

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 301 South Avenue, Spartanburg, SC, September 27, 2016 at 2:15 p.m.

Copies of the agenda were forwarded to the following news media: Spartanburg Herald-Journal, The Spartan Weekly, Greenville News, The Greer Citizen, Hometown News, WSPA-TV 7, WYFF-TV 4, WLOS-TV 13, WHNS Fox Carolina, WORD News Radio, WOLT-FM Radio, Tribune Times, and the Times Examiner.

Commissioners present were Mses. Barnes and Viney and Messrs. Blanton, Littlejohn, Lynch, Montgomery. Mayor White was absent.

The meeting was opened with the following statement:

This is a regular meeting of the Spartanburg Sanitary Sewer District Commission. Written notice of the date, time, and place for this meeting, along with the agenda, has been posted on the bulletin board, and copies mailed to local and nearby news media, at least 24 hours prior to this meeting.

1. PRAYER

Mr. Lynch called the meeting to order and Mr. Pressley opened with a prayer.

2. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 23, 2016

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

3. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SSSD expenditures and revenues for the two-month period ending August 31, 2016. An explanation was provided for the favorable and unfavorable budget variances.

Mr. Pressley informed the Commission that Phase I of renovations at the Administration Building is almost complete. Customer Service will move back to the upper level of the Administration Building by this Saturday; the front entrance will reopen to customers on Monday, October 3, 2016.

The above was provided as information to the Commission.

4. 2017 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 2017, and the renewal rates are shown below.

There has been a 5.0% increase in the Medicare supplement from last year. SilverScripts bought the United American drug card. They proposed increasing the prescription drug plan 61%. As a result, Steinberg and Associates recommends that we change the Prescription plan to Express Scripts which would be a 4.8% increase.

There would be an overall increase of the Medicare Supplement Insurance Plan of 4.9%.

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United American Insurance Company (proposed)	\$162,046.24
United American Insurance Company (2016)	\$154,438.20

Management recommended staying with United American as the provider of over 65 retiree Medicare supplemental benefits and moving the Prescription Drug plan to Express Scripts, effective January 1, 2017. The approximate cost for each company is \$42,989 (SSSD) and \$119,046 (SWS).

Mr. Blanton moved and Ms. Barnes seconded the motion to approve management's recommendation to stay with United American as the provider of over 65 retiree Medicare supplemental benefits and moving the Prescription Drug plan to Express Scripts, effective January 1, 2017. The motion passed unanimously.

5. REPLACEMENT OF VEHICLES AND EQUIPMENT FOR FY 2017

Management has evaluated the SSSD vehicle and equipment fleet for replacement needs for FY 2017. Of the items considered, eleven items have been selected for replacement. All vehicles and equipment selected meet the established depreciation replacement 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 proposed the following replacements for FY 2017:

- BC 41 – 2005 Bobcat Steer Loader
- BHL 19 – 2002 JCB Backhoe
- EJ 01 – 1990 Sewer Extenda Jet
- PGD 07 – 1996 John Deere Portable Generator
- UC 372 – Polaris Ranger Utility Cart
- #504 – 2007 Chevrolet Cargo Van
- #556 – 2008 Chevrolet Cargo Van
- #558 – 2008 Chevrolet Cargo Van
- #720 – 2008 Ford F150 4x4 Pickup Truck
- #753 – 2008 Ford F750 Dump Truck
- #772 – 2009 International VAC CON Combination Truck

Total Budget: \$856,000

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

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

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

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Ms. Schneider advised the Commission that SSSD moved the agenda item for replacement of vehicles and equipment from October to September to negotiate state contract orders earlier and receive vehicles and equipment sooner.

Mr. Blanton asked the amount in the budget for replacement of vehicles and equipment. Ms. Schneider stated \$856,000.

Ms. Barnes asked if the depreciated vehicles would go on GovDeals.com and Ms. Schneider confirmed they would.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve management's recommendation to approve the vehicle and equipment replacement schedule to be funded from the SSSD depreciation fund. The motion passed unanimously.

6. RECLAIMED WATER TREATMENT STORMWATER POLLUTION PREVENTION PLAN (SWPPP) UPDATE PROFESSIONAL SERVICES AGREEMENT

SCDHEC recently issued a draft NPDES (National Pollutant Discharge Elimination System) General Permit for Stormwater Discharges Associated with Industrial Activity. This draft general permit is scheduled to become effective on October 1, 2016. Based on stipulations contained within this draft permit, Wastewater Treatment Plants (WWTP) having a design flow of 1.0 MGD or facilities with a pretreatment program require permit terms coverage. One of the requirements of the permit terms is the preparation or updating of each facility's Stormwater Pollution Prevention Plan (SWPPP).

The requirements of the permit would necessitate updating SWPPPs at the following five SSSD facilities: Page Creek WWTP, South Tyger WWTP, Lower North Tyger WWTP, Cowpens WWTP, and Fairforest WWTP.

During the last SWPPP update, staff utilized the services of the Spartanburg office of S&ME. Professional services for the development of these required Stormwater Pollution Prevention Plans will be funded by operational funds.

Due to their expertise and proven experience in these type plans, management recommended the Commission authorize the approval of a new professional services agreement with S&ME for the development of updated SWPPP's for a cost not to exceed \$15,000.

Mr. Lynch asked if outside professional services were needed to develop these required SWPPPs. Ms. Schneider explained that SCDHEC has certain stipulations and requirements for updating each facility's SWPPP. K.C. Price described the process of monitoring, recording keeping, evaluation, recommending improvements and inspections.

Mr. Blanton asked how often the SWPPPs were renewed. Ms. Schneider stated every five years.

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Mr. Montgomery moved and Ms. Barnes seconded the motion to approve management's recommendation to authorize the approval of a new professional services agreement with S&ME for the development of updated SWPPP's for a cost not to exceed \$15,000. The motion passed unanimously.

7. MARYLAND AVENUE WATERLINE AND SEWERLINE REPLACEMENT

Spartanburg Water staff is replacing 475 feet of deteriorated 8" Concrete Sewer Pipe and 6" Cast-Iron Water Pipe on Maryland Avenue. The lines are located within the roadway of the section of Maryland Avenue between Hillcrest Boulevard and Hillview Street.

These projects were prioritized and expedited to be completed prior to the planned road repaving by the City of Spartanburg. Advancing the schedule for the work will minimize future road cuts and exclude paving costs for the project. Maryland Avenue is closed to through traffic during working hours for the duration of the project. The project began on August 29, 2016, and is expected to be complete by September 30, 2016. Projected budget for the sewer line is \$30,000. Funding will be provided by the collection system rehab funds.

The above was provided as information to the Commission.

8. CRESCENT AVENUE SEWERLINE RELOCATION (SCDOT NEW BRIDGE INSTALLATION)

SCDOT's bridge replacement schedule in the Spartanburg, SC area is proposed to begin in November 2017. Spartanburg Water will have to relocate existing water and sewer lines due to SCDOT's construction of a new bridge on Crescent Avenue over Fairforest Creek. Design and Construction of the sewer line will need to take place before SCDOT demolishes the bridge.

This project was not on the CIP provided during the budget process. Funding will be provided by the capital fund. An agenda item for this relocation project will be provided to Commission after bids are received.

Gene Jackson provided information to the Commission regarding the need to relocate the existing water and sewer lines due to SCDOT's construction of the new bridge.

The above was provided as information to the Commission.

9. INSURANCE CLAIM FOR THE PCB DAMAGE

Ms. Schneider introduced Michael Clardy, Property and Risk Manager.

Mr. Clardy updated the Commission on the status of the mediation, arbitration, filing the lawsuit and the litigation process of the polychlorinated biphenyls (PCB) damage claim.

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Management was beginning to see the results of the first phase of discovery and scheduling depositions for the Insurance Reserve Fund (IRF) staff. Mr. Clardy met with Ann Macon Smith, Director of the IRF, on September 2, one last time to try to settle the claim. The costs were pared from \$2,061,000 to \$1,475,000 to open the discussion. In discussion with the IRF they wanted to settle for the amount of \$500,000. Staff continued to discuss the aspects of coverage and policy and what SSSD had to experience, but the IRF would not change the offer of \$500,000. SSSD rejected the offer and the meeting concluded.

Since that meeting, the Assistant Director of the IRF, Chris Lombard, and the Claims Analyst, Rob Byers, have been deposed. Staff feels the depositions were successful. They have not notified us on their disposition.

The IRF has filed a Motion to Dismiss the lawsuit entirely or for a Summary Judgment stating in the Motion that they cannot be sued, which will be unlikely. This hearing is scheduled for October 5, 2016. Staff received notice on September 26, 2016, that their attorney, Andrew Lindemann, has asked the Judge to postpone and reschedule the hearing. Mr. Lindemann has stated he has to appear before the South Carolina Court of Appeals and ask for this hearing to be rescheduled. SSSD has not received notice that the Judge has approved this request. Staff believes this case may be on the roster in the year 2017.

Mr. Clardy has drafted a letter on behalf of SSSD and the Commission for delegate members asking for their assistance in supporting the tax payers in Spartanburg County to expedite this matter.

The above was provided as information to the Commission.

10. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A. Ms. Schneider provided the Commission with a list of upcoming events.
- B. The Choose Tap Oasis will be at the International Festival Saturday, October 1 from 11:00 a.m. - 7:00 p.m. at Barnett Park.
- C. National Customer Service Appreciation Week is October 3-7. A luncheon will be held on Wednesday, October 5 in the Commission room from 11:30 a.m. until 2:00 p.m. A form was provided for the Commission to select an appreciation gift.
- D. The Urban League Gala will be held on October 6 at the Spartanburg Marriott. Seats are available. Please let Trish know if you are interested in attending.
- E. Flu shots will be administered on October 12 at the C&D location from 7:15-9:15 a.m. and in Human Resources from 10:00-11:00 a.m. If these scheduled times are not convenient, vouchers will be available after October 12.

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- F.** RXcycle will be held on Saturday, October 22 at several locations throughout Spartanburg from 10:00 a.m. until 2:00 p.m.
- G.** United Way end of campaign celebration luncheon will be held at C&D on October 27 from 11:00 a.m. until 2:00 p.m.
- H.** Water Matters classes start on Tuesday, September 27 from 5:30-8:00 p.m. Classes will include water and sewer topics. Graduation will be held on Tuesday, November 15. The Commission is invited to attend or to come and meet attendees.
- I.** Veteran's Day luncheon will be held on Thursday, November 10 at the American Legion in Duncan Park.
- J.** Chamber of Commerce Inclusion Awards Banquet (formerly Minority Enterprise Dinner) will be held on Thursday, November 10 at the Spartanburg Marriott from 5:30-8:00 p.m.
- K.** Dedication of the fountain at 200 Commerce Street in honor of Linda Bilanchone's service as a Commissioner for 24 years will be held November 11 at 10:00 a.m.

Meeting adjourned at 3:13 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh