

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, March 31, 2015, 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 Bilanchone and Messrs. Blanton, Littlejohn, Lynch, and 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.

All motions were unanimously approved unless otherwise indicated.

1. PRAYER

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

2. APPROVAL OF MINUTES OF WORK SESSION MEETING OF FEBRUARY 24, 2015, AND REGULAR MEETING OF FEBRUARY 24, 2015

Ms. Barnes moved and Mr. Montgomery seconded the motion to approve the minutes as written.

3. GOLDEN MANHOLE AWARD

Janet Cann received the Golden Manhole Award at the South Carolina Environmental Conference. The Golden Manhole Award is an award to recognize individuals who are significant contributors to the advancement of the Design, Education, Training, Certification, Construction, Operations, Maintenance, and Management of Wastewater Collection Systems. This award is a way to recognize those who have contributed to the development and professionalism of the Collection System Industry on a national level.

Ms. Schneider recognized Janet Cann for receiving the Golden Manhole Award and thanked her for the work she does not only for SSSD, but for the community, and the water and wastewater association.

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4. 2014 SC DEPARTMENT OF HEALTH & ENVIRONMENTAL CONTROL FACILITY EXCELLENCE AWARDS

Spartanburg Water received eight SCDHEC Facility Excellence Awards (100% of our Reclaimed Water Treatment Facilities) at the S.C. Environmental Conference sponsored by WEASC and AWWA's South Carolina Section. On March 17, 2015, SCDHEC presented their 2014 Facilities Excellence Awards for the following reclaimed water treatment facilities:

Clifton-Converse	Lower North Tyger
Cowpens	Pacolet Mills
Fingerville	Page Creek
Fairforest	South Tyger

These awards are presented to facilities that demonstrate excellence in facility operations, maintenance and management, and the protection of the environment while meeting or exceeding customer expectations.

Ms. Schneider recognized Josh Smith for receiving the SCDHEC Facility Excellence Awards and thanked him and the Reclaimed Water Treatment Facility staff for doing an outstanding job.

5. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SSSD expenditures and revenues for the eight-month period ending February 28, 2015. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

6. WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance renews on April 1, 2015. The current carrier, Amerisure has submitted a renewal quote of \$117,440. The cost for Workers' Compensation Insurance last year was \$114,678.

Staff requested quotes from other insurance carriers and received the following quotes:

<u>Insurance Carrier</u>	<u>Quote</u>
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Keyrisk Insurance	\$246,560
Berkshire Hathaway	\$323,400
5 Star	\$346,000
Eastern Alliance	\$423,000

Management recommended continuing with Amerisure as the carrier for a total cost of \$117,440. The allocation between companies is \$86,905.60 for SWS and \$30,534.40 for SSSD.

Mr. Blanton moved and Mr. Montgomery seconded the motion to approve management’s recommendation.

7. HEALTH AND DENTAL INSURANCE RENEWAL

As a follow-up to the Commission Work Session conducted February 24, 2015, management proposed the following design plan recommendations for the upcoming health insurance plan year that is effective May 1, 2015.

These recommendations include the following:

- Increasing the tobacco surcharge to \$20 per pay period for employees and/or spouses that are tobacco users.
- Increase the Maximum Out Of Pocket (MOOP) Deductible for each insurance category by \$500.
- Excluding Working Spouses with access to insurance from the Health Plan or having the Spartanburg Water Health Plan listed as secondary coverage for a Working Spouse with access to insurance.
- Continuing the Supplemental Insurance Plan for Retirees.
- Adding the following employee contribution structure:

2015 - 2016 Per Pay Period Contribution	Consumer Choice Plus Medical Plan	Consumer Choice Medical Plan	Basic Medical Plan	Dental Plan
Employee Only	\$ 47	\$ 36	\$ 15	\$ 7

Employee plus child	\$ 60	\$ 49	\$ 27	\$ 10
Employee plus children (2 or more)	\$ 89	\$ 68	\$ 31	\$ 12
Family	\$ 114	\$ 89	\$ 44	\$ 14

Management recommended that the Commission approve the aforementioned design changes to the Spartanburg Water Health Insurance Plan that will become effective May 1, 2015.

Mr. Littlejohn moved and Ms. Barnes seconded the motion to approve management’s recommendation.

Mr. Lynch presented a letter from employee, Tom Milazzo. The letter thanked the Commission for providing affordable health insurance with good benefits. The Commission decided that the Chair of SSSD and SWS would reply on behalf of the Commission.

8. PREVENTATIVE MAINTENANCE AGREEMENTS FOR LABORATORY SERVICES

Laboratory Services maintains Preventative Maintenance Agreements (PMA’s) for select laboratory instruments and software programs. The proposed contracts are annual agreements and include service for routine preventative maintenance, troubleshooting, repairs (parts and labor), software support, certain upgrades, and priority emergency repair service. The PMA is provided by the manufacturer, who is the sole source of the laboratory service.

A. Perkin Elmer ICPMS System

This system is used to analyze water samples for the Safe Drinking Water Act (SDWA) and the Clean Water Act (CWA) programs and support of plant operations. Perkin Elmer has quoted an annual PMA for services as described above for a total cost of \$20,016.

The total cost of the renewal for the ICPMS is \$20,016. Funding will be provided through the Laboratory Services operating budget, with costs equally shared between SSSD and SWS.

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Management recommended the approval of the renewal of the Perkin Elmer Preventive Maintenance Agreements for an amount not to exceed \$10,008.

Mr. Blanton moved and Mr. Littlejohn seconded the motion to approve management's recommendation.

9. PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL CIVIL ENGINEERING SERVICES

Spartanburg Sanitary Sewer District recently requested a proposal from Frazier Engineering, P.A. to provide on-call professional services on an as needed basis. Frazier Engineering is a civil engineering firm specializing exclusively in sewer infrastructure including the:

1. Evaluation, planning, design, and construction management of sewer collection systems;
2. Sewer system evaluation surveys;
3. Sewer flow monitoring, and sewer system planning and rehabilitation design.

The firm has been headquartered in Stanley, North Carolina since 1998.

On occasion, SSSD encounters situations with sewer infrastructure that are beyond the expertise or capabilities of our resources, staff, or equipment. In order to provide for efficient operations and meet regulatory and customer demands, it was determined that a working relationship with a firm with advanced expertise in evaluation and rehabilitation techniques would greatly enhance our ability to respond to situations that arise, especially when an issue is time sensitive or critical to the continued operations of our system.

Due to their unique qualifications and proven experience, SSSD is particularly interested in developing a relationship with this firm in the area of Civil Engineering consultation. While no scope of work is currently scheduled for consideration, professional services and focused guidance may be needed by a third party at any given time when regulatory changes occur or complex issues arise. A working relationship with contractual terms and conditions already established is especially important when an issue is time sensitive.

The proposed agreement for on-call professional services is based on a time and expense basis in accordance with an established schedule of fees.

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Management recommended that the Commission authorize the CEO to enter into an agreement with Frazier Engineering for on-call professional services. It is anticipated that individual task orders generated as a result of this agreement be funded through SSSD operational funds.

Mr. Lynch asked if this is the only agreement that SSSD will have for on-call services or are there more to choose from. Ms. Schneider said there are several agreements to choose from.

Mr. Littlejohn asked if service providers will be allowed to bid on this. Ms. Schneider said that these agreements are used when a situation needs to be addressed quickly; therefore someone with an agreement in place is used. Ms. West stated that hourly pricing is provided with these agreements, so management has an idea of what the costs will be.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management's recommendation.

10. RECEIPT OF BIDS – FAIRFOREST RWT FACILITY SEPTAGE RECEIVING STATION OPTIMIZATION

Bids were received on March 24, 2015, for the Fairforest RWT Facility Septage Receiving Station Optimization Project. Currently the Fairforest RWT facility can only accept one septic tank load at a time causing trucks to back-up and making the entrance to the Fairforest RWT facility congested. The proposed design will allow the Fairforest RWT facility to accept three trucks at a time and will route septic tank haulers away from the main facility, eliminating traffic congestion from the entrance to the facility and decreasing the amount of time it takes haulers to unload their trucks. Grease will still be received at the grease receiving station.

<u>Bidder</u>	<u>Amount of Bid</u>
BWC Contracting Gaffney, SC	\$194,141
Construction Resource Group Union, SC	\$210,150
Harper Corporation	\$211,950

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Greenville, SC

Greenstone Construction Seneca, SC	\$234,250
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Wharton-Smith, Inc. Sanford, FL	\$264,810
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State Utility Contractors, Inc. Monroe, NC	\$305,000
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Gilbert Engineering Statesville, NC	\$311,000
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Management recommended awarding the contract to the lowest responsive bidder, BWC Contracting for \$194,141. The project will be funded through SSSD capital funds.

Ms. Bilanchone moved and Mr. Littlejohn seconded the motion to approve management's recommendation.

11. LOWER NORTH TYGER RIVER RECLAIMED WATER TREATMENT FACILITY EXPANSION AND IMPROVEMENT PROJECT – DESIGN-BUILD TEAM SELECTION

On October 10, 2014, letters of interest and qualifications were received from interested applicants for the opportunity to plan, design, engineer, construct, equip and commission the proposed improvements to the Lower North Tyger River Reclaimed Water Treatment Facility using a progressive design-build process. Letters of interest and a statement of qualifications were received from the following respondent teams:

- Black and Veatch
- CH2M Hill / Arcadis
- Crowder Construction Company / Constantine Engineering / URS
- The Harper Corporation / Hulse, McCormick and Wallace
- The Haskell Company / Brown and Caldwell
- Western Summit / Hazen and Sawyer

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The qualification submittals were evaluated to identify a short list of three respondents with the requisite experience, qualifications, and resources to complete the project successfully within an agreed guaranteed maximum price (GMP) and construction schedule in accordance with project requirements specified by SSSD. The three highest scoring teams identified during the qualifications phase were requested to submit proposals for the project by January 23, 2015. The teams selected were:

- Black and Veatch
- Crowder Construction Company / Constantine Engineering / URS
- The Haskell Company / Brown and Caldwell

The proposals submitted by the prospective design-build teams were then evaluated based on five criteria as follows:

1. Changes to Proposer's Personnel
2. Design-Build Project Delivery Approach and Methodology
3. Design Phase Services Approach
4. Construction Period Services Approach
5. Comments on Draft Contract Terms and Conditions

Management and staff reviewed the proposals using the selection criteria and recommend that the Commission authorize the Chief Executive Officer to enter into a progressive design-build contract with The Haskell Company for the Lower North Tyger River Reclaimed Water Treatment Facility Expansion and Improvement Project. Design phase services are estimated to be \$1.4 Million with a total project budget estimated at \$18 Million. The project will be funded by SSSD bond funds.

Management provided a video of the project for review by the Commission, and Mr. Wayne Iseman was available from Brown and Caldwell for any questions or discussion.

Mr. Blanton asked if the purchase of additional land would be necessary. Ms. Schneider stated that additional land is not necessary with the planned project.

Ms. Bilanchone moved and Ms. Barnes seconded the motion to approve management's recommendation.

12. RECEIPT OF BIDS – TORAY INDUSTRIES, INC., SEWER LINE EXTENSION

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Bids were received on March 24, 2015, for construction of 4,860 LF of 24-inch, 30-inch, and 36-inch gravity sewer; 16 manholes; one railroad and two gas line bores; and a parshall flume to serve Toray Industries, Inc.

Eleven contractors received the bid documents for the project. Seven contractors submitted a bid. The bids were as follows:

<u>Bid</u>	<u>Bidder</u>	<u>Amount of</u>
	Strack, Inc. Fairburn, GA	\$1,250,063.01
	Ruby Collins General Contractors Smyrna, GA	\$1,741,944.54
	McClam & Associates Little Mountain, SC	\$1,771,850.06
	Harper Corporation Greenville, SC	\$1,987,476.75
	Dillard Excavating Pelzer, SC	\$1,988,952.00
	Haren Construction Company Etowah, TN	\$2,037,213.15
	Moorhead Construction Belton, SC	\$2,591,923.43
	Capitol Construction of the Carolinas, LLP Spartanburg, SC	No Bid
	Davis Grading Shelby, NC	No Bid
	Holmes Underground, Inc. Travelers Rest, SC	No Bid

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L-J, Inc.
Columbia, SC

No Bid

Alliance Consulting Engineers has certified that Strack, Inc., of Fairburn, GA is the lowest qualified bidder. Management recommended awarding the bid to Strack, Inc., for the amount of \$1,250,063.01. The engineer's estimate for the construction cost of the Toray Industries, Inc., Sewer Line Extension was \$1,734,000.

The District and Toray Industries, Inc., will enter into a partnership agreement to cover the total project cost. The District will contribute \$250,000 from capital funds towards the project cost.

Ms. Bilanchone moved and Mr. Montgomery seconded the motion to approve management's recommendation.

13. REQUEST FOR ANNEXATION – PACOLET MILLIKEN ENTERPRISES, INC., DRAYTON MILLS LIVING, LLC, AND DRAYTON MANAGER, LLC

Pacolet Milliken Enterprises, Inc., Drayton Manager, LLC, and Drayton Mills Living, LLC have requested annexation of 13 parcels, including the former Drayton Mill site, and surrounding properties. The properties are adjacent to the District boundaries and can be annexed by the Commission under authority granted in its enabling legislation.

Mr. Montgomery recused himself from the meeting, while the Commission and management discussed this request.

Management recommended the Commission approve the annexation request, adopt the attached resolution giving 90 days' notice to sub-districts, and annex the property effective June 29, 2015.

Ms. Bilanchone moved and Mr. Littlejohn seconded the motion to accept management's recommendation. Mr. Montgomery was not present for the discussion and he was not present for the vote.

14. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Ms. Schneider informed the Commission that a number of Spartanburg Water employees made presentations at the recent South Carolina

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Environmental Conference. They were: Rebecca West – Water Utility Council, John Westcott – Ebola, Angie Price and Sue Schneider – PCB's, Chad Lawson – Crisis Communications, and Janet Cann – Value of Water. Ms. Schneider provided an article regarding how Spartanburg Water handled PCB's and used lessons learned from that for Ebola. Spartanburg Water also had a Pipe Tapping Team at the conference. The team did an outstanding job and placed 3rd with only two seconds between them and the 2nd place team. The team members were Shannon Gregory, James Edwards, Darren Butler, and Scott Crow.

- B.** Ms. Schneider noted that Earth Day will be on April 22, 2015, and John Moore will have a booth with information at the Library.
- C.** Ms. Schneider mentioned that the Toast of the Town event is scheduled for Thursday, April 23, 2015. If you are interested in attending please let Trish Heatherington know.
- D.** Ms. Schneider told the Commission that the Day of Service will be held on Saturday, April 25, 2015, and Mike Clardy is the Volunteer Coordinator this year. There will be various locations to serve. If you are interested in participating, please complete the form and turn it in.
- E.** Ms. Schneider stated that the Spartanburg County Household Hazardous Waste Collection was held on Saturday, March 28, 2015. Spartanburg Water provided a grant to Upstate Forever, which included sponsorship of this event. Details of the event have not been provided at this time, but it was a very successful event.
- F.** Ms. Schneider noted that each Commissioner was provided a company vest that had been previously ordered.

Mr. Lynch shared with the Commission that there was an article in the Columbia Free Times recently talking about The City of Columbia endorsing HomeServe USA. HomeServe USA offers a yearly service plan to cover repairs to the exterior water and sewer service line at customer's homes. Ms. Schneider stated that management has been in contact with several utilities in South Carolina that endorsed HomeServe USA., as well as self-perform programs. Recently, management let HomeServe USA and American Water Resources know that Spartanburg Water is not continuing with the RFP process for lateral protection at this time. With the implementation of the new business computer system it would be more than Spartanburg Water is capable of

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implementing at this time. Management would most likely have a proposal to submit to the Commission by the end of summer with an implementation date of early next year.

Mr. Lynch asked how many customers are affected annually. Ms. Schneider said there are some, but no way for Spartanburg Water to know how many.

The Commissioners discussed the difference between repairs in the customer's yard versus repairs in the street that are still the customer's responsibility.

Meeting adjourned at 2:50 p.m.

G. Newton Pressley
Secretary-Treasurer

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