

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, September 24, 2024, 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, Montgomery, Rice, and Willard. No one was absent.

Attendees: Guy Boyle, Cam Cole, Gene Jackson, Robert Walden, Rick Jolley, Remsen Parrish, Kevin Smith, Corey Reid, Hariette Stinson, Jennifer Candler, Jon Morgan, Lance Johnson, Bryan Bates, Trish Heatherington.

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. CALL TO ORDER

Mr. Blanton called the meeting to order.

2. INVOCATION

Bobby Walden opened with a prayer.

3. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 27, 2024

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

OLD BUSINESS

4. SPARTANBURG SANITARY SEWER DISTRICT – DRAFT OF BYLAWS – SECOND READING

The Commission has been provided with a final draft of the bylaws to review. These bylaws have been developed internally and vetted through proper legal counsel. These bylaws had their first review at the June 20, 2024, Commission meeting. This is the second required meeting and the Commission may choose to adopt the bylaws at this meeting, or decline to adopt the bylaws at this time.

Mr. Boyle reviewed the requested amendments since the last draft was provided, noting minor changes and edits to the final recommended document.

Ms. Viney asked if the SSSD Bylaws will be dated. Mr. Boyle stated that they will be dated today's date, if so approved by the Commission.

Mr. Boyle also noted that if approved, any amendments would require two readings before a vote can be taken.

Mr. Montgomery moved and Ms. Viney seconded the motion to approve the proposed final draft of the Spartanburg Sanitary Sewer District Bylaws. The motion passed by majority, as Mayor Rice was absent for the vote.

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

AGENDA ITEMS 5-8 FINANCE AND PROCUREMENT

Mayor Rice arrived at 2:24 p.m.

5. BOND REFUNDING ANALYSIS UPDATE AND DISCUSSION

Chief Financial Officer, Cam Cole, provided the Commission with an overview of a bond refunding opportunity that has been discussed with First Tryon Advisors, financial advisor to Spartanburg Water. The bond refunding is related to the Sewer Revenue Bond(s) Series 2014A and 2014B as well as the refunding of General Obligation Bond Series 2013. The refunding would take advantage of lower market interest rates on \$33.8 Million in outstanding principal related to the 2014A&B's and \$3.45 Million in outstanding principal related to the GO Series 2013. The refunding would not change the maturity time-line schedule overall but is projected to save approximately \$2.6 Million in interest expense payments over the remaining 15 years of the issues. The General Obligation Bond Series 2013 would also be converted to Revenue Bonds during the refunding. Ms. Cole noted that David Cheatwood, with First Tryon Advisors, will attend the October Commission meeting to discuss the bond refunding further.

Mr. Willard asked if reducing the term had been discussed. Mr. Boyle stated that the reducing the term had been reviewed, but the available cash from refunding would be more beneficial for upcoming capital projects instead of increased payments to reduce the term.

The above was provided as information to the Commission.

6. MONTHLY FINANCIAL REPORT

A financial summary of SSSD expenditures and revenues for the two-month period ending August 31, 2024, were reviewed by Cam Cole, Chief Financial Officer. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

7. RETIREES MEDICARE SUPPLEMENTAL 2025 RENEWAL

SSSD Retirees who are 65 and over, are currently covered by a group Medicare Supplemental Insurance Plan that includes a Prescription Drug Plan coverage. The retiree Medicare Supplemental coverage is currently provided by United American Insurance Company, and the plan is up for renewal in January, 2025. Hank Steinberg, of Marsh McLennan Agency, has obtained renewal pricing from United American.

There is no change in the Medicare Prescription Drug Plan coverage, but the Medicare Supplemental Health Plan cost has increased 2.94% year over year. The overall renewal pricing reflects a 1.48% increase in the retiree premiums for 2025.

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

	Proposed 2025 Monthly Premium	Current 2024 Monthly Premium	Increase
Medicare Supplemental Health Plan	\$210.00	\$204.00	2.94%
Prescription Drug Coverage	\$201.47	\$201.47	0.00%
Monthly Premium Per Retiree	\$411.47	\$405.47	1.48%

Funding for the retiree coverage is shared by Spartanburg Sanitary Sewer District (85%) and the retiree (15%) resulting in the following 2025 monthly cost allocation per retiree:

	Monthly Cost Allocation
Spartanburg Sanitary Sewer District (85%)	\$349.75
Retirees (15%)	<u>\$ 61.72</u>
	\$411.47

The annual net cost is included in the SSSD operating budget in the Post-Employment Benefits budget line item. Management requested approval to renew over 65 retiree supplemental insurance coverage with United American.

Hariette Stinson provided the Commission with an overview of the Retirees Medicare Supplemental 2025 Renewal agenda item.

Mr. Blanton asked how many retirees are covered on this plan. Ms. Stinson will confirm the count and provide that information to the Commission.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve management’s recommendation for approval to renew over 65 retiree supplemental insurance coverage with United American. The motion passed unanimously.

8. RENEWAL OF HEALTH INSURANCE CONSULTING SERVICES

Steinburg and Associates was acquired by Marsh & McLennan Agency, effective September 1, 2022. Marsh & McLennan Agency provides oversight and guidance needed in connection with the business insurance/employee health and benefits solutions to organizations and individuals.

Their services include:

- design assistance with benefit plans
- identify cost savings and cost recoveries
- claim problem resolution
- negotiate the annual renewal
- assist with compliance and benefit laws
- coordinate RFP processes
- implementation of plan renewal
- semi-annual review and analysis of plan performance
- assist with benefit summaries for employee communication

Management requested Commission approval of the professional services agreement with Marsh & McLennan Agency for 2025 in the amount of \$30,000. There has not been an increase in professional service fees since 2015. The service agreement cost will be allocated as follows: SSSD (\$12,000) and SWS (\$18,000).

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

Hariette Stinson provided the Commission with an overview of the Renewal of Health Insurance Consulting Services agenda item.

Mr. Littlejohn moved and Mayor Rice seconded the motion to approve management's recommendation for approval of the professional services agreement with Marsh & McLennan Agency for 2025. The motion passed unanimously.

AGENDA ITEMS OPERATIONS

NONE

AGENDA ITEMS 9-18 ENGINEERING

9. PROJECT SUMMARY – TRADITIONS SUBDIVISION CREEK CROSSING REPAIR PROJECT

The Traditions Subdivision Creek Crossing Repair Project is now complete. The project was installed by Payne, McGinn & Cummings, Inc. of Travelers Rest, SC. The scope of work completed included the replacement of the existing aerial pipeline crossing over Big Shoally Creek that was washed away during recent storms.

The contractor completed the project for the contract price of \$202,850 and there were no change orders. The project was funded by the sewer capital fund.

Kevin Smith provided the Commission with an overview of the completed Traditions Subdivision Creek Crossing Repair Project.

Ms. Viney inquired about insurance coverage for these type of damages. Mr. Boyle noted that insurance does not cover these type of damages, but he will provide specific information back to the Commission regarding specific insurance coverage.

The above was provided as information to the Commission.

10. OWNERSHIP AGREEMENT – CROSS CREEK SUBDIVISION

Pulte Home Company, LLC proposes to construct approximately 5,596 linear feet of 8-inch gravity sewer line to provide service to 151 residential lots in Cross Creek Subdivision located off South Sweetwater Hills Drive in Moore. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the South Tyger Regional 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 Pulte Home Company, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – EL DORADO TOWNES

ROI Properties, LLC proposes to construct approximately 362 linear feet of 8-inch gravity sewer line to provide service to 29 residential lots in El Dorado Townes located off Barritt Avenue in the City of Spartanburg. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be 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 ROI Properties, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – LANDMARK COMMONS

Holly Drive Properties, Inc., proposes to construct approximately 2,800 linear feet of 8-inch gravity sewer line to provide service to 100 residential lots in Landmark Commons located off Springfield Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning 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 Holly Drive Properties, Inc. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – MAHAFFEY PLACE TOWNHOMES

Hayne Development, LLC proposes to construct approximately 1,522 linear feet of 8-inch gravity sewer line to provide service to 87 residential lots in Mahaffey Place Townhomes located off Hayne Street in Spartanburg. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be 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 Hayne Development, LLC. Under the terms of the resolution adopted by the

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

Commission on January 26, 2023, 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 – MURPHY USA

Murphy USA proposes to construct approximately 138 linear feet of 8-inch gravity sewer line to provide service to one commercial lot for a gas station/convenient store located at 7801 Warren H. Abernathy Highway in Spartanburg. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be 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 Murphy USA. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – POWDER BRANCH TOWNS

SHD Reidville SFA II, LLC proposes to construct approximately 1,469 linear feet of 8-inch gravity sewer line to provide service to 47 residential lots in Powder Branch Towns located off Chestnut Street in Reidville. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the South Tyger River Regional Wastewater Treatment Facility. SSSD will participate in the off-site sewer construction cost in accordance with the Sewer Extension Policy adopted January 26, 2023.

