

## MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 299 N. Church Street, Spartanburg, SC, September 24, 2019, at 3:30 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.

Mr. Montgomery called the meeting to order and asked to observe a moment of silence in memory of Myles W. Whitlock, Jr., who recently passed. Mr. Whitlock served as a Commissioner of Public Works for 24 years. Mr. Whitlock was a public servant of the community, serving on many Boards, as well as serving our Country through the military.

**1. APPROVAL OF MINUTES OF EXECUTIVE MEETING OF AUGUST 26, 2019, REGULAR MEETING OF AUGUST 27, 2019, AND EXECUTIVE MEETING OF SEPTEMBER 6, 2019**

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

**2. PARTNERSHIP FOR SAFE WATER AWARDS**

The Partnership for Safe Water recently notified Spartanburg Water System that the R.B. Simms and Landrum WTF's received the Partnership for Safe Drinking Water Directors Award for continually meeting the Phase III program requirements for 2018.

The Spartanburg Water System R.B. Simms Water Treatment Facility has received the Partnership for Safe Water Director's Award for eighteen consecutive years and the Landrum Plant has received the Partnership for Safe Water Director's Award for thirteen consecutive years.

The Partnership for Safe Water is an unprecedented alliance of six prestigious drinking water organizations: American Water Works Association, the Environmental Protection Agency, the Association of State Drinking Water Administrators, the Association of Metropolitan Water Agencies, National Association of Water Companies, and the Water Research Foundation.

The Partnership's Mission is to improve the quality of water delivered to consumers by optimizing water system operations. The commitment to delivering superior quality drinking water to customers, even beyond regulatory requirements. The Partnership celebrates utility accomplishments

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

with awards and recognition that honor efforts in continuously optimizing treatment plant and distribution system operation and performance.

Ken Tuck reviewed the requirements for achieving the Partnership for Safe Water awards. The R.B. Simms facility was recognized as having met the requirements of the Directors Award for the eighteenth consecutive year and the Landrum facility was recognized as having met the requirements of the Directors Award for the thirteenth consecutive year, these are longevity milestones that requires all staff members to achieve. Management is very proud of achieving these awards.

The Commission congratulated management and staff on this achievement.

### **3. MONTHLY FINANCIAL REPORT**

Newt Pressley presented a financial summary of SWS expenditures and revenues for the two-month period ending August 30, 2019. An explanation was provided for the favorable and unfavorable budget variances.

Mr. Pressley provided a financial overview of Spartanburg Water System.

Mr. Pressley noted that SWS has been recognized in recent years with improved bond ratings. The bond rating is a key measure of a public utility's financial strength, and reflects its ability to pay a bond's debt service in a timely manner. SWS was recently upgraded to AA by Standard and Poor's (S&P) in July 2017 and Aa2 by Moody's in March 2019, based on improving bond coverage ratios and liquidity, as well as strong financial management.

S&P and Moody's are considered two of the three big credit rating agencies. Fitch is the third. S&P and Moody's issue credit ratings for the debt of public and private companies, and other public borrowers such as governmental entities and are considered the authority for evaluating the financial health of Water/Sewer utilities. An entity rated AA has very strong capacity to meet its financial commitments.

According to S&P and Moody's, our higher bond ratings resulted from the following credit strengths: multiple years of strong financial results, strong bond coverage ratios, strong liquidity, strong financial management, commitment to adequate water rates to maintain healthy operations, and a strong and deep growing service area economy. One good financial year is not sufficient, you have to show a positive trend over multiple years. These were not our comments, but rather comments by the rating agencies.

Mr. Pressley stated that SWS achieved these higher bond ratings through best practices. SWS pays close attention to outstanding debt and interest rates on the market, and takes advantage of any opportunity to refinance to achieve savings. The Commission has made a strategic move to go toward pay as you go funding. SWS does this through the depreciation fund, distribution rehab fund, capital fund, and a meter technology fund. This is a very effective strategy for the long-term financial health of SWS.

Other best practices include long-term financial planning, financial policies and procedures, a proactive rehab program for aging infrastructure, and a

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

financial reporting program in which SWS has received the Certificate of Achievement by Government Finance Officers Association since FY 2003.

Mr. Pressley noted that SWS has had financial challenges. Some of those main challenges include aging infrastructure, increased water treatment costs, and the wholesale contracts transition. SWS has re-signed five out of seven wholesale customers.

Mr. Pressley stated that the long-term bond debt for SWS as of June 30, 2019 is \$166.4 million. SWS has no new debt planned for the next five years and this number is trending down.

Financing for certain key projects have contributed to outstanding debt. Over the last 10 years, SWS's bond financed projects have focused on two primary objectives: the upgrade of aging infrastructure and facilities, and the update of facilities to address water quality challenges.

\$40.2 million upgrade of the Simms water treatment plant  
\$15.0 million for distribution system improvements  
\$41.8 million for water quality improvements (certain projects in process)

These represent necessary projects to improve and maintain the assets of SWS. SWS is a utility with aging infrastructure, and management is addressing that reality and planning for the future at the same time.

Mr. Pressley shared SWS's five-year financial highlights. The two largest increases were labor costs and water treatment costs. Water treatment cost increased over a million dollars due to continuing water quality challenges, and included treatment processes, chemicals, and monitoring. Labor costs included the State Retirement System mandatory employer contribution rate increases, and new programs. SWS went to monthly billing in February 2018 and this program required 13 new employees. The Construction Department was also expanded to include nine new employees. SWS determined that it is more cost effective to complete rehab projects with in-house staff rather than using outside contractors. During this timeframe the average approved merit pay increases were 2.5% to 3.0%. These merit increases are in-line with other agencies during this time.

