

STATE OF OCONEE

# Salem officials look to future of water project

BY RILEY MORNINGSTAR  
THE JOURNAL

SALEM — With an eye on the future, Salem's bank statements show the small town in the mountains of Oconee County has increased its cash on hand in recent years.

As of June 30, 2020, Salem increased its total cash on hand to nearly \$1.81 million, up from \$1.64 million.

With signs of stability at the bank, the town has turned its eyes to the long-discussed waterline extension project that has gained momentum this year.

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## EDITOR'S NOTE

**This is the second** in an eight-part series looking at cash flow for Oconee County government entities.

## OUR VIEW

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# SALEM STUDY

"We have maintained a budget and its items to put toward the loop projects and other projects we knew were going to come down the road in a couple years," town clerk Marti Jennings told The Journal. "On top of that, our capacity and growth has probably tripled in the past couple years with subdivisions coming on board. There's a lot of people moving down from the North."

## 'EXPONENTIAL GROWTH' HELPS TOWN

Jennings said the town's water department is six to eight weeks out from filling all the service tap requests on the docket, saying there's "exponential growth" taking place in the 29676 ZIP code.

"We cover a massive number of subdivisions," Jennings said.

"We literally couldn't keep up," town director of operations Ryan Hardin said of the service requests. "We normally do taps 20 percent of our workload a month and have changed that to 85 percent. The area as a whole, we've added well over 1,300 lots that were nothing but farmland 20 years ago."

At last check, Jennings said the town serviced 2,400 water customers. Estimates put out in 2019 by the U.S. Census said Salem had a population of 152 people.

Hardin credited foresight in fiscal planning from Salem nearly 20 years ago.

The town carries four different bank accounts for capital replacement work — for its original system, the Cliffs Falls North, Jocassee Ridge and Riverstone neighborhoods. Hardin said customers in the specific areas fund their respective accounts.

"It's pretty much the backbone of our financial structure," Hardin said. "The system, in the last 20 years, has more than doubled in size."

## FUNDING COMING FOR MASSIVE PROJECT?

Last week, Oconee County Council moved forward on a request to award up to \$2 million to Salem to complete a water line extension with money from the American Rescue Plan. The county is projected to receive more than \$15 million through the federal stimulus package that can be spent on water, sewer and broadband infrastructure. County staff is crafting an appropriations ordinance for the town that will come up for a vote on June 15.

"It's just another step in that right direction that we haven't seen. I'm excited about it," Mayor Lynn Towe said of council's decision. "I'm elated just to know what's happening here. We've been looking for this for some time, and the growth, it's just mind-boggling. We're behind and we're trying to catch up with it."

In February, county council gave teeth to the extension project after releasing \$210,000 to help build and install a booster pump station in the Shallow Ford Road area last

month. The station would increase the source water capacity to the northern portion of Salem's system by more than 250 percent, according to Hardin. Construction of the Fall Creek Source Water Station is projected to cost \$640,992.40.

Salem has already designated \$215,922 in cash for the project. The final piece of the project beginning came after the town was selected to receive \$216,000 in funding from the State Revolving Fund Program, which is under the jurisdiction of the S.C. Department of Health and Environmental Control, the S.C. Rural Infrastructure Authority and the Office of Local Government. The project qualified for principal loan forgiveness, and the town will not be required

to repay the loan due to the program essentially being an extension of federal grant dollars.

The remainder of the project includes two other phases that will involve a pipeline extension of 2.3 miles and cost approximately \$1.2 million. The project has been discussed for nearly 20 years. The second phase would install more than 1,000 linear feet of water main across S.C. Highway 11. The installation of a water line along S.C. Highway 11 would come in Phase 3, adding 12,100 feet of water main, according to documents provided to The Journal. Hardin estimated that if the ordinance were to pass, work could begin early next year and finish within four months

ACCOUNT	2017*	2018*	2019*	2020*
Reserve Account: Cap. Replacements	\$198,469.87	\$198,577.29	\$198,827.98	\$199,016.14
Business Checking w/interest	\$411,041.87	\$190,341.17	\$190,360.20	\$314,521.16
Business Checking w/interest	\$104,928.47	\$151,502.02	\$156,221.14	\$81,708.50
Cliff Falls North Cap. Replacement	\$273,045.73	\$291,661.46	\$291,910.89	\$367,671.85
Original System Cap. Replacement	\$114,986.44	\$109,266.33	\$109,359.78	\$153,908.80
Jocassee Ridge Cap. Replacement	\$47,246.95	\$32,968.27	\$32,996.46	\$38,716.55
Riverstone Cap. Replacement	\$75,577.10	\$83,374.05	\$83,445.35	\$119,220.83
Contingency Fund (Main Water Checking)	\$358,672.89	\$368,523.48	\$386,833.36	\$262,016.70
Fund 30: ACH Water Depts. (whole billing)	\$63,648.48	\$144,765.06	\$212,048.70	\$274,464.95
<b>Total Cash on Hand</b>	<b>\$1,648,215.76</b>	<b>\$1,570,979.13</b>	<b>\$1,662,003.86</b>	<b>\$1,811,245.41</b>

\* NUMBERS AS OF JUNE 30 EACH YEAR

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