

MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, September 26, 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 AUGUST 22, 2017**

Mr. Littlejohn moved and Ms. Viney 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 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.

3. **MONTHLY BILLING – BILLING AND COLLECTION SCHEDULE**

Monthly billing will be implemented in February 2018. In connection with this billing change, management recommended the following policy for billing and collection of customer accounts:

1. Current Charges due date
 - Current charges are payable within 25 days of the bill date
 - Due dates may fall on weekends or holidays
2. Grace Period
 - A late charge will be applied on the next regular bill date
 - Therefore, there will be a grace period from the due date until the next bill date, typically 4 to 5 days
3. Past Due balance notification
 - Unpaid charges as of the next bill date will be shown on the bill as a Past Due balance; a late charge will be applied on the next regular bill date
 - The customer will be notified by message on the bill as to the last day to pay the Past Due balance to avoid service disconnection for non-pay status
 - There will not be a separately mailed notice of service disconnection

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4. IVR notify date
 - For customers that provide Spartanburg Water with up-to-date information for phone, text, and email messages, Spartanburg Water will attempt this final notification
 - This will be scheduled at least 2 days prior to the Past Due balance due date
5. Past Due balance due date
 - This is the last day to pay the Past Due balance to avoid service disconnection, and will be scheduled 12 days after the next regular bill date
6. Service Disconnection for Non-Pay Status
 - A Past Due balance will be subject to service disconnection if not paid by the Past Due balance due date
 - A non-pay service charge will be added to the customer's account

Management requested Commission approval of the proposed monthly billing and collection policy.

Newt Pressley reviewed the proposed monthly billing and collection policy, and compared it to the current policy for bimonthly billing.

- Current charges are payable within 25 days of the bill date, as with bimonthly billing.
- The grace period allowed (before applying a late payment charge) will be typically four to five days for monthly billing; currently the grace period for bimonthly billing is five days.
- The method for notifying customers of a past due balance will change for monthly billing. Currently, a second notice is mailed for bimonthly billing. Under the new policy, a past due notification will be by message on the next regular bill.
- The number of days allowed to pay the past due balance – from the date of notification – will increase from 11 to 12 days.
- For customers that provide Spartanburg Water with up-to-date information for phone, text, and email messages, Spartanburg Water will attempt a final notification, at least two days prior to the Past Due Balance due date. Customer Service actually implemented this practice in April with good results that reflect a slight downward trend in service disconnects. Customer Service will continue to build this data base so that customers can be notified.
- A new bill format will be implemented for monthly billing; Spartanburg Water billing and collection guidelines will appear on the back of the bill.

Mr. Montgomery asked if the late charge is a percentage or a flat fee. Mr. Pressley noted there is a flat fee of \$1.50 plus 1 ½ % of the water balance. Mr. Montgomery asked if that is market rate. Ms. Schneider stated we want the customer to pay the bill on time, and we are not trying to be punitive, so that is the balance that management is striving for.

Ms. Viney asked when will a customer receive a past due balance for the first time when monthly billing begins. Mr. Pressley noted that the new bill format will be implemented in February with monthly billing. The new bill

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format will reflect the current balance, payments, adjustments, and past due balances.

Ms. Viney noted this will be a significant change for SWS customers and there may need to be a time period for transition. Mr. Pressley said management will be sensitive to customer concerns as we make this transition.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation to approve the proposed monthly billing and collection policy. The motion passed unanimously.

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 SWS and \$22,500 for SSSD.

Mr. Littlejohn moved and Ms. Viney seconded the motion to ratify the action taken in the SSSD meeting 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 SWS and \$126,325.44 SSSD.

Ms. Viney moved and Mr. Littlejohn seconded the motion to ratify the action taken in the SSSD meeting 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 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 SWS. These funds will be allocated from SWS operating funds.

Mr. Montgomery asked what the hours of operation would be for the museum. Ms. Halverson stated the museum would be open on Monday through Saturday from 9:00 a.m. – 5:00 p.m. and on Sunday 11:00 a.m. – 5:00 p.m. During the school year the museum is closed on Monday.

Mr. Montgomery noted that the museum generates revenue through ticket sales and asked if school students would be charged admission when visiting with schools. Ms. Halverson noted that when children visit with their family it will be a \$5 ticket price, when children visit with the school it will be a \$4

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ticket price. Ms. Viney noted that the price will be much more affordable than when the museum originally opened in Greenville.

Mr. Littlejohn moved and Ms. Viney 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 SWS. The motion passed unanimously.

7. ARMORED TRUCK TRANSPORTATION SERVICE

Bids were received on September 18, 2017, for armored transportation services for the Spartanburg Water System. The scope of work calls for all supervision, personnel, equipment, and transportation in order to securely transport daily deposits from the Administration Office to the Bank of America vault in Charlotte, NC.

The contract is for a 12-month period with the option to renew for three additional terms.

Invitations to bid were forwarded to four prospective bidders and a tabulation of the responses is listed below. Advertisements were placed on the South Carolina State Procurement website as well as the Spartanburg Water website and advertised in the local media. Invitations were also forwarded to multiple-bid networking sites such as Onvia, Construction Journal, and Prime Vendor.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Dunbar Armored, Inc. Hunt Valley, MD	\$6,400 per year
GARDA Cash Services Boca Raton, FL	NO BID
Brinks Richmond, VA	NO BID
Bank of America Washington, DC	NO BID

Management recommended an award to Dunbar Armored, Inc., based on their lowest responsive bid of \$6,400 per year. The service will be funded from the SWS operating budget.

Ms. Viney moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the bid to Dunbar Armored, Inc., in the amount of \$6,400 per year. The motion passed unanimously.

8. REPLACEMENT OF VEHICLES AND EQUIPMENT FOR FY 2018

Management has evaluated the SWS vehicle and equipment fleet for replacement needs for FY 2018. Of the items considered, fourteen items have been selected for replacement. All vehicles and equipment selected

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meet the established depreciation criteria, having in excess of 125,000 miles, being in service for 10 years, or are experiencing excessive repair needs and down time. Performance history is also factored into the recommendation.

Management proposes the following replacements for FY 2018:

- #243 – 2009 Ford Ranger PU
- #403 – 2009 Ford Escape 4x4 SUV
- #180 – 2005 Toyota Prius
- #502 – 2008 Ford Escape 4x4 SUV (Lake Warden)
- RLM 11 -2007 Zero Turn Lawn Mower
- RLM 12 -2010 Zero Turn Lawn Mower
- #612 – 2006 Ford F350 Crew Cab 2wd w/enclosed body
- #616 – 2007 Ford F150 Extended Cab 4x4
- #628 – 2003 Ford F350 Regular Cab 2wd w/enclosed body
- #674 – 2001 GMC Dump Truck
- #670 – 2000 GMC Dump Truck
- EXC 02 – 2007 Bobcat Excavator 430
- BHL 42 – 2005 JCB 215E backhoe 2wd
- AC 11 – 1998 Sulair portable air compressor

Total budget: \$740,000

Where possible, vehicle and equipment replacement purchases will be completed through the South Carolina Materials Management Office Contracts. Applicable local dealers will be given the opportunity to meet the State Contract pricing.

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

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

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation of the vehicle and equipment replacement schedule. The motion passed unanimously.

9. 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 Agreements

(1) Miyako Sushi

Miyako Sushi, located at 118 Magnolia Street in Spartanburg, SC, wishes to connect a 6-inch water line to the Commission's 8-inch water line along N. Spring Street to serve a private fire protection

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system for the above-mentioned restaurant. Miyako wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$148.76

(2) Montgomery Building

The Montgomery Building, located at 187 N. Church Street in Spartanburg, SC, wishes to connect an 8-inch water line to the Commission's 10-inch water line along N. Church Street to serve a private fire protection system for the above-mentioned multi-use building. BF Spartanburg, LLC, wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$317.00

B. Outside City Water Main Extension Agreement

(1) Millsgate Subdivision

Jeff Smith and Christopher Morris are developing the Millsgate Subdivision. This development will consist of 82 residential lots, approximately 912 LF of 6-inch water main, 1759 LF of 4-inch water main, and 2 hydrants. The developer will bear all costs.

C. Lake Agreements

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

- (1) Albert O. Bishop, Jr. and Sandra G. Bishop** desire to construct a dock on Lake Blalock.
- (2) Avis W. Anderson** desires to construct a dock on Lake Bowen.
- (3) David R. Garner and Cathy E. Garner** desire to construct a boat lift and dock on Lake Bowen.
- (4) Thomas L. Clawges and Mary Clawges** desire to construct a dock and hard pathway on Lake Blalock.
- (5) Frank J. Prehoda** desires to construct a personal watercraft lift on Lake Bowen.
- (6) Robert J. Butscher** desires to construct a hard pathway on Lake Blalock.
- (7) Michael E. Turner** desires to construct a boat lift on Lake Bowen.
- (8) Nan B. Cleveland** desires to replace a dock on Lake Bowen.

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(9) **Charles T. Senn and Lynn Senn** desire to replace a dock on Lake Bowen.

(10) **Four K. Investors, LLC**, desires to replace a dock and construct a boat lift on Lake Bowen.

The above was provided as information to the Commission.

10. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

Ms. Viney thanked Mr. Pressley and staff for everything being done in preparation for monthly billing. The Commission agreed and expressed appreciation as well.

Meeting adjourned at 3:38 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh