

AGENDA

THE COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF SPARTANBURG, S.C. MEETING PLACE: 200 COMMERCE STREET

REGULAR MEETING

**Tuesday, September 24, 2024, 3:00 p.m.
(or immediately following SSSD meeting)**

This is a regular meeting of The Commissioners of Public Works of the City of Spartanburg, S.C. 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. CALL TO ORDER**
- 2. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 27, 2024**

OLD BUSINESS – NONE

AGENDA ITEMS 3-8 FINANCE AND PROCUREMENT

- 3. COMMISSION OF PUBLIC WORKS OF THE CITY OF SPARTANBURG, SC
DRAFT OF BYLAWS**

The Commission has been provided with a draft set of the Governing Bylaws. These Bylaws may be considered for adoption by the Commission by vote at two separate meetings. These Bylaws have been developed internally and vetted through proper legal counsel. The Bylaws incorporate enabling legislation as well as rules of procedure and governance that define how the Commission operates and governs.

The Commission may consider these bylaws for adoption at the September 24, 2024 Commission meeting with a second subsequent vote at the October 29, 2024 Commission meeting for final adoption.

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4. PFAS CLASS ACTION LITIGATION AND RELATED SETTLEMENTS

At the November 28, 2023, Commission meeting, in an effort to eliminate any confusion as to the authority already vested in the Chief Executive Officer (CEO) of Spartanburg Water to make an Opt-Out decision regarding the PFAS Class Action Settlements by 3M and DuPont/Chemours/Corteva, the Commission confirmed the CEO's authority to Opt-Out of these two settlements based on what the CEO deemed to be in the long-term best interest of Spartanburg Water. The Commission adopted a resolution attesting to that authority vested in the CEO at that time.

Since this resolution was adopted in November 2023, two additional firms, TYCO and BASF, have agreed to PFAS Class Action Settlements in the amount of \$750 million and \$316 million respectfully. These monetary settlements are small relative to the potential cost of unfunded but mandated PFAS mitigation actions and future litigation claims. In the case of TYCO, the settlement is overly broad and likely covers wastewater and any liability a system may have from its reuse or disposal of bio-solids. After careful review and reflection and with legal input, the Spartanburg Water CEO does not believe the amount that may be received from the settlements is worth releasing these two companies from future responsibility based on the PFAS liability that our combined system might assert, especially related to bio-solids.

TYCO and BASF are second tier companies in the PFAS manufacturing industry behind 3M and DuPont/Chemours/Corteva and based on the unknowns that currently exist for both drinking water and wastewater utilities, Spartanburg Water has chosen to opt-out of both class settlements as of September 23, 2024, thereby retaining the ability to litigate individually in the future should the need present itself.

At this time, Spartanburg Water management is requesting that the Commission adopt a formal resolution attesting to the authority of the CEO to take this action and opt-out of both the TYCO and BASF class actions on behalf of Spartanburg Water.

5. MONTHLY FINANCIAL REPORT

A financial summary of SWS expenditures and revenues for the two-month period ending August 31, 2024, will be reviewed by the Chief Financial Officer.

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6. WHITLOCK LIGHT REPLACEMENT AND INSTALLATION PROJECT

Bids were received on August 14, 2024, from vendors to replace eight parking lot light fixtures and twenty-five outdoor pole light fixtures at the Whitlock Water Treatment Plant for the Spartanburg Water System. The fixture upgrade will improve energy efficiency and enhance safety and security.

The request for bid was advertised in the local media and posted to the Spartanburg Water System Website. A pre-bid meeting and site visit was conducted on July 30, 2024. The solicitation drew responses from three bidders. A tabulation of the bid responses is listed below.

| <u>BIDDER</u> | <u>AMOUNT OF BID</u> |
|--|----------------------|
| Graybar Spartanburg, SC | \$33,690.32 |
| AOS Specialty Contractors, Inc. Spartanburg, SC | \$83,200.00 |
| IEG, USA Charlotte, NC | NON-RESPONSIVE |

Management recommends the contract be awarded to the lowest responsive and responsible bidder, Graybar at a cost of \$33,690.32.

Funding will be provided from SWS depreciation funds.

7. RENEWAL OF RETIREE MEDICARE SUPPLEMENT INSURANCE

SWS Retirees who are 65 and over, are currently covered by a group Medicare Supplemental Insurance Plan that includes a Prescription Drug Plan coverage. The retiree Medicare Supplemental coverage is currently provided by United American Insurance Company, and the plan is up for renewal in January, 2025. Hank Steinberg, of Marsh McLennan Agency, has obtained renewal pricing from United American.

There is no change in the Medicare Prescription Drug Plan coverage, but the Medicare Supplemental Health Plan cost has increased 2.94% year over year. The overall renewal pricing reflects a 1.48% increase in the retiree premiums for 2025 for retirees.

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| | Proposed 2025 Monthly Premium | Current 2024 Monthly Premium | Increase |
|-----------------------------------|-------------------------------|------------------------------|----------|
| Medicare Supplemental Health Plan | \$210.00 | \$204.00 | 2.94% |
| Prescription Drug Coverage | \$201.47 | \$201.47 | 0.00% |
| Monthly Premium, Per Retiree | \$411.47 | \$405.47 | 1.48% |

Funding for the retiree coverage is shared by Spartanburg Water (85%) and the retiree (15%) resulting in the following 2025 monthly cost allocation per retiree:

| Monthly Cost Allocation | |
|-------------------------|-----------------|
| Spartanburg Water (85%) | \$349.75 |
| Retirees (15%) | <u>\$ 61.72</u> |
| | \$411.47 |

The annual net cost is included in the SWS operating budget in the Post-Employment Benefits budget line item. Management requests approval to renew over 65 retiree supplemental insurance coverage with United American.

8. RENEWAL OF HEALTH INSURANCE CONSULTING SERVICES

Steinburg and Associates was acquired by Marsh & McLennan Agency, effective September 1, 2022. Marsh & McLennan Agency provides oversight and guidance needed in connection with the business insurance/employee health and benefits solutions to organizations and individuals.

Their services include:

- Design assistance with benefit plans
- Identify cost savings and cost recoveries
- Claim problem resolution
- Negotiate the annual renewal
- Assist with compliance and benefit laws
- Coordinate RFP processes
- Implementation of plan renewal
- Semi-annual review and analysis of plan performance
- Assist with benefit summaries for employee communication

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Management requests Commission approval of the professional services agreement with Marsh & McLennan Agency for 2025 in the amount of \$30,000. There has not been an increase in professional service fees since 2015. The service agreement cost will be allocated as follows: SSSD (\$12,000) and SWS (\$18,000).

AGENDA ITEMS 9-10 OPERATIONS

9. LABORATORY IDEXX TECTA ANALYZER

The laboratory analyzes water distribution samples for water quality, system breaks, and new installations for the presence of total coliform and E. coli. A newer technology, the IDEXX Tecta, reduces the variability of the analysis, cuts eight hours off the analysis time, and communicates the results via e-mail or text, improving reliability and efficiency in the laboratory.

Management recommends the purchase of the IDEXX Tecta for a total cost of \$31,083.50. The equipment will be funded from operating funds.

10. LEAD AND COPPER RULE UPDATE

Management will update the Commission on the status of the Lead and Copper Rule and progress toward the October 16, 2024, deadlines.

AGENDA ITEMS 11-16 ENGINEERING

11. PARTICIPATION PROJECT CONSISTENT WITH OUTSIDE CITY WATER MAIN EXTENSION POLICY – R C THOMPSON ROAD

Recently management received a request from a property owner on R C Thompson Road, between Old Furnace Road and Fosters Grove Road, concerning the possibility of obtaining water service.

The water main extension consists of approximately 385 linear feet of 6-inch water main and is consistent with the SWS Water Main Extension Policy. It will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

The water main extension has been increased to 500 linear feet and upsized for future growth in the area to an 8-inch line which increased the original project estimate from \$28,900 to \$115,000. The property owner's participation cost is

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still based on the original estimate of \$28,900 and not the future growth estimate.

Management recommends Commission approve the above.

12. RECEIPT OF BIDS – UNION STREET WATERLINE IMPROVEMENTS

Bids were received on September 12, 2024, for the Union Street Waterline Improvements Project. The project is being funded by the South Carolina Infrastructure Investment Program (SCIIP), and consists of the installation of approximately 17,860 linear feet of 12-inch ductile iron pipe within the paved portion of Union Street, approximately 198 water service connections, and related appurtenances.

Nine contractors obtained the bid documents for the project and five contractors submitted a bid. The bids were as follows:

| <u>BIDDER</u> | <u>AMOUNT OF BID</u> |
|---|-----------------------------|
| Two Brothers Utilities, LLC Shelby, NC | \$ 6,329,610.00 |
| Payne, McGinn and Cummins, Inc. Travelers Rest, SC | \$ 6,768,985.00 |
| HRH Engineering Service, LLC Chesnee, SC | \$ 6,776,815.00 |
| T.P. Howard's Plumbing Co., Inc. Fairview, NC | \$10,000,000.00 |
| Tom Brigman Contractors, Inc. Newberry, SC | \$17,659,233.84 |
| Engineer's Estimate (Labor Only) | \$6,620,000.00 |

Management recommends awarding the contract to the lowest responsive bidder, Two Brothers Utilities, LLC of Shelby, NC for the amount of \$6,329,610.00. Since this project is partially funded by an ARPA/SCIIP grant the award of contract will be contingent upon approval of the contract documents by the South Carolina Rural Infrastructure Authority.

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13. AGREEMENTS EXECUTED BY THE CHIEF EXECUTIVE OFFICER ON BEHALF OF THE COMMISSION

The following agreements have been executed on behalf of the Commission by the Chief Executive Officer in accordance with the resolution adopted by the Commission on January 26, 2023.

A. Outside City Private Fire Service Agreements

(1) 861 Double Bridge Road FS

861 Double Bridge Road, LLC located at 861 Double Bridge Road in Boiling Springs, wishes to connect a 6-inch water line to the Commission's 8-inch water line along Double Bridge Road to serve a private fire protection system for the proposed McAlister's Deli/Blaze Pizza restaurants. 861 Double Bridge Road, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$223.16

B. Inside City Water Main Extension Agreements

(1) Project Core ERP 4A Ballpark

Morgan & Henry JOF ESA II, LLC is developing Project Core ERP 4A Ballpark located off South Daniel Morgan Avenue. This development will consist of one commercial lot, approximately 1,315 linear feet of 6-inch water main, and one hydrant. The developer will bear all costs.

C. Outside City Water Main Extension Agreements

(1) Landmark Commons

Holly Drive Properties, Inc., is developing Landmark Commons located off Springfield Road. This development will consist of 100 residential lots, approximately 1,660 linear feet of 6-inch water main; 700 linear feet of 4-inch water main; 420 linear feet of 2-inch water main; and two hydrants. The developer will bear all costs.

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(2) Mahaffey Place Townhomes

Hayne Development, LLC is developing Mahaffey Place Townhomes located off Hayne Street in Spartanburg. This development will consist of 87 residential lots, approximately 1,433 linear feet of 6-inch water main; 193 linear feet of 4-inch water main, and four hydrants. The developer will bear all costs.

(3) Tanner Estates

Ray and Sons Investments, LLC is developing Tanner Estates located off Upper Beaver Creek Drive and East Blackstock Road. This development will consist of 6 residential lots, approximately 83 linear feet of 6-inch water main; 82 linear feet of 4-inch water main; and one hydrant. The developer will bear all costs.

D. Encroachment Agreements

All paperwork, surveys, etc., have been completed and the encroachment agreement has been recorded.

- (1) **Mark Albert Huff and Julie R. Huff**, dwelling encroachment on Lake Bowen.

14. PERMITS ISSUED AT THE RESERVOIR

Applications have been submitted and all fees have been paid on the following Lake Permits associated with new construction and replacement.

LAKE BOWEN RESERVOIR

- (1) **Jessica Danielle Floyd and Jennifer F. Belue**, desires to construct a boat lift.
- (2) **William and Christine Hildebrandt**, desires to construct personal watercraft lift.
- (3) **Matthew Jett**, desires to replace a dock.
- (4) **Thornwood LLC (James M. Dunbar)**, desires to replace a dock.

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- (5) **Amy E. Martin**, desires to replace a dock.
- (6) **Richard D. Street Jr.**, desires to replace a dock.
- (7) **William Stephen Wilkins, Jr. and Ashley C. Wilkins**, desires to replace a dock.

LAKE BLALOCK RESERVOIR

- (1) **Gregory A. Bumgarner and Rebecca A. Bumgarner**, desire to construct a dock permit and hard pathway.
- (2) **David A and Susan R Dunn**, desire to replace a dock.
- (3) **Nikolay Pilat and Natalya Pilat**, desire to construct a dock permit and hard pathway.

MUNICIPAL RESERVOIR 1

NONE

Applications have been submitted and all fees have been paid on the following Lake Agreements, associated with acknowledgement of ownership.

LAKE BOWEN RESERVOIR

- (1) **Philip L. Chapman and Sandra Katherine Beall Chapman**, dock replacement, hard pathway, and shoreline stabilization.
- (2) **Laura W. Gordon**, dock replacement, boat lift, hard pathway, and shoreline stabilization.
- (3) **Michael T. Hill and Peggy R. Hill**, dock replacement, boat lift, hard pathway, and shoreline stabilization.
- (4) **Gary P. Painter and Janice V. Painter, Timothy Jackson**, dock replacement, boat lift, hard pathway, and shoreline stabilization.

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LAKE BLALOCK RESERVOIR

NONE

MUNICIPAL RESERVOIR 1

NONE

- 15. CHIEF EXECUTIVE OFFICE REPORT**
- 16. REFERRALS**
- 17. ADJOURNMENT**