

AGENDA

SPARTANBURG SANITARY SEWER DISTRICT COMMISSION

REGULAR MEETING

MEETING PLACE: 200 Commerce Street

Wednesday, October 30, 2019, 2:15 p.m.

This is a regular meeting of the Spartanburg Sanitary Sewer District Commission. Written notice of the date, time, and place for this meeting, along with the agenda, has been posted in the lobby and on the Spartanburg Water website, and copies have been forwarded to local and nearby news media (including Spartanburg Herald-Journal, The Spartan Weekly, Greenville News, The Greer Citizen, Hometown News, WSPA-TV 7, WYFF-TV 4, WLOS-TV 13, WHNS Fox Carolina, WORD News Radio, WOLT-FM Radio, Tribune Times, and the Times Examiner) at least 24 hours prior to this meeting.

- 1. PRAYER**
- 2. APPROVAL OF MINUTES OF REGULAR MEETING OF SEPTEMBER 24, 2019**
- 3. MONTHLY FINANCIAL REPORT**

Newt Pressley will present a financial summary of SSSD expenditures and revenues for the three-month period ending September 30, 2019.

- 4. APPROVAL OF GENERAL OBLIGATION AND REVENUE BOND REFUNDINGS**

Brad Love of Haynsworth Sinkler Boyd, SSSD bond counsel, will present resolutions authorizing the Series 2019 bond refundings.

- A. PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TEN MILLION DOLLARS (\$10,000,000) SPARTANBURG SANITARY SEWER DISTRICT, SOUTH CAROLINA SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2019; AND OTHER MATTERS RELATING THERETO.**

Management requests Commission approval of this resolution.

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- B. TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE SPARTANBURG SANITARY SEWER DISTRICT, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

Management requests Commission approval of this resolution.

- C. Financial Advisory Services –
In connection with these refunding transactions, management recommends that the District utilize the financial advisory services of First Tryon Advisors. The scope of services will include the following:
- Prepare and maintain a detailed financing calendar for the financing, incorporating any required notices, board actions, public hearings and other financing milestones identified by the Client or its counsel.
 - Produce quantitative schedules outlining sources and uses of funds, debt service requirements, escrow requirements and other data required by the Client or its bond counsel in connection with the financing.
 - Coordinate activities, meetings and conference calls among the members of the working group.
 - Assist the Client, as requested, in procuring any additional professionals or working group participants necessary to complete the financing (e.g., underwriter, trustee, printer, verification agent, etc.).
 - Review and provide comments, as appropriate on all bond and underwriting documentation.
 - Advise the Client regarding current bond market conditions and other developments that would normally be expected to influence interest rates for the financing.
 - Provide recommendations for the Bonds to achieve terms that are favorable to, and appropriate for, the Client, including date of sale, interest payment dates, amortization, security provisions, credit ratings, credit enhancement and other provisions that may be helpful in meeting the Client's stated objectives.

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- Assist the Client with any rating agency interaction, if necessary, including (1) preparing comprehensive rating presentation materials, (2) coordinating all logistics for any meetings, visits or other interactions with any rating agency analysts, and (3) preparing the Client thoroughly for the rating agency presentation.
- Assist in determining the appropriate bid specifications, verify underwriter bids on the date of sale and make an underwriter recommendation.
- Prepare and present information regarding the financing process to the Client's governing board, staff or other stakeholders, as requested.
- Coordinate all closing logistics to help ensure a smooth closing and to reduce demands on the Client's staff.
- Provide ongoing responses to any related questions and perform other customary tasks that might arise during the course of the financing.

First Tryon will provide these outlined services for each refunding transaction. The proposed financial advisory fees are as follows:

- not-to-exceed amount of \$50,000 for the revenue bond transaction
- not-to-exceed amount of \$45,000 for general obligation bond transaction.

Management requests Commission approval of the First Tryon services.

5. 2020 HEALTH INSURANCE CONSULTANT/BROKER RENEWAL

Since October 2009, Steinberg and Associates has been acting as Spartanburg Water's consultant/broker of record for health, dental, disability, and voluntary life plans. (This includes vision, prescription drug cards and reinsurance as applicable).

During these past several years, the value of having Steinberg & Associates as our agent demonstrated by their attention to details that resulted in savings and significant reimbursement to the company from our re-insurer. Their knowledge and oversight provides the expertise needed in the complicated medical insurance industry.

Steinberg and Associates submitted a renewal proposal for their professional services of \$30,000 for the 2020 calendar year. This represents no increase in cost from the previous year. Additional information was requested at the

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September meeting; staff will provide an update at the October Commission meeting.

Management recommends renewing the agent/broker agreement with Steinberg and Associates. The allocation between companies is \$22,500 for SWS and \$7,500 for SSSD.

6. REPLACEMENT OF VEHICLES AND EQUIPMENT FOR FY 2020

Staff has evaluated the SSSD vehicle and equipment fleet for replacement needs for FY 2020. Of the items considered, eight items have been selected for replacement. All vehicles and equipment selected meet the established depreciation replacement criteria, having in excess of 125,000 miles, being in service for 10 years, or are experiencing excessive repair needs and down time. Performance history is also factored into the recommendation.

Management proposes the following replacements for FY 2020:

- #RLM17 – 2015 Exmark 60" Lawn Mower
- #709 – 2009 Ford F150 Extended Cab 4WD
- #732 – 2011 Ford F350 Open Service Body 4WD
- #BHL32 – 2009 JCB Backhoe 4WD, Extend a Hoe
- #773 – 2012 International Combination Pump/Vacuum Truck
- #GP3 – 1998 Guzzler Pump 6"
- #PGD06 – 1996 Generac Portable Generator
- #PGD01 – 1989 Onan Portable Generator

Total Budget: \$814,000.00

Where possible, vehicle and equipment replacement purchases will be completed through the South Carolina Materials Management Office Contracts. Applicable local dealers will be given an opportunity to meet the State Contract pricing.

Alternative fuel vehicle replacements will be evaluated based on application and the availability of electric/gasoline hybrids.

Management recommends approval of the vehicle and equipment replacement schedule to be funded from the depreciation fund.

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7. MASTER SERVICES AGREEMENT FOR PROFESSIONAL CIVIL ENGINEERING, ENVIRONMENTAL AND REGULATORY CONSULTING SERVICES

Spartanburg Sanitary Sewer District (SSSD) recently requested a proposal from AECOM to revise and renew a Master Services Agreement for professional services on an as needed basis. AECOM is a firm which specializes in a wide variety of disciplines related to the water and wastewater industries.

Due to their qualifications, experience and familiarity with regulations applicable to SSSD's facilities and systems, SSSD desires to utilize AECOM for engineering, environmental, and regulatory consulting services. The proposed Master Services Agreement for professional services is based on a time and expense basis in accordance with an established schedule of fees.

Management recommends the Commission authorize the Chief Executive Officer to enter into a revised and renewed agreement with AECOM for professional civil engineering, environmental and regulatory consulting services.

8. ADJUDICATORY HEARING REQUEST

Advanced Environmental Options, Inc. (AEO) is currently under enforcement by SSSD Industrial Pretreatment. In accordance with SSSD Sewer Use Rules and Regulations, Section 12 – Penalties and Enforcement, AEO has requested an Adjudicatory Hearing on the matter of an Administrative Order issued by the District for Significant Non-Compliance (SNC) with its permit limit for Biological Oxygen Demand (BOD) in the first quarter of 2019.

With the assistance of Counsel, staff identified Josh Eagle, Solomon Blatt Professor of Law at the University of South Carolina School of Law, as the Hearing Officer. Professor Eagle is affiliated both with USC's Marine Sciences Program and its School of Earth, Ocean and Environment.

A tentative date for the hearing has been scheduled for November 20 or 22, 2019, at a location to-be-determined.

The above is provided as information to the Commission.

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9. SUMMARY CHANGE ORDER – FAIRFOREST BASIN LARGE LINE CLEANING AND CCTV PHASE 2

The Fairforest Basin large Line Cleaning and CCTV Phase 2 Project is complete. Hydrostructures cleaned and inspected approximately 7,800 LF of large diameter pipeline of varying sizes along a tributary to Fairforest Creek from W. Blackstock Road near Westgate mall to Powell Mill Road.

The District included a clause in the contract that allowed an increase in the scope of work up to 25% at the same unit price as the original bid without negotiation. The contractor, Hydrostructures, was receptive to increasing the contract scope honoring the original unit price.

Based on the contract clause, the District increased the scope of the project. Staff prepared a change order in the amount of \$22,540 for the cleaning and inspection of an additional 1,960 LF of 21-inch diameter pipeline. The decision to execute the Change Order while the contractor was on-site avoided an \$8,000 mobilization fee.

This change order was executed as per current District policy.

The financial summary of the project construction is as follows:

Original Contract Price -	\$99,700
Change Order No.1 (Summary) - Additional 2500 LF Line Cleaning & CCTV Inspection	<u>\$22,540</u>
Revised Contract Price (final)	\$122,240

Approximately 4.73 tons of debris was removed from the Fairforest Interceptor and hauled to the landfill for disposal.

The above is provided as information to the Commission.

10. SUMMARY CHANGE ORDER – EVANS MOBILE HOME PARK PUMP STATION ELIMINATION SEWER PROJECT PHASE 2

The Evans Mobile Home Park Pump Station Elimination Project is complete. This pump station was initially placed in service in 2001 and was acquired

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by the Sewer District in 2008 as part of the Spartanburg City Sewer System. The first phase of this project was previously constructed as a public-private partnership with the developer of the Weststone Townhomes. The developer’s contractor installed the initial ± 350 linear feet of gravity sewer in an easement that was obtained from the developer at no cost to the District.

The current phase of this project included the completion of an additional 1,250 linear feet of 8" gravity sewer line from an existing manhole on Wadsworth Drive, proceeding along Lundquist Drive and continuing through easements to the pump station site. The pump station wetwell was converted into a manhole, and the pump station eliminated.

Change Order No. 1 (Summary) was a net decrease of \$34,373.50 in the contract price based on adjustments to unit quantities and additional work related to the pump station elimination completed by C.J. Compton Plumbing and Heating.

This change order was executed as per current District policy.

The financial summary of the project construction is as follows:

Original Contract Price -	\$270,721.00
Change Order No.1 (Summary) - additions and deductions to unit quantities based on actual construction and additional work related to the elimination of the pump station not included in original cost proposal but that were required by changing site conditions.	<u>\$(34,373.50)</u>
Revised Contract Price	\$236,347.50

The above is provided as information to the Commission.

11. EXECUTIVE SESSION

The Commission will receive legal counsel.

12. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS