

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, February 25, 2020, 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, Horton, and Montgomery. Messrs. Littlejohn and White were 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 in the lobby and on the Spartanburg Water website, and copies mailed to local and nearby news media, at least 24 hours prior to this meeting.

1. PRAYER

Mr. Blanton called the meeting to order and Bobby Walden opened with a prayer.

2. APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 28, 2020

Mr. Montgomery moved and Mr. Horton 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, 2020. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

4. APPROVAL OF REVENUE BOND REFUNDING

A. Brad Love of Haynsworth Sinkler Boyd, SSSD bond counsel will present the resolution authorizing the Series 2020 bond refunding, as follows:

PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SIXTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$65,500,000) SPARTANBURG SANITARY SEWER DISTRICT, SOUTH CAROLINA TAXABLE SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2020; AND OTHER MATTERS RELATING THERETO.

Management requested Commission approval of the resolution.

Brad Love of Haynsworth Sinkler Boyd, SSSD bond counsel, presented the resolution authorizing the Series 2020 bond refunding and noted the anticipated savings of \$300,000 annually.

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Ms. Barnes moved and Mr. Horton seconded the motion to approve the resolution authorizing the Series 2020 bond refunding. The motion passed unanimously.

B. Financial Advisory Services

In connection with this refunding transaction, management recommended 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.
- 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.
- Provide various services relating to the pricing of the Bonds including: preparing pre-pricing materials to review with the Client, providing pricing comparisons of the Client's transaction to other comparable transactions in the market during the same period of time, participating in all pricing calls, providing assistance in negotiating interest rates with the underwriters of the day of pricing and review final numbers provided by the underwriters.
- 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.

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- 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 a not to exceed fee of \$50,000.

Mr. Pressley reviewed the Financial Advisory Services agenda item in connection with the transaction of the Series 2020 bond refunding and the scope of services utilizing First Tryon Advisors.

Mr. Montgomery moved and Mr. Horton seconded the motion to approve management’s recommendation for the District to utilize the financial advisory services of First Tryon Advisors in connection with the Series 2020 bond refunding transaction. The motion passed unanimously.

5. APPROVAL OF AUDIT SERVICES

Halliday, Schwartz & Co., (formally McAbee, Schwartz, Halliday & Co.) has served as the District’s auditor for the last four fiscal years (FY16 – FY19). The previous request for proposal allowed for the extension of audit services based on satisfactory performance. Based on the Halliday, Schwartz & Co., effective service to the District, management requested a proposal for a four-year renewal period and received the following fee proposal:

<u>Fiscal Year</u>	<u>Fee</u>
FY20	\$18,750
FY21	\$18,750
FY22	\$18,750
FY23	\$18,750
Total	<u>\$75,000</u>

Management requested approval of Halliday, Schwartz & Co. for a new four-year engagement period.

Mr. Pressley provided an overview of the audit services by Halliday, Schwartz & Co., and the request for an extension of audit services based on satisfactory performance. This would be a four-year renewal period. There is a slight increase in fees and this is due to hours required to complete audit tasks. This extension is requested based on the effective service of Halliday, Schwartz & Co., to the District.

Mr. Horton moved and Ms. Barnes seconded the motion to approve management’s recommendation for the extension of audit services from Halliday, Schwartz & Co., for a four-year renewal period. The motion passed unanimously.

6. BID FOR SEWER FACILITIES MOWING AND MAINTENANCE CONTRACT

Bids were received on January 21, 2020, for contractor services to mow and maintain 83 selected Spartanburg Sanitary Sewer District facilities. Invitations to bid were forwarded to prospective bidders and publicized in the local media. A tabulation of the responses is below listing the annual cost.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Green Lawn Specialist, LLC Rutherfordton, NC	\$48,150
Derrick’s Green and Clean Services Cowpens, SC	\$49,455
Piedmont, LLC. Mooresboro, NC	NON-RESPONSIVE

Based on the results of the bid evaluations, management recommends the approval of an award to Green Lawn Specialist, LLC in the amount of \$48,150 per year, which will be paid at a rate of \$4,121.25 per month. Funding will be provided by the SSSD operating budget.

Ms. Barnes moved and Mr. Horton seconded the motion to approve management’s recommendation of approval of an award to Green Lawn Specialist, LLC. The motion passed unanimously.

7. NOTIFICATION OF ENACTMENT OF EMERGENCY PROCUREMENT – CLIFTON-CONVERSE WWTF BASIN LINER REPLACEMENT – PROJECT SUMMARY

Beginning in May 2019, the wastewater operators at the Clifton-Converse WWTF discovered what appeared to be a failure in the high-density polyethylene (HDPE) liner in the Equalization Basin (EQ Basin). Upon further investigation, the operators found that the liner had failed. Dedicated valves in the underdrain system prevented the wastewater from leaving the plant site. An emergency procurement was initiated. Greenstone Construction had been involved in the replacement of other wastewater treatment lagoon liners and was available to respond immediately. During the repair of the liner, additional scope was identified in both aerated lagoons, and Greenstone Construction provided a cost proposal for this additional work. The Greenstone proposal was determined to be cost beneficial and a second emergency procurement was initiated.

During the entire project, the plant remained in compliance, and all work was completed by late November. The final cost of the liner replacement in the three basins at Clifton-Converse WWTF was \$375,000, which was approximately \$125,000 less than the cost of a similar project previously completed at the Pacolet WWTF.

Gene Jackson provided the Commission with an overview of the Emergency Procurement for the Clifton-Converse WWTF Basin Liner Replacement Project Summary agenda item.

The above was provided as information to the Commission.

8. TANKER TRANSFER OF LIQUID BIO SLUDGE

Bids were received on February 18, 2020, to provide services for the tanker transfer of liquid bio sludge. The liquid bio sludge will be transported from three sites: Lower North Tyger River Waste Water Treatment Facility

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(WWTF), Page Creek WWTF, and South Tyger River WWTF, and delivered to the A. Manning Lynch WWTF. The scope of work calls for the contractor to provide equipment and personnel to load, transport, and unload liquid bio sludge as request for a 12-month term with two optional like renewal terms.

The request for bid was advertised in the local media and forwarded to prospective suppliers of which drew responses from two bidders. Bids are calculated by the cost per gallon and miles driven from each facility to the A. Manning Lynch WWTF. A tabulation of the bids is listed below and show total annual costs.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Sparks Industrial Piedmont, SC	\$55,150
EMA Resources, Inc. Mocksville, NC	\$71,560

Management recommended the contract be awarded to the lowest responsible bidder, Sparks Industrial, at a total annual cost of \$55,150. Funding will be provided from SSSD operating funds.

Remsen Parrish provided the Commission with an overview of the Tanker Transfer of Liquid Bio Sludge agenda item.

Mr. Montgomery moved and Ms. Barnes seconded the motion to approve management’s recommendation and award the bid to the lowest responsible bidder, Sparks Industrial. The motion passed unanimously.

9. PREVENTIVE MAINTENANCE AGREEMENT (PMA) – PERKIN ELMER ICP-MS SYSTEM

This system is used to analyze wastewater and water samples for the Clean Water Act (CWA) and Safe Drinking Water Act programs respectively, and for support of plant operations. Perkin Elmer has quoted an annual PMA for this system for a total cost of \$33,970.

Funding will be provided through the Laboratory Services operating budget, with costs shared 50/50 between SSSD and SWS.

Management recommended the approval of the renewal of this Perkin Elmer Preventive Maintenance Agreement for an amount not to exceed \$16,985.

Ms. Barnes moved and Mr. Horton seconded the motion to approved management’s recommendation for the renewal of the Perkin Elmer Preventive Maintenance Agreement for an amount not to exceed \$16,985. The motion passed unanimously.

10. FAIRFOREST BASIN LARGE LINE CLEANING AND CCTV PROJECT PHASE III

Proposals were received February 11, 2020, for the contract cleaning and CCTV/Sonar inspection of approximately 7,165 LF of large diameter sewer pipelines of varying materials along Fairforest Creek from the terminus of the Phase II cleaning project to and along Vanderbilt Road near W. O. Ezell Blvd. The contractor will provide cleaning (removal of 100% of loose debris and 95% of hardened debris), transportation of debris for disposal, and pipeline inspection services.

There are no known issues with sanitary sewer overflows (SSO's) along this section of pipe; however, the most recent sewer system hydraulic model update and system evaluation indicated the opportunity for surcharging in this area during heavy rainfall events.

Interested contractors were requested to provide proposals that included information on company history, project team, project approach, previous experience, current workload, financial and insurance information, MWBE Utilization and community benefit program. The proposals were reviewed by three staff members, who used a weighted scoring system in their evaluation of (1) Approach and Strategy, (2) Technical Competency and Experience, (3) Schedule, (4) Cost, (5) MWBE Utilization and (6) Community Benefit Program.

The Request for Proposal (RFP) was forwarded to 17 prospective contractors, advertised in the Spartanburg Herald Journal, and posted on the Spartanburg Water website Current Opportunities page. Two proposals received are as follows:

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Hydrostructures Cayce, SC	\$97,771.25
Bio-Nomic Services, Inc. Belmont, NC	\$147,941.75

Hydrostructures received the highest score among the proposal review team and had the lowest price. Management recommended the award of the contract for Phase III of the Fairforest Basin Large Line Cleaning and CCTV project to Hydrostructures in the amount of \$97,771.25. Project will be funded by the collection system rehabilitation fund. SSSD will be responsible for the landfill disposal fees.

Janet Cann provided the Commission with an overview of the Fairforest Basin Large Line Cleaning and CCTV Project Phase III agenda item.

Mr. Montgomery moved and Mr. Horton seconded the motion to approve management's recommendation to award the contract for Phase III of the Fairforest Basin Large Line Cleaning and CCTV project to Hydrostructures. The motion passed unanimously.

11. FEBRUARY 2020 STORM EVENT UPDATE

Rick Jolley provided the Commission with an overview of the effects of the recent storm pertaining to the WWT and remote operations facilities. The overview included damage from the storm, how staff worked through the effects of the storm, and the financial impact at this point. Mr. Jolley wanted to note that there were zero non-compliances during this storm event, and this was due to tremendous staff efforts.

Janet Cann provided the Commission with an overview of the effects of the recent storm pertaining to the Collection System. The overview included preparation for the storm, damage from the storm, and the financial impact at this point. Ms. Cann noted staff from the Collection System and Above Ground Maintenance did an exceptional job, as well as numerous other departments that assisted during this storm event.

The above was provided as information to the Commission.

12. REQUEST FOR ANNEXATION – ECS DEVELOPMENT, LLC

ECS Development, LLC has requested annexation of approximately 86.5 acres of property located off of Hope Road on parcels 6-11-00-094.00, 6-11-00-095.01, 6-11-00-095.03, near Mt. Zion Road in Spartanburg County. The property is adjacent to the District boundaries and can be annexed by the Commission under authority granted in its enabling legislation.

Management recommended the Commission approve the annexation request, adopt the attached resolution giving 90 days' notice to sub-districts, and annex the property effective May 25, 2020.

**Resolution of Annexation
Adopted by Spartanburg Sanitary Sewer District Commission
On February 25, 2020**

WHEREAS, ECS Development, LLC, owners of an 86.5 acre tract, more or less, adjacent to the existing Sewer District boundary line, and located off of Hope Road on parcels 6-11-00-094.00, 6-11-00-095.01, 6-11-00-095.03 and more particularly shown on the site location map attached hereto as exhibit "A" has petitioned for annexation of this area comprising the aforementioned tract to the Spartanburg Sanitary Sewer District ("the District"); and

WHEREAS, the petition of the property owner has been accepted by the Commission after finding (a) that the petition was submitted by the property owner of an area in Spartanburg County on a petition form provided by the District, (b) that the petition was signed by the property owner within such area proposed to be annexed, (c) that there was attached to the petition a map made on a scale as required by the District, made by a registered licensed surveyor showing, in detail the boundary of the area proposed to be annexed and that all other requirements of the applicable law had been met, and

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WHEREAS, the Commission, after having given due consideration to all matters pertaining to the proposed annexation of such area including but not limited to health hazards, the feasibility of installation and maintenance of a sewer system and cost factors, has determined that such an area should be annexed to the District, and

WHEREAS, in reaching its decision to annex such area, the Commission has taken into consideration the additional waste contributed to the system by such area and present and future expansion of interceptor lines and disposal facilities needed to accommodate and service such area, and it has determined that such consideration does not indicate a probable need for expansion to take care of the sewage needs of such area, and,

WHEREAS, the Commission finds that it should now give written notice of ninety (90) days to the governing body of each of the sub-districts of the District.

NOW, THEREFORE, BE IT RESOLVED that the District Commission hereby confirms and ratifies the determinations and findings set out hereinabove, and

BE IT FURTHER RESOLVED that the aforesaid petition be, and it hereby is, accepted by the Commission, and

BE IT FURTHER RESOLVED that the area owned by the aforesaid property owner shown on the map attached to the petition, be annexed to the District effective at the expiration of the ninety (90) days written notice to be given to the governing body of each sub-district of the Spartanburg Sanitary Sewer District, and

BE IT FURTHER RESOLVED that the Commission will give written notice of ninety (90) days to the governing body of each of the sub-districts of the District of the acceptance of the aforesaid petition and of the decision of the Commission to annex the property shown on the above described map.

BE IT FURTHER RESOLVED that when the annexation becomes effective notice of such annexation shall be given to the County Treasurer, The County Auditor and the County Health Officer.

Mr. Horton moved and Mr. Montgomery seconded the motion to approve management's recommendation and approve the annexation request by ECS Development, LLC of approximately 86.5 acres of property located off of Hope Road on parcels 6-11-00-094.00, 6-11-00-095.01, 6-11-00-095.03, near Mt. Zion Road in Spartanburg County. The motion passed unanimously.

13. OWNERSHIP AGREEMENT – COLTS RUN SINGLE-FAMILY DEVELOPMENT

South Tyger Properties, LLC, proposes to construct approximately 985 linear feet of 8-inch gravity sewer line to provide service to Colts Run Single-Family Development, consisting of 20 residential lots, located at the intersection of Willis Road and Wadsworth Road in Spartanburg, SC. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be

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treated at the A. Manning Lynch Wastewater Treatment Facility. The developer will bear all costs.

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 South Tyger Properties, 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.

14. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider noted that the OneSpartanburg Year 3 Update, provided by the Spartanburg Area Chamber of Commerce, would be held today, February 25, at the Magnolia Grand Event Center beginning at 5:30 p.m.
- B.** Ms. Schneider reminded the Commission that the Employee Recognition Breakfast is scheduled for March 3rd and 4th at the Cleveland Park Event Center from 8:00-9:00 a.m.
- C.** Ms. Schneider stated that the SCC Economic Visionaries Event will be held on March 12 at the Spartanburg Marriott from 5:15-8:00 p.m.
- D.** Ms. Schneider informed the Commission that the GSA Women of Influence Awards Luncheon will be held on Wednesday, March 18 from 12:00-1:30 p.m. at the Greenville Convention Center.
- E.** Ms. Schneider noted that the United Way Annual Celebration date moved from June to March 26. More details will be provided as they are received.
- F.** Ms. Schneider reminded the Commission that the SC State Ethics Commission deadline for filing is March 30. Memo and information for filing was provided.
- G.** Ms. Schneider informed the Commission that the Employee Day of Service has been scheduled for April 18. More details will be provided.
- H.** Ms. Schneider noted that there will be SCDNR Boater Education Classes at Lake Blalock Warden's Office from 8:00 a.m. – 4:00 p.m. on April 18, April 25, May 16, and May 23.

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- I. Ms. Schneider stated that Paddle Fest Educational Tours will be held on May 30, June 27, July 25, and August 11. May 30 and June 27 will be held at Lake Blalock from 9:00 a.m. until noon. July 25 will be held at Lake Bowen from 9:00 a.m. until noon and August 11 will be held at Lake Bowen from 6:00-8:00 p.m.

Ms. Schneider stated you have heard a lot of things on the news within the last few months and to the question asked by Ms. Viney, does Spartanburg Water have a command center, plans, does staff know what to do when things happen, etc. Spartanburg Water has dealt with pandemic related issues in the past, and as is with anything, as reports come in about Coronavirus, management will address concerns. Management has already looked at supply chains and managers are aware to monitor situations like reasons for employee absences. Supplies will be ordered based on information we receive. A few years back during the Ebola event Spartanburg Regional Healthcare System made the decision that it would accept patients with Ebola; therefore, supplies were already in place in the event that any employees had to provide maintenance to infrastructure coming from the hospital. Management will keep the Commission informed as information is provided.

Meeting adjourned at 3:08 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh