95,740	-	384,944	374,351
State retirement	24,212	22,952	11,337	143,194	120,821	-	322,516	329,096
Worker's compensation	5,375	5,375	3,455	20,730	3,455	-	38,390	30,627
Employee health/safety expense	740	623	338	4,626	604	-	6,931	5,527
Employee memberships	536	538	300	2,776	2,775	-	6,925	6,100
Employee training, conferences and seminars	871	3,434	-	5,859	2,892	-	13,056	30,251
Uniform expense	4,680	4,555	840	17,613	2,369	-	30,057	29,907
Dues, subscriptions and licenses	255	567	-	661	14,387	-	15,870	14,707
Commissioners & legislative expense	-	-	-	-	38,581	-	38,581	35,488
Water purchases	-	-	-	2,506,321	-	(162,869)	2,343,452	2,141,720
Chemicals	1,152	60,241	-	35,511	-	-	96,904	92,935
Contract plant operations	-	187,205	-	-	-	-	187,205	151,049
System maintenance	48,504	54,902	4,230	415,491	-	-	523,127	406,506
Vehicle and equipment maintenance and fuel	26,846	50,983	18,949	129,069	-	-	225,847	215,492
Buildings and grounds maint	-	23,790	12,722	23,897	26,251	-	86,660	90,466
Software and office equipment maintenance	4,291	1,326	318	18,469	132,452	-	156,856	100,928
Property and casualty insurance	-	-	-	-	93,505	-	93,505	87,856
Depreciation	354,702	615,649	104,831	1,556,870	83,675	-	2,715,727	2,508,755
Utilities	39,591	210,193	34,677	109,651	21,860	-	415,972	370,716
Telephone and mobile communications	8,625	16,402	1,657	37,192	14,401	-	78,277	86,989
DHEC licenses and fees	-	2,205	-	31,074	-	-	33,279	32,651
Tools and supplies	4,978	5,365	442	25,342	-	-	36,127	54,982
Flow monitoring	-	-	18,900	-	-	-	18,900	2,700
Right of way maintenance	18,979	25,477	-	12,070	-	-	56,526	58,207
Billing fees	4,515	4,515	-	86,550	-	(9,030)	86,550	96,730



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	Eliminations	2021	2020
Office expense	-	2,247	-	80	70,858	-	73,185	51,448
Professional fees	-	-	4,150	24,733	84,434	-	113,317	65,523
Engineering and consulting	-	-	-	10,150	28,350	-	38,500	32,590
Economic development	-	-	-	-	35,710	-	35,710	35,851
Community outreach	-	-	-	-	62,467	-	62,467	82,198
Entertainment expense	-	-	-	-	15,951	-	15,951	17,797
IVR and merchant service fees	-	-	-	118,925	-	-	118,925	104,845
Miscellaneous expense	8,101	5,210	3,387	3,023	345	-	20,066	(2,396)
Total operating expenses	754,333	1,494,108	334,686	6,543,159	1,767,845	(171,899)	10,722,232	9,994,994
Operating income	33,552	341,984	183,101	2,841,142	(1,767,845)	-	1,631,934	1,994,396
<b>NON-OPERATING REVENUE (EXPENSES)</b>								
Property tax collections	375,920	-	-	-	-	-	375,920	388,930
Interest earned	1,339	2,626	819	9,291	661	-	14,736	113,696
Insurance proceeds	-	-	-	-	42,113	-	42,113	-
Gain on sale of assets	942	942	-	7,676	-	-	9,560	70,557
Sale of service area	-	-	-	1,203,161	-	-	1,203,161	-
Capacity fees	2,200	21,675	-	411,500	-	-	435,375	269,470
Bond administration expense	-	(3,556)	-	(27,053)	-	-	(30,609)	(6,789)
Miscellaneous non-operating rev(exp)	-	16,673	-	26,410	-	-	43,083	(223,752)
Interest expense	(36,927)	(113,135)	-	(1,269,717)	-	-	(1,419,779)	(420,698)
Non cash - state retirement	(23,300)	(26,632)	(9,951)	(106,440)	(97,473)	-	(263,796)	(187,430)
Non cash - post employment expense	(58,108)	(51,791)	(20,444)	(202,732)	(183,915)	-	(516,990)	(158,967)
Total non-operating revenue (expense)	262,066	(153,198)	(29,576)	52,096	(238,614)	-	(107,226)	(154,983)
Change in net position before capital contributions and transfers	295,618	188,786	153,525	2,893,238	(2,006,459)	-	1,524,708	1,839,413
<b>CAPITAL CONTRIBUTIONS, NET</b>	1,710,394	25,401	-	2,416,125	-	-	4,151,920	4,399,965
<b>TRANSFERS</b>								
Transfer LGIP	-	-	(80,000)	80,000	-	-	-	-
Transfer administrative fees	(171,694)	(343,386)	(128,770)	(1,073,082)	1,716,932	-	-	-
Change in net position	1,834,318	(129,199)	(55,245)	4,316,281	(289,527)	-	5,676,628	6,239,378
Net position, beginning of year	8,130,599	10,116,947	3,842,578	32,085,632	(1,541,670)	-	52,634,086	45,694,851
Prior period adjustment (Note 12)	-	-	-	-	-	-	-	699,856
Net position, beginning of year, restated	8,130,599	10,116,947	3,842,578	32,085,632	(1,541,670)	-	52,634,086	46,394,707
Net position, end of year	\$ 9,964,917	\$ 9,987,748	\$ 3,787,333	\$ 36,401,913	\$ (1,831,197)	\$ -	\$ 58,310,714	\$ 52,634,085



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	ENTERPRISE				INTERNAL		
	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 780,716	\$ 1,891,271	\$ 514,391	\$ 10,260,160	\$ (2,038)	\$ 13,444,500	\$ 11,126,918
Payments for supplies for goods and services	(300,438)	(654,994)	(92,553)	(4,359,195)	(638,435)	(6,045,615)	(1,280,343)
Payments for labor and related services	(171,215)	(153,422)	(105,079)	(985,908)	(834,792)	(2,250,416)	(2,116,357)
Payment for employee benefits	(59,844)	(61,212)	(24,104)	(381,298)	(220,016)	(746,474)	(721,133)
Net cash (used in) provided by operating activities	249,219	1,021,643	292,655	4,533,759	(1,695,281)	4,401,995	7,009,085
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers between funds	(171,694)	(343,386)	(208,770)	(993,082)	1,716,932	-	-
Net cash (used in) provided by noncapital financing activities	(171,694)	(343,386)	(208,770)	(993,082)	1,716,932	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Property tax collections	375,920	-	-	-	-	375,920	388,930
Capital outlay	(102,639)	(241,201)	(13,921)	(28,785,272)	(53,750)	(29,196,783)	(20,569,759)
Capital contributions	5,049	-	-	2,416,125	-	2,421,174	4,015,693
Proceeds from sale of assets	(942)	(942)	-	(7,676)	-	(9,560)	(44,415)
Interest paid on bonds	(29,336)	(113,135)	(401)	(1,269,717)	-	(1,412,589)	(408,864)
Principal paid on bonds, net	(319,000)	(81,987)	-	37,571,152	-	37,170,165	41,302,736
Bond administration fees	-	(3,556)	-	(27,053)	-	(30,609)	(6,789)
Property lease fees	-	-	-	81,792	-	81,792	86,400
Sale of service area	-	-	-	1,203,161	-	1,203,161	-
Bond issuance savings	-	-	-	(55,382)	-	(55,382)	(310,452)
Capacity fees	2,200	21,675	-	411,500	-	435,375	269,470
Net cash provided by (used in) capital and related financing activities	(68,748)	(419,146)	(14,322)	11,538,630	(53,750)	10,982,664	24,722,950
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Insurance proceeds	-	-	-	-	42,113	42,113	-
Interest income	1,339	2,626	819	9,291	661	14,736	113,696
Net cash flows provided by investing activities	1,339	2,626	819	9,291	42,774	56,849	113,696
Net (decrease) increase in cash	10,116	261,737	70,382	15,088,598	10,675	15,441,508	31,845,731
Cash, beginning of year	752,719	1,526,835	379,720	35,508,920	168,571	38,336,765	6,491,034
Cash, end of year	\$ 762,835	\$ 1,788,572	\$ 450,102	\$ 50,597,518	\$ 179,246	\$ 53,778,273	\$ 38,336,765



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	ENTERPRISE				INTERNAL		
	Collection System	Clinton/Joanna Wastewater Treatment	Lake Rabon Water Supply System	Water Distribution System	Administration Fund	2021	2020
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>							
Cash and cash equivalents	367,409	1,633,024	450,102	5,308,259	179,246	7,938,040	5,992,064
Restricted cash - debt service funds	210,178	155,548	-	500,694	-	866,420	829,852
Restricted cash - capacity funds	185,248	-	-	1,974,827	-	2,160,075	1,788,599
Restricted cash - construction funds	-	-	-	42,813,738	-	42,813,738	29,726,250
Total cash and cash equivalents	<u>\$ 762,835</u>	<u>\$ 1,788,572</u>	<u>\$ 450,102</u>	<u>\$ 50,597,518</u>	<u>\$ 179,246</u>	<u>\$ 53,778,273</u>	<u>\$ 38,336,765</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH</b>	-						
PROVIDED BY OPERATING ACTIVITIES							
Operating (loss) income	\$ 33,552	\$ 341,984	\$ 183,101	\$ 2,841,142	\$ (1,767,845)	\$ 1,631,934	\$ 1,994,396
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	354,702	615,649	104,831	1,556,870	83,675	2,715,727	2,508,755
Gain on sale of assets	(942)	(942)	-	(7,676)	-	(9,560)	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(5,285)	56,122	(3,396)	875,859	(2,038)	921,262	(935,422)
(Increase) decrease in inventory	(240)	(1,484)	-	(1,173)	-	(2,897)	2,439
(Increase) decrease in prepaids	1,250	1,250	-	-	(8,268)	(5,768)	(8,057)
Increase (decrease) in accounts payable	(127,932)	(651)	8,357	(779,087)	17,680	(881,633)	3,201,687
Increase (decrease) in due to other governmental entities	-	-	-	94,028	-	94,028	(153,008)
Increase (decrease) in accrued expenses	(5,886)	9,715	(238)	(46,204)	(18,485)	(61,098)	398,295
Total adjustments	<u>215,667</u>	<u>679,659</u>	<u>109,554</u>	<u>1,692,617</u>	<u>72,564</u>	<u>2,770,061</u>	<u>5,014,689</u>
Net cash provided by (used in) operating activities	<u>\$ 249,219</u>	<u>\$ 1,021,643</u>	<u>\$ 292,655</u>	<u>\$ 4,533,759</u>	<u>\$ (1,695,281)</u>	<u>\$ 4,401,995</u>	<u>\$ 7,009,085</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COLLECTION SYSTEM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 367,409	\$ 344,966
Restricted cash for general obligation bonds	210,178	184,389
Accounts receivable, net	53,209	45,098
Contributed capital receivable	-	129,886
Inventories	8,925	8,685
Prepays	-	1,250
Total current assets	<u>639,721</u>	<u>714,274</u>
Non-Current Assets		
Restricted cash - capacity funds	185,248	223,364
Capital assets, net	<u>10,946,888</u>	<u>9,363,720</u>
Total non-current assets	<u>11,132,136</u>	<u>9,587,084</u>
Total assets	<u>11,771,857</u>	<u>10,301,358</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	69,686	67,278
Loss on refunding of debt	<u>7,863</u>	<u>15,454</u>
Total deferred outflow of resources	<u>77,549</u>	<u>82,732</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	11,540	147,553
Accruals	12,246	16,338
Accrued interest	6,016	7,810
Current portion of bonds payable	<u>334,000</u>	<u>329,000</u>
Total current liabilities	<u>363,802</u>	<u>500,701</u>
Non-Current Liabilities		
Bonds payable	735,000	1,059,000
Net pension liability	403,691	358,339
Accrued other post employment benefits	<u>380,469</u>	<u>322,361</u>
Total non-current liabilities	<u>1,519,160</u>	<u>1,739,700</u>
Total liabilities	<u>1,882,962</u>	<u>2,240,401</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>1,527</u>	<u>13,090</u>
<b>NET POSITION</b>		
Net investment in capital assets	9,871,872	8,097,796
Restricted for debt service	210,178	184,389
Restricted for future capacity	185,248	223,364
Unrestricted	<u>(302,381)</u>	<u>(374,950)</u>
Total net position	<u>\$ 9,964,917</u>	<u>\$ 8,130,599</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COLLECTION SYSTEM**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	Budget	Variance	2020
<b>OPERATING REVENUE</b>				
Collection revenue	\$ 625,586	\$ 603,445	\$ 22,141	\$ 587,022
Tap fees	134,500	-	134,500	47,189
Reinstate, reconnect and delinquent fees	271	-	271	-
Origination fees	2,070	-	2,070	1,725
Other operating revenue	25,458	27,202	(1,744)	25,262
Total revenue	787,885	630,647	157,238	661,198
<b>OPERATING EXPENSES</b>				
Salaries	155,324	166,467	(11,143)	165,167
Payroll taxes	11,799	12,735	(936)	11,329
Group insurance	30,257	32,739	(2,482)	28,641
State retirement	24,212	25,458	(1,246)	41,441
Worker's compensation	5,375	4,750	625	4,288
Employee health/safety expense	740	1,200	(460)	997
Employee memberships	536	900	(364)	545
Employee training, conferences and seminars	871	5,766	(4,895)	2,716
Uniform expense	4,680	4,260	420	4,252
Dues, subscriptions and licenses	255	600	(345)	25
Chemicals	1,152	1,004	148	785
System maintenance	48,504	20,000	28,504	46,161
Vehicle and equipment maintenance	16,583	22,986	(6,403)	15,188
Software and office equipment maintenance	4,291	1,250	3,041	1,904
Depreciation	354,702	122,828	231,874	331,713
Vehicle and equipment fuel	10,263	13,760	(3,497)	9,334
Utilities	39,591	35,352	4,239	34,864
Telephone and mobile communications	8,625	2,660	5,965	8,737
Tools and supplies	4,978	4,580	398	8,138
Right of way maintenance	18,979	22,102	(3,123)	18,984
Billing fees	4,515	4,410	105	4,418
Miscellaneous expense	8,101	1,250	6,851	112
Total operating expenses	754,333	507,057	247,276	739,739
Operating (loss) income	33,552	123,590	(90,038)	(78,541)
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Property tax collections	375,920	-	375,920	388,930
Interest earned	1,339	-	1,339	8,249
Gain on sale of assets	942	10,000	(9,058)	10,571
Capacity fees	2,200	-	2,200	470
Interest expense	(36,927)	-	(36,927)	(46,563)
Non cash - state retirement	(23,300)	-	(23,300)	-
Non cash - post employment expense	(58,108)	(7,873)	(50,235)	(14,037)
Total non-operating revenue (expense)	262,066	2,127	259,939	347,620
Change in net position before capital contributions and transfers	295,618	125,717	169,901	269,079
<b>CAPITAL CONTRIBUTIONS, NET</b>	1,710,394	-	1,710,394	405,370
<b>TRANSFERS</b>				
Transfer administrative fees to admin fund	(171,694)	(174,163)	2,469	(163,797)
Change in net position	1,834,318	(48,446)	1,882,764	510,652
Net position, beginning of year	8,130,599	8,130,599	-	7,619,947
Net position, end of year	\$ 9,964,917	\$ 8,082,153	\$ 1,882,764	\$ 8,130,599



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**COLLECTION SYSTEM**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 780,716	\$ 602,556
Payments for supplies for goods and services	(300,438)	(84,694)
Payments for labor and related services	(171,215)	(176,517)
Payment for employee benefits	(59,844)	(74,370)
Net cash provided by operating activities	<u>249,219</u>	<u>266,975</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer administrative fees to admin fund	<u>(171,694)</u>	<u>(163,797)</u>
Net cash used in noncapital financing activities	<u>(171,694)</u>	<u>(163,797)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Property tax collections	375,920	388,930
Capital outlay	(102,639)	(184,954)
Capital contributions	5,049	21,098
Gain on sale of assets	(942)	10,571
Interest paid on bonds	(29,336)	(34,328)
Principal paid on bonds	(319,000)	(319,000)
Capacity fees	<u>2,200</u>	<u>470</u>
Net cash used in capital and related financing activities	<u>(68,748)</u>	<u>(117,213)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>1,339</u>	<u>8,249</u>
Net cash flows provided by investing activities	<u>1,339</u>	<u>8,249</u>
Net increase (decrease) in cash	10,116	(5,786)
Cash, beginning of year	<u>752,719</u>	<u>758,505</u>
Cash, end of year	<u><u>\$ 762,835</u></u>	<u><u>\$ 752,719</u></u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	367,409	344,966
Restricted cash - debt service funds	210,178	184,389
Restricted cash - capacity funds	<u>185,248</u>	<u>223,364</u>
Total cash and cash equivalents	<u><u>\$ 762,835</u></u>	<u><u>\$ 752,719</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ 33,552	\$ (78,541)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	354,702	331,713
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(6,227)	15,534
(Increase) decrease in inventory	(240)	60
(Increase) decrease in prepaids	1,250	(1,250)
Increase (decrease) in accounts payable	(127,932)	1,272
Increase (decrease) in accrued expenses	<u>(5,886)</u>	<u>(1,813)</u>
Total adjustments	<u>215,667</u>	<u>345,516</u>
Net cash provided by operating activities	<u><u>\$ 249,219</u></u>	<u><u>\$ 266,975</u></u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**CLINTON/JOANNA WASTEWATER TREATMENT PLANT**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,633,024	\$ 1,372,922
Restricted cash for debt service funds	155,548	153,913
Accounts receivable, net	136,515	174,079
Inventories	49,356	47,872
Prepays	-	1,250
Total current assets	<u>1,974,443</u>	<u>1,750,036</u>
Non-Current Assets		
Capital assets, net	<u>12,847,501</u>	<u>13,205,606</u>
Total non-current assets	<u>12,847,501</u>	<u>13,205,606</u>
Total assets	<u>14,821,944</u>	<u>14,955,642</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	<u>79,654</u>	<u>73,017</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	32,163	34,686
Accruals	11,439	16,110
Accrued interest	1,244	1,268
Current portion of bonds payable	<u>84,246</u>	<u>81,963</u>
Total current liabilities	<u>129,092</u>	<u>134,027</u>
Non-Current Liabilities		
Bonds payable	3,982,473	4,066,719
Net pension liability	461,435	409,596
Accrued other post employment benefits	<u>339,105</u>	<u>287,314</u>
Total non-current liabilities	<u>4,783,013</u>	<u>4,763,629</u>
Total liabilities	<u>4,912,105</u>	<u>4,897,656</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>1,745</u>	<u>14,057</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,779,538	9,055,656
Restricted for debt service	155,548	153,913
Unrestricted	<u>1,052,662</u>	<u>907,377</u>
Total net position	<u>\$ 9,987,748</u>	<u>\$ 10,116,946</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**CLINTON/JOANNA WASTEWATER TREATMENT PLANT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(with totals for the year ended June 30, 2020)**

	2021	Budget	Variance	2020
<b>OPERATING REVENUE</b>				
Wastewater treatment revenue	\$ 1,826,845	\$ 1,658,704	\$ 168,141	\$ 1,910,390
Reinstate, reconnect and delinquent fees	34	-	34	23
Other operating revenue	9,213	-	9,213	8,502
Total revenue	1,836,092	1,658,704	177,388	1,918,915
<b>OPERATING EXPENSES</b>				
Salaries	146,880	161,738	(14,858)	156,483
Payroll taxes	11,213	11,995	(782)	10,945
Group insurance	32,261	34,645	(2,384)	31,153
State retirement	22,952	23,981	(1,029)	22,498
Worker's compensation	5,375	4,750	625	4,288
Employee health/safety expense	623	1,200	(577)	808
Employee memberships	538	900	(362)	560
Employee training, conferences and seminars	3,434	7,241	(3,807)	4,614
Uniform expense	4,555	4,095	460	4,619
Dues, subscriptions and licenses	567	600	(33)	25
Contract plant operations	98,400	99,600	(1,200)	99,600
Sludge disposal	74,512	45,000	29,512	35,303
System maintenance	54,902	21,600	33,302	33,942
Vehicle and equipment maintenance	39,591	26,093	13,498	31,986
Building and grounds maintenance	23,790	18,900	4,890	16,058
Software and office equipment maintenance	1,326	1,250	76	1,250
Depreciation	615,649	625,903	(10,254)	595,764
Vehicle and equipment fuel	11,392	14,750	(3,358)	13,282
Office expense	2,247	2,500	(253)	2,241
Utilities	210,193	187,017	23,176	200,574
Telephone and mobile communications	16,402	17,872	(1,470)	18,183
DHEC licenses and fees	2,205	2,500	(295)	2,205
Sampling and testing	14,293	14,570	(277)	16,146
Chemicals	60,241	63,015	(2,774)	57,141
Tools and supplies	5,365	4,838	527	8,580
Professional fees	-	500	(500)	-
Engineering and consulting service	-	5,000	(5,000)	800
Right of way maintenance	25,477	18,600	6,877	13,723
Billing fees	4,515	4,410	105	4,418
Miscellaneous expense	5,210	3,000	2,210	40
Total operating expenses	1,494,108	1,428,063	66,045	1,387,229
Operating (loss) income	341,984	230,641	111,343	531,686
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest earned	2,626	-	2,626	12,472
Gain on sale of assets	942	10,000	(9,058)	10,571
Santee Cooper credit	16,673	-	16,673	-
Capacity fees	21,675	-	21,675	14,600
Bond administration charge	(3,556)	-	(3,556)	(3,556)
Interest expense	(113,135)	-	(113,135)	(115,257)
Non cash - state retirement	(26,632)	-	(26,632)	(20,756)
Non cash - post employment expense	(51,791)	(12,315)	(39,476)	(16,056)
Total non-operating revenue (expense)	(153,198)	(2,315)	(150,883)	(117,982)
Change in net position before capital contributions and transfers	188,786	228,326	(39,540)	413,704
<b>CAPITAL CONTRIBUTIONS, NET</b>	25,401	-	25,401	-
<b>TRANSFERS</b>				
Transfer administrative fees to admin fund	(343,386)	(348,326)	4,940	(327,594)
Change in net position	(129,199)	(120,000)	(9,199)	86,110
Net position, beginning of year	10,116,947	10,116,947	-	10,030,837
Net position, end of year	\$ 9,987,748	\$ 9,996,947	\$ (9,199)	\$ 10,116,947



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**CLINTON/JOANNA WASTEWATER TREATMENT PLANT**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
(with summarized comparative totals for the year ended June 30, 2020)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 1,891,271	\$ 1,919,554
Payments for treatment plant operations	(654,994)	(582,029)
Payments for labor and related services	(153,422)	(193,669)
Payment for employee benefits	(61,212)	(58,747)
Net cash provided by operating activities	<u>1,021,643</u>	<u>1,085,109</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer administrative fees to admin fund	<u>(343,386)</u>	<u>(327,594)</u>
Net cash used in noncapital financing activities	<u>(343,386)</u>	<u>(327,594)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital outlay	(241,201)	(197,093)
Gain on sale of assets	(942)	(10,571)
Interest paid on bonds	(113,135)	(115,257)
Principal paid on bonds	(81,987)	(79,766)
Bond administration fees	(3,556)	(3,556)
Capacity fees	<u>21,675</u>	<u>14,600</u>
Net cash used in capital and related financing activities	<u>(419,146)</u>	<u>(391,643)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>2,626</u>	<u>12,472</u>
Net cash flows provided by investing activities	<u>2,626</u>	<u>12,472</u>
Net increase in cash	261,737	378,344
Cash, beginning of year	<u>1,526,835</u>	<u>1,148,491</u>
Cash, end of year	<u><u>\$ 1,788,572</u></u>	<u><u>\$ 1,526,835</u></u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	1,633,024	1,372,922
Restricted cash - debt service funds	<u>155,548</u>	<u>153,913</u>
Total cash and cash equivalents	<u><u>\$ 1,788,572</u></u>	<u><u>\$ 1,526,835</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 341,984	\$ 531,685
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	615,649	595,764
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	55,180	662
(Increase) decrease in inventory	(1,484)	(2,584)
(Increase) decrease in prepaids	1,250	(1,250)
Increase (decrease) in accounts payable	(651)	(50,445)
Increase (decrease) in accrued expenses	<u>9,715</u>	<u>11,277</u>
Total adjustments	<u>679,659</u>	<u>553,424</u>
Net cash provided by operating activities	<u><u>\$ 1,021,643</u></u>	<u><u>\$ 1,085,109</u></u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**LAKE RABON WATER SUPPLY SYSTEM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 450,102	\$ 379,720
Accounts receivable	<u>43,108</u>	<u>39,712</u>
Total current assets	<u>493,210</u>	<u>419,432</u>
Non-Current Assets		
Capital assets, net	<u>3,592,308</u>	<u>3,683,218</u>
Total non-current assets	<u>3,592,308</u>	<u>3,683,218</u>
Total assets	<u>4,085,518</u>	<u>4,102,650</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	<u>29,762</u>	<u>26,289</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	11,808	3,451
Accruals	<u>9,218</u>	<u>11,433</u>
Total current liabilities	<u>21,026</u>	<u>14,884</u>
Non-Current Liabilities		
Net pension liability	172,409	153,040
Accrued other post employment benefits	<u>133,860</u>	<u>113,416</u>
Total non-current liabilities	<u>306,269</u>	<u>266,456</u>
Total liabilities	<u>327,295</u>	<u>281,340</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>652</u>	<u>5,021</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,592,308	3,683,218
Unrestricted	<u>195,025</u>	<u>159,360</u>
Total net position	<u><u>\$ 3,787,333</u></u>	<u><u>\$ 3,842,578</u></u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**LAKE RABON WATER SUPPLY SYSTEM**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(totals for the year ended June 30, 2020)**

	2021	Budget	Variance	2020
<b>OPERATING REVENUE</b>				
Laurens Commission of Public Works				
water sales	\$ 322,678	\$ 321,606	\$ 1,072	\$ 317,664
Water Distribution sales	162,869	148,789	14,080	147,014
Recreation permits and shelter rentals	32,240	24,000	8,240	22,885
Total revenue	<u>517,787</u>	<u>494,395</u>	<u>23,392</u>	<u>487,563</u>
<b>OPERATING EXPENSES</b>				
Salaries	97,387	112,492	(15,105)	109,462
Payroll taxes	7,454	8,606	(1,152)	7,996
Group insurance	9,312	15,997	(6,685)	9,307
State retirement	11,337	13,715	(2,378)	10,169
Worker's compensation	3,455	3,250	205	2,756
Employee health/safety expense	338	310	28	130
Employee memberships	300	300	-	300
Uniform expense	840	1,890	(1,050)	1,288
Vehicle and equipment maintenance	12,216	6,100	6,116	9,258
Building and grounds maintenance	12,601	10,549	2,052	12,391
Trail maintenance	121	2,500	(2,379)	1,472
Software and office equipment maintenance	318	500	(182)	109
Destrat system maintenance	4,230	6,500	(2,270)	402
Vehicle and equipment fuel	6,733	7,500	(767)	6,148
Depreciation	104,831	160,416	(55,585)	98,578
Flow monitoring systems	18,900	12,600	6,300	2,700
Utilities	34,677	26,544	8,133	11,769
Telephone and mobile communications	1,657	1,704	(47)	1,736
Tools and supplies	442	1,300	(858)	831
Professional fees	4,150	5,000	(850)	-
Permits	1,810	2,000	(190)	1,858
Miscellaneous expense	1,577	-	1,577	-
Total operating expenses	<u>334,686</u>	<u>399,773</u>	<u>(65,087)</u>	<u>288,660</u>
Operating income	<u>183,101</u>	<u>94,622</u>	<u>88,479</u>	<u>198,903</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest earned	819	-	819	3,405
Gain on sale of assets	-	-	-	2,500
Non cash - state retirement	(9,951)	-	(9,951)	(7,755)
Non cash - post employment expense	(20,444)	(2,000)	(18,444)	(5,993)
Total non-operating revenue (expense)	<u>(29,576)</u>	<u>(2,000)</u>	<u>(27,576)</u>	<u>(7,843)</u>
Change in net position before transfers	<u>153,525</u>	<u>92,622</u>	<u>60,903</u>	<u>191,060</u>
<b>TRANSFERS</b>				
Transfer LGIP funds to water distribution	(80,000)	-	(80,000)	(50,000)
Transfer administrative fees to admin fund	(128,770)	(130,622)	1,852	(163,797)
Total transfers	<u>(208,770)</u>	<u>(130,622)</u>	<u>(78,148)</u>	<u>(213,797)</u>
Change in net position	(55,245)	(38,000)	(17,245)	(22,737)
Net position, beginning of year	<u>3,842,578</u>	<u>3,842,578</u>	<u>-</u>	<u>3,165,459</u>
Prior period adjustment (Note 12)	-	-	-	699,856
Net position, beginning of year, restated	<u>3,842,578</u>	<u>3,842,578</u>	<u>-</u>	<u>3,865,315</u>
Net position, end of year	<u>\$ 3,787,333</u>	<u>\$ 3,804,578</u>	<u>\$ (17,245)</u>	<u>\$ 3,842,578</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**LAKE RABON WATER SUPPLY SYSTEM**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 514,391	\$ 515,358
Payments to suppliers for goods and services	(92,553)	(50,392)
Payments for labor and related services	(105,079)	(135,529)
Payment for employee benefits	(24,104)	(8,483)
Net cash provided by operating activities	<u>292,655</u>	<u>320,954</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer LGIP funds to water distribution system	(80,000)	(50,000)
Transfer administrative fees to admin fund	(128,770)	(163,797)
Net cash used in noncapital financing activities	<u>(208,770)</u>	<u>(213,797)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital outlay	(13,921)	(68,074)
Proceeds from sale of assets	-	2,500
Interest paid on bonds	(401)	(401)
Net cash used in capital and related financing activities	<u>(14,322)</u>	<u>(65,975)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	819	3,405
Net cash flows provided by investing activities	<u>819</u>	<u>3,405</u>
Net increase in cash	70,382	44,587
Cash, beginning of year	379,720	335,133
Cash, end of year	<u><u>\$ 450,102</u></u>	<u><u>\$ 379,720</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 183,101	\$ 198,903
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	104,831	98,578
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(3,396)	27,795
Increase (decrease) in accounts payable	8,357	(5,846)
Increase (decrease) in accrued expenses	(238)	1,524
Total adjustments	<u>109,554</u>	<u>122,051</u>
Net cash provided by operating activities	<u><u>\$ 292,655</u></u>	<u><u>\$ 320,954</u></u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**WATER DISTRIBUTION SYSTEM**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 5,308,259	\$ 3,725,885
Restricted cash for debt service funds	500,694	491,550
Accounts receivable, net	688,159	809,887
Contributed capital receivable	226,796	980,927
Inventories	13,838	12,665
Prepays	4,530	-
Total current assets	<u>6,742,276</u>	<u>6,020,914</u>
Non-Current Assets		
Restricted cash - capacity funds	1,974,827	1,565,235
Restricted cash - construction funds	42,813,738	29,726,250
Due from Gray Court	127,293	155,580
Capital assets, net	<u>82,526,047</u>	<u>55,314,969</u>
Total non-current assets	<u>127,441,905</u>	<u>86,762,034</u>
Total assets	<u>134,184,181</u>	<u>92,782,948</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	<u>318,346</u>	<u>238,008</u>
Total deferred outflow of resources	<u>318,346</u>	<u>238,008</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	2,683,703	3,482,354
Accruals	68,113	97,593
Due to other governmental entities	65,741	36,002
Accrued interest	293,729	275,236
Customer deposits	50,826	50,825
Deferred revenue	17,284	16,500
Current portion of bonds payable	<u>44,538,102</u>	<u>960,000</u>
Total current liabilities	<u>47,717,498</u>	<u>4,918,510</u>
Non-Current Liabilities		
Bonds payable	47,204,552	53,211,502
Net pension liability	1,844,182	1,637,000
Accrued other post employment benefits	<u>1,327,408</u>	<u>1,124,676</u>
Total non-current liabilities	<u>50,376,142</u>	<u>55,973,178</u>
Total liabilities	<u>98,093,640</u>	<u>60,891,688</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>6,974</u>	<u>43,637</u>
<b>NET POSITION</b>		
Net investment in capital assets	33,303,402	30,594,481
Restricted for debt service	500,694	491,550
Restricted for future capacity	1,974,827	1,565,235
Unrestricted	<u>622,990</u>	<u>(565,635)</u>
Total net position	<u>\$ 36,401,913</u>	<u>\$ 32,085,631</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**WATER DISTRIBUTION SYSTEM**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(totals for the year ended June 30, 2020)**

	2021	Budget	Variance	2020
<b>OPERATING REVENUE</b>				
Water sales	\$ 8,305,190	\$ 8,257,146	\$ 48,044	\$ 8,229,715
Penalties	253,695	300,000	(46,305)	250,778
Tap fees	517,432	230,000	287,432	313,457
Reinstate, reconnect and delinquent fees	153,088	168,140	(15,052)	137,528
Origination fees	54,500	49,200	5,300	48,100
Testing, sampling and valve install fees	44,546	42,864	1,682	47,114
Other operating revenue	55,850	11,700	44,150	42,171
Total revenue	9,384,301	9,059,050	325,251	9,068,863
<b>OPERATING EXPENSES</b>				
Salaries	915,306	987,023	(71,717)	920,420
Payroll taxes	70,602	75,507	(4,905)	66,251
Group insurance	217,374	225,140	(7,766)	210,340
State retirement	143,194	151,054	(7,860)	138,800
Worker's compensation	20,730	19,000	1,730	16,539
Employee health/safety expense	4,626	4,300	326	3,007
Employee memberships	2,776	3,600	(824)	2,745
Employee training, conferences and seminars	5,859	6,567	(708)	13,135
Uniform expense	17,613	18,525	(912)	16,873
Dues, subscriptions and licenses	661	1,400	(739)	330
System maintenance	415,491	109,641	305,850	315,149
Vehicle and equipment maintenance	75,769	51,300	24,469	63,143
Building and grounds maintenance	23,897	36,499	(12,602)	28,095
Software and office equipment maintenance	18,469	29,524	(11,055)	25,381
Vehicle and equipment fuel	53,300	54,120	(820)	43,019
Water purchases	2,506,321	2,422,565	83,756	2,288,737
Depreciation	1,556,870	2,467,860	(910,990)	1,396,081
Utilities	109,651	99,533	10,118	101,446
Telephone and mobile communications	37,192	27,900	9,292	38,051
DHEC licenses and fees	31,074	29,006	2,068	28,588
Sampling and testing	35,511	32,890	2,621	35,009
Tools and supplies	25,342	23,650	1,692	37,433
Right of way maintenance	12,070	16,775	(4,705)	25,500
Professional fees	24,733	7,500	17,233	15,999
Engineering and consulting service	10,150	6,000	4,150	5,000
Billing fees	86,550	87,804	(1,254)	87,894
IVR and merchant service fees	118,925	106,500	12,425	104,845
Office expense	80	-	80	-
Miscellaneous expense	3,023	32,000	(28,977)	2,244
Total operating expenses	6,543,159	7,133,183	(590,024)	6,030,054
Operating income	2,841,142	1,925,867	915,275	3,038,809
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest earned	9,291	3,313	5,978	87,278
Gain on sale of assets	7,676	-	7,676	46,915
Sale of service area	1,203,161	-	1,203,161	-
Capacity fees	411,500	276,000	135,500	254,400
Lease revenue	81,792	81,346	446	86,400
Bond administration expense	(27,053)	-	(27,053)	(3,233)
Bond issuance cost	(55,382)	-	(55,382)	(310,152)
Interest expense	(1,269,717)	-	(1,269,717)	(258,878)
Non cash - state retirement	(106,440)	(42,665)	(63,775)	(82,954)
Non cash - post employment expense	(202,732)	-	(202,732)	(64,143)
Total non-operating revenue (expense)	52,096	317,994	(265,898)	(244,367)
Change in net position before transfers	2,893,238	2,243,861	649,377	2,794,442
<b>CAPITAL CONTRIBUTIONS, NET</b>	2,416,125	-	2,416,125	3,994,595
<b>TRANSFERS</b>				
Transfer LGIP funds from Lake Rabon	80,000	-	80,000	50,000
Transfer administrative fees to admin fund	(1,073,082)	(1,088,520)	15,438	(982,781)
Total transfers	(993,082)	(1,088,520)	95,438	(932,781)
Change in net position	4,316,281	1,155,341	3,160,940	5,856,256
Net position, beginning of year	32,085,632	32,085,632	-	26,229,376
Net position, end of year	\$ 36,401,913	\$ 33,240,973	\$ 3,160,940	\$ 32,085,632



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**WATER DISTRIBUTION SYSTEM**  
**STATEMENTS OF CASH FLOWS**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for June 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 10,260,160	\$ 8,089,451
Payments to suppliers for goods and services	(4,359,195)	31,378
Payments for labor and related services	(985,908)	(818,072)
Payment for employee benefits	(381,298)	(365,679)
Net cash provided by operating activities	<u>4,533,759</u>	<u>6,937,078</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer LGIP funds from Lake Rabon	80,000	50,000
Transfer administrative fees to admin fund	(1,073,082)	(982,781)
Net cash used in noncapital financing activities	<u>(993,082)</u>	<u>(932,781)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital outlay	(28,785,272)	(20,095,850)
Capital contributions	2,416,125	3,994,595
Gain on sale of assets	(7,676)	(46,915)
Interest paid on bonds, note and capital leases	(1,269,717)	(258,878)
Principal paid on bonds, note and capital leases, net	37,571,152	41,701,502
Bond administration fees	(27,053)	(3,233)
Capacity fees	411,500	254,400
Bond reissuance cost	(55,382)	(310,152)
Property lease fees	81,792	86,400
Net cash provided by capital and related financing activities	<u>11,538,630</u>	<u>25,321,869</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	9,291	87,278
Net cash flows provided by investing activities	<u>9,291</u>	<u>87,278</u>
Net increase in cash	15,088,598	31,413,444
Cash, beginning of year	35,508,920	4,095,476
Cash, end of year	<u><u>\$ 50,597,518</u></u>	<u><u>\$ 35,508,920</u></u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	5,308,259	3,725,885
Restricted cash - debt service funds	500,694	491,550
Restricted cash - capacity funds	1,974,827	1,565,235
Restricted cash - construction funds	42,813,738	29,726,250
Total cash and cash equivalents	<u><u>\$ 50,597,518</u></u>	<u><u>\$ 35,508,920</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 2,841,142	\$ 3,038,809
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,556,870	1,396,081
Gain on sale of assets	(7,676)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	121,728	1,515
(Increase) decrease in inventories	(1,173)	4,963
(Increase) decrease in due to/from	754,131	(980,927)
Increase (decrease) in accounts payable	(779,087)	3,254,118
Increase (decrease) in due to/from governmental entities	94,028	(153,008)
Increase (decrease) in accrued expenses	(46,204)	375,528
Total adjustments	<u>1,692,617</u>	<u>3,898,270</u>
Net cash provided by operating activities	<u><u>\$ 4,533,759</u></u>	<u><u>\$ 6,937,079</u></u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**ADMINISTRATIVE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**  
(with summarized comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 179,246	\$ 168,571
Accounts receivable	2,099	61
Prepays	<u>93,292</u>	<u>85,024</u>
Total current assets	<u>274,637</u>	<u>253,656</u>
Non-Current Assets		
Capital assets, net	<u>635,314</u>	<u>665,239</u>
Total non-current assets	<u>635,314</u>	<u>665,239</u>
Total assets	<u>909,951</u>	<u>918,895</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pensions	<u>291,527</u>	<u>237,823</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	71,087	53,407
Accruals	<u>62,175</u>	<u>81,005</u>
Total current liabilities	<u>133,262</u>	<u>134,412</u>
Non-Current Liabilities		
Net pension liability	1,688,822	1,499,094
Accrued other post employment benefits	<u>1,204,205</u>	<u>1,020,289</u>
Total non-current liabilities	<u>2,893,027</u>	<u>2,519,383</u>
Total liabilities	<u>3,026,289</u>	<u>2,653,795</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pensions	<u>6,386</u>	<u>44,592</u>
<b>NET POSITION</b>		
Net investment in capital assets	635,314	665,239
Unrestricted	<u>(2,466,511)</u>	<u>(2,206,908)</u>
Total net position	<u>\$ (1,831,197)</u>	<u>\$ (1,541,669)</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**ADMINISTRATIVE FUND**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET TO ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	Budget	Variance	2020
<b>OPERATING EXPENSES</b>				
Salaries	\$ 759,182	\$ 759,610	\$ (428)	\$ 750,063
Payroll taxes	56,780	61,186	(4,406)	54,286
Group insurance	95,740	97,837	(2,097)	94,910
State retirement	120,821	121,679	(858)	116,188
Worker's compensation	3,455	2,500	955	2,756
Employee health/safety expense	604	1,100	(496)	585
Employee memberships	2,775	3,600	(825)	1,950
Employee training, conferences and seminars	2,892	19,542	(16,650)	9,761
Uniform expense	2,369	3,660	(1,291)	2,875
Dues, subscriptions and licenses	14,387	14,500	(113)	14,352
Commissioners expense	37,276	38,500	(1,224)	34,348
Legislative expense	1,305	1,500	(195)	1,140
Entertainment expense	15,951	18,000	(2,049)	17,797
Building and grounds maintenance	26,251	19,465	6,786	18,562
Software and office equipment maintenance	132,452	102,995	29,457	107,339
Property and casualty insurance	93,505	92,753	752	87,856
Depreciation	83,675	83,000	675	86,619
Utilities	21,860	24,000	(2,140)	22,063
Telephone and mobile communications	14,401	16,260	(1,859)	15,665
Office expense	64,039	38,715	25,324	55,154
Postage and shipping	6,819	8,408	(1,589)	7,827
Professional fees	84,434	53,000	31,434	49,524
Engineering and consulting service	28,350	30,440	(2,090)	26,790
Economic development	35,710	39,600	(3,890)	35,851
Community outreach	62,467	71,100	(8,633)	82,199
Miscellaneous expense	345	-	345	-
Total operating expenses	1,767,845	1,722,950	44,895	1,696,460
Operating loss	(1,767,845)	(1,722,950)	(44,895)	(1,696,460)
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest earned	661	-	661	2,292
Insurance proceeds	42,113	-	42,113	-
Non cash - state retirement	(97,473)	(657)	(96,816)	(75,965)
Non cash - post employment expense	(183,915)	(18,025)	(165,890)	(58,738)
Total non-operating revenue (expense)	(238,614)	(18,682)	(219,932)	(132,411)
Change in net position before transfers	(2,006,459)	(1,741,632)	(264,827)	(1,828,871)
<b>TRANSFERS</b>				
Transfer administrative fees to admin fund	1,716,932	1,741,632	(24,700)	1,637,969
Change in net position	(289,527)	-	(289,527)	(190,902)
Net position, beginning of year	(1,541,670)	(1,541,670)	-	(1,350,768)
Net position, end of year	\$ (1,831,197)	\$ (1,541,670)	\$ (289,527)	\$ (1,541,670)



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**ADMINISTRATIVE FUND**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(with summarized comparative totals for the year ended June 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers for goods and services	\$ (638,435)	\$ (594,606)
Payments for labor and related services	(834,792)	(792,570)
Payment for employee benefits	(220,016)	(213,854)
Collected from (advances to) employees	(2,038)	(1)
Net cash used in operating activities	<u>(1,695,281)</u>	<u>(1,601,031)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer in for administrative fees	<u>1,716,932</u>	<u>1,637,969</u>
Net cash provided by noncapital financing activities	<u>1,716,932</u>	<u>1,637,969</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital outlay	<u>(53,750)</u>	<u>(23,788)</u>
Net cash used in capital and related financing activities	<u>(53,750)</u>	<u>(23,788)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	661	2,292
Insurance proceeds	<u>42,113</u>	<u>-</u>
Net cash flows provided by investing activities	<u>42,774</u>	<u>2,292</u>
Net increase in cash	10,675	15,442
Cash, beginning of year	<u>168,571</u>	<u>153,129</u>
Cash, end of year	<u><u>\$ 179,246</u></u>	<u><u>\$ 168,571</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,767,845)	\$ (1,696,459)
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	83,675	86,619
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,038)	(1)
(Increase) decrease in prepaid expenses	(8,268)	(5,557)
Increase (decrease) in accounts payable	17,680	2,588
Increase (decrease) in accrued expenses	<u>(18,485)</u>	<u>11,779</u>
Total adjustments	<u>72,564</u>	<u>95,428</u>
Net cash used in operating activities	<u><u>\$ (1,695,281)</u></u>	<u><u>\$ (1,601,031)</u></u>



## **OTHER SUPPLEMENTAL INFORMATION**



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**REVENUE BOND DEBT COVERAGE RATIO**  
**JUNE 30, 2021**

	Water Distribution System	Clinton/Joanna Wastewater Treatment Plant
	Series 2016, 2017 Series 2020	Series 2013
Change in net position before transfers	\$ 2,893,238	\$ 484,404
Less: Gain on sale of assets	(7,676)	(1,884)
Less: Sale of service area	(1,203,161)	-
Less: Allocated administrative loss	(1,254,037)	(601,938)
Less: Property tax collections	-	(375,920)
Plus: Capital contribution	-	-
Plus: GASB 75 noncash expenses	202,732	109,899
Plus: GASB 75 noncash expenses - administrative	114,947	55,175
Plus: GASB 68 noncash expenses	106,440	49,932
Plus: GASB 68 noncash expenses - administrative	60,921	29,242
Plus: Depreciation	1,556,870	970,351
Plus: Allocate administrative depreciation	52,297	25,103
Plus: Interest expense on bonds	1,269,717	150,062
Net earnings of the system (per bond resolution)	<u>\$ 3,792,288</u>	<u>\$ 894,426</u>
Debt service requirement	<u>\$ 2,599,962</u>	<u>\$ 195,024</u>
Debt service coverage ratio	<u>1.46</u>	<u>4.59</u>

At June 30, 2021, the Water Distribution System and Clinton/Joanna Wastewater Treatment Plant were in compliance with the debt service ratio requirements.



