

MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 301 South Avenue, Spartanburg, SC, September 27, 2016, at 3:00 p.m.

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

Commissioners present were Ms. Viney, Mr. Littlejohn, and Mr. Montgomery. No one was absent.

The meeting was opened with the following statement:

This is a regular meeting of The Commissioners of Public Works of the City of Spartanburg, SC. Written notice of the date, time, and place for this meeting, along with the agenda, has been posted on the bulletin board, and copies forwarded to local and nearby news media, at least 24 hours prior to this meeting.

1. APPROVAL OF MINUTES OF REGULAR MEETING OF AUGUST 23, 2016 AND WORK SESSION MEETING OF AUGUST 30, 2016

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

2. MONTHLY FINANCIAL REPORT

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

The above was provided as information to the Commission.

3. REFUNDING OF 2007A REVENUE BONDS

Management has monitored the potential refunding of the 2007A Revenue Bonds. Mr. Pressley stated the refunding of 2007A Revenue Bonds has a potential savings of \$9,000,000 to \$10,000,000. The 2009 Revenue Bonds also has a potential for savings of \$3,000,000 to \$4,000,000.

Brad Love of Haynsworth Sinkler Boyd, water system bond counsel, reviewed two refunding options for the 2007A Bonds. One option is forward funding with a private placement with a bank to do a request for a proposal to lock into a rate at the end of October, which will be held through June 1, 2017. The other option is the traditional public market refinancing where SWS would be able to lock in on the rates around January 27, 2017. With the traditional public market, closing would be in March.

In order to consider the various refunding options, management obtained a proposal from First Tryon Advisors of Charlotte, NC relating to both the 2007A and 2009 bonds. Mr. Pressley provided the Commission with the First Tryon Advisors scope of services associated with the bond refundings. Mr. Love advised this firm has a good reputation and has assisted a lot of public entities on issuing debt on establishing account and improvement plans and restructuring debt. They have a direct fiduciary duty to the water

system so their number one priority has to be for the best interest of the water system as they are not selling products like some underwriters.

First Tryon Advisors will send a request to the banks in October for review and have all the proposals back for the October 25, 2016, meeting and provide recommendations to the Commission regarding the private placement or traditional public market refinancing.

Ms. Schneider noted since SWS is required as a CPW to get approval by the Spartanburg City Council in order to borrow funds, that process will take place in October.

Ms. Viney moved and Mr. Littlejohn seconded the motion to approve SWS contract with First Tryon Advisors as a proposed fee not to exceed \$52,500 for the refunding of the 2007A Revenue Bonds and the 2009 Revenue Bond. The motion passed unanimously.

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%.

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 \$119,046 (SWS) and \$42,989 (SSSD).

Ms. Viney moved and Mr. Littlejohn seconded the motion to ratify the action taken in the SSSD meeting and 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 SWS vehicle and equipment fleet for replacement needs for FY 2017. Of the items considered, fourteen items have been selected for replacement. All vehicles and equipment selected meet the established depreciation criteria, having in excess of 125,000

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

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:

- AC 12 – 1999 Sullair Air Compressor
- BHL 41 – 2005 JCB 2 WD backhoe
- RLM 5 – 2001 Exmark Zero Turn Lawn Mower
- #181 – 2007 Toyota Highlander
- #285 – 2008 Ford F-250
- #286 – 2011 Ford F-250
- #408 – 2008 Ford F-150 4x4 Pickup Truck
- #409 – 2007 Ford F-150 4x4 Pickup Truck
- #421 – 1999 Dodge 1500
- #621 – 2005 Ford Ranger
- #648 – 2003 Ford F-350 Crew Cab Service Truck 4x2
- #653 – 2003 Ford F-350 Regular Cab Service Truck 4x2
- #671 – 2000 GMC Dump Truck
- #676 – 2004 Ford F-750 Dump Truck

Total budget: \$735,000

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

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

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

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

6. CONSTRUCTION SERVICES FOR TRAVELING SCREEN REPAIR AT R.B. SIMMS WATER TREATMENT FACILITY

Bids were received on September 9, 2016, for construction services related to the repair of two existing traveling screens at the R.B. Simms Water Treatment Facility. Various components of the existing screens have reached the end of their useful life and a replacement of the system is necessary to continue providing reliable screening of the raw water supply.

A Request for Bids was issued on August 26, 2016, for these services. Two responses were received and evaluated. A tabulation of the bids is listed below.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Evoqua Water Technologies, LLC Chalfont, PA	\$39,950
Screening Systems International, Inc. Slaughter, LA	\$42,298

The lowest responsive bid was submitted by Evoqua Water Technologies, LLC.

Based on the results of the lowest responsive bid, management recommended approval of an award to Evoqua Water Technologies, LLC for repair of the traveling screens at a total cost of \$39,950. This project will be funded by depreciation funds.

Mr. Littlejohn moved and Ms. Viney seconded the motion to accept management's recommendation to approve an award to Evoqua Water Technologies, LLC for repair of the traveling screens at a total cost of \$39,950. The motion passed unanimously.

7. WATER QUALITY – TASTE & ODOR IMPROVEMENT STRATEGY

Taste and Odor (T&O) concerns in water generally stem from multiple contributing factors and require a multifaceted strategic response, including immediate responsive reactions when taste and odor begins to shift based on customers' experiences, as well as proactive and predictive actions to detect water quality changes as early as possible. At Spartanburg Water, a T&O Taskforce has been formed across key leadership roles to address issues in a collaborative manner using predictive, proactive, and responsive tactics as part of an overall T&O strategic improvement plan. Both the age of the reservoirs, and the influences of nutrients from the watershed, impact the water quality before the water is treated and distributed to the community. Multiple projects have been funded to address this strategic need.

Elements of the strategy include:

- Predictive
 - ✓ Stakeholder Education - Water Matters Education on the Water Shed
 - ✓ Monitoring and Measuring - The use of sophisticated laboratory technology known as FlowCam beginning in 2016 has been employed to provide enhanced, early detection through algae counts and identification of cyanobacteria (blue-green algae) known to produce taste and odor concerns. A watershed monitoring program has been implemented to provide advance identification of water quality trends that may lead to taste and odor related concerns. Samples are taken from multiple depths along various alternating routes to fully evaluate water quality around Municipal Reservoir #1 and Lake Bowen. Staff has identified operational trigger points for in-lake treatments of algaecide as needed to offset rising taste and odor constituents and/or algae counts.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

- Proactive
 - ✓ Buffer Management - Lake Blalock Buffer Management Plan Stakeholder Engagement: Feedback Results (presentation)
 - ✓ Watershed Based Plan - A collaborative community plan to provide guidance that can be used by multiple jurisdictional agencies on the appropriate best management practices aimed at reducing nutrient and other non-point source pollutant impacts.
- Responsive
 - Lake Health Improvement - The Oxygenation System Project is in the construction phase and should be fully operational fall of 2016. The implementation of this project will allow SWS to mitigate anoxic zones that have historically been troublesome from both a blue-green algae and manganese perspective. An updated request is stated below (Item 8).

Ms. Schneider introduced K.C. Price, Water Resources Manager. Mr. Price briefed the Commission on the water quality process and the need to continue to improve the current Buffer Management Plan to ensure protection of the excellent source of high quality drinking water.

The above was provided as information to the Commission.

8. HYPOLIMNETIC OXYGENATION SYSTEMS PROJECT AT LAKE BOWEN AND RESERVOIR #1 – GMP REVISION

In the May 2016 meeting the Commission awarded the Hypolimnetic Oxygenation Systems Project at Lake Bowen and Reservoir #1 to Wharton-Smith, Inc., in the amount of \$3,090,000.

During the past couple of months, staff has worked closely with Wharton-Smith, Inc., and CH2M to finalize the 70% Guaranteed Maximum Price (GMP) for the project. Wharton-Smith's total contract value for the project is being modified to \$3,330,023.93, which will still allow the project to stay within the planned budget of \$4,000,000. The revised GMP is necessary due to unforeseen site conditions, such as additional rock, concrete additives and unit quantities, as well as design changes to optimize site layouts and accommodate SCDOT ingress/egress requirements. The oxygen feed portion of the project is substantially complete and construction activities for the secondary feed sites are underway with completion anticipated by the end of the calendar year. This project is being funded by bond funds.

Management recommended that the Commission authorize a contract amendment in the amount of \$240,023.93 with Wharton-Smith, Inc., therefore revising the GMP to \$3,330,023.93.

Mr. Littlejohn moved and Ms. Viney seconded the motion to authorize a contract amendment in the amount of \$240,023.93 with Wharton-Smith, Inc., therefore revising the GMP to \$3,330,023.93. The motion passed unanimously.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

9. SPARTANBURG COMMUNITY COLLEGE GRANT FOR TRAINING

Management was pleased to announce that seven members of the Drinking Water Treatment staff in the Above Ground Maintenance (DWT-AGM) group have been granted "Workforce Scholarships" for classes at Spartanburg Community College (SCC) at a total value of \$12,620.

These scholarships have been awarded for both online and classroom training and cover the full cost of training. The different subjects include hydraulics, mechanical devices, programmable logic controller (PLC), and heating, ventilation and air conditioning (HVAC) and will improve the performance and technical abilities of those employees. The training will be held, primarily online, over a 26 week period. Upon completion of the online training there will be 14 hours of classroom work that will be coordinated with Spartanburg Water and SCC.

The above was provided as information to the Commission.

10. 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 water line is \$19,300. Funding will be provided by the distribution system rehab funds.

The above was provided as information to the Commission.

11. WHITNEY AREA WATERLINE REHABILITATION PHASE I

Spartanburg Water staff will be replacing approximately 4,800 feet of existing galvanized water lines located on Mullins Street, Mulligan Street, Caroline Street, and Brenton Avenue in the Whitney area due to water quality related issues. This project is an example of improvements that must be made after the water is treated. This will be Phase I of a planned two phase project. Phase II will consist of replacing an aging galvanized line on California Avenue from SC Hwy 9 to US Hwy 221. The projected start date is September 2016, with anticipated completion in January 2017. The project budget is \$79,000. Funding will be provided through the distribution system rehab fund.

Ms. Schneider advised the Commission of the need to replace the aged existing galvanized water line to ensure water quality.

The above was provided as information to the Commission.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

12. CRESCENT AVENUE WATERLINE 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 water 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 bond funds. An agenda item for this relocation project will be provided to the Commission after bids are received.

The above was provided as information to the Commission.

13. FOLSOM STREET WATERLINE RELOCATION REQUEST

The City of Spartanburg is conducting a mitigation project due to wetlands that will be disturbed by the Spartanburg Airport runway extension project. This mitigation project is referred to as the Daylighting of Butterfly Creek. The City's Daylighting of Butterfly Creek in the Northside area will permanently close Folsom Street.

This request by the City of Spartanburg was not made until recently and was not included in the CIP presented during the budget process. Spartanburg Water staff and resources will be reallocated to eliminate a section of 14" waterline along Folsom Street and replace it with a 2" line to serve residents on the street section that will remain. Staff will provide design and construction. Funds will be provided by bond funds at an estimated cost of \$65,000.

Ms. Schneider advised the Commission that the City of Spartanburg's request was not included in the CIP presented during the budget process. SWS staff will reallocate resources to support the Northside project eliminating a section of 14" water line along Folsom Street and replacing it with a 2" line to serve residents.

The above was provided as information to the Commission.

14. PALMETTO STREET WATERLINE REHABILITATION PROJECT – SUMMARY CHANGE ORDER

The Palmetto Street Waterline Rehabilitation Project is now complete. The project was installed by Cooper Construction Company, Inc., from Hendersonville, NC and included installation of approximately 4,100 linear feet of 8-inch ductile iron pipe within the paved portion of Palmetto Street, approximately 102 water service connections, milling and resurfacing of the entire road, and related appurtenances. The project replaced old cast iron mains that had experienced multiple failures.

Change Order #1 was an increase of \$778.55 for removal of a portion of the existing concrete roadway at the intersection of Peachtree Street and

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

Palmetto Street. This change order was executed as per current water system policy.

Change Order #2 was the Summary Change Order for a \$31,499.57 decrease to the contract price for adjustment of the unit quantities based on actual work done. This change order was executed as per current water system policy.

The financial summary of the project is as follows:

Project Contract	\$ 919,520.00
Change Order #1	\$ 778.55
Change Order #2	<u>\$ (31,499.57)</u>
Final Contract Amount	\$ 888,798.98

The above was provided as information to the Commission.

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

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

A. Inside City Private Fire Service Agreements

(1) Richardson Indoor Stadium (Wofford College)

Richardson Indoor Stadium located at 601 Cummings Street in Spartanburg, SC, wishes to connect an 8-inch water line to the Commission's 12-inch water line along Scott Street to serve a private fire protection system for the above-mentioned athletic hall. Wofford College wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$293.52

B. Outside City Private Fire Service Agreements

(1) Lakewood Senior Living

Lakewood Senior Living located at 3701 Clark Rd in Boiling Springs, SC wishes to connect a 6-inch water line to the Commission's 12-inch water line along Clark Road to serve a private fire protection system, including 3 private hydrants, for the above-mentioned senior living facility. CR Senior Living, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$826.56

The above was provided as information to the Commission.

The Commissioners of Public Works of the City of Spartanburg, SC – Regular Meeting, September 27, 2016

16. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider advised the Commission that the 28th Annual Lake Sweep was held Saturday, September 17. There were 260 volunteers that removed approximately 18,000 pounds of trash. Chesnee High School placed 1st, 2nd and 3rd in removing the most trash. Management was excited to see more schools involved this year.

- B.** Ms. Schneider thanked Ms. Viney for placing an editorial in the newspaper about the success of Lake Sweep.

Meeting adjourned at 4:20 p.m.

G. Newton Pressley
Secretary-Treasurer

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