Mr. Pressley spoke about the new monthly billing program. This program change reflects our continued commitment to customer service and is consistent with industry best practices. Monthly billing provides several benefits to our customers: more efficient household budgeting, timely water usage information, and detect possible leaks more quickly. The Customer Service department's average call response time is 27 seconds, based on 9,500 calls per month. Customer Center satisfaction survey's completed by an outside vendor, has a 98% customer satisfaction rate. The after-hours response rate is less than 30 minutes.

Mr. Pressley reviewed the Distribution System Rehab Program. SWS has over 1,305 miles of pipe in the system. The age and type of pipe creates different types of challenges. The age of the pipe is: 0-20 Years = 30%, 20-50 Years = 29%, 50-100 Years = 29%, 100 + Years = 12%. Our

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

proactive in-house rehab program continues to make progress with our aging infrastructure.

The refunding of debt to achieve savings is on our list of financial best practices. This best practice achieves lower interest rates and reduces annual debt service. Mr. Pressley discussed financial management initiatives and noted that SWS completed two transactions during 2017: 2017A Refunding Bonds (present value savings of \$9,755,514) and 2017B Refunding and Improvement Bonds (present value savings of \$5,168,812) for a total of Total Present Value savings of \$14,924,326. The total cash flow savings is approximately \$26.8 million. This is a huge benefit to SWS and to its customers to save these funds over future years.

Mr. Pressley reviewed Historical Annual Debt Service Coverage. Debt service coverage has ranged from 1.57x – 1.86x over the past five years with coverage in FY 2018 reaching a high of 1.86x. Over the last three fiscal years (FY 2016-2018), debt service coverage has averaged 1.80x. The System's bond covenant requires coverage of at least 1.10x, the System has a policy to maintain minimum debt service coverage of 1.40x. The bond coverage ratio is considered to be the most critical financial attribute for water/sewer utilities. The coverage statistics are derived directly from the CAFR (annual audit report) and are independently calculated by the outside auditor.

Mr. Pressley summarized in conclusion that while SWS has had challenges, which includes an aging system, SWS has still achieved strong bond coverage, strong liquidity, and a strong financial position. As a result, Spartanburg Water has been recognized by both Moody's and Standard and Poor's with higher bond ratings, based on financial performance.

The above was provided as information.

**4. 2020 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 drug plan coverage. The plan renews in January 2020. Spartanburg Water pays 85% of the cost of the supplemental insurance for retirees and they contribute 15% as shown below. The 2020 monthly rate will increase from \$363.70 to \$382.74, which is an increase of 5.2%.

Management recommended staying with United American as the provider of over 65 retiree Medicare supplemental benefits effective January 1, 2020. The approximate net cost for each company is \$144,446.08 (SWS) and \$70,271.06 (SSSD) based on the number of retirees for each company.

Mr. Littlejohn moved and Ms. Viney seconded them motion to ratify the action taken in the SSSD meeting to approve management's recommendation to stay with United American as the provider of over 65 retiree Medicare supplemental benefits effective January 1, 2020. The motion passed unanimously.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

**5. 2020 HEALTH INSURANCE CONSULTANT/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 & 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 2020 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 \$22,500 for SWS and \$7,500 for SSSD.

Based on discussion and a motion made in the SSSD meeting, management will look further into this information and bring it back before the Commission at the October meeting.

**6. WATER QUALITY REPORT**

Charlie Logue, Special Projects Manager, provided an update on water quality. Mr. Logue stated during the months of August and September: Geosmin values range from 3.5 – 7.8 parts-per-trillion and MIB values range from 8.2 - 57 parts-per-trillion in the raw water sampling taken at the intake structure.

The current levels of taste-and-odor compounds were beyond our ability to manage through our current treatment process as MIB levels were as high as 24 parts-per-trillion at the point-of-entry into the distribution system. MIB exceeding 15 parts-per-trillion can be detected by the average person. SWS has received 25 taste and odor complaints since September 18.

Mr. Logue shared photos of aquatic nuisance clarifying recent news publication stating that these were algae. These aquatic nuisance are vegetation called Bladderwort. SWS has been stocking sterile grass carp fish in the reservoirs to control this nuisance aquatic vegetation.

Mr. Logue introduced Dr. Erik Rosenfeldt, PhD., Director of Drinking Water Process Technologies with Hazen & Sawyer located in Virginia.

Dr. Rosenfeldt provided an overview of where SWS is to date with water quality regarding taste and odor. In August, monitoring indicated a shift from Geosmin producing blue-green algae to MIB producing blue-green algae. Staff modified drinking water treatment process to use a different type of Powder Activated Carbon (PAC), which has proven more effective for MIB removal. Between August 26 and September 9, MIB in raw water increased

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

from 12 ng/L to 42 ng/L and finished water entering the distribution system increased from 8 ng/L to 16 ng/L. SWS contracted with licensed commercial applicators to apply precise doses of hydrogen-peroxide based algaecide to Municipal Reservoir #1 on September 18-20. Additional monitoring indicated high levels of MIB in Lake Bowen Reservoir and licensed commercial applicators started applying precise doses of hydrogen-peroxide based algaecide to Lake Bowen Reservoir on September 23.

Dr. Rosenfeldt provided an overview of the previous taste and odor episodes, including maps for the prescription applications and the proactive monitoring that takes place to prevent taste and odor episodes. Only affected areas were treated, not the entire Reservoir.

Dr. Rosenfeldt discussed the current drought conditions in the state that contribute to these episodes.

The above was provided as information to the Commission.

## **7. REPORT ON DRINKING WATER RESERVOIRS**

Sue Schneider provided an update on activities within the drinking water reservoirs. Ms. Schneider noted that Land Permits continue to increase and there have been 916 land permits issued.

Ms. Schneider stated that the SWS reservoirs date back to 1926, 1959 and 1982 and that staff has prepared a combined draft of watershed and reservoir rules and regulations for the property SWS owns around the reservoirs and their tributaries, and has provided a public comment period from August 1-30 and asked stakeholders for comment. SWS has received a number of comments and staff is compiling those for review. Management will bring those back to the Commission at a later meeting.

Ms. Schneider reviewed the Press Pause Program. This program was designed from the comments received at the Listening Sessions with Lake Bowen residents in 2018. It is designed to allow all existing improvements, semi-permanent and permanent structures already below the 827' MSL to remain in place if the adjoining property owner participates in the Press Pause Program. Some adjacent property owners may assume that permits and authorizations are in place – if they don't know for sure, then this is the time to set the baseline. It is a limited one time period for 14 months to work with SWS staff and establish a baseline for each adjoining property that participates – October 1, 2018 through December 1, 2019.

Adjoining property owners who participate can have confidence that their investments are recognized, appreciated and secured for the future.

Adjoining property owners can participate by: Email Notification: [presspause@spartanburgwater.org](mailto:presspause@spartanburgwater.org), Voice Mailbox: 864.580.2095, Register Online at: [www.spartanburgwater.org/OurLakes/PressPause/](http://www.spartanburgwater.org/OurLakes/PressPause/) and click the online link or stop by the Lake Bowen Warden's Office and complete a form. Adjoining property owners at Lake Bowen who have not signed up to participate will receive further reminders through letters, the Healthy Lakes Newsletter and Lake Alerts. The current Healthy Lakes Newsletter was mailed last week.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

The above was provided as information to the Commission.

**8. VARIANCE REQUEST – 120 WALL COURT**

The adjoining property owner at 120 Wall Court is requesting a variance of the Standard Specifications for a marine structure regarding the 14' minimum set back requirement from a side lot property line.

Several of the houses on Wall Court are oriented perpendicular to the shoreline of the lake but the property lines are parallel with Compton Bridge Road. This orientation results in the docks being aligned directly in front of the home, yet not within the extended side lot property lines of the actual property boundaries.

The properties on each side of 120 Wall Court have current structures/docks and the location of the structures do not create a safety concern because they have similar structure orientations on those lots.

The specific variance request is to only replace an existing 12' x 18' floating dock and to maintain the existing walkway in the current location. Management has reviewed the request for variance, evaluated the site and have no objections to the variance as described above.

Charlie Logue reviewed the requested variance of the Standard Specifications for a marine structure regarding the 14' minimum set back requirement from a side lot property line for 120 Wall Court.

Ms. Viney moved and Mr. Littlejohn seconded the motion to approve the variance request for 120 Wall Court. The motion passed unanimously.

**9. EMERGENCY PROCUREMENT – DAMAGED 16" WATER MAIN ON VINTAGE DRIVE**

On September 4, 2019, at approximately 1:00 AM on-call emergency response staff received a call from the answering service stating a boring contractor had hit and damaged a water line near the intersection of Dewberry Road and Vintage Drive. (This is an area located within the I-85 construction zone in Spartanburg County.)

Upon arrival, staff discovered that the contractor had hit and damaged the 16" water main where the line crosses under I-85 and the frontage road also known as Vintage Drive.

Due to the location of the damage and the volume of water loss an emergency shut-down would be required to make the repairs. This 16" water main serves as the supply line for the Cowpens service area, Goucher Water Company (SWS wholesale customer), and Auriga Polymers (a large industrial customer).

To eliminate disruption of service to the areas listed above, the decision was made to request an Emergency Procurement to contract the installation of a 16" Hydra Stop Valve and install the valve in a location that would minimize disruption of water service.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

Staff contacted Garrison Enterprise, Inc., in Charlotte, North Carolina. Garrison Enterprise, Inc., had a 16" valve in stock and could respond/mobilize immediately. Staff prepared the excavation for installation and the location selected for the installation of the valve limited the total number of services that would be disrupted to five customers.

The 16" Hydra Stop Valve installation was complete at 5:00 PM and the 16" water main was repaired and placed back into service at approximately 7:00 PM. (Water service was not disrupted for Cowpens, Goucher, or Auriga Polymers.)

The total cost associated with the request for Emergency Procurement and the installation of the 16" Hydra Stop Valve is \$24,500.

Ms. Schneider briefed the Commission on the emergency procurement for the damaged 16" water main. This main services a large industrial customer, Cowpens, and Goucher. This work was completed without water service being disrupted for either of them.

The above was provided as information to the Commission.

**10. 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 March 28, 1989.

**A. Inside City Private Fire Service Agreement**

**(1) Panera Bread FS**

Panera Bread located at 1811 East Main Street in Spartanburg, SC, wishes to connect a 4-inch water line to the Commission's 12-inch water main along Fernwood Glendale Road to serve a private fire protection system for the above-mentioned restaurant. Spirit EK Spartanburg Main SC, LLC. wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$148.76

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

**(1) Chesterfield Subdivision**

Holly Drive Properties, Inc., is developing Chesterfield Subdivision off Seay Road. This development will consist of 36 residential lots, approximately 80 LF of 6-inch water main, 760 LF of 4-inch water main, and one hydrant. The developer will bear all costs.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

**C. Lake Agreements**

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

- (1) **William D. Ritchie** desires to construct a dock and hard pathway on Lake Blalock.
- (2) **Judy W. Elliott** desires to construct a dock and two hard pathways on Lake Blalock.
- (3) **Christopher Wall and Sherry Wall** desire to construct a dock on Lake Blalock.
- (4) **John R. Williams, Jr. and Terri H. Williams** desire to construct a dock on Lake Bowen.
- (5) **Randall A. and Patricia S. Collins** desire to construct a personal watercraft lift on Lake Bowen.
- (6) **Frank Joachim Schmitt** desires to construct a boat lift on Lake Bowen.
- (7) **Larry J. Weaver and Miriam M. Weaver** desire to replace a dock on Lake Bowen.
- (8) **James R. Kibler and Nancy E. Kibler** desire to replace a dock on Lake Blalock.

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

- (1) **Jaclynn L. Colburn, as Trustee of the Jaclynn L. Colburn Revocable Trust dated December 30, 2011**, hard pathway and personal watercraft lift on Lake Bowen.
- (2) **Christopher D. Wert and Tracey W. Wert**, dock, boat lift, personal watercraft lift, hard pathway, boat ramp, and shoreline stabilization on Lake Bowen.
- (3) **Stephen Douglas Noblin and Wanda Clack Noblin**, hard pathway, boat lift, dock, and shoreline stabilization on Lake Bowen.
- (4) **Sheila Harvey Chapman**, hard pathway and shoreline stabilization on Lake Bowen.
- (5) **Michael E. Turner**, hard pathway and shoreline stabilization on Lake Bowen.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

- (6) **Darren L. Powell and Anita O. Powell**, boat ramp and shoreline stabilization on Lake Bowen.
- (7) **Larry M. Wright and Katherin H. Wright**, hard pathway on Lake Bowen.
- (8) **Ernest N. Mistr and Betty G. Mistr**, boat lift on Lake Bowen.
- (9) **William Stephen Wilkins, Jr. and Ashley C. Wilkins**, two boat lifts, boat ramp, hard pathway, and shoreline stabilization on Lake Bowen.
- (10) **Sarah M. Long**, boat lift, personal watercraft lift, dock, and shoreline stabilization on Lake Bowen.
- (11) **Tina Michelle Parris**, hard cart path and dock on Lake Blalock.

**11. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS**

Ms. Schneider noted that the next Commission meeting date was previously changed and will be held on Wednesday, October 30.

**12. PUBLIC COMMENT**

Mr. Montgomery shared a statement with the attendees prior to the Public Comment agenda item.

More than 40 people have asked to speak during the public comment portion of this meeting. Most own property adjacent to Lake Bowen, Lake Blalock, or Reservoir #1.

As adjacent lake property owners, they are required to comply with the rules and regulations set forth by Spartanburg Water System to protect the water sources that serve more than 200,000 customers. Yet many of them are not in compliance.

For months, they have been harsh critics of Spartanburg Water System. At a variety of forums, including at the recent City Council meeting and the August Water Commission meeting, they have criticized our CEO, our board, our policies, and our financial performance.

The fact is, all anyone at Spartanburg Water System is trying to do is get adjacent property owners in compliance the rules and regulations that protects water quality and lake recreation.

For those not wanting to comply, I guess any of us can be seen as an enemy, as we work with them to comply.

In attacking our performance and leadership, this group of disgruntled lake property owners has told many lies or half-truths. We are here today to help set the record straight. But first, let's put this group of citizens into proper perspective.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

There are roughly 1,700 adjacent property owners along our source lakes, some of whom are Spartanburg Water customers and some who are not. The lake residents represent less than 1% of the Spartanburg Water customer base. While we want to hear their concerns, and will work with them personally to help address them, we are not going to base policy decisions on the lifestyle desires of less than 1% of those served. That would be extremely unfair to the other 99 percent of our customers. The water system began stepping up enforcement nearly two years ago, due to rapid real estate development near the lakes, in an effort to maintain water quality and recreational use.

You will hear it said today that Spartanburg Water has drafted 84 pages of new rules and regulations for the adjacent property owners to adhere to, and that the rules and regulations infringe upon their rights to access the waterways. That is simply not true, almost all of the rules and regulations have been in place for decades.

There was loud response from the crowd. Mr. Montgomery stated excuse me folks we are going to have order in this meeting or we are going to adjourn.

Mr. Montgomery continued, stating all Spartanburg Water did was provide them in summary form. It takes that many pages to clearly define property owner compliance guidelines and expectations, and the actions associated with non-compliance. As mentioned in the past Commission meeting, and in a recent press release, Spartanburg Water has received feedback on these draft rules and regulations and will be working with staff and individuals to ensure the rules are fair and balanced.

They also claim that the rules and regulations have little or nothing to do with ensuring quality drinking water, and that somehow they, and not our on-staff experts, know what is best for the protection of our drinking water sources.

Let's be clear. Spartanburg Water owns the buffer zone around all three source lakes. Anyone that wants access to the lakes from their adjacent property must go through property owned by Spartanburg Water. There is no God-given right to access the lake property, or to do things to Spartanburg Water's property, such as cutting down trees, re-grading Spartanburg Water property, cutting down or clearing native brush that helps filter rain run-off. Some of these activities can be allowed and are allowed, but only by going through the proper approval channels.

One speaker at a recent meeting made this statement: "In many cases, the SWS buffer goes into people's yards, and in some cases into their homes." The only reason such a situation would exist, is if homeowners built their home or outdoor fixtures on property already owned by Spartanburg Water. It's that simple.

Let's also be clear that every one of the rules and regulations is about protecting water quality and affordability. For example, when the number or size of docks is limited, it has to do with controlling the amount of oil and gas released into the water by boaters. When we restrict property owners

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

from mowing or placing permanent structures in the buffer area, it is to maximize the filtration of contaminants.

I also want to take a few minutes to address a comment made by a speaker at the City Council meeting, that "Spartanburg Water is a half billion dollars in debt." As you can see from the presentation Newt gave earlier, that is not even close to being true. Actual outstanding bond debt as of June 30 was approximately 166 million dollars, and that is not out of line with the debt carried by other water utilities of similar size. Several critics have painted a picture of poor financial decision-making and poor financial health by Spartanburg Water. Again, this is not true. In fact, the water system has won numerous recent awards for having a strong financial foundation. And Moody's has just increased the Spartanburg Water bond rating to Double A. Don't believe it when those with a selfish interest in disparaging Spartanburg Water tell lies to make the utility sound like it has financial management issues. Of course there are financial challenges, as with all businesses. But Spartanburg Water has a solid financial foundation and our customers are reaping the benefits.

There are two other recent comments made by disgruntled lake property owners that I would like to address today. The first is that adjacent lake property owners are taxed to the water line instead of the 827 line. That is simply not true. And if it were true, the County, and not Spartanburg Water, would be responsible for addressing this matter. The other is they don't think it's fair that County water customers like them pay more than City customers, yet they have no representation on the Commission of Public Works. The answer is simple. The people of the City of Spartanburg, not Spartanburg County, own the water system, and the owners of the system receive a rate break. This is consistent with many water utilities around the state. Out-of-city residents are customers, not owners. They cannot run for City Council or the Water Commission, and their taxes are not involved in the day-to-day management of our water resources.

As mentioned before, the Commission of Public Works is committed to the Spartanburg community and will continue to strive to provide safe, quality drinking to its 200,000 customers.

It is my hope we can move beyond individual attacks on the Commission and the dedicated staff of Spartanburg Water and get back to business as usual. We will continue to work with individual property owners on property and shoreline issues and hope to find a positive resolution in the weeks ahead.

Mr. Montgomery stated that the Public Comment period will be opened. This is a meeting to conduct the business of the Commission of Public Works of the City of Spartanburg. This is a public meeting and all are invited to attend and observe. The Public Comment portion of this meeting is a forum for bringing information to the Commission for their consideration. The Public Comment portion for today is going to be for 45 minutes. Each speaker called will have two minutes to speak. If you have submitted a Citizen Appearance Form and are not called during this time set aside for public comment you are welcome to attend the October meeting and speak. Given the amount of speakers who wish to be heard, you will need to be respectful during this process. You are requested to sit quietly and to refrain

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

from outbursts of any kind, which includes no clapping, or calling out or being disruptive. If you are present for this meeting and you can not control yourself, you will need to exit this meeting. I want to remind you that the opportunity to address the Commission is not a forum for personal attacks or calling out any particular individual. This is forum for you to bring additional information to the Commission for their consideration. I hope everyone is clear on these expectations. Now we will open the public comment portion of the meeting. Gene Jackson, Capital Projects Officer will coordinate the public comment process.

Mr. Jackson opened the Public Comment period and requested that each person speaking state their full name and address before making comments. Mr. Jackson also noted that he is the timekeeper and when the commenter hears the timer, please wrap up their comments.

Mr. Jackson called Mella Griggs to the podium. Mella Griggs of 518 Lakewinds Boulevard stated that in June of 2015 city and county residents began complaining about the taste and odor of the water throughout the water system. Residents were told it was due to increased algae and SWS was working to control it. It was said that the algae bloom was created by negligence and mismanagement because the lake level wasn't lowered in the winter months as not to interfere with the Chairman's duck hunting. SWS sprayed toxic chemicals into our drinking water to kill the algae. We have it under authority that this decision was made by the CEO, as a result what followed was the largest fish kill in the history of South Carolina with over 200,000 killed.

Mr. Jackson called Rita Varner to the podium. Rita Varner of 110 Amber Drive stated that SWS participated in a cover up of the fish kill. Only when a concerned lakefront homeowner contacted SCDNR was the mistake documented. SCDNR said it took several requests to get SWS to stop burying the dead fish. If the chemicals killed the fish just imagine what harm it caused to other living things, including humans. As a matter of public record SWS paid SCDNR \$100,000 and the 200,000 fish were restocked. Ms. Varner stated that trees can't be cleared below the 827 line. No one wants lake view with the taxes they are having to pay. We are all concerned with water quality, and would like to have a good relationship with SWS to negotiate these important concerns.

Mr. Jackson called Steve Bruce to the podium. Steve Bruce of 415 Watercrest Court, stated he has been a property owner for over 20 years and the fact that we have invested our resources and live our lives around these lakes, should be indicators to you that we are supporters to keep our waters safe and clean. We simply want to protect our investments and the lifestyle we live. We understand that the development around the lake is potential detriments to clean water. The question is since SWS can not control the development around the lakes, how do we develop systems and processes to control pollution that flows into the lakes. Many property owners feel that management thinks the main issue with water quality is lakefront property owners. We disagree with your assessment. You have over 1,700 homeowners around the lakes, and we are not your enemies. We believe that you have no regard for the impact your actions are having on our lives. We could be your biggest allies and your most important asset

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

with the right leadership. I have read that management considers themselves leaders. I learned a long time ago that you can not lead people if they will not follow. We should not confuse authority and power with leadership. I respectfully suggest that SWS management and Commission change their course of action and work harmoniously with lakefront property owners to solve these issues.

Mr. Jackson called Josh Pruitt to the podium. Josh Pruitt of 267 Dancing Water Drive stated he lives on Lake Blalock and is a teacher, a Marine Corp Veteran, a Dad, a lot of things, but he is not an elite homeowner that lives on the lake. He wants what is best for Lake Blalock and the water for Spartanburg County. Lakes unprotected by sea walls or stone allow roots of trees to be exposed weakening the earth around them allowing them to fall into the lakes. Lakefront homeowners are not allowed to remove these trees, even when they wish to do so at their own expense. How can it be the homeowners causing the water quality issues as you have been quoted by media saying, when we have been forced by SWS rules to not remove these fallen trees. Roadway run off, development, and unmanaged shorelines have caused many areas around the lake to become as much as five feet more shallow than they were 10 years ago. SWS needs to be working with Spartanburg Transportation to ensure not only are they managing water run off but also that they are not spraying Round Up and Cross Bow, which has known cancer causing chemicals around the bridges that water runs over and down and then crosses into the lakes.

Mr. Jackson called Jeff Bridges to the podium. Jeff Bridges of 1325 Fish Camp Road, stated he does not live on either lake, but his friends and family do. SWS doesn't work with area farmers to protect our water. Farm animals, cows, etc., have been allowed to graze in the creeks and streams that fill our lakes. Why don't the farmers pump water to a retaining pond to allow the cattle to drink and wade in and keep the cattle out of the lake. Why is SWS not making their water testing results public. How do the test results differ from lake to lake and various locations on each lake. We the lake owners maintain that manicured lawns and those with seawalls will shows lower contaminant levels than those with natural shorelines. As an example Reservoir #1 and Lake Whelchel in Gaffney both have natural shorelines yet have experienced major algae blooms in recent years. These bodies of water have fallen and rotting trees, silt from road runoff, and waste from farm animals and large birds, which all contribute to an algae problem.

Mr. Jackson called Ann Rogers to the podium. Ann Rogers of 184 Oliver Drive stated she understands about water quality. She raises Koi and has three Koi ponds ranging from four to six foot deep and to keep Koi alive you must have clean good quality water. The water in her cove has gone down from six feet to two feet deep in the last eight years. The trash that runs down from Highway 11 is unreal and she is constantly cleaning it up. Per the South Pacolet River Watershed Based Plan for Nutrient Load Reduction in Lake Bowen and Municipal Reservoir #1, the estimated existing Total Nitrogen, based on monitoring results, is nearly the same as was estimated by the United States Geological Survey in 1976, while the loading of Total Phosphorus has increased nearly threefold since 1976. An observed increase in nitrates over time could be attributed to untreated animal waste

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

entering the lakes. Per the report, pastureland appears to be the largest single contributor of nutrient Total Nitrogen and Total Phosphorus loads within the watershed. A natural, overgrown shoreline will do nothing to help with the algae problem. It is important that SWS and lakefront property owners have a partnership to help keep the lakes healthy.

Mr. Jackson called Roswell Noegel to the podium. Roswell Noegel of 432 Sunward Path stated that earlier in the meeting Dr. Rosenfeldt referred to the chemicals used to treat the algae as relatively safe. He didn't say they are safe, he said they are relatively safe. Relatively safe is not sufficient. For the record, the addition of Sterile Carp into the lake as an eco-friendly method to reduce and eat the algae and the algae blooms was at the suggestion of a homeowner during one of your previous public meetings. It was not an idea that originated within the walls of SWS. The bubbler system, installed in 2017 or 2018, at a cost of \$4 Million into Lake Bowen has either proven to be a mistake or hasn't been maintained because SWS has continued to spray chemicals into the water. This is an expensive monthly endeavor at \$250,000 per month and obviously, it isn't working. We, the public tax paying, water drinking public demand to know what these chemicals are, and why they continue to be applied despite the fact that they are not working. The geese continue to be a major source of water contamination. Why is there not a viable plan to manage the population of geese.

Mr. Jackson called Linda Campbell to the podium. Linda Campbell of 712 Lakewinds Boulevard asked why SWS restricts the trimming of tree limbs. By trimming low tree limbs, sunlight is allowed to reach the ground, so that vegetation can grow which will actually hold back silt and topsoil. SWS has forced homeowners to implement planting plans at the homeowner's expense, but without an expert landscape architect on staff. What will happen, if the proposed rules are adopted, thereby lowering all lake owner's property values by 25% to 40% due to the fact that all lake owner's properties become lake view rather than lake front. We need a clean start, with leadership we can trust, and data we can rely upon regarding the quality of our drinking water. How can we trust that our drinking water is safe when you are applying chemicals in it every month? SWS needs to address the global issues with the homeowners as a group rather than in individual meetings. Why is Woodfin Ridge golf course allowed to spray fertilizer on SWS property when it knowingly washes into our drinking water. We respectfully wish to acknowledge that SWS has not acted in a manner of trust.

Mr. Jackson called Lisa Johnson Gruenthal to the podium. Lisa Johnson Gruenthal of 602 Lakewinds Boulevard stated that she recently moved back to the area, and Lake Bowen was the natural place because of childhood memories. SWS needs to put a plan in place to stabilize all bodies of water shorelines to prevent erosion in the lakes, which is damaging them at an alarming rate. Lake Lure requires anyone developing lakefront property to install a seawall or at least rift raft the shoreline, or request an exemption justifying the shoreline does not need protection. There are federal funds available for shoreline protection. SWS should apply for these funds and begin a new program that will save our lakes and increase their longevity. SWS needs to work with lakefront homeowners to find viable solutions to

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

ensure safe and clean drinking water for the citizens of Spartanburg for generations to come. Why has SWS pulled out of the Lake Clean-up Days, currently being performed by lakefront homeowners and community volunteers. Why not do as most utilities, and hold these clean up days on a Friday when SWS Employees can work alongside of volunteers, and the efforts of all involved can be rewarded by a dinner or cookout. Why would you refuse to allow a homeowner to pay for the dredging of the cove near his home. This would not only help to keep the lake clean of debris, but also, the deeper water would be cooler, and allow for less algae growth. Spartanburg City has direct responsibility for the water system.

Mr. Jackson called Kevin LaBelle to the podium. Kevin LaBelle of 433 Fagan Drive stated he is a recent property owner but has boated on Lake Bowen for over 20 years. He has had a good relationship with current and past lake wardens and wants to keep it that way. He thinks one of our big problems is the homeowners don't feel SWS is treating them respectfully. Spartanburg County was recently ranked 6th nationally in industrial growth. The combination of not protecting our water quality, the lakes, and implementing the proposed rules will have a negative impact on the entire community due to the reduction in lakefront home values. The homes around the lakes generate \$10 Million in tax revenue annually. The reduced value of these homes becoming lake view lots will result in a \$5 Million short fall in Spartanburg County's tax revenue. This can only be replenished by increased taxes on the rest of the county or a reduction in services offered by the county. Public schools receive approximately 65% of the county's tax income. SWS needs to follow the same policy as the Spartanburg City and County councils regarding public speakers. They allow speakers to fill out a form up to 30 minutes before a published meeting.

Mr. Jackson called Walter Mueller to the podium. Walter Mueller of 280 Bertha Burns Road stated he has lived on Lake Bowen for 37 years and he has never seen the relationship between SWS and homeowners as bad as it is. The combination of not protecting our water quality and implementing negative rules and regulations on the lake will reduce the value of lake front homes to lake view lots, which will cause a \$5 Million dollar shortfall in Spartanburg County's tax revenue. SWS needs to follow the same policy as Spartanburg City and County regarding public speaking. They allow the speaker to fill out a form 30 minutes before a published meeting. City and County Council makes it easy for citizens to speak at the public comment period at public times and places after normal work hours to ensure easier access to those wishing to attend or speak. SWS speakers must apply via form the Thursday before the meeting to be held on the following Tuesday. Meeting times and places are not well published and are held during normal business hours, which makes it more difficult for people to speak. Making people take time off from work in order to speak at SWS meetings.

Mr. Jackson called Vonna Lawter to the podium. Vonna Lawter of 714 Davis Trading Post Road stated as Board members, you are all elected officials representing the City and County of Spartanburg. SWS is not your private company. We respectfully request an answer to the question of why the lake wardens are the only deputized law enforcement officers in the state, when the SCDNR has agents patrolling without any problems. Why are homeowners subjected to new rules forcing them to obtain engineering

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

drawings costing at least \$1,500 to replace rotting boards on their docks. These rotting boards present a safety and water quality issue when they break and fall into the water, potentially harming not only the water, but boats, and people too. After the rule about engineering drawings was withdrawn, why was the \$1,500 engineering fee only refunded to those homeowners who knew enough to request a refund. Why are no trespassing signs being placed in homeowner's yards without any written or verbal notification of suspected violations by the homeowner. Why would SWS deny any homeowner's access to navigable water ways. This is a right of all citizens of SC. The water is not owned by SWS, it is owned by the people of this state.

Mr. Jackson called Dottie Broyles to the podium. Dottie Broyles of 160 Cabin Road stated she has lived at Lake Bowen for 26 years. Why has SWS revoked the permits of homeowners for doing things such as trimming tree limbs. This should not result in that homeowner's permits for boats, or docks being revoked. Trimming trees is unrelated to having a dock or a boat. SWS should not revoke permits due to fake violations and certainly not due to unwritten and variable violations only to require the homeowner to request a new permit and to shoulder the financial burden of improvements based on these loose and unwritten policies and rules. Why would one homeowner be allowed to create a man-made peninsula on his property that required the lowering of the lake.

Mr. Jackson called Wanda Henderson to the podium. Wanda Henderson of 110 Holden Point Drive stated she was not really prepared to speak. This is not what I had planned to say today, however, I am personally offended by the comments that were made today by Mr. Montgomery. I drink the water from Lake Bowen just like everyone else in Spartanburg. I want to refer to a video that is on the City of Spartanburg's website now dated May 13, 2013, that she wishes everyone would watch. Chris Story, who at that time was the assistant city manager, stated that SWS wanted to reduce an annual payment to the City of Spartanburg from \$1.4 Million to \$1.2 Million dollars. Per the video, the City of Spartanburg has owned Spartanburg Water since 1908. That is why the Spartanburg city residents get a better rate and why SWS has to pay the City of Spartanburg \$1.4 Million dollars annually. Per that video, the water works business is for safe clean water services. The city had about four public meetings, and I don't know how many more and at what cost to the tax payers.

Mr. Jackson called Carole Lister to the podium. Carole Lister of 418 Bub Drive stated first of all, she would like to say she appreciates and wants to applaud the removal of the Land Access Agreement. We appreciate the possibility of SWS working together with homeowners. Why did SWS recently apply for an hydroelectric permit at a cost of over \$200,000, only to discover it was not eligible for these permits. Did the City Council approve this expenditure. How would that help protect our water quality. Why does it sometimes take SWS over a year to approve a dock permit, when we are continually told it only takes 14 days. Permits issued, then subsequently revoked and not refunded is not only not fair, it's an intimidation tactic. What is the true reason behind SWS losing wholesale contracts with ICWD, SJWD, and Woodruff Roebuck Water districts. This has resulted in a loss of revenue to SWS of over \$4 Million annually. Inman,

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

Campobello now has their water supply pumped in from NC and sells it to their customers at a much lower rate than what SWS is charging its customers. We have it on authority that this has caused the shutdown of the Whitlock plant, which at this point would cost tens of millions of dollars to restart. Is City Council aware of this.

Mr. Jackson called Thomas Gruenthal to the podium. Thomas Gruenthal of 602 Lakewinds Boulevard stated what is the purpose of the shell company created by SWS to purchase property. Is it to prevent other wholesale water companies from purchasing that property. Why would SWS purchase over 70 acres of lake front land, which includes a home. Why is this property needed by SWS. Why have the lake wardens been encroaching upon homeowner's docks and boats without the homeowner present, without a warrant, or even the suspicion of wrong doing. This is trespassing on the part of the lake wardens. Why did SWS Spend \$75,000 at the request of the CEO to update/purchase buoys at the Dam on Lake Bowen, when these buoys are neither Coast Guard nor SCDNR approved. We have it on good authority that SCDNR would have provided approved buoys at no cost to SWS if they had only been asked. The EPA has labeled the Pacolet River as polluted. As customers of SWS and tax paying citizens, we respectfully request that you share with the public what you have done to protect our water from its polluted source water. Have you worked with the farmers upstream who allow their livestock to enter the water, and no doubt, defecate in the water. How does having more than one communications director on staff at SWS translate into better water quality. As a small water utility company, only one, at most should be needed. Maybe having more communications directors somehow translates into better management of the geese.

Mr. Jackson called Ben Cummins to the podium. Ben Cummins of 429 Coggins Shore Road stated he agreed with the lady speaking earlier, and was offended by Mr. Montgomery's comments. He would appreciate a leadership mentality from the Commission and doesn't see it. When can those homeowners who were forced into signing the LAA expect all of their deeds to be returned to the former wording that which it was prior to the signing of the LAA, which was recorded in the county court house. Why is SWS using drones to monitor the lakes. Why are the drones encroaching onto homeowner's land beyond the 827. Is SWS maintaining all the proper permits for these drones. When can we expect feedback on the 84 page rules document, in which the comment period expired on August 30. We respectfully request that this Commission expand it's current structure from three City Residents. The majority of SWS customer base resides outside of the City of Spartanburg, and considering that they pay 40% higher rates, they should have representation on the SWS Commission. This should also include a lake front homeowner that lives full time on one of the three reservoirs.

Mr. Jackson called Connie Appier to the podium. Connie Appier of 361 Coggins Shore Road stated why have the wardens said to numerous people, "I have no say about that situation, our CEO is overseeing that situation personally". Why are we being told that the CEO is overseeing one homeowner issue over another. We respectfully request full disclosure on The Milliken Project, and how that relates to Water Quality, and was this

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 24, 2019

done with the full endorsement of the City and County Council. Who really has instructed senior leadership at SWS to stop lowering the lakes in the winter. Was it to benefit one particular individual who sits on the Board, at the risk of jeopardizing the water quality. Why are residents of Reservoir #1 no longer allowed to place permanent seating structures and docks on SWS property. They weren't causing water quality issues before, but why is SWS now saying that it does. Why is SWS forcing lake front owners to sign documents to move the property lines and change their deeds in favor of SWS without compensation to the landowners?

Mr. Jackson called Donald McLaughlin to the podium. Donald McLaughlin of 148 Timberlake Circle stated just for reference I come to speak about the fence erected on Lake Bowen Dam Road. The US Code 300-1 referenced on the signs on that fence, refers to tampering with public systems. Part of the code reads: tampering is defined for purpose of this section to introduce a contaminate into a public water system with the intention of harming persons or to otherwise interfere with the operation of a public water system with the intention of harming persons. We take issue with the ever moving survey pins on some properties, sometimes the same surveyor has performed multiple surveys on the same property, yet the pins have moved by several feet, not inches. SWS is claiming land that was not in the original purchase of the land for Lake Bowen. Any surveys done should be performed by an independent surveyor with no connection to SWS. The lake owners desire a relationship with the wardens such as they had for almost 40 years. That was a relationship of mutual respect and trust. The wardens worked with the landowners, and while we didn't always agree with them, at least they were fair and equitable, and the landowners weren't afraid to bring things to their attention and ask for help. Currently, with the wardens having the same powers as real law enforcement agencies, and answering only to SWS, the landowners have experienced harassment, and the wardens have overstepped their authority. We implore you to make the necessary changes so that the landowners can once again work with the wardens with mutual trust.

Mr. Montgomery said thank you, that concludes our Public Comment period, it has been 45 minutes. For those who signed up and weren't able to speak today, you will be able to at our next meeting.

Meeting adjourned at 5:06 p.m.

---

G. Newton Pressley  
Secretary-Treasurer

## MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Executive Session Meeting, held at 200 Commerce Street, Spartanburg, SC, September 6, 2019, at 8:00 a.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 an executive session 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.

This executive session was held to hear staff reports and obtain legal advice regarding watershed issues.

Mr. Littlejohn moved and Ms. Viney seconded the motion to enter into executive session at 8:00 a.m. The motion passed unanimously.

Mr. Littlejohn moved and Ms. Viney seconded the motion to come out of executive session at 9:05 a.m. The motion passed unanimously.

Mr. Montgomery stated the Commission received legal counsel and no action was taken.

Meeting adjourned at 9:05 a.m.

---

G. Newton Pressley  
Secretary-Treasurer

tbh