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 SHD Reidville SFA II, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – PROJECT CORE ERP 4A BALLPARK

Morgan & Henry JOF ESA II, LLC proposes to construct approximately 642 linear feet of 8-inch gravity sewer line to provide service to one commercial lots in Project Core Ballpark located off South Daniel Morgan Avenue. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning Lynch Wastewater Treatment Facility. The developer will bear all costs.

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

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 Morgan & Henry JOF ESA II, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – SPARROW CREEK

Pulte Home Company, LLC proposes to construct approximately 8,075 linear feet of 8-inch gravity sewer line and approximately 205 linear feet of 16-inch gravity sewer line that will be to re-route our existing 15-inch Fawn Branch interceptor, for a bridge across the creek that runs through the site. This will provide service to 201 residential lots in Sparrow Creek located off Old Furnace Road in Boiling Springs. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be 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 Pulte Home Company LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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 – TANNER ESTATES

Ray and Sons Investments, LLC proposes to construct approximately 160 linear feet of 8-inch gravity sewer line to provide service to 6 residential lots in Tanner Estates located off Upper Beaver Creek Drive and East Blackstock Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be 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 Ray and Sons Investments, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, 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. CHIEF EXECUTIVE OFFICER REPORT

- A.** Mr. Boyle noted that he wanted to share a recent community event with the Commission. Jon Morgan, Chief Lake Warden, provided the Commission with an update on recent Paddle Fest events. In August and September there was a total of four paddle events held, two at Lake Blalock and two at Lake Bowen; with a total of 37 participants.
- B.** Mr. Boyle informed the Commission that the OneSpartanburg Annual Celebration has been rescheduled to November 21, due to Hurricane Helene.
- C.** Mr. Boyle stated that the Employee Watershed Workdays will be held on October 2 and 3, with 186 employees signed up to participate and clean up around the reservoirs.
- D.** Mr. Boyle noted that the WEFTEC Conference will be held October 5-9, and will be held in New Orleans.
- E.** Mr. Boyle reminded the Commission that PAL will hold their annual event at the Fretwell on October 10.
- F.** Mr. Boyle informed the Commission that Spartanburg Water will host and partner with the Lakeside Property Owner's Association and hold the first Trunk or Treat event at Lake Bowen Park on October 29 from 6:00-8:00 p.m. Jon Morgan and employees, along with Lakeside Property Owner's, will have trunks for treating. Food Truck vendors will be onsite for food purchase.
- G.** Mr. Boyle stated that management is working on filing two pre-legislative bills. The first bill is to get water and wastewater licensed operators classified as critical personnel and a second bill is regarding additional funding for pensions that would allow employers to make contributions on behalf of an employee to their pension plan.
- H.** Mr. Boyle noted that the old North Tyger wastewater treatment plant and clarifier was taken offline 20 years ago. The Tyger River Foundation has requested to utilize the 1 ½ mile easement as a trail. Management is proceeding with dismantling the clarifier infrastructure and removing the fence. The objective is to return the area back to a natural habitat, and possibly planting trees at this site on Arbor Day. This area backs up to a subdivision and would be better served as a natural area.
- I.** Mr. Boyle informed the Commission that management is working with The Tyger River Foundation to create a Memorandum of Understanding to permit a canoe and kayak portage area on Spartanburg Water property off of Hwy 221.
- J.** Mr. Boyle provided the Commission an update on the United Way Campaign, noting that over \$52,000 was given by employees and the Commission.
- K.** Mr. Boyle stated that the second annual Holiday Party will be held on Thursday, December 12 at the Marriott. Please mark your calendars.

Spartanburg Sanitary Sewer District Commission – Regular Meeting,
September 24, 2024

- L.** Mr. Boyle noted that the Grant Application Process will begin soon for organizations to submit an application for specific projects that align with the mission of Spartanburg Water, to be considered for a grant. Spartanburg Water has a committee that reviews these applications and awards grants based on these factors.
- M.** Mr. Boyle provided the Commission with an update on PFAS.

20. REFERRALS

Mr. Boyle informed the Commission of referrals that will be on the upcoming agenda in October. The Finance Department will have a Cyber Security Update in Executive Session, Security Guard Bids, Grit and Screening Disposal Bid, Red Flag Update, and Customer Experience Consulting. The Operations Department will have PER for South Tyger – On CIP, MOU for Tyger River Foundation, and Bio Rim Rehabilitation. The Engineering Department will have Meadows Creek Phase 2A and 2B Sewer Extension and Bens Creek Phase 3 Sewer Extension Bids.

21. ADJOURNMENT

Meeting adjourned at 3:12 p.m.

Camlyn M. Cole
Secretary-Treasurer

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