MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, June 25, 2019, at 2:15 p.m.


Commissioners present were Mses. Barnes and Viney and Messrs. Blanton, Horton, Littlejohn, 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 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 opened with a prayer.

2. APPROVAL OF MINUTES OF REGULAR MEETING OF MAY 28, 2019

Mr. Montgomery moved and Ms. Viney 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, 2019. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

Mr. Pressley presented financial policies and procedures to the Commission for review and approval.

Mr. Pressley reviewed the overall purpose of the Financial Policy document. These policies and procedures represent a compilation of best practices that SSSD has followed for years, and in some instances even decades. In order to strengthen the SSSD bond rating potential and the annual audit review, management is asking the Commission to formally adopt these policies. The bond rating agencies (Moody’s and Standard and Poor’s) recognize formally adopted policies as a strength in financial management. A formally adopted Deposit and Investment Management policy (section 6) will eliminate the Note 2 statement in the CAFR that SSSD doesn’t have a formal policy. The Financial Policy will also provide strategic direction that focuses on maintaining financial stability.

Mr. Pressley noted that Section 4 was provided by bond counsel; review and input was provided on various sections by the auditor (Karyn Lemon, McAbee, Schwartz, Halliday & Co.), bond counsel (Brad Love, Haynsworth Sinkler Boyd), and financial advisor (David Cheatwood, First Tyron Advisors).

Mr. Pressley reviewed the sections of the Financial Policies and Procedures.
Section 1, Financial Planning explains our financial planning processes, including the annual operating budget, the 5-year financial forecast, and the Capital Improvement Plan. Financial stability is measured by these attributes: stable customer rates, adequate debt service coverage, sufficient fund balances, recovery of cost of service, and proper balance between debt financing and Pay As You Go funding. It also provides guidelines as to how we do planning for revenues and expenditures.

Section 2, Operating and Reserve Funds explains the various accounts and funds utilized to support our Operating, Capital, and Depreciation budgets. The target of 150 Days of Cash on Hand is based on guidance from our Financial Advisor (First Tyron Advisors) and rating agencies. The SSSD overall target fund balance is based on a combination of operating funds and Reserve funds (Rate Stabilization, Capital, Collection System Rehab, Depreciation). Days of Cash on Hand is a key metric considered by the bond rating agencies.

Section 3, Debt Management provides that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. SSSD will seek to maintain or improve, its bond ratings in order that borrowing costs are minimized and credit is preserved. The Commissioners will annually set rates for SSSD that will result in annual Net Earnings (gross revenues minus expenses) which equal for that fiscal year not less than 110% of the annual debt service requirements for all outstanding Revenue Bonds. The goal, however, is to have annual Net Revenues equal at least 140% of the annual debt service requirements on all Revenue Bonds. In order to provide continuing disclosure with respect to bonds in accordance with SEC requirements, Digital Assurance Certification, L.L.C. (DAC) will serve as exclusive Disclosure Dissemination Agent for the benefit of the bond holders. The decision to refund outstanding debt will depend on net present value (NPV) savings achieving a minimum savings threshold based on the par amount of the refunded bonds. SSSD will use a 3% NPV savings threshold for proceeding with a refunding.

Section 4, Bond Compliance Policies and Procedures are provided to ensure that the District is continuously in compliance with the requirements of the federal and South Carolina law to preserve the tax advantages of bonds. The SSSD system of internal controls and accounting will be capable of tracking the investment and expenditure of proceeds of bonds and the allocation of such proceeds to SSSD facilities. SSSD will engage such assistance as is necessary, to compute and pay rebatable arbitrage to the United States government.

Section 5, Fiscal Accountability outlines the various systems designed to maintain adequate internal controls and ensure timely, accurate financial reporting. These include the annual audit/Comprehensive Annual Financial Report, operating budget oversight, capital projects reporting, internal control framework, and the Red Flags program.

Section 6, Deposit and Investment Management establishes a formal deposit and investment policy for SSSD. The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. SSSD will manage investments in accordance with Section 6-5-10 of the S.C. Code of Laws.
(Authorized investments by political subdivisions). SSSD will secure deposits of funds in accordance with Section 6-5-15 of the S.C. Code of Laws. This will include collateralization of deposits through the pledging of appropriate securities or other instruments.

Section 7, Procurement Authority and Accountability for Budget Managers outlines managerial procurement authority and defines the budget oversight responsibility and expenditure accountability for the respective budgetary cost center.

Section 8, Authorization to Levy Ad Valorem Taxes and to Issue General Obligation Bonds outlines SSSD authority pursuant to its enabling legislation, Act No. 1503.

Ms. Barnes moved and Mr. Horton seconded the motion to approve the SSSD Financial Policies and Procedures as outlined, to be reviewed annually to ensure effective financial management. The motion passed unanimously.

4. PUBLIC HEARING FOR PROPOSED FY 2019-2020 OPERATING BUDGET

A public hearing was held by the Commission to allow input regarding the proposed FY 2019-2020 operating budget.

Mr. Blanton declared the public hearing to be open. There were no comments from the public. Mr. Blanton declared the public hearing to be closed.

5. DISCUSSION/APPROVAL OF PROPOSED FY 2019-2020 OPERATING BUDGET

Management requested approval of the proposed FY 2019-2020 Operating Budget.

Mr. Pressley stated that management did present the balanced proposed FY 2019-2020 Operating Budget at the work session on May 20 and SSSD advertised the notice of public hearings in the Spartanburg Herald Journal on June 4 and in the Landrum newspaper on June 5. There is no proposed increase in customer rates for the upcoming year.

In connection with the budget discussion, Mr. Pressley provided additional capacity fee survey data. This was provided as information.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve the proposed FY 2019-2020 Operating Budget. The motion passed unanimously.

6. RED FLAGS PROGRAM

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

Spartanburg Water adopted the Red Flags Program in 2009 in response to federal legislation aimed at protecting consumers against identity theft.
C.J. Armour, Customer Service Manager, provided an annual update on the program status. Kevin Brown, Director of Information Technology, reviewed measures to protect electronic data and enhance cyber security.

Ms. Armour 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. Armour 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 trained every May on current policy and procedures, as well as how to resolve any flags that may come in.

Ms. Armour 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 76% of the time, 24% were able to be resolved by effective questioning or by looking at previous accounts and less than 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 of Customer Service is to establish service as promptly and conveniently as possible. In the last fiscal year, customer service representatives received 112,613 calls, 5,664 customers were walk-in customers, totaling 118,277 contacts. There were 8,643 establishing new service. There were no customers that reported being victims of identity theft. If a customer reports being a victim of Identity Theft they are given an 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.

Mr. Brown stated that Spartanburg Water has been both proactive and strategic in addressing potential cyber risks. Cyber security is addressed with tactics from the following categories: Data and Network Security, Virus and Malware Protection, Managing our Mobile Devices, Maintaining Secure Configurations, Managing User Privileges, Website Filtering and Protection, and Risk Management.

Mr. Brown noted a couple of security highlights. Sensitive data is encrypted in both our utility billing and financial information systems. The encrypted data includes sensitive customer information. Antivirus protection software is used on all computers. IT staff worked with legal counsel to develop a Cyber Security Incident Response Plan. This plan was completed in 2019.

Mr. Brown stated that security projects planned for 2019 include deploying a Mobile Device Management solution to our smart phones and providing
Cyber Security Training to staff. Specifically on how to recognize potentially malicious emails.

No changes were recommended to the program at this time.

The above was provided as information to the Commission.

7. **BIOSOLIDS TRUCK SCALES**

Bids were received on May 22, 2019, for the purchase of BioSolids Truck Scales for the Fairforest Wastewater Treatment Facility. Trailers are loaded with dewatered solids that are transported to landfills. The scales will ensure that the trailers are loaded to the proper weight.

The request for bid was advertised in the local media and forwarded to prospective vendors. The solicitation drew responses from three bidders. A cost tabulation of the responses is listed below:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>AMOUNT OF BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenville Scale</td>
<td>$49,100</td>
</tr>
<tr>
<td>Taylors, SC</td>
<td></td>
</tr>
<tr>
<td>Everest Scale</td>
<td>$58,645</td>
</tr>
<tr>
<td>Pickens, SC</td>
<td></td>
</tr>
<tr>
<td>Superior Scales</td>
<td>$59,975</td>
</tr>
<tr>
<td>Fort Mill, SC</td>
<td></td>
</tr>
</tbody>
</table>

Management recommended an award be granted to the lowest, responsive bidder, Greenville Scale, at a cost of $49,100. Funding will be provided by SSSD operating funds.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation and award the bid to the lowest, responsive bidder, Greenville Scale, at a cost of $49,100. The motion passed unanimously.

8. **PREVENTATIVE MAINTENANCE AGREEMENT FOR LABORATORY SERVICES**

Laboratory Services maintains Preventative Maintenance Agreements (PMA’s) for select laboratory instruments and software programs. The proposed contract is an annual agreement and includes service for routine preventative maintenance, troubleshooting, repairs (parts and labor), software support, certain upgrades, and priority emergency repair service. The PMA is provided by the manufacturer, who is the sole source of the laboratory service.

**Labworks (Laboratory Information Management System) LIMS**

- This database system is used to assign identification codes and store / retrieve data for samples. In addition, this system generates both regulatory and process control reports for samples associated with the Safe Drinking Water Act (SDWA) and the Clean Water Act (CWA) programs. Labworks has
quoted and annual PMA for services described above for a total cost of $23,320.

The total cost for the renewal of this annual Preventive Maintenance Agreement is $23,320. Funding will be provided through the Laboratory Services operating budget, with costs shared 50/50 between SSSD and SWS.

Management recommended approval of the renewal of the Labworks LIMS Preventive Maintenance Agreement for an amount not to exceed $11,660.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation for the renewal of the Labworks LIMS Preventive Maintenance Agreement. The motion passed unanimously.

9. FAIRFOREST BASIN LARGE LINE CLEANING AND CCTV PROJECT PHASE II

Proposals were received June 11, 2019, for the contract cleaning and CCTV/Sonar inspection of approximately 7,800 LF of large diameter sewer pipelines of varying materials along a tributary to Fairforest Creek from Powell Mill Road to West Blackstock Road near Westgate Mall. 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 nine prospective contractors, advertised in the Spartanburg Herald Journal and posted on the Spartanburg Water website Current Opportunities page. Proposals received were as follows:

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>AMOUNT OF BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrostructures, Cayce, SC</td>
<td>$99,700</td>
</tr>
<tr>
<td>Gulf Coast Underground, LLC, Theodore, AL</td>
<td>$256,500</td>
</tr>
<tr>
<td>Compliance Envirosystems (CES), Baton Rouge, LA</td>
<td>NO BID</td>
</tr>
</tbody>
</table>
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Vortex Services
Greenville, SC
NO BID

Bio-Nomic Services, Inc.
Belmont, NC
NO BID*

Southeast Pipe
Patterson, GA
NO BID

Envirowaste Services Group
Palmetto Bay, FL
NO BID

AIMS Companies
Phoenix, AZ
NO BID

PASCON
Lexington, SC
NO BID

*Did not deliver bid package by deadline, therefore not opened.

Hydrostructures received the highest score among the proposal review team and had the lowest price. Management recommended the award of the contract for Phase II of the Fairforest Basin Large Line Cleaning and CCTV project to Hydrostructures of Cayce, SC in the amount of $99,700. This project will be funded by the collection system rehabilitation fund. SSSD will be responsible for the landfill disposal fees.

Janet Cann provided an overview of the Fairforest Basin Large Line Cleaning and CCTV Project Phase I bid process.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the contract for Phase II of the Fairforest Basin Large Line Cleaning and CCTV project to Hydrostructures of Cayce, SC. The motion passed unanimously.

10. RECEIPT OF BIDS – EDGEFIELD PUMP STATION REHABILITATION PROJECT

Bids were received on June 11, 2019, for the Edgefield Pump Station Rehabilitation Project. This pump station, that serves the Edgefield Mobile Home Park in Cowpens, was initially placed in service in January 2000. The existing pumps and related hardware have exceeded their useful life. This project will include the replacement of the submersible pumps, related hardware and piping, control panels and other electrical components, and the installation of several safety-related improvements, which will bring the station into compliance with current Sewer District standards.

Three contractors obtained the bid documents for the project and three contractors submitted a bid. The bids were as follows:
AAA Utility and Construction, LLC  Columbia, SC  $152,505
C.J. Compton Plumbing, Heating & Air  Spartanburg, SC  $198,840
Greenstone Construction, LLC  Seneca, SC  $216,000
Engineer’s Estimate  $160,000

Management recommended awarding the contract to the lowest responsive bidder, AAA Utility and Construction, LLC of Columbia, SC, for the amount of $152,505. This project will be funded by depreciation funds.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the contract to the lowest responsive bidder, AAA Utility and Construction, LLC of Columbia, SC. The motion passed unanimously.

11. **OWNERSHIP AGREEMENT – ABSOLUTE STORAGE**

Highway 9 Storage, LLC proposes to construct approximately 431 linear feet of 8-inch gravity sewer line to provide service to Absolute Storage located at Highway 9 and 4th Street in Boiling Springs. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Fairforest 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 Highway 9 Storage, 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.

12. **OWNERSHIP AGREEMENT – ADDISON PLACE**

Mark III Properties, Inc., proposes to construct approximately 2,440 linear feet of 8-inch gravity sewer line to provide service to 87 townhouses located on Anderson Mill Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Lower North Tyger River 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 Mark Ill 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.

13. **OWNERSHIP AGREEMENT – BELLA CASA PHASE 1**

South Tyger Properties, LLC proposes to construct approximately 1,850 linear feet of 8-inch gravity sewer line to provide service to 32 residential lots in Bella Casa Phase 1 subdivision located on Bennett Dairy Road. The sewer line will connect to the SSSD infrastructure. The domestic waste will be treated at the Fairforest 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. **OWNERSHIP AGREEMENT – BELLA CASA PHASE 2**

South Tyger Properties, LLC proposes to construct approximately 3,718 linear feet of 8-inch gravity sewer line to provide service to 108 residential lots in Bella Casa Phase 2 subdivision located on Bennett Dairy Road. The sewer line will connect to the SSSD infrastructure. The domestic waste will be treated at the Fairforest 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.
15. OWNERSHIP AGREEMENT – CHESTNUT STREET FUTURE DEVELOPMENT

Cureton Investments, LLC proposes to construct approximately 417 linear feet of 8-inch gravity sewer line to provide service to Chestnut Street Future Development located on Chestnut Street in the Town of Reidville. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the South Tyger River 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 Cureton Investments, 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.

16. OWNERSHIP AGREEMENT – GLEN MEADOWS

Stallion Road Investments, LLC proposes to construct approximately 5,947 linear feet of 8-inch gravity sewer line to provide service to Glen Meadows, a 209 lot single family subdivision located on Stallion Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Fairforest 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 Stallion Road Investments, 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.

17. OWNERSHIP AGREEMENT – NORTH VILLAGE SUBDIVISION PHASE 2

ECS Development, LLC proposes to construct approximately 1,163 linear feet of 8-inch gravity sewer line to provide service to 41 residential lots in North Village Subdivision Phase 2 located on Old John Dodd Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Fairforest 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 ECS Development, 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.

18. OWNERSHIP AGREEMENT – TYGER POINT PHASE II

Mungo Home Properties, LLC proposes to construct approximately 3,875 linear feet of 8-inch gravity sewer line to provide service to Tyger Point Phase II, a 91 lot single family subdivision located on Anderson Mill Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the South Tyger River 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 Mungo Homes 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.

19. INSURANCE CLAIM FOR 2013 PCB INCIDENT

Ms. Schneider informed the Commission that SSSD has settled with the Insurance Reserve Fund regarding the 2013 PCB damage claim to three SSSD treatment facilities that were involved in the incident.

Ms. Schneider reviewed the PCB timeline. The incident occurred in 2013. Management became aware in June. Follow-up sampling was completed. Management notified the Insurance Reserve Fund, which is the insurance provider for SSSD facilities in July. Ms. Schneider stated that an individual dumped PCB contaminated oil through a grease trap that affected SSSD plants. SSSD could not stop operations, and therefore had to remove hundreds of thousands of gallons of sewer. SSSD had to address the problem, store the sewage, work with DHEC which regulates the plants and Regent Four which regulates PCB’s, and come up with a solution. It has taken until recently, May 2019, to finally get this claim settled. The expense for this clean-up totaled approximately 2.1 Million dollars. Just as a reminder to the Commission of the type of insurance coverage SSSD has, Ms. Schneider asked Michael Clardy, Property and Risk Manager, to review the coverage.
Michael Clardy stated that this claim started out as a damage claim. SSSD filed the claim against the building and personal property policy, which is what SSSD buildings and equipment are insured under. Much like a homeowner’s policy, there are exclusions in every policy. One of the things that SSSD isn’t entitled to claim for as a first party insured are legal fees. Those fees could not be part of a damage claim paid for by the Insurance Reserve Fund. There is also an exclusion in the SSSD building and personal property policy of $10,000 per location, per occurrence, per pollution. The Insurance Reserve Fund never officially issued SSSD a denial or acceptance, but they did send a proof of loss, which is what they would pay by, and that amount was $10,000. It was the Insurance Reserve Fund’s determination that this was nothing more than a pollution clean-up and the cap and exclusion in the policy was implemented. Obtaining legal counsel became necessary. One thing that has adversely impacted the settlement is the legal fees. The legal fees do impact the settlement, but it is much more than SSSD would have received without legal counsel.

Ms. Schneider noted that this type of damage wasn’t visible, but impacted operations. SSSD had to keep operating, which increased the cost of addressing the pollution. Initial cost of the pollution was estimated to be between $700,000 to $900,000 dollars. The Insurance Reserve Fund would not give notice if SSSD was covered, so SSSD had to enter into remediation. The remediation offer was $10,000 so it became necessary for SSSD to obtain legal counsel.

Ms. Schneider stated it is frustrating to know that the SSSD settlement was $675,000, which was close to the approximate estimated cost, but SSSD had to obtain legal counsel to get the settlement. Legal fees were $364,000.

Ms. Viney asked who was responsible for the contamination. Ms. Schneider stated that Tim Howard was identified as a person of interest and plead guilty for certain charges. It is believed he spent a minimal amount of time in jail for it. SSSD was not contacted prior to the conviction, where SSSD could have filed a victim’s claim.

Ms. Viney asked if ReWa received a settlement. Ms. Schneider stated that ReWa hasn’t gone to trial yet but expects to.

Ms. Barnes asked if SSSD is still covered through the Insurance Reserve Fund. Ms. Schneider stated that SSSD is still covered through the Insurance Reserve Fund, as they cover public entities that contract for insurance coverage.

Ms. Barnes asked if SSSD has made any changes to the coverage criteria since this claim.

Michael Clardy stated that personal property coverage is more of a bricks and mortar type policy. SSSD is submitting applications to get quotes on an environmental pollution policy. This is a specialized policy aimed at those types of exposures.
Ms. Schneider noted that certain situations are unique. Insurance coverage is available for all types of claims, but anticipating what you would need it for specifically is more challenging.

The above was provided as information for the Commission.

20. **NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS**

A. Ms. Schneider reminded the Commission of the dedication ceremony of the A. Manning Lynch Wastewater Treatment Plant at 10:00 a.m. on Wednesday, June 26. David Britt, Allen Smith, and Mayor White will be speaking.

B. Ms. Schneider stated that the United Way Annual Meeting and Awards will be held at the Chapman Cultural Center on June 27 at 5:30 p.m.

C. Ms. Schneider noted that the Roger C. Peace Rehabilitation Center Ski Bash 2019 will be held on Lake Bowen on July 13 and August 10. This is an adaptive water ski clinic that enables adults and children living with a disability the chance to water ski.

D. Ms. Schneider informed the Commission that the Chamber of Commerce, Voice of Business Brunch is scheduled for July 24 at noon.

E. Ms. Schneider stated that GSA will have a Power Event titled Rapid Fire: Ten Women CEO’s – Ten Mini Keynotes held at the Greenville Hilton on Orchard Drive on July 25 from 8:00-9:15 a.m. Ms. Schneider will be one of the speakers.

F. Ms. Schneider noted that the Carolina Panthers “Play 60” is a free, action packed, full field attraction with kid-style NFL combine activity station and inflatables on Friday, July 26 from 3:00-5:00 p.m. at Wofford. Spartanburg Water will feature the Choose Tap Oasis with free water bottles and information for the hundreds who attend.

Meeting adjourned at 3:10 p.m.

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G. Newton Pressley
Secretary-Treasurer

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