

MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, April 28, 2015, 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. Bilanchone, 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 MARCH 31, 2015

Mr. Littlejohn moved and Mr. Montgomery 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 nine-month period ending March 31, 2015. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

3. REFUNDING OF THE WATER SYSTEM'S SERIES 2007 B AND 2010 REVENUE BONDS

A. Resolution authorizing the Bond Refunding.

Brad Love of Haynsworth Sinkler Boyd, SWS bond counsel, presented the resolution authorizing the refunding of the 2007 B and 2010 Water System Revenue Bonds. Commission approval was requested for the resolution.

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Mr. Love stated the resolution includes the refunding of the 2007 Revenue Bonds and the refunding of the 2010 Revenue Bonds. The combined net present value savings is projected to be about \$2.9 Million, or approximately 9%.

Mr. Montgomery asked what percentage of savings is recommended for refunding and what the time frame would be.

Newt Pressley stated that the recommended minimum percentage for net present value savings is 3%. Brad Love stated that assuming the Commission adopts the resolution today; it would go to Spartanburg City Council for approval at their meetings in May. It would then go to the market in June for pricing and close in June.

Mr. Littlejohn moved and Mr. Montgomery seconded the motion to adopt the resolution authorizing the refunding of the water system's Series 2007 B and 2010 Revenue Bonds. The motion passed unanimously.

B. Underwriter services for the proposed refunding bond transaction.

Management requested a proposal from Stephens, Inc., to provide underwriter services for the refunding issue. As the Water System's underwriter, Stephens Inc., would provide the following types of services applicable to the issue: analysis and structuring; document review and advice; organization and participation in the credit ratings process; pre-sale and marketing services; pricing support; post-sale services, including financial closing documents.

Newt Pressley provided the Commission with a document containing underwriter services and applicable fees.

Mr. Montgomery asked how the fees and services compared to previous transactions. Mr. Pressley stated that they are comparable to recent services and fees provided by Stephens, Inc., for both water and sewer transactions.

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Mr. Montgomery moved and Mr. Littlejohn seconded the motion to authorize Stephens, Inc., to provide Underwriter services for the proposed refunding bond transaction. The motion passed unanimously.

4. RESOLUTION TO AUTHORIZE ACCEPTANCE OF LOAN ASSISTANCE AGREEMENT FROM WATER QUALITY REVOLVING FUND AUTHORITY – MATHIS DAIRY ROAD WATERLINE EXTENSION PROJECT

Spartanburg Water has received a Principle Forgiveness Loan from the Water Quality Revolving Fund Authority in the amount of \$99,300 for the installation of approximately 970 linear feet of 6-inch ductile iron pipe and 980 linear feet of 4-inch ductile iron pipe along Mathis Dairy Road. At the March 2015 meeting, Commission approved, pending review and approval of bids by DHEC, staff's recommendation to award a contract to Davis Grading, Inc., of Shelby, NC, based on their bid of \$93,347.

Management recommended the Commission adopt a resolution to authorize acceptance of the loan assistance, and to designate the Chairperson authorization to sign the Loan Assistance Agreement for the Mathis Dairy Road Waterline Extension Project.

Mr. Montgomery asked if this would be a new line to service the community. Ms. Schneider confirmed that it would be and that it would service Mathis Dairy Road. Gene Jackson stated that this is an area that had limited contamination to wells and residents were able to secure principle forgiveness funds. This is the process that SWS will need to go through to receive these funds.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to adopt the resolution to authorize acceptance of the loan assistance agreement. The motion passed unanimously.

5. PROCUREMENT POLICY REVISION

Every year the Spartanburg Water System (SWS) procures goods and services from suppliers, contractors and consultants. SWS has an annual spend of approximately \$15,000,000 for operating and capital expenditures.

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SWS would like to encourage those doing business in the Spartanburg community to further invest in the betterment of it. The addition of a Community Benefit Program to the Procurement Policy would increase the value of SWS's resources with the goal of not incurring additional costs. A Community Benefit Program is very similar to the existing Minority and Women Business Policy, which encourages MWBE participation in the annual spend for goods and services.

The Community Benefit Program would be included in our procurement process and would be voluntary by those pursuing SWS's business. Like the MWBE Program, a scoring matrix would be established during the procurement process to fairly evaluate each proposer's willingness to contribute towards a program or activity that benefits the community within SWS's service area.

Some examples of types of community benefit initiatives that could be an outcome from this program include:

- Providing a donation or in-kind support for Science, Technology, Engineering, Arts, and Mathematics (STEAM) education initiatives at a local school.
- Providing volunteers to support community clean-up of creeks, streams or lakes.
- Supporting programs that encourage the development of local blueways or trails and provides recreational opportunities for local residents.
- Programs that bring the proposers staff into the community to effectively engage and promote a culture of science and engineering, such as serving as mentors to students, tutoring or making presentations in classrooms.
- Programs that "adopt a school" and provide resources and support to impacted communities.

In order to properly adopt this Community Benefit Policy, a section would need to be added to the existing Procurement Policy to incorporate this initiative. The section added would read as follows:

SECTION 26. COMMUNITY BENEFIT AGREEMENTS

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Community Benefit Policy

Spartanburg Water System recognizes that its mission includes not only being a good steward of the District's resources, but it also increases the value of those resources for the benefit of SWS's surrounding community. One method by which SWS may use its resources to benefit its community is through the use of Community Benefit Agreements. As such, SWS authorizes and approves of the use of Community Benefit Agreements. The Chief Executive Officer shall develop and implement procedures and guidelines for this Community Benefit Policy consistent with this Procurement Policy.

Management recommended adding Section 26 to the SWS Procurement Policy to allow a Community Benefit Program to be incorporated.

Mr. Littlejohn moved and Mr. Montgomery seconded the motion to add Section 26 to the SWS Procurement Policy to allow a Community Benefit Program to be incorporated. The motion passed unanimously.

6. OUTSIDE CITY WATER MAIN EXTENSION – 500 BROWN MILL ROAD

The above-mentioned project, which consists of approximately 192 LF of 2-inch water main, is consistent with the SWS Participation Policy.

It will be billed at the outside city rate plus surcharge until such time as the full local share is recovered.

Management recommended Commission approve the outside city water main extension for 500 Brown Mill Road.

Mr. Littlejohn moved and Mr. Montgomery seconded the motion to approve the outside city water main extension for 500 Brown Mill Road. The motion passed unanimously.

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

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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 Agreement

Texas Roadhouse located in Spartanburg, SC wishes to connect a 6-inch water line to the Commission's 6-inch water line along Barritt Avenue to serve a private fire protection system for a restaurant located at 1371 W. O. Ezell Boulevard. Texas Roadhouse Holdings, LLC wishes to enter into an agreement for this service.

Annual Stand-by Revenue - \$127.80

B. Lake Agreements

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

- (1) **Walter Wasileff** desires to construct a dock and hard pathway on Lake Blalock.
- (2) **Jon A. Gaminde** desires to replace a dock, construct a new irrigation system and soft cart path on Lake Blalock.
- (3) **Oliver Whitaker and Terri Whitaker** desire to construct a boat lift on Lake Bowen.
- (4) **John E. Burnette** desires to replace a dock, construct a boat lift, and manage vegetation on Lake Bowen.
- (5) **George and Stacey Sanford** desire to replace a dock on Lake Bowen.
- (6) **Thomas C. Lovin** desires to replace a dock on Lake Bowen.
- (7) **Keith Holden** desires to replace a dock on Lake Bowen.

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The above was provided as information to the Commission.

8. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider stated that progress is being made as a result of the Commission of Public Works adopting the Way to Wellville Resolution. Ms. Schneider and Chad Lawson have met with the Wellville Committee regarding obesity and have also met with District Seven. An additional meeting has been scheduled with some students at District Seven to discuss further plans with this initiative. Management plans to provide more information to the Commission in June.
- B.** Ms. Schneider noted that Ms. Bilanchone recently coordinated an event where the “Choose Tap Water” initiative was supported. Ms. Bilanchone said it was the League of Women Voter’s Annual Meeting and the only beverage served was tap water. Spartanburg Water provided the cups for their use.
- C.** Ms. Schneider shared photos of the new flooring in Rainbow Lake Pavilion 1. Wood from the Fingerville Dam building was used. It is historic wood, and looks great in the Pavilion. Mike Clardy, Eddie Dearybury, Lake Wardens, Water Resources, etc., were some of the employees that made a concentrated effort towards this project.
- D.** Ms. Schneider informed the Commission that Spartanburg Community College (SCC) has requested to place their logo on the Firestone water tank located on New Cut Road. SWS previously permitted this at certain locations, for example the Historic Cowpens logo on the water tank in Cowpens. SCC has agreed to pay the cost of \$25,000 for the project and will pay for any maintenance cost associated with maintaining it during the 10-year agreement. Mr. Littlejohn asked about certain requirements for maintaining the tank. Ms. Schneider stated that our approved maintenance contractors will provide any of the work necessary and SCC will pay for the cost. SCC will not have access to the tank. There will be a Spartanburg Water sign at the bottom near the fence.

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- E. Ms. Schneider asked Ken Tuck to provide details about a grant that SWS recently received. Ken Tuck said that SWS received a grant from the South Carolina Rural Health Center. They were in the process of a three year award that they received from the US Department of Health and Human Services and SWS was also in the process of evaluating storage and treatment systems from an optimization process and learned there was potential for grants and applied. SWS was initially awarded \$25,000, but it turned out that another utility in SC didn't use all of their allocated funds; so SWS received those funds for a total of \$37,650, which pays for more than half of that project. Ms. Schneider stated that management has also applied for a Duke Energy water grant that is being issued as a result of an inadvertent spill in North Carolina. SWS also received a \$2,500 grant from the Mary Black Foundation for the Paddle Fest.

Meeting adjourned at 3:06 p.m.

G. Newton Pressley
Secretary-Treasurer

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MINUTES

The Commissioners of Public Works of the City of Spartanburg, SC, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, April 27, 2015, at 12:00 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. Bilanchone, Mr. Littlejohn, and Mr. Montgomery. No one was absent.

The meeting was opened with the following statement:

This is a work session 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.

The work session was held to discuss the proposed FY 2015-2016 budget.

G. Newton Pressley
Secretary-Treasurer

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