

MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, August 22, 2017, at 3:00 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 Ms. Viney, Mr. Littlejohn, and Mr. Montgomery. No one was absent.

The meeting was opened with the following statement:

This is a regular meeting of The Commissioners of Public Works of the City of Spartanburg, SC. 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 forwarded to local and nearby news media, at least 24 hours prior to this meeting.

1. **APPROVAL OF MINUTES OF REGULAR MEETING OF JUNE 27, 2017**

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

2. **MONTHLY FINANCIAL REPORT**

Newt Pressley presented a financial summary of SWS expenditures and revenues for the 12-month period ending June 30, 2017, and the one-month period ending July 31, 2017. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

3. **WATER SYSTEM REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2017B**

The financing schedule for the Water System 2017B Revenue Bonds targets completion of the transaction during the week of August 21st. David Cheatwood of First Tryon Advisors has served as the Financial Advisor for this bond issue and provided an update to the Commission.

Mr. Cheatwood provided an overview of the Series 2017B Water System Refunding and Improvement Revenue Bonds for the purpose of:

- Funding \$15,000,000 in new money projects
- Currently refunding \$4,180,000 of its Series 2007B Water System Revenue Bonds
- Advance refunding \$33,935,000 of its Series 2009 Water System Revenue Bonds

Given the System's strong credit quality and liquidity, it was able to release \$3,879,952 from existing debt service reserve funds.

In connection with the issuance, the System received bond ratings of Aa3 and AA from Moody's and Standard and Poor's, respectively. These ratings represent an affirmation of the Moody's rating of "Aa3" and an upgrade of

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

the Standard and Poor's rating from "AA-" to "AA". The rating agencies noted the following strengths in their rating reports:

- Commitment to adequate water rates to maintain healthy operations
- Strong and deep growing service area economy
- Strong debt service coverage and liquidity position
- Strong financial management

Mr. Cheatwood highlighted the net present value savings on the Series 2007B refunding (\$444,269) and the Series 2009 refunding (\$4,724,543), for a total savings of \$5,168,812, or 13.6%.

In addition to the savings noted above, First Tryon assisted with a forward refunding of its Series 2007A Revenue Bonds which closed on June 1, 2017, and resulted in net present value savings of \$9,755,514, or 15.9%.

The Commission thanked management for a job well done, and Mr. Cheatwood for the work done by First Tryon Advisors.

4. CITY OF SPARTANBURG – ECONOMIC DEVELOPMENT PARTICIPATION AGREEMENT

Spartanburg City Manager, Ed Memmott, and Assistant City Manager, Chris Story, were present to provide the Commission with an update on the Economic Development Participation Agreement.

Mr. Memmott thanked the Commission for an opportunity to provide an update. The City is appreciative of the team effort provided by Spartanburg Water. Mr. Memmott noted that the support of staff at the project level, including downtown and the Northside Project, is just as important and appreciated as the Economic Development Participation Agreement. Mr. Memmott stated it is about projects as well as processes, and the spirit of cooperation is appreciated.

Spartanburg Assistant City Manager, Chris Story, provided an update to the Commission on the Economic Development Participation Agreement.

Mr. Story thanked the Commission for the opportunity to provide an update and stated that it has been a good year for economic development. The City of Spartanburg is pleased with the mix of economic growth. The City continues to see an array of small businesses and different types of establishments, as well as older buildings being turned into residential development. Mr. Story also provided other specific economic development information.

The Commission thanked Mr. Story and Mr. Memmott for the update.

The above was provided as information to the Commission.

5. PORTABLE AIR COMPRESSORS

Bids were received on August 1, 2017, for two new Portable Air Compressors for Collection and Distribution. These two air compressors will

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

allow additional crews to operate pneumatic equipment such as pumps, jackhammers, air tamps, and clay spades.

Invitations to bid were forwarded to prospective bidders. The solicitation drew two responses. A tabulation of the responses is listed below:

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Bennett Equipment Greenville, SC	\$46,613.00
Blue Eagle Spartanburg, SC	\$46,868.24

Management recommended an award be granted to Bennett Equipment based on their lowest responsive bid of \$46,613.00. Funding will be provided through SWS capital funds.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation and award the bid to the lowest responsive bidder, Bennett Equipment in the amount of \$46,613.00. The motion passed unanimously.

6. WASTE COLLECTION BID

Bids were received on August 3, 2017, for waste collection services for the Spartanburg Water System. The scope of work calls for the qualified contractor to furnish personnel, equipment, transportation, and disposal services during a 12-month period with options for renewal.

Invitations to bid were forwarded to prospective bidders and advertised in the local media. A tabulation of the responses is listed below showing total cost of service per year.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Republic Services Greenville, SC 29607	\$8,592 per year
Waste Industries Piedmont, SC	\$15,204 per year
Waste Connections, Inc. Duncan, SC	NO BID
Waste Management Wellford, SC	NO BID

Management recommended an award to Republic Services, based on their lowest responsive bid of \$8,592. The service will be funded from the SWS operating funds.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation and award the bid to the lowest responsive bidder, Republic Services in the amount of \$8,592 per year. The motion passed unanimously.

7. MEANSVILLE-RILEY WATER COMPANY WATER SERVICES AGREEMENT

Meansville-Riley Water Company (MRWC) currently purchases water services from Spartanburg Water System (SWS) as a wholesale water customer. The existing water services agreement between MRWC and SWS is for a 10 year term that commenced on June 23, 2015, and will terminate on June 25, 2025. MRWC would like to add one additional water source location to the existing agreement by installing a meter on SWS's 8-inch water line on Hwy 150. MRWC is only requesting an additional meter and not requesting any additional water usage. This additional meter will be the third metering location with MRWC and staff worked with MRWC to revise the existing agreement to account for the additional meter. The termination date of June 25, 2025, will not change.

Management recommended the approval of the proposed water services agreement between MRWC and SWS.

Gene Jackson reviewed the request for an additional meter, and explained that this request does not increase MRWC's water volume or change the agreement dates.

Ms. Viney moved and Mr. Littlejohn seconded the motion to approve management's recommendation. The motion passed unanimously.

8. PARTICIPATION POLICY CONSISTENT WITH OUTSIDE CITY WATER MAIN EXTENSION – 410 RIVEROAK CIRCLE

The water main extension, which consists of approximately 155 LF of 6-inch water main, is consistent with the SWS Participation Policy. It will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

The water mains necessary to provide domestic service plus fire protection, and also to provide for future growth, are of the same size and quantity; therefore, the project estimate is \$4,700. The property owners' participation cost is based on this estimate.

Management recommended Commission approve the above.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation. The motion passed unanimously.

9. PARTICIPATION POLICY CONSISTENT WITH OUTSIDE CITY WATER MAIN EXTENSION – BROKEN CHIMNEY ROAD

The water main extension, which consists of approximately 1,200 LF of 8-inch water main and one hydrant, is consistent with the SWS Participation

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

Policy. It will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

The water mains necessary to provide domestic service plus fire protection, and also to provide for future growth, are of the same size and quantity; therefore, the project estimate is \$52,900. The property owners' participation cost is based on this estimate.

Management recommended Commission approve the above.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation. The motion passed unanimously.

10. COLLECTION AND DISTRIBUTION INFRASTRUCTURE UPDATE

Ms. Schneider introduced Angie Price, Construction Asset Department Manager, and Brian Smith, Utility Asset Engineering Manager, who work for Ronnie Champion, Director of Water Distribution and Collection, and work directly with managing the infrastructure projects.

Ms. Schneider provided a presentation to the Commission reviewing the Collection and Distribution Infrastructure Update.

The above was provided as information to the Commission.

11. AGREEMENTS EXECUTED BY THE CHIEF EXECUTIVE OFFICER ON BEHALF OF THE COMMISSION

The following agreements have been executed on behalf of the Commission by the Chief Executive Officer in accordance with the resolution adopted by the Commission on July 11, 1989.

A. Inside City Private Fire Service Agreement

(1) Dupre House

Dupre House, located at 300 Howard Street in Spartanburg, SC, wishes to connect a 6-inch water line to the Commission's 10-inch water line along Howard Street to serve a private fire protection system for the above-mentioned event use building. Dupre Holdings, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$148.76

B. Outside City Private Fire Service Agreement

(1) Carolina Storage

Carolina Storage (d.b.a. AAA Storage World), located at 2400 New Cut Road in Spartanburg, SC, wishes to connect a 6-inch water line to the Commission's 12-inch water line to the New Cut tank, within a SWS easement just off New Cut Road, to serve a private fire protection system, including one private hydrant, for the above-

mentioned storage facility. Carolina Storage Management, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$446.32

C. Outside City Water Main Extension Agreements

(1) Saddler's Walk Phase II

Piedmont Investment Group, LLC is developing a second phase of the Saddler's Walk Subdivision off of Saddler's Run. This phase of the development will consist of 46 residential lots, approximately 2,439 LF of 6-inch water main, 786 LF of 4-inch water main, and two hydrants. The developer will bear all costs.

(2) Village at Anderson Mill

Mark III Properties is developing The Village at Anderson Mill off Old Anderson Mill Road. The development will consist of 161 residential lots. Approximately 801 LF of 12-inch, 126 LF of 8-inch, 4,062 LF of 6-inch, 1,150 LF of 4-inch water main and three hydrants are being installed to provide water service to the development. SWS will participate in the off-site water main construction cost in accordance with the Water Main Extension Policy.

(3) Bexley Park Subdivision

Mark III Properties is developing Bexley Park Subdivision off of Clark Road. This development will consist of 116 residential lots. Approximately 893 LF of 6-inch water main, 3,222 LF of 4-inch water main and two hydrants are being installed to provide water service to the development. The developer will bear all costs.

(4) Bella Woods

South Tyger Properties, LLC is developing the Bella Woods Subdivision off of Cocoa Road. The development will consist of 41 residential lots, approximately 1,400 LF of 8-inch, 761 LF of 6-inch, 1,498 LF of 4-inch water main and two hydrants. SWS will participate in the off-site water main construction cost in accordance with the Water Main Extension Policy.

D. Lake Agreements

All fees have been paid on the following lake agreements, and there are no encroachments to sign.

(1) David Todd Seagle desires to replace a dock on Lake Blalock.

(2) William B. Moore and Shelah M. Moore desire to replace a dock on Lake Blalock.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

- (3) **John Mark McMillan and Millicent Leigh Stepp Ray** desire to replace a dock on Lake Bowen.
- (4) **Gerald A. Brinkman** desires to replace a dock on Lake Bowen.
- (5) **Cameron Stober** desires to construct a boat lift on Lake Bowen.
- (6) **David R. Garner and Cathy E. Garner** desire to replace a dock on Lake Bowen.
- (7) **Joseph W. Beets and Rebecca C. Beets** desire to replace a dock on Lake Blalock.
- (8) **Donna L. Bond Living Trust** desires to construct a boat lift on Lake Blalock.
- (9) **Donna T. Melton and Earl B. Melton** desire to replace a dock and construct a hard pathway on Lake Blalock.
- (10) **Linda M. Campbell and David G. Campbell** desire to construct two personal water craft lifts on Lake Bowen.
- (11) **Robert W. Howell and Andrea B. Howell** desire to replace a dock on Lake Bowen.
- (12) **James David Hendrix** desires to construct a boat lift on Lake Bowen.
- (13) **Equity Trust Company Custodian FBO Linda K. Eaton, IRA** desires to construct a dock and boat lift and replace a dock on Lake Bowen.
- (14) **Michael Ben Coley and Ashley Morgan Coley** desire to replace a dock on Lake Bowen.
- (15) **Arthur E. Heinmiller and Lynne Boggs Heinmiller** desire to construct a boat lift on Lake Bowen.
- (16) **Robert Eric Haulbrook** desires to replace a dock on Lake Bowen.
- (17) **Charles C. Boone and Lou Ann Wheeler** desire to construct a dock on Lake Bowen.
- (18) **Jimmy L. Gossett and Alana L. Gossett** desire to stabilize the shoreline on Lake Bowen.
- (19) **Gregory J. Herbst and Jody L. McMahan** desire to replace a dock on Lake Bowen.
- (20) **Roy Hale and Frankie Kay G. Hale** desire to replace a dock on Lake Blalock.
- (21) **Ray D. Burrell** desires to construct a boat lift on Lake Bowen.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, August 22, 2017

- (22) **Mark A. Giannini and Jayne Giannini** desire to construct a dock on Lake Blalock.
- (23) **Terry Hopper and Barbara Hopper** desire to construct a boat lift and a dock on Lake Bowen.
- (24) **Ronnie Dale Fulbright and Melodie S. Fulbright** desire to replace a dock, construct a hard pathway, and install irrigation on Lake Blalock.

12. EXECUTIVE SESSION

The Commission agreed it was not necessary to enter into Executive Session to discuss personnel matters.

13. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

Ms. Schneider had no negotiations or miscellaneous administrative matters.

Meeting adjourned at 4:24 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh