MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, June 26, 2018, at 2:15 p.m.


Commissioners present were Mses. Barnes and Viney and Messrs. Blanton, Littlejohn, Lynch, and Montgomery. Mayor White 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 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. Lynch called the meeting to order and Newt Pressley opened with a prayer.

2. APPROVAL OF MINUTES OF REGULAR MEETING OF MAY 22, 2018

Mr. Montgomery moved and Ms. Barnes 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 eleven-month period ending May 31, 2018. An explanation was provided for the favorable and unfavorable budget variances.

Based on the favorable budget position, additional transfers will be made to the Rate Stabilization Fund and System Improvement Fund.

The above was provided as information to the Commission.

4. REQUEST BY THE CITY OF SPARTANBURG – AMENDMENT TO TAX INCREMENT FINANCING PLAN

The City of Spartanburg proposed to approve a 2018 Amendment to the Saint John-Daniel Morgan Tax Increment Financing Plan. The purpose of the amendment is to remove certain parcels from the original redevelopment project area, and to change the general land uses established by the original plan. Brad Love, SSSD Counsel, was present to review the request.

Commission approval was requested for the following Resolution.

RESOLUTION CONSENTING TO A 2018 AMENDMENT TO THE SAINT JOHN – DANIEL MORGAN TAX INCREMENT FINANCING REDEVELOPMENT PLAN PROPOSED BY THE CITY OF SPARTANBURG, SOUTH CAROLINA; AND OTHER MATTERS RELATING THERETO.
BE IT RESOLVED BY THE SPARTANBURG SANITARY SEWER DISTRICT COMMISSION, AS FOLLOWS:

Section 1. Findings. The Sanitary Sewer District Commission (the “Commission”) of the Spartanburg Sanitary Sewer District (the “District”) hereby finds and determines:

(a) Pursuant to Section 31-6-10 et seq. of the South Carolina Code of Laws, 1976, as amended (the “Act”), the City of Spartanburg, South Carolina (the “City”) adopted a redevelopment plan entitled “City of Spartanburg Saint John – Daniel Morgan Tax Increment Financing Redevelopment Plan” (the “Original Redevelopment Plan”), by ordinance enacted by the City Council of the City on October 4, 1999 (the “Original Ordinance”). The Original Redevelopment Plan and Original Ordinance, among other things: (i) designated an approximately 97.62 acre area of the City as a redevelopment project area under the Act (the “Original Redevelopment Project Area”); and (ii) identified certain anticipated land uses for the property located in the Original Redevelopment Project Area.

(b) The City now proposes to approve a 2018 Amendment to the Saint John – Daniel Morgan Tax Increment Financing Redevelopment Plan (the “2018 Amendment”) to: (i) remove certain parcels (the “Removed Parcels”) from the Original Redevelopment Project Area; and (ii) change the general land uses established by the Original Redevelopment Plan solely as a result of the removal of the Removed Parcels from the Original Redevelopment Project Area. The City has provided a copy of the 2018 Amendment to the District, and has requested that the District consent to the 2018 Amendment.

Section 2. Consent to 2018 Amendment. The District hereby consents to the 2018 Amendment, and authorizes the Chairman of the Commission to take any and all further actions as necessary or useful in order to evidence the District’s consent to the 2018 Amendment, and carry out the intentions of this Resolution.

Adopted this ____ day of __________, 2018.

SPARTANBURG SANITARY SEWER DISTRICT

____________________________________________________
Chair, Spartanburg Sanitary Sewer District Commission

ATTEST:

________________________________________________________
Secretary, Spartanburg Sanitary Sewer District Commission

Newt Pressley stated that The City of Spartanburg requested approval of a Resolution authorizing the 2018 Amendment to the Saint John–Daniel Morgan Tax Increment Financing Plan. Mr. Pressley noted that Brad Love, SSSD Counsel, was present to review this request.

Mr. Love stated that this is a Tax Increment District that The City of Spartanburg has in downtown and would like to remove three parcels from it and in order to amend a Tax Increment Financing (TIF) District every
overlapping tax entity has to agree to it by Resolution. The Resolution provided by the City is requesting this.

Mr. Lynch stated that the only thing changing is that these three parcels will be removed, so that they will no longer be a part of the TIF and will be treated equal as to any other part of the City. Mr. Love stated that the City currently owns these three parcels and there is no tax on them anyway, so this action will have no unfavorable impact on the District’s tax collections.

Mr. Lynch asked if this is a 20 or 30 year TIF. Mr. Love stated it is in the 20-25 year range and will expire soon anyway. Ms. Viney asked if there are images related to this request. Mr. Pressley provided a copy of the image to the Commissioners and Mr. Love reviewed it.

Ms. Viney noted that this is the property that 24 single family homes will be developed on.

Mr. Blanton moved and Mr. Montgomery seconded the motion to approve the Resolution that The City of Spartanburg provided requesting approval of a Resolution authorizing the 2018 Amendment to the Saint John-Daniel Morgan Tax Increment Financing Plan. The motion passed unanimously.

5. **RED FLAGS PROGRAM**

Management provided a summary report on the status of the Red Flags Program.

Hariette Stinson, Customer Service Manager, discussed the customer portion of the program and Kevin Brown, Director of Information Technology, discussed the technology portion of the program.

Ms. Stinson stated the Spartanburg Water’s Red Flag Program was approved by the Commission in April 2009, in response to federal regulation aimed at protecting consumers from identity theft and is enforced by the Federal Trade Commission.

Ms. Stinson reviewed internal controls used to protect consumer data. Customer Service uses screen filters on computer monitors so that data can’t be seen by the public. The new business computer, under the customer information system, allows Customer Service to scan and download the Online Report (this report is pulled for each customer move-in). This eliminates the need to shred or store any of those documents. Customer Service Representatives are retrained every May on current policy and procedures, as well as how to resolve any flags that may come in.

Mr. Brown stated that measures are in place to protect electronic data. Firewalls are used to protect our internal network. We scan those firewalls with external scanning services to check for external threats and vulnerability to make sure those firewalls are doing what they should. Microsoft Window Servers are updated no more than 30 days after a patch is released. This is important because it will patch any security flaws. One thing that was refined this year was limiting user rights. This addresses some things like Ransom Ware.
Ms. Stinson reported on the red flags that are relevant to Customer Service as they are trying to establish service. In the past 12 months, applicants were verified without any additional requirements 77% of the time, 22% were able to be resolved by effective questioning or by looking at previous accounts and 1% were flagged as deceased or had non-verifiable social security numbers. Customer Service requires those customers to come in and provide additional documentation to clear the red flag.

The majority of new service requests are received as inbound calls. The goal is to establish service as promptly and conveniently as possible. In the last fiscal year, customer service representatives received 115,161 calls, 7,250 customers were walk-in customers, totaling 122,411 contacts. There were 10,441 establishing new service. Two customers reported they had been victims of identity theft and were given the Identity Theft Affidavit form provided by the Federal Trade Commission. The customer account is then flagged to alert Customer Service Representatives when handling the account.

No changes were recommended to the program at this time.

The above was provided as information to the Commission.

6. CONTAINER, TRANSPORTATION, AND DISPOSAL SERVICES

Proposals were received on June 7, 2018, for the transportation services and landfill disposal of dewatered sewage sludge, related grit, and screenings removed from the reclaimed water treatment and collection facilities within the sewer operations area. Historical data shows that approximately 15,400 wet tons of this material is removed from our facilities annually.

This is a two-part service contract consisting of (1) a landfill component for disposal; and (2) a transportation component that includes the containers and hauling services. Separate proposals were received for each component in order to create multiple options that would provide a complete solution for the disposal of the material within a fixed cost agreement. Each contract term would be for twelve months with the option to renew for up to two additional terms.

Invitations for Landfill Disposal were forwarded to prospective service providers and advertised in the local media. Due to the requirements for landfills to take this type of waste and the need for the landfill to be in close proximity to SSSD facilities, only two proposals were received. The costs are tabulated below. The costs are shown as per ton costs and average annual totals for the prescribed work using estimated tonnage based on historical data.
Based on the proposals submitted and the scoring and discussion of the evaluation committee, management recommended a Landfill Disposal Contract be granted to both Waste Connections and Republic Services, with Waste Connections represented as the primary disposal provider at an annual cost of $269,500 (70% of the disposal) and Republic Services represented as the secondary disposal provider at an annual cost of $277,200 (30%).

Invitations for Container and Hauling Services were also forwarded to prospective service providers and advertised in the local media. The solicitation drew three responses. The costs are tabulated below. The costs shown represent a per haul cost.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Anderson Regional Landfill (Waste Connections)</th>
<th>Union County Regional Landfill (Republic Services)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparks Industrial Service</td>
<td>$425</td>
<td>$250</td>
</tr>
<tr>
<td>Republic Services</td>
<td>No Bid</td>
<td>$355</td>
</tr>
<tr>
<td>Waste Connections</td>
<td>$475</td>
<td>No Bid</td>
</tr>
</tbody>
</table>

Based on the proposals submitted and the scoring and discussion of the evaluation committee, management recommended the Container and Hauling Services contract be granted to Sparks Industrial at an annual cost of $286,825. This total cost represents the split of hauls between the Anderson Regional Landfill and the Union County Regional Landfill.

A summary of management’s recommendations is listed below with total annual costs.

<table>
<thead>
<tr>
<th>Service Contract</th>
<th>Vendor</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container and Hauling Services</td>
<td>Sparks Industrial Service</td>
<td>$286,825</td>
</tr>
<tr>
<td>Landfill Disposal-Primary</td>
<td>Waste Connections</td>
<td>$269,500</td>
</tr>
<tr>
<td>Landfill Disposal-Secondary</td>
<td>Republic Services</td>
<td>$277,200</td>
</tr>
<tr>
<td>Total for Comprehensive Service</td>
<td></td>
<td>$833,525</td>
</tr>
</tbody>
</table>

Funding will be provided through the SSSD operating budget.
Remsen Parrish discussed the two components of the bid – Landfill Disposal and Container and Hauling Services. These are usually bid together and awarded together. Management recommended splitting these due to rising costs and the decrease in the amount that landfills will accept.

Mr. Lynch asked what would be the need to have a secondary option. Mr. Parrish noted that Waste Connections is located in Anderson, 45 minutes away and Republic Services is located in Union, 18 minutes away. With I-85 and other obstacles, there are a lot of opportunities to have problems with disposal.

Mr. Parrish noted that Container and Hauling Services is the second piece of this proposal and hauling to Anderson evens the price out.

Mr. Montgomery asked if the contract is extended past the first twelve months, would the price have to be renegotiated. Mr. Parrish said it would need to be renegotiated after twelve months if SSSD desired to extend the contract.

Ms. Viney asked if the bidders knew they may only be used for a certain percentage of the time when they submitted their pricing for the bids. Mr. Parrish stated they were aware of it.

Ms. Schneider said this is an activity that can’t stop and it has to turn. Operations will manage it closely and management will look at more long-term solutions with Engineering for additional options for sludge.

Mr. Lynch stated it is cheaper to go to Anderson with it. Ms. Schneider stated when the trucks get stuck, SSSD is paying more. Mr. Lynch stated that it makes sense after reviewing everything, but would like for management to be sure and monitor it closely to use it in the most cost effective way for SSSD.

Mr. Blanton asked who is currently contracted to haul. Mr. Parrish noted that Republic Services is contracted with SSSD, but is using Sparks Industrial Service as a third party hauler.

Ms. Schneider stated that SSSD did use Spartanburg County landfill, but they reached their limit of what they could accept.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation. The motion passed unanimously.

7. EVALUATION OF THE INFLUENT STRUCTURE AT THE SOUTH TYGER RECLAIMED WATER TREATMENT FACILITY – PROFESSIONAL SERVICES

During a routine inspection of the South Tyger River Reclaimed Water Treatment Facility, the protective coating inside the slitter box directly adjacent to the aeration basin was observed to be separating from the metal. In addition, corrosion was observed under the coating. If left in this state, further delamination of the coating will occur, allowing more corrosion to the structure.
SSSD recently requested a proposal from Wiedeman and Singleton of Rock Hill, South Carolina, to perform an evaluation of the structure and to develop detailed recommendations, including costs, for options to address the situation.

Management recommended the approval of a professional services contract with Wiedeman and Singleton in the amount of $12,470 to complete the evaluation of the influent structure at the South Tyger River Reclaimed Water Treatment Facility. This evaluation will be funded through the operating budget.

Ken Tuck briefed the Commission on recent inspections of the influent structure at the South Tyger Reclaimed Water Treatment Facility. The delamination of the coating was discovered, which could progress and lead to corrosion. Management is working with Engineering, but requested a third party evaluation for recommendations.

Mr. Montgomery moved and Ms. Barnes seconded the motion to approve management’s recommendation of a professional services contract with Wiedeman and Singleton in the amount of $12,470 to complete the evaluation of the influent structure at the South Tyger River Reclaimed Water Treatment Facility. The motion passed unanimously.

8. **OWNERSHIP AGREEMENT – BROCKMAN FARMS OFF-SITE SEWER EXTENSION**

Mark III Properties, Inc., proposes to construct approximately 1,875 linear feet of 12-inch gravity sewer line to provide service to Brockman Farms Subdivision located on property adjacent to the Brockman Farms off-site sewer extension. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Fairforest Reclaimed Water Treatment Facility. SSSD will participate in the off-site sewer construction cost in accordance with the Sewer Extension Policy adopted December 17, 1996.

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 Mark III Properties, Inc. 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.

9. **OWNERSHIP AGREEMENT – SUNNY SLOPES GRAVITY LINE**

The Gaffney Board of Public Works proposes to construct approximately 2,819 linear feet of 8-inch gravity sewer line to provide service to Sunny Slope Gravity Line A, located on Webber Road and Swofford Road. The sewer line will connect to the existing SSSD infrastructure. The domestic
waste will be treated at the Cowpens Reclaimed Water 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 the Gaffney Board of Public Works. 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.

10. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Ms. Schneider stated that the Water Matters application period began June 18 and will end on August 3.

B. Ms. Schneider noted that the United Way Quarterly Project – Stuff the Bus will run until July 25.

C. Ms. Schneider reminded the Commission that the United Way Annual Meeting will be held on June 28 at the Chapman Cultural Center.

D. Ms. Schneider informed the Commission that a photo contest for the Annual Report Calendar has been taking place. Winners of the photo contest will be announced July 13.

E. Ms. Schneider noted that the Ski Bash will be held at Lake Bowen Landing on July 21 and August 11 from 8:00 a.m. until approximately 3:00 p.m.

F. Ms. Schneider stated that additional Paddle Fest events are scheduled for July 28 and August 14.

G. Mr. Schneider informed the Commission that the annual Health Fair will be held on August 22, 23, and 30. Employees and covered dependents (over the age of 18) can have their BMI, Blood Pressure and Total Cholesterol checked at no cost.

H. Ms. Schneider noted that the annual United Way Campaign begins on August 29.

I. Ms. Schneider stated that the Lake Sweep will be held on Saturday, September 15 from 8:00 a.m. until noon.

J. Ms. Schneider informed the Commission that the WEFTEC Conference will be held from September 29 – October 2. Registration is requested by July 12.
Meeting adjourned 2:44 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh