

MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, August 25, 2015, at 3:00 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 Ms. Bilanchone, Mr. Littlejohn, and Mr. Montgomery. No one was absent.

The meeting was opened with the following statement:

This is a regular meeting of The Commissioners of Public Works of the City of Spartanburg, SC. Written notice of the date, time, and place for this meeting, along with the agenda, has been posted on the bulletin board, and copies forwarded to local and nearby news media, at least 24 hours prior to this meeting.

1. APPROVAL OF MINUTES OF REGULAR MEETING OF JUNE 23, 2015

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

2. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SWS expenditures and revenues for the 12-month period ending June 30, 2015, and the one-month period ending July 31, 2015. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

3. EXECUTIVE SESSION

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to enter into executive session to discuss employment matters at 3:07 p.m.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to come out of executive session at 3:12 p.m.

Ms. Bilanchone clarified the purpose of the executive session was to discuss the Chief Executive Officer's salary package.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion for the Chief Executive Officer's salary package to remain the same for the next 12 months. The motion passed unanimously.

4. CITY OF SPARTANBURG – ECONOMIC DEVELOPMENT PARTICIPATION AGREEMENT

Spartanburg City Manager, Ed Memmott, Assistant City Manager, Chris Story, and Will Rothschild, Communications Manager for the City of Spartanburg were present at the meeting. Ed Memmott thanked the Commission for an opportunity to provide an update and stated it has been a good year for economic development.

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Chris Story also thanked the Commission for an opportunity to provide an update on the Economic Development Participation Agreement. Mr. Story provided a detailed report as well as a presentation to the Commission.

Ms. Bilanchone, as well as Mr. Montgomery and Mr. Littlejohn, thanked Mr. Story, Mr. Memmott, and Mr. Rothschild for such a detailed presentation and report provided to the Commission on the economic development update.

5. SWS AUDIT REVIEWER UPDATE

Ms. Bilanchone, the SWS Audit Reviewer, met with Alan Robinson, of Cherry Bekaert, on June 29, 2015, regarding the audit for this year. This was the entrance conference. There will also be an exit conference and a presentation to the Commission at the December 1, 2015, meeting. Any Commissioner is welcome to contact Mr. Robinson at any time about any concern. At the time of the meeting the preliminary work had been done and the auditors were examining current issues. One current issue for many governmental entities in South Carolina is according to statement number 68 of the general accounting standards board, GASB 68, the status of the State Retirement System of which SWS participates. The retirement system is significantly underfunded and that underfunding will have to be addressed by the organizations that are participants. While addressing it will not require cash, it will be reflected in our statements of assets and liabilities. This is information that rating agencies will ask about. The Commission will receive a full explanation of what SWS obligations on paper will be when the auditor's report to the Commission. Ms. Bilanchone asked that the auditors pay attention to how the two companies, SWS and SSSD, are working together in terms of finances, staff, and assets, to be alert to inventory concerns, and to be equally alert to fraud that especially involves data and information technology. Ms. Bilanchone does not have any doubts about SWS's excellent record, but each audit is an opportunity to address possibilities that can occur in any organization.

6. HEALTH INSURANCE AGENT/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 has been 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 & Associates submitted a renewal proposal for their professional services of \$30,000 for the 2016 calendar year.

Management recommended renewing the agent/broker agreement with Steinberg and Associates. The allocation between companies is \$22,200 for SWS and \$7,800 for SSSD.

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Mr. Montgomery moved and Mr. Littlejohn seconded the motion to ratify the action taken in the SSSD meeting and approve management’s recommendation to renew the agent/broker agreement with Steinberg and Associates. The motion passed unanimously.

7. PROPOSALS FOR EMPLOYEE UNIFORM RENTAL PROGRAM

Proposals were received on August 5, 2015, from suppliers that have the ability to furnish and maintain employee uniforms for the Spartanburg Water System. The solicitation for proposals asked for prospective suppliers to supply expertise in employee uniform programs including design, implementation, delivery and pickup, uniform tracking, laundry services, and replacement for all SWS uniform wearing employees. As part of the solicitation, prospective suppliers were also asked to provide a proposal to furnish and maintain building floor mats for SWS facilities. The evaluation criteria consisted of six areas and required the supplier to demonstrate their ability to provide (1) an approach and strategy, which required the supplier to outline how they plan to meet the objectives of the organization’s needs; (2) technical competency, to include the location of their facilities and technology that can enhance the quality of services; (3) MWBE utilization, whether they are a certified MWBE or use MWBE partners, (4) a Community Benefit Program, the proposal of a program that is beneficial to the community that resides in the SWS service area that the responding firm will implement, sponsor, and support; (5) an implementation schedule; and (6) cost. Each proposal was evaluated using a weighted scoring matrix, with the successful supplier being selected for the highest scoring proposal. Invitations were placed in local media and forwarded to prospective suppliers. A cost tabulation of the responses is listed below. The costs are represented in annual totals, based on the structure of the current uniform program and an initial twelve month term with two optional renewal terms.

| <u>BIDDER</u> | <u>AMOUNT OF BID</u> |
|------------------------------|----------------------|
| Cintas Spartanburg, SC | \$37,010 |
| Unifirst Simpsonville, SC | \$34,690 |
| Aramark Spartanburg, SC | No Bid |

Management recommended an award be granted to Cintas at an annual cost of \$37,010 based on their proposal scoring the highest in terms of approach, technical competency, and schedule. Funding will be provided from SWS operating funds.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the bid to Cintas based on their proposal scoring the highest in terms of approach, technical competency, and schedule. The motion passed unanimously.

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8. RECEIPT OF BIDS – PALMETTO STREET WATERLINE REHABILITATION PROJECT

Bids were received for the Palmetto Street Waterline Rehab Project on August 11, 2015. The project consists of the installation of approximately 4,100 linear feet of 8-inch ductile iron pipe within the paved portion of Palmetto Street, approximately 102 water service connections, milling and resurfacing of the entire road, and related appurtenances. The project is located inside the City of Spartanburg and will replace aging cast iron mains that have experienced multiple failures.

Seven contractors obtained the bid documents for the project and four contractors submitted a bid. The bids were as follows.

| <u>Bidder</u> | <u>Amount of Bid</u> |
|---|----------------------|
| Cooper Construction Company, Inc. Hendersonville, NC | \$919,520.00 |
| Double R Utilities, Inc. Gaffney, SC | \$1,180,093.58 |
| North American Pipeline, Inc. Marietta, GA | \$1,187,058.00 |
| Payne, McGinn, & Cummins, Inc. Travelers Rest, SC | Non-Responsive |
| Davis Grading, Inc. Shelby, NC | No Bid |
| L-J, Inc. Columbia, SC | No Bid |
| Moorhead Construction, Inc. Belton, SC | No Bid |

Management recommended awarding the contract to the lowest responsive bidder, Cooper Construction Company, Inc., of Hendersonville, NC, based on their bid of \$919,520.00. The engineering estimate for this project was \$1,380,000. This project will be funded with 2012 SWS bonds.

Gene Jackson briefed the Commission on the Palmetto Street Waterline Rehabilitation Project.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the bid to the lowest responsive bidder, Cooper Construction Company, Inc., in the amount of \$919,520.00. The motion passed unanimously.

9. R.B. SIMMS FILTER 8 & 9 BUILDING WINDOW AND DOOR REPLACEMENT

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Proposals were received on April 21, 2015, for the removal and replacement of 23 arch style windows in the Filter 8 & 9 Building of the R.B. Simms Drinking Water Treatment Plant.

The windows and doors in the Filter 8 & 9 Building of the R.B. Simms Drinking Water Treatment Facility are original to the building and have rusted and deteriorated over time and are in need of replacement. A request for proposal was released in April of 2015 for the removal, disposal, and replacement of these windows and doors to improve efficiency and operation, while maintaining the architectural design of the building.

Invitations to submit proposals were forwarded to four prospective bidders and advertised in the local media. The solicitation drew one acceptable response. A tabulation of the responses is listed below.

| <u>BIDDER</u> | <u>AMOUNT OF BID</u> |
|---|----------------------|
| *Kapasi Glass Mart Spartanburg, SC | \$69,250 |
| Dunbar Construction Spartanburg, SC | No Bid |
| Neely's Windows, Doors, and More Spartanburg, SC | No Bid |
| H General Contractors Spartanburg, SC | No Bid |

*MWBE Supplier

The only acceptable proposal was received by Kapasi Glass Mart. Based on their proposal and it meeting all of the requirements of the RFP, management recommended approval of an award to Kapasi Glass Mart in the amount of \$69,250. The accepted bid is within the budgeted estimate of \$80,000. Funding will be provided through the SWS depreciation budget.

Mr. Littlejohn moved and Mr. Montgomery seconded the motion to approve management's recommendation to award the bid to Kapasi Glass Mart in the amount of \$69,250. The motion passed unanimously.

10. UPDATES TO SPARTANBURG WATER DEMAND MANAGEMENT PLAN FOR DROUGHT CONDITIONS

The Spartanburg Water System and Spartanburg Water System - Landrum System Water Demand Management Plans for Drought Conditions, last updated in May of 2008, have been updated by staff to reflect changes in organizational structure, operational strategies, system improvements, and to improve consistency between the Landrum and Spartanburg system plans. Staff will review the updates with the Commission.

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Management recommended that Commission approve the proposed updates to the Spartanburg Water System and Spartanburg Water System - Landrum System Water Demand Management Plans for Drought Conditions.

Ms. Schneider briefed the Commission on previous improvements of the Landrum system after SWS acquired it. Ms. Schneider also noted that these plans will be submitted to the State.

Mr. Littlejohn moved and Mr. Montgomery seconded the motion to approve management's recommendation for proposed updates to the Spartanburg Water System and Spartanburg Water System – Landrum System Water Demand Management Plans for Drought Conditions. The motion passed unanimously.

11. OUTSIDE CITY WATER MAIN EXTENSIONS

The following outside city water main extensions are consistent with the SWS Participation Policy.

- A. Holden Drive** - consisting of 620 LF of 8-inch water main and one hydrant
- B. 165 Old Lowe Road** - consisting of approximately 52 LF of 2-inch water main
- C. Jeri Court, Phase 2** – consisting of approximately 280 LF of 4-inch water main

Each will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

Management recommended Commission approve the above.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management's recommendation to approve the outside city water main extensions. The motion passed unanimously.

12. 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 July 11, 1989.

A. Inside City Private Fire Service Agreements

(1) Hub City Tap House

Hub City Tap House, located at 197 E. St. John Street in Spartanburg, SC, wishes to connect a 6-inch water line to the Commission's 6-inch water line along N. Converse Street to serve a private fire protection system for the above-mentioned business. Dire Enterprise, LLC wishes to enter into an agreement for this service.

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Annual Stand-by Revenue - \$127.80

(2) McDonald's

McDonald's, located at 1598 John B. White Sr. Blvd. in Spartanburg, SC, wishes to connect a 6-inch water line to the Commission's 24-inch water line along John B. White Sr. Blvd. to serve a private fire protection system for their restaurant. McDonald's USA, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$127.80

B. Outside City Private Fire Service Agreements

(1) Doors Galore

Doors Galore located at 501 R.C. Thompson Road in Chesnee, SC wishes to connect a 6-inch water line to the Commission's 8-inch water line along R.C. Thompson Road to serve a private fire protection system for the above-mentioned fabrication facility. Eric Brown wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$191.72

(2) Kinder-Morgan

Kinder-Morgan Southeast Terminals located at 200 Nebo St in Spartanburg, SC wishes to connect an 8-inch water line to the Commission's 8-inch water line along Shady Lane to serve one private fire hydrant for their site. Kinder-Morgan wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$600.20

(3) Spartanburg County School District 2 Elementary School #8

Spartanburg County School District 2 Elementary School #8 located at 3777 Parris Bridge Road in Boiling Springs, SC wishes to connect an 8-inch water line to the Commission's 8-inch water line on Parris Bridge Road to serve a private fire protection system, including 4 private hydrants, for the above-mentioned new Shoally Creek Elementary School. Spartanburg County School District 2 wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$1,175.36

C. Outside City Water Main Extension Agreements

(1) Becknell's Addition at Wingo Corp Park

Becknell Services LLC, aka Becknell Industrial is developing a tract of property along Wingo Corp Drive, south of New Cut Road. The development will consist of 3 commercial sites. Approximately 452

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LF of 12-inch water main and 1 hydrant are being installed to provide water service to the development. The developer will bear all costs.

(2) Flatwood Industrial Drive Water Improvements

Flatwoods Farms I, LLC., is providing service to the proposed Flatwood Industrial Park off of Flatwood Road. The development will initially consist of a new Rite Aid Distribution Center and a speculative building. The developer will bear all costs.

(3) Bennington Farm

Holly Drive Properties, Inc. is developing the Bennington Farm Subdivision off of Bible Church Road. The development will consist of 37 residential lots. The developer will bear all costs.

D. Lake Agreements

All fees have been paid on the following lake agreements, and there are no encroachments to sign.

- (1) John F. Chrobak** desires to replace a dock and construct a boat lift on Lake Bowen.
- (2) Patricia T. Mitchell** desires to replace a dock on Lake Bowen.
- (3) Ralph Wabnitz and Tammy M. Wabnitz** desire to replace a dock on Lake Bowen.
- (4) Russell D. Gray** desires to replace a dock on Lake Bowen.
- (5) Dallas S. Cone** desires to construct a dock on Lake Bowen.
- (6) Randall A. and Patricia S. Collins** desire to stabilize the shoreline on Lake Bowen.
- (7) Johnny R. Cannon** desires to construct a boat lift on Lake Bowen.
- (8) Joni J. Canterbury** desires to construct a boat lift and a personal watercraft lift on Lake Bowen.
- (9) Frances Hill** desires to replace a dock on Lake Bowen.
- (10) James D. Ledford** desires to construct a boat lift on Lake Bowen.
- (11) Russell T. and Pamela H. Mathis** desire to construct a boat lift and replace a dock on Lake Bowen.

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- (12) **David R. Conner and Betty K. Conner** desire to replace a dock, construct a new irrigation system, and stabilize the shoreline on Lake Bowen.

The above was provided as information to the Commission.

13. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider shared photos of the new Spartanburg Community College logo that has been painted on the Firestone water tank located on New Cut Road.
- B.** Ms. Schneider let the Commission know that the 27th Annual Lake Sweep will be held on Saturday, September 19, 2015, at the Lake Bowen landing.
- C.** Ms. Schneider provided the Commission with an overview of the Paddle Fest that was held on July 18, 2015. There were approximately 250 participants. Along with tours, classes, and safety seminars, a new event this year featured the cardboard kayak design and building contest.
- D.** Ms. Schneider informed the Commission that the Water Matters citizens' academy will begin in October.

Meeting adjourned at 3:37 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh