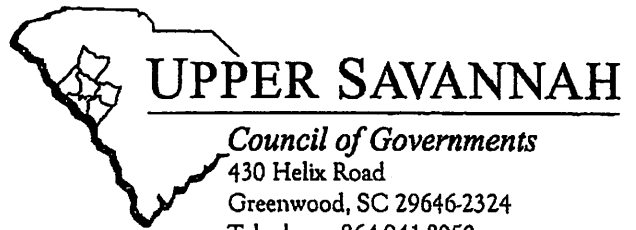


May 22, 2023



Mr. Bernard Hamby  
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*Council of Governments*  
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Dear Mr. Hamby:

McCormick County's decision to contract out the operation and maintenance of its water and sewer system to ClearWater Solutions LLC has been a divisive one among county council and residents alike. County council asked Upper Savannah COG to evaluate the system and make a recommendation to the infrastructure committee. You may recall I told the committee that I'm not sure Upper Savannah COG has the expertise to make such an evaluation as there are engineering, legal and compliance issues that we are not qualified to address. As such, this is my opinion, based on my experience in management of projects and limited technical expertise.

Recommendation:

1. The council should continue its contractual relationship with ClearWater Solutions LLC (CWS) for the operation, management and maintenance of its water and systems.
  - a. The shortage of water system workers is likely to continue and get worse making it more difficult to attract qualified workers for the foreseeable future. It will be difficult for McCormick County to compete with large utilities for the workers that are available. According to the US Environmental Protection Agency, "water utilities face challenges in recruiting, training, and retaining employees. These challenges are exacerbated with roughly one-third of the water sector workforce eligible to retire in the next 10 years. Additionally, as the technologies that are used in the water sector become more advanced (e.g., state of the art water reuse technology), there is a growing need to train and employ water protection specialists with specialized technical skills." As with most national trends, rural areas are disproportionately affected.
  - b. McCormick County is under consent order with DHEC for TTHM violations. The testing and monitoring data has improved significantly according to DHEC. Keeping consistent operation and management while this is resolved would be preferable.
  - c. Contrary to some public comments, McCormick County did not "give" the system to CWS. It contracts with CWS to manage, operate and maintain the system.
  - d. The current contract includes a 30 day termination clause that gives both parties a way out of the contract if needed. I assume future contracts will have similar language.
  
2. There is no need to initiate a procurement process right now.
  - a. Prior to approving and awarding the original contract in October 2022, council relied on its county attorney to give an opinion about the need to conduct a competitive procurement process. The county attorney stated that the services provided in the contract are classified as personal services by county ordinance and could be negotiated

- by the county purchasing agent, in this case the county administrator, without a bid or RFP process.
- b. An outside legal opinion provided to CWS also concluded that a procurement process was not required.
  - c. The outside legal opinion also stated that while the county's procurement ordinance did not require competitive procurement for personal service contracts, it did not prohibit such a process either. In the future, the council may want to consider engaging in a procurement process if it cancels its contract with CWS or if the contract is nearing its expiration.
3. The Council should continue to explore regionalization and partnerships.
- a. McCormick County's and McCormick CPW must have a strong working relationship.
  - b. There is a planning project being undertaken by Abbeville County to study regionalization of the water and sewer services. McCormick County is part of this discussion because of their relationship with Calhoun Falls and the City of Abbeville.
  - c. The council should also consider a dialogue with Edgefield Water and Sewer Authority.
4. The Council should consider establishing a county wide water and sewer commission or authority and empower them to provide water and sewer service in the county.
- a. It is unusual for a county government to operate a water and sewer system in South Carolina.
  - b. An entity such as this would be apolitical and singularly focused on providing the best service possible for county residents.
  - c. There are several examples of this type of organization in our region.

If you have any questions, please contact me at 864-941-8056.

Sincerely,



Sam Leaman  
Assistant Director

cc: Ms. Jackie Brown  
Mr. Columbus Stephens