## **COMPLIANCE SECTION**





CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Honorable Board of Commissioners  
Laurens County Water and Sewer Commission  
Laurens, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Laurens County Water and Sewer Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Laurens County Water and Sewer Commission's basic financial statements, and have issued our report thereon dated December 13, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Laurens County Water and Sewer Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Laurens County Water and Sewer Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Laurens County Water and Sewer Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

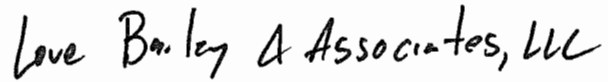
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Laurens County Water and Sewer Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Love Bailey & Associates, LLC". The script is cursive and fluid, with the letters "Love" and "Bailey" being more prominent and larger than the rest of the text.

Love Bailey & Associates, LLC

Laurens, South Carolina

December 13, 2021





CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Board of Commissioners  
Laurens County Water and Sewer Commission  
Laurens, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the Laurens County Water and Sewer Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Laurens County Water and Sewer Commission's major federal programs for the year ended June 30, 2021. Laurens County Water and Sewer Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Laurens County Water and Sewer Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Laurens County Water and Sewer Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Laurens County Water and Sewer Commission's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Laurens County Water and Sewer Commission, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2021.



## Report on Internal Control over Compliance

Management of the Laurens County Water and Sewer Commission, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Laurens County Water and Sewer Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Laurens County Water and Sewer Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Love Bailey & Associates, LLC

Laurens, South Carolina

December 13, 2021



**LAURENS COUNTY WATER AND SEWER COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Commerce</u></b>		
Economic Adjustment Assistance - Stagecoach	11.307	\$ 828,206
Economic Adjustment Assistance - Milam Road	11.307	796,288
Total U.S. Department of Commerce		<u>1,624,494</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
Community Development Block Grant	14.228	<u>497,370</u>
<b><u>U.S. Department of Agriculture and Rural Development</u></b>		
Water & Wastewater Disposal Systems for Rural Communities:		
Waterworks System Revenue Bond, Series 2020	10.760	<u>39,120,814</u>
Total Federal Expenditures		<u><u>\$ 41,242,678</u></u>

See accompanying notes to the schedule of expenditures of federal awards.



**LAURENS COUNTY WATER AND SEWER COMMISSION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATE**

The Commission has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 – USDA BONDS OUTSTANDING**

At June 30, 2021, the outstanding balances of USDA Bonds were as follows:

USDA Series 2020A	\$ 8,582,065
USDA Series 2020B	8,582,065
USDA Series 2020C	8,582,065
USDA Series 2020D	8,582,065
USDA Series 2020E	3,471,016
USDA Series 2020F	<u>731,876</u>
	<u>\$ 38,531,152</u>



**LAURENS COUNTY WATER AND SEWER COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

*Financial statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

**Unmodified**

Internal control over financial reporting:

- Material weakness(es) Identified?	Yes	X	No
- Significant deficiency(ies) Identified?	Yes	X	None Noted
Noncompliance material to financial statements noted?	Yes	X	No

*Federal awards*

Internal control over major programs:

- Material Weakness(es) Identified?	Yes	X	No
- Significant deficiency(ies) Identified?	Yes	X	None Noted

Type of auditor's report issued on compliance for major programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes      X      No

Identification of major programs:

Water and Waste Disposal System for Rural Communities	10.760
Economic Adjustment Program	11.307

Dollar threshold used to distinguish between type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X      Yes      No



**LAURENS COUNTY WATER AND SEWER COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS**

None reported



## Exhibit I

### ADDITIONAL SUPPORTING DOCUMENTATION



# Water Supply Construction Permit

## Bureau of Water



Permission is Hereby Granted To:

**LAURENS COUNTY WATER AND SEWER COMMISSIO**  
**PO BOX 1006**  
**LAURENS SC 29360-1006**

for the construction of a distribution system in accordance with the construction plans, specifications, design calculations and the SCDHEC Construction Permit Application signed by Clay M Helms, Professional Engineer, S.C. Registration Number: 20228.

**Project Name:** **BETHANY TANK WATER SUPPLY IMPROVEMENTS** **County:** Laurens  
**Location:** BETHANY ROAD, HYMAN ROAD, HIGHWAY 418, ADN SCUFFLETOWN ROAD

**Project Description:** Approximately 7300 LF of 12" water line and 3 fire hydrants.

**Service By:** Water will be provided by the Laurens County Water And Sewer Commission (System Number: 3020001).

**Permit Conditions:** All products used for water disinfection must be properly registered for use in compliance with the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Questions related to the FIFRA registration in labeling in South Carolina must be directed to the Department of Pesticide Regulation administered by the Clemson University Office of Regulatory Services.

**Special Conditions:**

1. All construction and materials for this project must conform to the Standard Specifications for Hulsey McCormick Wallace, Inc.

In accepting this permit, the owner agrees to the admission of properly authorized persons at all reasonable hours for the purpose of sampling and inspection.

***NOTE: This is a permit for construction only and does not constitute State Department of Health and Environmental Control approval, temporary or otherwise, to place the system in operation. No written approval shall be issued to place a drinking water project into operation until approval is obtained to place any associated wastewater project into operation. An Approval to Place in Operation is required and can be obtained following the completion of construction by contacting the GREENWOOD EQC OFFICE at 864-223-0333. Additional permits may be required prior to construction (e.g., stormwater).***

**Permit Number:** **35179-WS**  
**Date of Issue:** **July 01, 2021**  
**Expiration Date:** Construction must be completed and the Approval to Place in Operation granted prior to **July 01, 2024** or this permit will expire.

A handwritten signature in black ink, appearing to read "Doug B. Kinard", is written over a horizontal line.

*Douglas B. Kinard P.E, Director  
Drinking Water and Recreational Waters  
Protection Division*

GBA





December 8, 2021

Mr. Jeff Field  
Laurens County Water and Sewer Commission  
PO Box 1006  
Laurens, South Carolina 29360  
jfield@icwsc.com

Re: 401 Certification for Authorization Pursuant to Nationwide Permit 58 (Utility Line Activities for Water and Other Substances)

Applicant Permit ID No.: SAC 2021-01120

Applicant: Laurens County Water and Sewer Commission

County: Laurens

Project: Bethany Tank Water Supply Improvements

Dear Mr. Field:

On September 15, 2020, the U.S. Army Corps of Engineers (Corps) issued a proposed rule in the Federal Register (85 FR 57298) that announced the reissuance of all the existing NWP's and the proposal to issue five new NWP's. In response to the September 15th proposed rule, the South Carolina Department of Health and Environmental Control (Department) initiated actions to certify the proposed NWP's and on December 14, 2020, the Department issued a final certification in accordance with Section 401 of the Federal Clean Water Act (CWA), as amended, and a certification of consistency with the Coastal Zone Management Act (48-39-10 et.seq.).

On January 13, 2021, the Corps published a final rule in the Federal Register (86 FR 2744). In this notice, the Corps announced that it was reissuing only 12 of the existing NWP's and four new NWP's.

On March 8, 2021, the Corps' Charleston District issued their Final Regional Conditions for the 16 NWP's. In that notice, the Charleston District denied the Section 401 Water Quality Certification (401 Certification) for NWP 12, 29, 39, 44, 57 and 58 as well as the Coastal Zone Consistency (CZC) for NWP's 12, 29, 39, 42, 44, 51, 57 and 58.

On May 13, 2021, A General State Certification to authorize activities in accordance with S.C. Code Ann. §§ 48-1-10 et seq. and S.C. Code Ann. Regulation 61-101, and S.C. Code Ann. § 48-39-10 et seq. and the S.C. Coastal Zone Management Program document was issued by the South Carolina Department of Health and Environmental

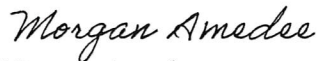
S.C. Department of Health and Environmental Control



Control (DHEC or the Department) for the Nationwide Permits (NWPs) 12, 29, 39, 44, 57, and 58.

The Department has reviewed the above-reference project in accordance with the May 13, 2021 general certification and, provided the applicant adheres to the certification conditions outlined in the attached document, the Department has determined that there is a reasonable assurance that the work authorized will be conducted in a manner consistent with the certification requirements of **Section 401 of the Clean Water Act**. If any questions arise please contact me at (803) 898-4179 or amedeemd@dhec.sc.gov.

Sincerely,

A handwritten signature in cursive script that reads "Morgan Amedee".

Morgan Amedee

Water Quality Certification and Wetlands Section

cc: USACE Greenville Field Office  
Mr. Brandon Stutts



**Nationwide Permit Number 58: Utility Line Activities for Water and Other Substances**

**Proposed Conditions for the 401 Water Quality Certification:**

1. This NWP is not certified for utility lines with more than 10 aquatic site crossings (not including directionally bored crossings).
2. This NWP is not certified for activities located in or adjacent to (as determined by SCDHEC) waters defined (as per Regulation 61-68) as Outstanding National Resource Waters (ONRW), Outstanding Resource Waters (ORW), or Trout Waters.
3. This NWP is not certified or activities that cause the loss of more than 300 linear feet of stream bed.





December 8, 2021

Mr. Jeff Field  
Laurens County Water and Sewer Commission  
PO Box 1006  
Laurens, South Carolina 29360  
jfield@icwsc.com

Re: 401 Certification for Authorization Pursuant to Nationwide Permit 58 (Utility Line Activities for Water and Other Substances)

Applicant Permit ID No.: SAC 2021-01120

Applicant: Laurens County Water and Sewer Commission

County: Laurens

Project: Bethany Tank Water Supply Improvements

Dear Mr. Field:

On September 15, 2020, the U.S. Army Corps of Engineers (Corps) issued a proposed rule in the Federal Register (85 FR 57298) that announced the reissuance of all the existing NWP's and the proposal to issue five new NWP's. In response to the September 15th proposed rule, the South Carolina Department of Health and Environmental Control (Department) initiated actions to certify the proposed NWP's and on December 14, 2020, the Department issued a final certification in accordance with Section 401 of the Federal Clean Water Act (CWA), as amended, and a certification of consistency with the Coastal Zone Management Act (48-39-10 et seq.).

On January 13, 2021, the Corps published a final rule in the Federal Register (86 FR 2744). In this notice, the Corps announced that it was reissuing only 12 of the existing NWP's and four new NWP's.

On March 8, 2021, the Corps' Charleston District issued their Final Regional Conditions for the 16 NWP's. In that notice, the Charleston District denied the Section 401 Water Quality Certification (401 Certification) for NWP 12, 29, 39, 44, 57 and 58 as well as the Coastal Zone Consistency (CZC) for NWP's 12, 29, 39, 42, 44, 51, 57 and 58.

On May 13, 2021, A General State Certification to authorize activities in accordance with S.C. Code Ann. §§ 48-1-10 et seq. and S.C. Code Ann. Regulation 61-101, and S.C. Code Ann. § 48-39-10 et seq. and the S.C. Coastal Zone Management Program document was issued by the South Carolina Department of Health and Environmental

[S.C. Department of Health and Environmental Control](https://www.scdhec.gov)



Control (DHEC or the Department) for the Nationwide Permits (NWP) 12, 29, 39, 44, 57, and 58.

The Department has reviewed the above-reference project in accordance with the May 13, 2021 general certification and, provided the applicant adheres to the certification conditions outlined in the attached document, the Department has determined that there is a reasonable assurance that the work authorized will be conducted in a manner consistent with the certification requirements of **Section 401 of the Clean Water Act**. If any questions arise please contact me at (803) 898-4179 or amedeemd@dhec.sc.gov.

Sincerely,

*Morgan Amedee*

Morgan Amedee  
Water Quality Certification and Wetlands Section

cc: USACE Greenville Field Office  
Mr. Brandon Stutts



**Nationwide Permit Number 58: Utility Line Activities for Water and Other Substances**

**Proposed Conditions for the 401 Water Quality Certification:**

1. This NWP is not certified for utility lines with more than 10 aquatic site crossings (not including directionally bored crossings).
2. This NWP is not certified for activities located in or adjacent to (as determined by SCDHEC) waters defined (as per Regulation 61-68) as Outstanding National Resource Waters (ONRW), Outstanding Resource Waters (ORW), or Trout Waters.
3. This NWP is not certified or activities that cause the loss of more than 300 linear feet of stream bed.



**SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION**  
**Encroachment Permit**

Permit No : 245823

Permit Decision Date :  
6/22/2021

Expiration Date : 6/22/2022

Type Permit : WATER

Location:

<u>District</u>	<u>Work County</u>	<u>Type</u>	<u>Route</u>	<u>Aux</u>	<u>Begin MP</u>	<u>End MP</u>
2	Laurens, SC	SC	418	None	2.065	3.529
2	Laurens, SC	L-	605	None	0.431	0.485

Contact  
Information

Applicant: LaurensCountyWaterSewerCommission

Phone:

Contact: Steve Griffin

Address: P.O. Box 1006,

City: Laurens

State: SC

Zip: 29360

Comments

The project location is generally between the intersection of Scuffletown Road (S-705) / Highway 418 (SC 418), and Bethany Road (S-315) / Hyman Road (Local).

Special  
Provisions:

0004 - SCDOT SHALL BE NOTIFIED WHEN WORK DEFINED IN THE PERMIT STARTS AS WELL AS WHEN THE WORK IS COMPLETED. REFERENCE SHALL BE MADE BY PERMIT NUMBER.

0101 - SHOULDER SOD DESTROYED BY THIS INSTALLATION TO BE REPLACED FOR THE ENTIRE AREA. THE AREA SHALL BE RE-SHAPED AND ROLLED TO THE CROSS SECTION EXISTING PRIOR TO THIS WORK.

0102 - BORE PITS SHALL BE CLOSED IMMEDIATELY AFTER INSTALLATION.

0103 - THE PROPOSED ENCROACHMENT SHALL BE TRENCHED TO A MINIMUM DEPTH OF 42" BELOW THE CROSS SECTION AS ORIGINALLY CONSTRUCTED.

0107 - TRENCH TO BE PROPERLY BACK-FILLED AND THOROUGHLY TAMPED. THE ENTIRE DISTURBED AREA SHALL BE RE-SHAPED AND DRESSED OUT IN A WORKMANSHIP LIKE MANNER.

0109 - THE BORE SHALL BE MADE BY THE DRY BORE METHOD IN SUCH A MANNER AS NOT TO DISTURB THE PAVEMENT. THE BORE PIT MUST NOT BE CLOSER THAN FIVE (5) FEET FROM THE EDGE OF PAVEMENT. THE BORE DEPTH SHALL BE NOT LESS THAN 48" DEEP AT ANY POINT IN THE BORE.

NOTICE SHALL BE GIVEN TO THE DEPARTMENT IMMEDIATELY IF THE BORE



URNS AND DAMANGES THE ROAD.

0112 - ALL WATER METERS, AIR VALVES, ELECTRIC TRANSFORMERS, CATV CONNECTION BOXES, TELEPHONE PEDESTALS, AND/OR OTHER UTILITY/SPLICE BOXES SHALL BE PLACED AT THE RIGHT-OF-WAY LINE.

0120 - RESTORATION OF PAVEMENT, SHOULDERS, DITCHES, ETC., TO BE PERFORMED AS SOON AS POSSIBLE AFTER CONSTRUCTION, OR SCHEDULED SO THAT THE CONSTRUCTION IS NO FURTHER THAN 2,000 L.F. AHEAD OF COMPLETE RESTORATION.

0123 - ALL WORK PERFORMED IN CONNECTION WITH THIS PERMIT SHALL CONFORM TO THE SCDOT "A POLICY FOR ACCOMODATING UTILITIES ON HIGHWAY RIGHT-OF-WAY" MOST CURRENT EDITION.

0125 - ALL CROSSLINE PIPES ARE TO BE LOCATED AND FLAGGED PRIOR TO BEGINNING OPERATION.

0209 - DISTURBED VEGETATION SHALL BE RESEEDDED ACCORDING TO THE SPECIFICAION FOR HIGHWAY CONSTRUCTION.

0301 - THE DITCHES AND/OR SHOULDERS DISTURBED DURING THE INSTALLATION SHALL BE RE-ESTABLISHED TO PROPER GRADE, ORIGINAL CROSS SECTION, STABILIZED, AND ALL DRAIN PIPES CLEARED.

0302 - NO EXCAVATION SHALL BE LEFT OPEN ALONG HIGHWAY.

0306 - TRAFFIC CONTROL, LIGHTS, SIGNS AND FLAG-MEN WILL BE FURNISHED BY APPLICANT AND WILL CONFORM TO PART VI OF THE MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES.

0310 - FIELD CHANGES, IF NECESSARY, MUST BE APPROVED IN WRITING BEFORE ACTUAL CONSTRUCTION OF PROPOSED CHANGES.

0311 - SEDIMENT AND EROSION CONTROL DEVICES SHALL BE USED TO MINIMIZE THE MOVEMENT OF SEDIMENT.

0312 - THE PERMITTEE SHALL HOLD THE DEPARTMENT HARMLESS FOR DAMAGES TO BOTH UPSTREAM AND DOWNSTREAM PROPERTIES.

0318 - THE APPLICANT SHALL BE RESPONSIBLE FOR IMMEDIATE REMOVAL OF SUCH TRAFFIC HAZARDS AS MUD, DEBRIS, LOOSE STONE, AND TRASH AS MAY BE WASHED OR SPILLED ON THE TRAVELED ROADWAY AS A RESULT OF THE PROPOSED WORK.



# Application for Encroachment Permit

S.C. Department of Transportation

Form 637 (Rev 09/2015)

## Contact Information

**Applicant:** Laurens County Water & Sewer Commission**Street:** P.O. Box 1006**City:** Laurens**State:** SC  **Zip Code:** 29360**Phone:** (864)682-3250 **Fax:** (864)682-3260**Email:** sgriffin@lcwsc.com**Contact:** Steve Griffin

## Project Location

**Primary County:** Laurens 

County	Road Name
Laurens	Hwy 418 (SC 418)
Laurens	Scuffletown Rd (S-705)
Greenville	Bethany Rd (S-315)

**1. Type of** WATER**Encroachment:**

The proposed project involves the installation of approximately 7,300 LF of 12-inch waterline and all related appurtenances.

**2. Description of Location:**

The project location is generally between the intersection of Scuffletown Road (S-705) / Highway 418 (SC 418), and Bethany Road (S-315) / Hyman Road (Local).

(Attach sketch indicating roadway features such as: pavement width, shoulder width, sidewalk and curb and gutter location, significant drainage structure, north arrow, right of way width, and location of the proposed encroachment with respect to the roadway centerline and the nearest intersecting road on the State system.)



## Customer Agreement

3. The undersigned applicant hereby requests the SCDOT to permit encroachment on the SCDOT right of way as described herein. It is expressly understood that the encroachment, if and when constructed, shall be installed in accordance with the sketch attached hereto and made a part hereof. The applicant agrees to comply with and be bound by the SCDOT's "A Policy for Accommodating Utilities on Highways Rights of way", "Standard Specifications for Highway Construction", the "General Provisions" and "Special Provisions", attached hereto or made a part hereof by reference, during the installation, operation and maintenance of said encroachment within the SCDOT's Right of Way. **DISCHARGES OF STORM WATER AND NON-STORM WATER:** Work within State Highway right-of-way shall be conducted in compliance with all applicable requirements of the National Pollutant Discharge Elimination System (NPDES) permit(s) issued to the Department of Transportation (Department), to govern the discharge of storm water and non-storm water from its properties. Work shall also be in compliance with all other applicable Federal, State and Local laws and regulations, and with the Department's Encroachment Permits Manual and encroachment permit. The encroachment permit will not be issued until the applicant has received an NPDES construction permit from SC Department of Health and Environmental Control.

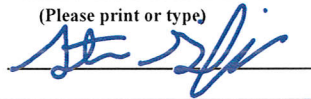
The applicant agrees to comply with all current SCDOT Standards Specifications for Highway Construction including all Supplemental Technical Specifications. The applicant hereby further agrees, and binds his/her/its heirs, personal representatives, successors, assigns, to assume any and all liability for accidents or injuries to persons, or damage to property, including the highway, that may be caused by the construction, maintenance, use, moving or removing of the physical appurtenances contemplated herein.

Applicant's Name: Steve Griffin

Date: 06/11/2021

(Please print or type)

Applicant's Sig:



Title: Construction Manager

## For Office Use Only

**For Office Use Only**

In accordance with your request and subject to all the provisions, terms, conditions, and restrictions stated in the application and the general and special provisions attached hereto, the SCDOT hereby approves your application for an encroachment permit. This permit shall become null and void unless the work contemplated herein shall have been completed prior to:

☒ See Attached Special Provision and/or Permit Requirements

NPDES Permit

Nbr:

Stephen Shehan

6/22/2021

(Date)

(Date received by res. Maint. Engr.)

(SCDOT Approval)



## General Provisions

**Application for Encroachment Permit**  
**General Provisions**

1. **DEFINITIONS:** The word "Permittee" used herein shall mean the name of the person, firm, or corporation to whom this permit is addressed, his, her, its, heirs, personal representatives, successors and assigns. The word "DEPARTMENT" shall mean the South Carolina Department of Transportation.
2. **NOTICE PRIOR TO STARTING WORK:** Before starting the work contemplated herein within the limits of the highway right of way, the Department's Resident Maintenance Engineer in the county in which the proposed work is located shall be notified 24 hours in advance so that he may be present while the work is under way.
3. **PERMIT SUBJECT TO INSPECTION:** This permit shall be kept at the site of the work at all times while said work is under way and must be shown to any representative of the Department or law enforcement officer on demand.
4. **PROTECTION OF HIGHWAY TRAFFIC:** The applicant shall be responsible for the protection of the highway traffic at all times during the construction, maintenance, removing or moving of the encroachment permitted herein. Detours, barricades, warning signs and flagmen, as necessary, shall be provided by and at the expense of the Permittee and shall be in accordance with the "Manual on Uniform Traffic Control Devices" (MUTCD). The work shall be planned and carried out so that there will be the least possible inconvenience to the motoring public. The Permittee agrees to observe all rules and regulations of the Department while carrying on the work contemplated herein and take all other precautions that circumstances warrant.
5. **STANDARDS OF CONSTRUCTION:** All work shall conform to the Department's standards of construction and shall be performed in a workman-like manner. The applicant shall make adequate provisions for maintaining the proper drainage of the highway as it may be affected by the encroachment permitted herein. All work shall be subject to the supervision and satisfaction of the Department.
6. **FUTURE MOVING OF PHYSICAL APPURTENANCES:** If, in the opinion of the State Highway Engineer, it should ever become necessary to move or remove the physical appurtenances, or any part thereof contemplated herein, on account of change in location of the highway, widening of the highway, or for any other sufficient reason, such moving shall be done on demand of the Department at the expense of the Permittee, unless the Permittee has prior rights.
7. **RESTORATION OF HIGHWAY FACILITIES UPON MOVING OR REMOVING OF PHYSICAL APPURTENANCES:** If, and when, the physical appurtenances contemplated herein shall be moved or removed, either on the demand of the Department or at the option of the Permittee, the highway and facilities shall immediately be restored to their original condition at the expense of the Permittee, unless the Permittee has prior rights, if any.
8. **COSTS:** All work in connection with the construction, maintenance, moving or removing of the physical appurtenances contemplated herein shall be done by and at the expense of the Permittee.
9. **ADDITIONAL PERMISSIONS:**
  - (a) It is distinctly understood that this permit does not in any way grant or release any rights lawfully possessed by the abutting property owners. The Permittee shall secure any such rights, as necessary, from said abutting property owners.
  - (b) The Permittee shall be responsible for obtaining all other approvals or permits necessary for installation of the encroachment from other government entities.



(c) There shall be no excavation of soil nearer than two feet to any public utility line or appurtenant facility except with the consent of the owner thereof, or except upon special permission of this Department after an opportunity to be heard is given the owner of such line or appurtenant facility.

**10. ADDITIONAL WORK PERFORMANCE:**

(a) All crossings over the highway shall be constructed in accordance with "Specifications for Overhead Crossings of Light and Power Transmission Lines and Telegraph Lines over each other and over Highway Rights of Way in South Carolina," as approved by the Public Service Commission of South Carolina and effective as of date of this permit.

(b) All tunneling, boring, or jacking shall be done in such a way as not to disturb the highway surfacing.

(c) No pavement shall be cut unless specifically authorized herein.

(d) No excavation shall be nearer than three feet to the edge of pavement unless specifically authorized herein.

(e) Underground facilities will be located at minimum depths as defined in the "Utility Accommodations Manual" for the transmittant, generally as follows: 4 feet minimum for hazardous or dangerous transmittant, 3 feet minimum for other lines. The Department may approve shallower depths if adequate protection is provided. Such approval must be obtained in writing.

(f) Service and other small diameter pipes shall be jacked, driven, or otherwise forced underneath the pavements on any surfaced road without disturbing the pavement. The section under the highway pavement and within a distance of three (3) feet on either side shall be continuous without joints.

**11. ACCESS:**

(a) Permittee is responsible for maintaining reasonable access to private driveways during construction.

(b) It is expressly provided that, with respect to any limited access highway, the Permittee shall not have or gain access from the main traveled way of the highway, or the on or off ramps to such facility, except upon approval by the Department.

**12. DRIVEWAYS:**

(a) The existing crown of the highway shall be continued to the outside shoulder line of the highway.

(b) If the driveway or approach is concrete pavement, the pavement shall be constructed at least 6 inches thick and with a minimum of class 2500 concrete. There shall be a bituminous expansion joint, not less than 3/4 inches in thickness, placed between the highway paving and the paving of the approach for the full width of the approach.

**13. BEAUTIFICATION:**

(a) All trees, plants, flowers, etc. shall be placed in accordance with the provisions specifically stipulated herein.

(b) All trees, plants, flowers, etc. shall be maintained by, and at the expense of, the Permittee and the provisions of this permit shall become null and void, if and when said Permittee ceases to maintain aid trees, plants, flowers, etc.

**14. AS-BUILT PLANS:**

(a) The applicant shall provide the Department with survey-quality as-built plans in accordance with the requirements set forth in the Department's "A Policy for Accommodating Utilities on Highway Rights of Way".

**15. COMPLETE STREETS:**

Reference Departmental Directive 28, "Complete Streets". For encroachment permit types that require a Traffic Impact Study (TIS), the applicant shall consider the inclusion of walking, bicycling, and transit accommodations within the scope of the encroachment. The applicant shall review walking, bicycling, and transit plans from Metropolitan Planning Organizations (MPOs), Councils of Government (COGs), and regional transit providers to determine the scope of accommodations for complete streets. Coordination with the District Permit Engineer is required to determine if the inclusion of walking, bicycling, and transit accommodations are conducive for implementation based on the scope of the encroachment.



