

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, September 26, 2017, at 2:15 p.m.

Copies of the agenda were forwarded to the following news media: Spartanburg Herald-Journal, The Spartan Weekly, Greenville News, The Greer Citizen, Hometown News, WSPA-TV 7, WYFF-TV 4, WLOS-TV 13, WHNS Fox Carolina, WORD News Radio, WOLT-FM Radio, Tribune Times, and the Times Examiner.

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

2. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 22, 2017

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

3. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SSSD expenditures and revenues for the two-month period ending August 31, 2017. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

4. 2018 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 and 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 and Associates submitted a renewal proposal for their professional services of \$30,000 for the 2018 calendar year. This represents no increase in cost from the previous year.

Management recommended renewing the agent/broker agreement with Steinberg and Associates. The allocation between companies is \$7,500 for SSSD and \$22,500 for SWS.

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Mr. Littlejohn moved and Mr. Blanton seconded the motion to approve management’s recommendation to renew the agent/broker agreement with Steinberg and Associates. The motion passed unanimously.

5. 2018 RETIREE SUPPLEMENTAL INSURANCE

Current Spartanburg Water retirees who are 65 and over are covered on a Medicare Supplement Insurance Plan provided by United American that includes prescription coverage. The plan renews in January 2018, and the renewal rate shown below represents a 6.1% increase.

United American Insurance Company (proposed)	\$168,433.92
United American Insurance Company (2017)	\$162,046.24

Management recommended staying with United American as the provider of Medicare supplemental benefits for retirees over 65, effective January 1, 2018. The approximate cost for each company is \$42,108.48 SSSD and \$126,325.44 SWS.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to stay with United Americans as the provider of Medicare supplemental benefits for retirees over 65. The motion passed unanimously.

6. THE CHILDREN’S MUSEUM OF THE UPSTATE GRANT REQUEST

The Children’s Museum of the Upstate (TCMU) is expanding its operation to Downtown Spartanburg with the construction and design of a new satellite location that will feature programs that are designed to serve the specific physical, cognitive and social needs of children in our community. Once it officially opens in March 2018, TCMU expects to reach more than 100,000 children over a five-year period.

In addition to the 6,000 square-foot exhibition and programming space, the new location will provide outreach in collaboration with educational and business partners to underserved populations throughout the community.

An important component of TCMU’s mission for the Spartanburg area is a specific focus on creating an environment for kindergarten readiness, in support of one of the Way to Wellville initiative’s five target areas for sustained improvement in our community over a 10-year period. This will be achieved through the creation of educational programming dedicated to nurturing children’s imaginations, curiosity and intellectual development with a special emphasis on the natural environment and our watershed, as well as using water and associated concepts as a teaching tool for the museum’s target population of children and their caregivers.

In support of this mission, TCMU will create and design educational programming in collaboration with Spartanburg Water to provide specific exhibits to convey important messages and concepts about the importance of healthy lakes and rivers, great drinking water and protecting and properly utilizing our natural resources. Each of these exhibits would be designed and constructed with the support and guidance of Spartanburg Water

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professionals and will feature prominent signage that display messages that champion the utility's mission, as well as specifically highlight our corporate support and underwriting of these exhibits and educational opportunities.

Management recommended the approval of funding a targeted two-year grant in support of the above-mentioned efforts in the amount of \$25,000 per year for a total of \$50,000 from SSSD. These funds will be allocated from SSSD operating funds.

Chad Lawson introduced Nancy Halverson, President and CEO of The Children's Museum of the Upstate and Jami Emory, Director of Development of The Children's Museum of the Upstate. Mr. Lawson provided the Commission with a presentation of Education through Engagement regarding the grant request for the satellite location of The Children's Museum that will open in March 2018. This location will be a reflection of the community with a focus on children up to age five. One of the Way to Wellville initiatives is to focus on kindergarten readiness and this will support that initiative. The museum is for all children as well as adults. The Children's Museum staff has developed best practices to teach children along with their caregivers what role water plays in their community, in particular protecting a watershed. Spartanburg Water staff and The Children's Museum staff have worked together to develop specific ideas for the museum that reflect Spartanburg Water initiatives like Choose Tap.

Mr. Blanton asked how the amount of the grants was determined.

Ms. Halverson stated that the amount of the grant is basically the cost of the exhibits.

Mr. Montgomery asked if The Children's Museum staff would work closely with Spartanburg Water management to make sure the exhibits reflect the mission of Spartanburg Water. Ms. Halverson said absolutely, staff has been working together for about three months already.

Mr. Blanton asked how this grant compares with other grants. Ms. Schneider stated that other grants are usually between \$10,000 and \$40,000 annually.

Mr. Lynch asked where the funds would come from. Ms. Schneider stated funds would come from the regular budgeted account.

Mr. Littlejohn noted that Spartanburg Water previously approved a grant to OneSpartanburg. Ms. Schneider noted that the OneSpartanburg Grant was shown separate in the budget.

Mr. Blanton asked what other partners are working with The Children's Museum. Ms. Halverson noted that some of the other partners are Spartanburg Regional Healthcare System, Duke Energy, Contec, and the Mary Black Foundation. Ms. Barnes noted that their grants seem to be for specific projects. Ms. Halverson said yes, at this point they have all been capital based.

Ms. Viney noted that if Spartanburg Water participates in the grant, it would be great visibility for a small price and it would have the Spartanburg Water

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brand and programs displayed. Mr. Lawson noted the lifespan of the exhibits are usually 8-10 years. Most Spartanburg Water grants are an annual return on investment.

Mr. Montgomery asked if this facility would be a resource for children to have field trips. Ms. Halverson noted it is for all children. Dr. Booker, with Spartanburg School District 7, has committed to bringing all children five and under each year.

Ms. Viney noted that the museum is projecting to reach 100,000 children over a 5 year period. Ms. Halverson confirmed that projection.

Ms. Barnes asked if it would be open to private day cares. Ms. Halverson said yes. Ms. Halverson also noted that the museum would have specific outreach programs for the older children but because of the specific need that has been identified by this community, the focus is intentional on designing the exhibits for the specific age group up to five years old.

Ms. Schneider noted that the museum's projected opening date is on World Water Day and the museum has offered to let Spartanburg Water have an event the night before to highlight World Water Day.

Ms. Viney moved and Ms. Barnes seconded the motion to approve management's recommendation of funding a targeted two-year grant in support of the above-mentioned efforts in the amount of \$25,000 per year for a total of \$50,000 from SSSD. The motion passed unanimously.

7. REPLACEMENT OF VEHICLES AND EQUIPMENT FOR FY 2018

Management has evaluated the SSSD vehicle and equipment fleet for replacement needs for FY 2018. Of the items considered, eight items have been selected for replacement. All vehicles and equipment selected meet the established depreciation replacement criteria, having in excess of 125,000 miles, being in service for 10 years, or are experiencing excessive repair needs and downtime. Performance history is also factored into the recommendation.

Management proposed the following replacements for FY 2018:

- #501 – 2008 Chevrolet Trailblazer SUV
- #548 – 2012 Chevrolet Colorado PU
- #557 – 2008 Chevrolet Cargo Van
- #544 – 2008 Ford F450 4x4 w/crane
- #547 – 2008 Ford F350 4x4 service truck
- #704 – 2011 Ford F450 4x4 w/o crane
- #711 – 2009 Ford F450 4x4 w/crane
- #746 – 2002 Vac Con Sewer Combination Truck

Total Budget: \$820,000

Where possible, vehicle and equipment replacement purchases will be completed through the South Carolina Materials Management Office

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Contracts. Applicable local dealers will be given an opportunity to meet the State Contract pricing.

Alternative fuel vehicle replacements will be evaluated based on application and the availability of electric/gasoline hybrids.

Management recommended approval of the vehicle and equipment replacement schedule to be funded from the SSSD depreciation fund.

Mr. Montgomery moved and Ms. Barnes seconded the motion to approve management’s recommendation of the vehicle and equipment replacement schedule. The motion passed unanimously.

8. LOWER NORTH TYGER RIVER BASIN SEWER REHAB PHASE III PROJECT – PALM TREE COMMUNITY

Proposals were received on September 7, 2017, for the rehabilitation of 8-inch gravity sewer main located in the Palm Tree community within the Lower North Tyger River Basin. The Spartanburg Sanitary Sewer District accepted ownership of this collection system, formerly known as Forest Park Estates Mobile Home Park, on December 10, 1991.

The project includes the replacement of approximately 4,043 linear feet of existing 8-inch vitrified clay gravity sewer, the reconnection of approximately 142 service laterals, and the replacement of approximately 21 manholes. The area experiences significant inflow and infiltration during rain events. This project is the third phase of a multi-phased plan to reduce inflow and infiltration within this basin.

Proposals were solicited from suppliers requiring them to address submittal requirements pertinent to the scope of work. These requirements were scored as part of the evaluation criteria by a four person evaluation team. Requirements included the contractor’s Technical Competency, Cost, MWBE Utilization, Community Benefit Program, and Schedule.

Invitations were forwarded to prospective contractors and advertised in the local media, with five submitting proposals. A tabulation of the costs is listed below:

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Dillard Excavating Co. Inc. Pelzer, SC	\$582,015
Bradley’s Contracting, Inc. Wellford, SC	\$591,415
Payne, McGinn and Cummins, Inc. Travelers Rest, SC	\$894,850
Don Moorhead Construction, Inc. Belton, SC	\$877,713

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North American Pipeline Management, Inc. \$1,150,290
Marietta, GA

Management recommended an award to Dillard Excavating Co. Inc., for the amount of \$582,015 based on their highest scoring and lowest cost proposal. The project will be funded from the SSSD collection system rehab fund.

Ms. Schneider noted that this is a legacy system that the lagoon was closed and SSSD took ownership of the collection system in the early 1990's. It is a challenged system.

Ms. Viney asked how long it would take to recoup the funds for this project. Gene Jackson noted that it would take a considerable amount of time, but another thing to consider is the infiltration and inflow and the cost of treatment and the hydraulic capacity.

Ms. Schneider noted that as an example on another agenda item you will see that there has been a policy change over the years and now SSSD serves parcels instead of assuming ownership of a collection system.

Mr. Jackson noted that this is typical of some of the aged infrastructure where SSSD is spending a lot of money without generating new revenue to maintain the system. Management is trying to use new technology to minimize that cost, but this is really a manual process with a higher cost.

Ms. Schneider stated that the challenge is that what was and still is a great decision made in the early 1990's to bring sewer together and get rid of small lagoons and to build an interceptor, has now become the realization that 30 years later the infrastructure has to be fixed.

Ms. Viney asked if the community knows that SSSD is making this investment to maintain the infrastructure. Mr. Jackson noted that it is primarily a rental area.

Ms. Barnes noted that it is an expensive right thing to do.

Mr. Blanton asked if the property owner would be participating in this project. Ms. Schneider stated that this is the SSSD collection system, there are no other participants.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management's recommendation of an award to Dillard Excavating Co. Inc., for the amount of \$582,015. The motion passed unanimously.

9. REQUEST FOR ANNEXATION – THE GROVES AT BERRY CREEK

Triangle Real Estate of Gastonia, Inc., has requested annexation of approximately 17.04 acres of property located at 1919 E. Main Street, Duncan, SC 29334. The property is adjacent to the District boundaries and can be annexed by Commission under authority granted in its enabling legislation.

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Management recommended the Commission approve the annexation request, adopt the attached resolution giving 90 days' notice to sub-districts, and annex the property effective December 25, 2017.

Gene Jackson explained that this parcel is not in the SSSD service area. This annexation will allow the property owner to tap onto the SSSD service collection line, but SSSD will not own or maintain any of the collection system for this apartment complex. SSSD will only own and maintain collection systems if it benefits the public by either going through it or beside it. This is a standard annexation where the property is adjacent to the District boundaries.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management's recommendation to approve the annexation request above. The motion passed unanimously.

10. OWNERSHIP AGREEMENT – MILLSGATE SUBDIVISION

Jeff Smith and Christopher Morris propose to construct approximately 2,757 linear feet of 8-inch gravity sewer line to provide service to 82 lots in Millsgate Subdivision located off Blalock Road in Boiling Springs, SC. The sewer line will connect to the District's existing infrastructure. The domestic waste will be treated at the Fairforest 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 Jeff Smith and Christopher Morris. Under the terms of the resolution adopted by the Commission on May 29, 1990, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

11. OWNERSHIP AGREEMENT – STARBUCKS-MARCO'S HIGHWAY 9 RETAIL

Boiling Springs 123, LLC, proposes to construct approximately 220 linear feet of 8-inch gravity sewer line to provide service to the new Starbucks-Marco's located on Highway 9 at McMillin Road Extension in Boiling Springs, SC. The sewer line will connect to the District's existing infrastructure. The commercial waste will be treated at the Fairforest 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 Boiling Springs 123, LLC. Under the terms of the resolution adopted by the

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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. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider stated that the first Water Matters class was held on September 19. Mr. Littlejohn and Ms. Viney were able to welcome the class. The second Water Matters class is tonight and will be on, How Safe is My Water. It will be held in the Lab Services Training Room at 297 South Avenue.
- B.** Ms. Schneider noted that the Hanger B Ball will be held on September 28 and this will be Choose Tap event. Spartanburg Water will have both Oases at the Hanger B Ball.
- C.** Ms. Schneider mentioned that Spartanburg Water Week will be held October 2-6. The Commission and all employees received a t-shirt and hat in appreciation of their service.
- D.** Ms. Schneider informed the Commission that Spartanburg Water will participate in the 2017 College and Career Showcase scheduled for October 4 & 5 and will be held at the Spartanburg Community College Tyger River Campus. This Showcase is designed to increase awareness of career opportunities for all 8th graders in Cherokee, Spartanburg, and Union Counties and will serve approximately 4,000 students. Employees will interact with the students and explain about their job at Spartanburg Water and will have some hands-on demonstrations to show the students the importance of Spartanburg Water.
- E.** Ms. Schneider reminded the Commission that flu shots will be administered on October 18. If this conflicts with your schedule, flu shots can be administered at various pharmacy and minute clinic locations at your convenience.
- F.** Ms. Schneider noted that the Spartanburg County Library, downtown location, will hold their dedication ceremony for the addition of four bottle refill stations on October 19 at 4:30 p.m. The ceremony will be held prior to the Library Board Meeting. This is a Choose Tap event.
- G.** Ms. Schneider stated that the United Way Campaign Celebration will be held on October 26 from 11:30 a.m. – 2:00 p.m. in the C&D break room.
- H.** Ms. Schneider informed the Commission that the 2017 Spartanburg Whitney M. Young, Jr. Humanitarian Award Gala; honoring Ms. Kay Woodward, will be held on October 26 at the Spartanburg Marriott. Please let Trish know by October 19 if you would like to attend.

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- I. Ms. Schneider noted that the City of Spartanburg will hold a Prescription Drug Take Back Day on October 28 from 10:00 a.m. until 2:00 p.m. at the following locations: CVS at Garner Road, The Rev. James D. Thornton Activity Center at 500 Norris Street, and the WalMart Neighborhood Market at 203 Cedar Springs Road. Spartanburg Water will partner with the City of Spartanburg to provide communication for these events and to help build community awareness.

Mr. Littlejohn mentioned that the Commission is invited to attend the Grand Opening of the Lyman Job Readiness Training Center on October 25 from 10:30 a.m. – 1:30 p.m.

Meeting adjourned at 3:06 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh