

## MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, September 24, 2024, 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.

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 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. CALL TO ORDER

Mr. Montgomery called the meeting to order.

### 2. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 27, 2024

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

### OLD BUSINESS – NONE

### AGENDA ITEMS 3-8 FINANCE AND PROCUREMENT

### 3. COMMISSION OF PUBLIC WORKS OF THE CITY OF SPARTANBURG, SC DRAFT OF BYLAWS

The Commission has been provided with a draft set of the Governing Bylaws. These Bylaws may be considered for adoption by the Commission by vote at two separate meetings. These Bylaws have been developed internally and vetted through proper legal counsel. The Bylaws incorporate enabling legislation as well as rules of procedure and governance that define how the Commission operates and governs.

The Commission may consider these bylaws for adoption at the September 24, 2024 Commission meeting with a second subsequent vote at the October 29, 2024 Commission meeting for final adoption.

Mr. Boyle stated that the Commission has been provided a proposed draft of the SWS Bylaws.

Ms. Viney moved and Mr. Littlejohn seconded the motion to table the proposed draft SWS Bylaws until the October meeting. The motion passed unanimously.

#### **4. PFAS CLASS ACTION LITIGATION AND RELATED SETTLEMENTS**

At the November 28, 2023, Commission meeting, in an effort to eliminate any confusion as to the authority already vested in the Chief Executive Officer (CEO) of Spartanburg Water to make an Opt-Out decision regarding the PFAS Class Action Settlements by 3M and DuPont/Chemours/Corteva, the Commission confirmed the CEO's authority to Opt-Out of these two settlements based on what the CEO deemed to be in the long-term best interest of Spartanburg Water. The Commission adopted a resolution attesting to that authority vested in the CEO at that time.

Since this resolution was adopted in November 2023, two additional firms, TYCO and BASF, have agreed to PFAS Class Action Settlements in the amount of \$750 million and \$316 million respectfully. These monetary settlements are small relative to the potential cost of unfunded but mandated PFAS mitigation actions and future litigation claims. In the case of TYCO, the settlement is overly broad and likely covers wastewater and any liability a system may have from its reuse or disposal of bio-solids. After careful review and reflection and with legal input, the Spartanburg Water CEO does not believe the amount that may be received from the settlements is worth releasing these two companies from future responsibility based on the PFAS liability that our combined system might assert, especially related to bio-solids.

TYCO and BASF are second tier companies in the PFAS manufacturing industry behind 3M and DuPont/Chemours/Corteva and based on the unknowns that currently exist for both drinking water and wastewater utilities, Spartanburg Water has chosen to opt-out of both class settlements as of September 23, 2024, thereby retaining the ability to litigate individually in the future should the need present itself.

At this time, Spartanburg Water management requested that the Commission adopt a formal resolution attesting to the authority of the CEO to take this action and opt-out of both the TYCO and BASF class actions on behalf of Spartanburg Water.

Mr. Boyle provided the Commission with an update on the PFAS Class Action Litigation and Related Settlements with TYCO and BASF.

Mr. Littlejohn moved and Ms. Viney seconded the motion to adopt a formal resolution attesting to the authority of the CEO to take this action and opt-out of both the TYCO and BASF class actions on behalf of Spartanburg Water. The motion passed unanimously.

#### **5. MONTHLY FINANCIAL REPORT**

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

The above was provided as information to the Commission.

#### **6. WHITLOCK LIGHT REPLACEMENT AND INSTALLATION PROJECT**

Bids were received on August 14, 2024, from vendors to replace eight parking lot light fixtures and twenty-five outdoor pole light fixtures at the Whitlock Water

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Treatment Plant for the Spartanburg Water System. The fixture upgrade will improve energy efficiency and enhance safety and security.

The request for bid was advertised in the local media and posted to the Spartanburg Water System Website. A pre-bid meeting and site visit was conducted on July 30, 2024. The solicitation drew responses from three bidders.

A tabulation of the bid responses is listed below.

<b><u>BIDDER</u></b>	<b><u>AMOUNT OF BID</u></b>
Graybar Spartanburg, SC	\$33,690.32
AOS Specialty Contractors, Inc. Spartanburg, SC	\$83,200.00
IEG, USA Charlotte, NC	NON-RESPONSIVE

Management recommended the contract be awarded to the lowest responsive and responsible bidder, Graybar at a cost of \$33,690.32. Funding will be provided from SWS depreciation funds.

Remsen Parrish provided the Commission with an overview of the Whitlock Light Replacement and Installation Project agenda item.

Ms. Viney moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the bid to the lowest responsive and responsible bidder, Graybar. The motion passed unanimously.

**7. RENEWAL OF RETIREE MEDICARE SUPPLEMENT INSURANCE**

SWS 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 for retirees.

	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 Water (85%) and the retiree (15%) resulting in the following 2025 monthly cost allocation per retiree:

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

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

Mr. Littlejohn moved and Ms. Viney 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).

Mr. Littlejohn moved and Ms. Viney 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 9-10 OPERATIONS**

#### **9. LABORATORY IDEXX TECTA ANALYZER**

The laboratory analyzes water distribution samples for water quality, system breaks, and new installations for the presence of total coliform and E. coli. A newer technology, the IDEXX Tecta, reduces the variability of the analysis, cuts eight hours off the analysis time, and communicates the results via e-mail or text, improving reliability and efficiency in the laboratory.

Management recommended the purchase of the IDEXX Tecta Analyzer for a total cost of \$31,083.50. The equipment will be funded from operating funds.

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Rick Jolley provided the Commission with an overview of the Laboratory IDEXX Tecta Analyzer agenda item.

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

**10. LEAD AND COPPER RULE UPDATE**

Rick Jolley provided an update the Commission on the status of the Lead and Copper Rule and progress toward the October 16, 2024, deadlines. Mr. Jolley provided the status of this update noting that letters were sent out to every entity where potholing was to be performed. The finished inventory does not identify any lead service lines. Management is currently performing final data reviews and will upload the data into the official EPA template. Customers will be able to see the inventory on the Spartanburg Water website. Next steps will include monitoring for publication and a path forward depending on the path of the Lead and Copper Rule Improvement.

**AGENDA ITEMS 11-13 ENGINEERING**

**11. PARTICIPATION PROJECT CONSISTENT WITH OUTSIDE CITY WATER MAIN EXTENSION POLICY – R C THOMPSON ROAD**

Recently management received a request from a property owner on R C Thompson Road, between Old Furnace Road and Fosters Grove Road, concerning the possibility of obtaining water service.

The water main extension consists of approximately 385 linear feet of 6-inch water main and is consistent with the SWS Water Main Extension Policy. It will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

The water main extension has been increased to 500 linear feet and upsized for future growth in the area to an 8-inch line which increased the original project estimate from \$28,900 to \$115,000. The property owner's participation cost is still based on the original estimate of \$28,900 and not the future growth estimate.

Management recommended Commission approve the above.

Kevin Smith provided the Commission with an overview of the request from a property owner on R C Thompson Road, between Old Furnace Road and Fosters Grove Road, concerning the possibility of obtaining water service.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation to approve the outside city water main extension for R C Thompson Road, between Old Furnace Road and Fosters Grove Road. The motion passed unanimously.

**12. RECEIPT OF BIDS – UNION STREET WATERLINE IMPROVEMENTS**

Bids were received on September 12, 2024, for the Union Street Waterline Improvements Project. The project is being funded by the South Carolina Infrastructure Investment Program (SCIIP), and consists of the installation of approximately 17,860 linear feet of 12-inch ductile iron pipe within the paved portion of Union Street, approximately 198 water service connections, and related appurtenances.

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Nine contractors obtained the bid documents for the project and five contractors submitted a bid. The bids were as follows:

<b><u>BIDDER</u></b>	<b><u>AMOUNT OF BID</u></b>
Two Brothers Utilities, LLC Shelby, NC	\$ 6,329,610.00
Payne, McGinn and Cummins, Inc. Travelers Rest, SC	\$ 6,768,985.00
HRH Engineering Service, LLC Chesnee, SC	\$ 6,776,815.00
T.P. Howard's Plumbing Co., Inc. Fairview, NC	\$10,000,000.00
Tom Brigman Contractors, Inc. Newberry, SC	\$17,659,233.84
Engineer's Estimate (Labor Only)	\$6,620,000.00

Management recommended awarding the contract to the lowest responsive bidder, Two Brothers Utilities, LLC of Shelby, NC for the amount of \$6,329,610.00. Since this project is partially funded by an ARPA/SCIIP grant the award of contract will be contingent upon approval of the contract documents by the South Carolina Rural Infrastructure Authority.

Kevin Smith provided the Commission with an overview of the Receipt of Bids – Union Street Waterline Improvements agenda item, noting that this project was rebid due to no response to the original bid. This bid drew in five bids. Since this project is partially funded by an ARPA/SCIIP grant the award of contract will be contingent upon approval of the contract documents by the South Carolina Rural Infrastructure Authority.

Mr. Littlejohn moved and Ms. Viney seconded the motion to approve management's recommendation to award the contract to the lowest responsive bidder, Two Brothers Utilities, LLC. The motion passed unanimously.

**13. 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 January 26, 2023.

**A. Outside City Private Fire Service Agreements**

**(1) 861 Double Bridge Road FS**

861 Double Bridge Road, LLC located at 861 Double Bridge Road in Boiling Springs, wishes to connect a 6-inch water line to the Commission's 8-inch water line along Double Bridge Road to serve a private fire protection system for the proposed McAlister's Deli/Blaze Pizza restaurants. 861 Double Bridge Road, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$223.16

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**B. Inside City Water Main Extension Agreements**

**(1) Project Core ERP 4A Ballpark**

Morgan & Henry JOF ESA II, LLC is developing Project Core ERP 4A Ballpark located off South Daniel Morgan Avenue. This development will consist of one commercial lot, approximately 1,315 linear feet of 6-inch water main, and one hydrant. The developer will bear all costs.

**C. Outside City Water Main Extension Agreements**

**(1) Landmark Commons**

Holly Drive Properties, Inc., is developing Landmark Commons located off Springfield Road. This development will consist of 100 residential lots, approximately 1,660 linear feet of 6-inch water main; 700 linear feet of 4-inch water main; 420 linear feet of 2-inch water main; and two hydrants. The developer will bear all costs.

**(2) Mahaffey Place Townhomes**

Hayne Development, LLC is developing Mahaffey Place Townhomes located off Hayne Street in Spartanburg. This development will consist of 87 residential lots, approximately 1,433 linear feet of 6-inch water main; 193 linear feet of 4-inch water main, and four hydrants. The developer will bear all costs.

**(3) Tanner Estates**

Ray and Sons Investments, LLC is developing Tanner Estates located off Upper Beaver Creek Drive and East Blackstock Road. This development will consist of 6 residential lots, approximately 83 linear feet of 6-inch water main; 82 linear feet of 4-inch water main; and one hydrant. The developer will bear all costs.

**D. Encroachment Agreements**

All paperwork, surveys, etc., have been completed and the encroachment agreement has been recorded.

- (1) Mark Albert Huff and Julie R. Huff**, dwelling encroachment on Lake Bowen.

**14. PERMITS ISSUED AT THE RESERVOIR**

***Applications have been submitted and all fees have been paid on the following Lake Permits associated with new construction and replacement.***

**LAKE BOWEN RESERVOIR**

- (1) Jessica Danielle Floyd and Jennifer F. Belue**, desires to construct a boat lift.
- (2) William and Christine Hildebrandt**, desires to construct personal watercraft lift.
- (3) Matthew Jett**, desires to replace a dock.

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- (4) **Thornwood LLC (James M. Dunbar)**, desires to replace a dock.
- (5) **Amy E. Martin**, desires to replace a dock.
- (6) **Richard D. Street Jr.**, desires to replace a dock.
- (7) **William Stephen Wilkins, Jr. and Ashley C. Wilkins**, desires to replace a dock.

**LAKE BLALOCK RESERVOIR**

- (1) **Gregory A. Bumgarner and Rebecca A. Bumgarner**, desire to construct a dock permit and hard pathway.
- (2) **David A and Susan R Dunn**, desire to replace a dock.
- (3) **Nikolay Pilat and Natalya Pilat**, desire to construct a dock permit and hard pathway.

**MUNICIPAL RESERVOIR 1**

**NONE**

***Applications have been submitted and all fees have been paid on the following Lake Agreements, associated with acknowledgement of ownership.***

**LAKE BOWEN RESERVOIR**

- (1) **Philip L. Chapman and Sandra Katherine Beall Chapman**, dock replacement, hard pathway, and shoreline stabilization.
- (2) **Laura W. Gordon**, dock replacement, boat lift, hard pathway, and shoreline stabilization.
- (3) **Michael T. Hill and Peggy R. Hill**, dock replacement, boat lift, hard pathway, and shoreline stabilization.
- (4) **Gary P. Painter and Janice V. Painter, Timothy Jackson**, dock replacement, boat lift, hard pathway, and shoreline stabilization.

**LAKE BLALOCK RESERVOIR**

**NONE**

**MUNICIPAL RESERVOIR 1**

**NONE**

**15. CHIEF EXECUTIVE OFFICE REPORT**

- A. Mr. Boyle noted that the Spartanburg County 911 Tower that is on leased Spartanburg Water property actually looks good and there has been no negative feedback.



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- B.** Mr. Boyle stated that management is looking into an opportunity to partner with the SC Land Bank within the Spartanburg Water watershed. Management will report back with the Commission if this opportunity progresses.
- C.** Mr. Boyle reported that he and Rick Jolley are working with Cherry Street Energy regarding solar opportunities.
- D.** Mr. Boyle stated that the Pacolet River Float was a success, noting that Spartanburg Water partnered with them to assure proper water flow.
- E.** Mr. Boyle shared that algae was brought to the surface due to storm waters from Hurricane Helene. Jon Morgan stated that algae accumulated on the lakeside of the Blalock Dam and was also present in Reservoir 1. Rick Jolley stated the algae was tested and is typical in nature and not harmful.

**16. REFERRALS**

Mr. Boyle informed the Commission of referrals that will be on the upcoming agenda in October. The Finance Department will have a Server Room AC Unit Replacement bid, ICWD Easement Agreement, and possibly an agreement with Gaffney. The Operations Department will have In-line Free Chlorine and PH Analyzers, Flow-Cam replacement, and Diffused Aeration system rehab. The Engineering Department will have Professional Services – Hydraulic Water Model Analysis and Evaluation, Participation Project – Jordan Creek Farm Road, and Summary Change Order – Otis Blvd Waterline Improvements.

**17. ADJOURNMENT**

Meeting adjourned at 3:52 p.m.

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Camlyn M. Cole  
Secretary-Treasurer

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