

## MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, February 23, 2016, at 2:15 p.m.

Copies of the agenda were forwarded to the following news media: 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.

Commissioners present were Mses. Barnes and Viney and Messrs. Blanton, Littlejohn, Lynch, Montgomery, and White. No one was absent.

The meeting was opened with the following statement:

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 on the bulletin board, and copies mailed to local and nearby news media, at least 24 hours prior to this meeting.

### 1. PRAYER

Mr. Lynch called the meeting to order and Mr. Pressley opened with a prayer.

### 2. APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 26, 2016

Mayor White moved and Mr. Littlejohn seconded the motion to approve the minutes as written. The motion passed unanimously.

### 3. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SSSD expenditures and revenues for the seven-month period ending January 31, 2016. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

### 4. CAPITAL FINANCING PLAN FOR LOWER NORTH TYGER RIVER FACILITY UPGRADE

During the 2015 budget process, management presented the District's Capital Improvement Plan, which included the Lower North Tyger River facility upgrade project. The Capital Improvement Plan identified funding for the LNTR upgrade as follows: the design costs are being funded by 2014 G.O. Bond funds, and facility construction cost will be funded by a future bond issue. The project construction schedule will consist of two primary phases: Phase I will represent approximately 7.5% of the total project cost and will start in March, 2016; Phase II will represent the remainder of the project and will start in October, 2016. The finalized funding amount for the second phase will be determined by September, 2016. Based on this phased approach to the project construction, management recommends a phased approach to the project financing, as follows:

Phase I – A Bond Anticipation Note through Bank of America in the amount of \$1,500,000 is recommended for the first phase.

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Phase II – Permanent long-term financing utilizing General Obligation and/or Revenue Bonds is planned for the second phase; this will also pay the balance of the Bond Anticipation Note for Phase I.

Mr. Pressley stated that the Lower North Tyger River Capital Project Upgrade will be done in two phases – Phase I and Phase II. The total cost will not be finalized until late summer. Management has worked with Brad Love of Haynsworth Sinkler Boyd, SSSD Bond Counsel, and Bank of America to provide interim financing. Mr. Love presented the resolution authorizing the Bond Anticipation Note to the Commission. Mr. Love stated that the Bond Anticipation Note would be for the amount of \$1,500,000 with an interest rate not to exceed 2%. Bank of America currently has a floating rate of .78% with the option to pay it off early, but it has to be paid in full within a year.

Mr. Blanton asked if there was an option to renew the Bond Anticipation Note. Mr. Love stated that Special Purpose District's and local governments do not have the option to renew.

Mr. Pressley stated that SSSD would look at permanent financing using G.O. Bonds or Revenue Bonds, or a combination of both. The next bond transaction, which is for permanent financing, will pay off this temporary financing.

Mr. Lynch asked if this would be financed with a floating rate. Mr. Love confirmed that it would be. Mr. Pressley stated that the current floating rate is about 0.7%.

Mr. Blanton moved and Ms. Barnes seconded the motion to approve management's recommendation for Phase I – A Bond Anticipation Note through Bank of America in the amount of \$1,500,000 for the first phase of the project financing. The motion passed unanimously.

**5. RESOLUTION TO AUTHORIZE AMENDMENT OF THE STATE REVOLVING LOAN (SRF) AGREEMENT, AND RELEASE OF THE SRF DEBT SERVICE RESERVE FUND (DSRF)**

The SRF guideline for maintaining a DSRF has been modified. Issuers that are rated in the "A" category or higher by the rating agencies will not be required to maintain a DSRF. Previously, the DSRF was not required for issuers in the "AA" category or above. Brad Love of Haynsworth Sinkler Boyd, SSSD Bond Counsel, presented the resolution to amend the existing SRF loan agreement and authorize the release of the SRF DSRF. Mr. Love stated that the current DSRF has approximately \$57,000 and this amendment to the SRF agreement will allow SSSD to get those funds returned back to SSSD.

Mr. Montgomery moved and Mr. Blanton seconded the motion to amend the existing SRF loan agreement and authorize the release of the SRF DSRF back to SSSD. The motion passed unanimously.

**6. CONTRACT PUMP AND HAUL SERVICE AGREEMENT**

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Bids were received on February 11, 2016, for contract pump and haul services for the various reclaimed water treatment facilities to supplement work performed by SSSD personnel and equipment. Services are broken into two sections, routine pump and haul requirements and emergency pump and haul requirements, whereby the agreement will be applicable to normal operating hours as well as after hours or emergency situations. In addition to general pump and haul provisions, the contractor may be required to clean tankage and transfer seed sludge from one of the eight facilities identified in the scope of work. Quantities for this agreement are estimated at 300 loads per year, and the agreement does not contain a provision guaranteeing any work.

Invitations were forwarded to prospective bidders, and a tabulation of the responses is listed below.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Simmons Septic Tank Service Fairforest, SC	\$180.00 per load
A-1 Affordable Inman, SC	\$250.00 per load
AI's Pauline, SC	NO BID
Degler Waste Wellford, SC	NO BID
P&P Septic Tank Woodruff, SC	NO BID
Bragg Portable Toilets Spartanburg, SC	NO BID
Littlejohn Portable Greenville, SC	NO BID
W. Bragg Septic Boiling Springs, SC	NO BID

Management recommended an award be granted to Simmons Septic Tank Service based on their low bid of \$180 per 2500 gallon load. Based upon an estimated 300 loads per year, the value of the contract would be approximately \$54,000 annually. Funding will be provided through the SSSD operating budget.

Mr. Montgomery moved and Ms. Viney seconded the motion to approve management's recommendation to award the bid to the lowest responsive bidder, Simmons Septic Tank Service, based on their low bid of \$180 per 2500 gallon load. The motion passed unanimously.

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

Spartanburg Sanitary Sewer District (SSSD) recently requested a proposal from Hazen and Sawyer to provide a Master Services Agreement for professional services on an as needed basis. Hazen and Sawyer is a firm located throughout the Southeast with local offices in Charleston, SC, Charlotte, NC, and Atlanta, GA, 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 Spartanburg Water's facilities and systems, SSSD is interested in establishing a relationship with this firm.

The proposed Master Services Agreement for professional services is based on a time and expense basis in accordance with an established schedule of fees. Furthermore, this agreement provides opportunities for consultant participation in the Spartanburg Water Community Benefits Program. Management recommended the Commission authorize the Chief Executive Officer to enter into an agreement with Hazen and Sawyer for professional services. It is anticipated individual work authorizations generated as a result of this agreement will be funded through SSSD operation funds.

Mr. Lynch asked how much work gets performed under the Master Service Agreements. Mr. Tuck stated that some agreements are for contractors and some are for consultants. Ms. Schneider noted that there are approximately 10-12 agreements in place and that having these agreements in place saves time, especially in emergency procurement situations.

Ms. Barnes asked if SSSD has previously worked with Hazen and Sawyer. Mr. Tuck confirmed that SSSD has worked with Hazen and Sawyer in the past. They are a large global company with ties directly to the southeast.

Ms. Barnes moved and Mr. Blanton seconded the motion to authorize the Chief Executive Officer to enter into an agreement with Hazen and Sawyer for professional services. The motion passed unanimously.

**8. BASS PRO SHOPS SEWER LINE EXTENSION PROJECT: AUTHORIZATION TO ACQUIRE RIGHTS-OF-WAY UTILIZING THE LAW OF EMINENT DOMAIN**

The proposed route of the Bass Pro Shops Sewer Line Extension Project will require the acquisition of seventeen rights-of-way. Favorable responses have initially been received from the majority of affected property owners regarding the granting of rights-of-way; however, there may be some difficulty in obtaining approval from four of the seventeen. Discussions will continue with the property owners; however, if negotiations with one or more of the property owners prove to be unsuccessful, staff requests that the Commission approve obtaining rights-of-way utilizing the Law of Eminent Domain.

Management recommended that staff be authorized to utilize the Law of Eminent Domain if any negotiations are unsuccessful.

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Ms. Schneider reported that SSSD has acquired 14 out of 17 property rights-of-way. Gene Jackson stated that three parcels have already engaged in legal services. Staff has consulted SSSD counsel. The goal is to provide fair compensation to the property owners. SSSD will move forward with the project and continue to negotiate with the property owners.

Mr. Lynch noted this process happens often with a major project.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to authorize staff to utilize the Law of Eminent Domain if any negotiations are unsuccessful. The motion passed unanimously.

## **9. PROPOSED COMMISSION MEETING TIME**

Dates for the 2016 Commission meetings were approved at the January meeting. The time for the scheduled meetings was discussed and it was determined that a separate agenda item would be added to the February agenda.

Ms. Viney stated that Commissioners have a duty to represent the customers and constituents. Upon further discussion with the Commissioners and management, Ms. Viney recommend that instead of immediately changing the meeting times, for a year, she asked that the Commissioners be more visible and available for the community.

Mr. Lynch noted that the Commissioners become the face of Spartanburg Water in the community, and the Commissioners are responsible to represent the customers and the community.

Mr. Blanton noted that Commissioners get questions from the community and it is important to keep communication open.

Ms. Viney asked how the Commission can begin to communicate in a more visible way in the community.

Mr. Montgomery complimented Ms. Schneider on her involvement in the community and representation of Spartanburg Water within the community.

Ms. Schneider stated that management is scheduled to make presentations to organizations in the community regarding MIB, also the Water Matters Class will resume in the fall. Ms. Schneider also noted other forms of communication including Facebook, Twitter, Day of Service, etc., are also being used to communicate with the community.

Mr. Blanton moved and Mayor White seconded the motion not to change the dates and times for the 2016 Commission meeting schedule. The motion passed unanimously.

## **10. OWNERSHIP AGREEMENT – DUNNSMORE SECTION III**

Dunnsmore Partners, LLC, proposes to construct approximately 690 linear feet of 8-inch gravity sewer line to provide service to the Dunnsmore Section III Subdivision located on Bishop Road in Inman, SC. The sewer line will

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connect to the District's existing infrastructure. The domestic waste will be treated at the Fairforest Reclaimed Water Treatment Facility. This project had previously been submitted to the Commission, but the original Ownership Agreement expired prior to this section being started.

The line will be constructed according to District-approved plans and specifications, with District inspection provided. The owner will provide all necessary right-of-way and easement agreements for this project.

The form of the agreement transferring ownership of the gravity sewer to the District has been reviewed by the District's attorney and executed by Dunsmore Partners, LLC. Under the terms of the resolution adopted by the Commission on May 29, 1990, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

#### **11. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS**

- A.** Ms. Schneider noted that employees contributed 100 Bags of Love to Mobile Meals through the United Way program.
- B.** Ms. Schneider reminded the Commission that the Employee Recognition Breakfast is scheduled for Tuesday, March 1 and Wednesday, March 2 at the Cleveland Park Event Center.
- C.** Ms. Schneider noted that the Chamber of Commerce Annual Celebration is scheduled for Thursday, March 3. If you would like to attend please let Trish know.
- D.** Ms. Schneider informed the Commission that an Affordable Care Act letter, 1095 C Form, was provided to you from Human Resources. It is required by law to be provided to you for proof of insurance.
- E.** Ms. Schneider stated that the Household Hazardous Waste Day is scheduled for March 26. Spartanburg Water is a sponsor of this event and it is coordinated through Spartanburg County. Ms. Barnes noted that additional volunteers are needed for this event.
- F.** Ms. Schneider noted that the Day of Service is scheduled for April 23. Spartanburg Water usually has about 100 employees and family members that participate in this event.
- G.** Ms. Schneider informed the Commission that the RxCycle, Prescription Drug Take Back Day, is scheduled for April 30.
- H.** Ms. Schneider asked the Commission about scheduling the Budget Work Session. The Commission decided to have the work session beginning at 12:30 p.m. on April 19 prior to the regular Commission meeting.

Ms. Viney extended a special thank you to management, staff, and Commissioners for their helpful efforts in acclimating her to Spartanburg Water.

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Meeting adjourned at 3:00 p.m.

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G. Newton Pressley  
Secretary-Treasurer

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