

## MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 200 Commerce Street, Spartanburg, SC, March 26, 2024, 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, Montgomery, and Willard. Mayor Rice 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 in the lobby and on the Spartanburg Water website, and copies mailed to local and nearby news media, at least 24 hours prior to this meeting.

### 1. PRAYER

Mr. Blanton called the meeting to order and Gene Jackson opened with a prayer.

### 2. APPROVAL OF MINUTES OF REGULAR MEETING OF FEBRUARY 27, 2024

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

### 3. SCDHEC/WEASC FACILITY EXCELLENCE AWARDS

Since 2007 SCDHEC has sponsored the Facility Award of Excellence programs for South Carolina wastewater systems. SCDHEC is again seeking to recognize facilities that are striving for excellence in the protection of the environment and meeting or exceeding customers' expectations.

On March 12, 2024, SCDHEC presented their 2023 Facilities Excellence Awards for the following Wastewater Treatment Facilities:

- Manning Lynch
- Clifton-Converse
- Cowpens
- Fingerville
- Lower North Tyger River
- Pacolet Mills
- Page Creek
- South Tyger River
- Chesnee

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.

Lance Johnson, Director of Wastewater Services, provided the Commission with an overview of the SCDHEC Facility Excellence Awards that SSSD received for all nine Wastewater Treatment Facilities, including Chesnee.

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Mr. Johnson noted the hard work and dedication that it takes from staff to achieve these awards.

The Commission congratulated management and staff on these accomplishments.

The above was provided as information to the Commission.

**4. BLUE RIDGE FOOTHILLS DISTRICT TREATMENT AWARDS AND RECOGNITION**

On February 29, 2024, Josh Stacey was recognized for his outstanding contributions to the wastewater profession in South Carolina during 2023 by the Water Environment Association of South Carolina (WEASC) in conjunction with the South Carolina American Water Works Association (SCAWWA) regional district, and the Blue Ridge Foothills District. This organization serves the Upstate and includes over 600 members from Anderson, Greenville, Oconee, Pickens, and Spartanburg counties.

Mr. Stacey is an "A" Biological Wastewater Operator, with primary responsibilities at the Lower North Tyger River and South Tyger River Wastewater Facilities. He has been employed by Spartanburg Water for 10 years.

Lance Johnson introduced Josh Stacey, and provided the Commission with an overview of the Blue Ridge Foothills District Treatment Awards and Recognition received by Mr. Stacey for his contributions to the wastewater profession in South Carolina during 2023.

The Commission congratulated Mr. Stacey on this recognition and accomplishment.

The above was provided as information to the Commission.

**5. RECIPIENT OF THE AWWA GEORGE WARREN FULLER AWARD – KEN TUCK**

In reference to the George Warren Fuller Award, AWWA states the following: "Little can be said about George Warren Fuller without recalling a thousand and one connections which he has had with sanitary engineering practice in this country and abroad. Amazingly active mentally, he always catalyzed those individuals who were fortunate enough to work with him. An enthusiasm, tempered by seasoned judgment and reinforced by a remarkable technical knowledge, accounting for the fact that his name is identified with almost every important sanitary advance in this country in the last four decades . . . "

George Warren Fuller Awards are presented annually by the American Water Works Association to the sections' respective selected members for their distinguished service to the water supply field in commemoration of the sound engineering skill, brilliant diplomatic talent, and the constructive leadership which characterized the life of George Warren Fuller.

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The South Carolina section of AWWA, SCAWWA, awarded the Ken Tuck the George Warren Fuller Award at the opening session of the 2024 South Carolina Environmental Conference in Myrtle Beach, SC on March 10, 2024. The award was based on Ken's over 31 years of service and accomplishments to the water industry and environment.

Rick Jolley recognized Ken Tuck for being awarded the George Warren Fuller Award at the 2024 South Carolina Environmental Conference. This is a prestigious award for distinguished service to the water supply field, with only one awarded in each state. Mr. Tuck has served the water and environmental industry for over 31 years.

The Commission congratulated Mr. Tuck on his accomplishments and for being the recipient of the George Warren Fuller Award.

The above was provided as information to the Commission.

Mr. Boyle asked the Commission for the opportunity to recognize Spartanburg Water team members that attended the 2024 South Carolina Environmental Conference. These team members participated in the Meter Challenge and the Pipe Tapping Challenge.

Rick Jolley noted that Anthony Littlejohn participated in the Meter Challenge; and Tim Burrell, Darren Butler, James Edwards, and David Wright participated in the Pipe Tapping Challenge. Mr. Jolley stated that being back at the conference and participating in these challenges was a win. The teams worked hard and represented Spartanburg Water well.

Corey Reid, Interim Collection and Distribution System Manager, shared that participation in these events have increased morale and created an interest of other employees asking to participate in future challenge events. There will be tryouts in the upcoming months for employees to participate next year in the Meter Challenge, Hydrant Hysteria, and Pipe Tapping Team events.

Mr. Boyle complimented the teams and congratulated them on their accomplishments. Mr. Boyle also noted that other organizations were glad to see Spartanburg Water competing again.

Jennifer Candler provided short videos of both teams competing in their respective challenges.

The Commission thanked the employees for participating and congratulated them on their accomplishments.

The above was provided as information to the Commission.

## **6. MONTHLY FINANCIAL REPORT**

Cam Cole presented a financial summary of SSSD expenditures and revenues for the eight-month period ending February 29, 2024. An explanation was provided for the favorable and unfavorable budget variances.

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The above was provided as information to the Commission.

**7. WORKERS’ COMPENSATION INSURANCE RENEWAL**

Spartanburg Water’s Workers’ Compensation insurance renews annually on April 1. For the 2024 renewal, staff utilized the current agent, McGriff Insurance Services, to obtain quotes from insurance carriers on behalf of Spartanburg Water. The current policy is written through Eastern Alliance at an annual cost of \$91,970.

The results of the quotes received are tabulated below:

<b>Insurance Carrier</b>	<b>Annual Premium</b>
Eastern Alliance	\$91,471
Key Risk	\$111,000
Zenith	\$170,000

Based on the pricing received, which is \$499 lower than the current year premium, management recommended approval of the quote submitted by Eastern Alliance as the carrier for Workers’ Compensation insurance at the annual premium cost of \$91,471.

The Workers’ Compensation premium will be allocated as follows: \$36,588 for SSSD and \$54,883 for SWS.

Remsen Parrish provided the Commission with an overview of the Workers’ Compensation Insurance Renewal agenda item, and noted an amendment that the current policy is written through Eastern Alliance, not Amerisure.

Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to approve the quote submitted by Eastern Alliance as the carrier. The motion passed unanimously.

**8. EARLY RETIREE GROUP HEALTH INSURANCE**

The Spartanburg Water Employee Group Health Insurance plan year is in effect from May 1<sup>st</sup> through April 30<sup>th</sup> of each year. Staff has been working with our health insurance consultants from Marsh & McLennan Agency (Steinberg & Associates), to identify costs, claims exposure and financial projections as well as employee rates and reinsurance costs for the upcoming plan year that renews on May 1, 2024. During this past year’s budget meetings, staff discussed the rising healthcare insurance costs and claims exposure to our self-insured plan, and the increases that have taken hold over the past 5-10 years while at the same time employee payroll contributions have remained relatively unchanged.

In order to continue to offer the most affordable and vibrant healthcare plans to our current employees and their families, the following changes are being made for the new plan year, effective May 1, 2024.

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All eligible early retirees who are currently eligible for the employee group health plan (and who are currently included in overall plan costs), will be insured under individual medical plans offered through BlueCross BlueShield (Extend Gold 1). This change will become effective May 1, 2024. **Eligible early retirees will no longer be eligible for coverage under the current employee group health plan(s) after April 30, 2024.**

For the upcoming plan year effective **May 1, 2024**, eligible early retirees will receive individual medical insurance **at no cost**. Spartanburg Water will pay 100% of the monthly premiums for eligible early retirees for the upcoming plan year, including any tobacco surcharge. The total cost of coverage for the upcoming 12 months (5/1/2024 – 4/30/2025) is expected to be \$524,082. The cost will be split between SSSD (\$131,853) and SWS (\$392,229). Effective May 1, 2025, early eligible retirees who choose to use tobacco will be subject to a 20% surcharge on their individual plans. Plan costs will be re-evaluated each year during annual budget meetings.

Eligible early retirees may remain insured through an individual policy until the time they become eligible for Medicare at age 65. There is no change to this provision from what currently is in place.

Effective May 1, 2024, only current employees and their eligible family members will be eligible for the Spartanburg Water Group Health Insurance Plan(s). Eligible early retirees will now be accounted for under individual post-employment health plan benefits, and the Spartanburg Water Group Health Insurance Plan(s) will no longer bear any ongoing exposure for claims related to this covered group.

Over the past two calendar years, claims for this covered group have totaled more than \$3.3 million, including approximately \$100,000 in fixed costs. These claims will no longer be included in the self-insured employee group health care plan(s) or reinsurance premiums moving forward.

We do not yet have the health plan cost associated with the upcoming plan year, but under this new approach: \$1.7 million in average annual claims will be eliminated from the plan at the cost of \$520,000 in fixed premiums, providing a net upside of \$1.2 million per year (or more) of reduced cost to our self-funded group health care plan.

This change puts Spartanburg Water in a stronger position to continue to offer affordable health insurance to current employees and their families, while maintaining valuable, reasonable, and cost-effective coverage for our eligible early retirees. These efforts strengthen the financial position of our self-insured plans, and positively impact our reinsurance costs.

Mr. Boyle reminded the Commission that insurance costs were discussed during last year's budget work session. Spartanburg Water is a self-insured healthcare plan. Claims affect reinsurance costs as well as the budget. Mr. Boyle reviewed claim costs for the group of early retirees. Current costs are funded by approximately 90% employer and 10% employee. A balanced plan would reflect an 80%-20% ratio. Mr. Boyle reviewed the financial status of early retiree insurance claims. These costs are rising and are unsustainable within the budget.

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Mr. Boyle, along with Cam Cole, Chief Financial Officer, and Hariette Stinson, Human Resources Manager; have worked with the Marsh McLennan Agency to provide an option for individual health plan coverage for early retirees, as well as reduce the health care plan costs for Spartanburg Water.

Mr. Boyle informed the Commission that effective May 1, 2024, early retirees will be moved off of the Spartanburg Water insurance plan to individual insurance plans. It will be a Blue Cross Gold plan, with little change to coverage. Spartanburg Water will cover the premiums for the first year, and this will be reviewed annually.

Mr. Boyle discussed current employee health insurance and the Wellness Program administered by Engagement Health. There has been improvement in claims and management is hopeful that employee participation in the Wellness Program is contributing to this improvement. The Wellness Program will be included in the budget for the upcoming fiscal year. Participation in the program provides a financial incentive to the employee of \$1,000 annually. The program will continue to be monitored for success and employees will be encouraged to participate in an effort to benefit their health and to reduce claim costs.

The above was provided as information to the Commission.

**9. BIDS FOR COLLECTION AND DISTRIBUTION COMPLEX PAVING**

Sealed bids were received on March 12, 2024, for the parking areas and main entrance drives at the Collection and Distribution Complex. The project consists of milling and repaving the exterior parking areas, main entrances, and drive lanes as well as resurfacing the interior parking lot. Due to age and heavy traffic, the current asphalt has begun to crack and show deterioration.

Invitations to bid were forwarded to prospective bidders and publicized in the local media. A tabulation of the bids is listed below:

<b><u>BIDDER</u></b>	<b><u>AMOUNT OF BID</u></b>
Bennett Paving, Inc. Spartanburg, SC	\$180,229
Bird Corp of Inman Inman, SC	\$197,655

Management recommended the award of the contract to the lowest responsive and responsible bidder, Bennett Paving, Inc., in the amount of \$180,229. Project funding will be split equally between SSSD and SWS capital funds.

Remsen Parrish provided the Commission with an overview of the bids for the Collection and Distribution Complex Paving agenda item.

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Mr. Montgomery moved and Mr. Littlejohn seconded the motion to approve management’s recommendation to award the contract to Bennett Paving, Inc. The motion passed unanimously.

**10. REQUEST FOR PROPOSALS – SHORESBROOK INTERCEPTOR BASIN SEWER SYSTEM EVALUATION STUDY (SSES)**

Proposals were received on March 7, 2024, for the Shoresbrook Interceptor Basin Sewer System Evaluation Study (SSES). The SSES will include smoke testing, manhole inspections, line cleaning and CCTV inspections of approximately 13,700 linear feet of gravity sewer pipelines and 77 manholes. The contractor will provide inspection reports, photographs and videos of their findings for the purpose of identifying primary areas of concern and to prioritize future sewer system improvements within the basin.

Interested contractors were requested to provide proposals that included information on company history, project team, project approach, previous experience, current workload, financial and insurance information, MWBE utilization and community benefit program. The proposals were evaluated using a weighted scoring matrix. The matrix rated the submitted proposals on (1) Approach and Strategy, (2) Technical Competency and Experience, (3) Schedule, (4) Cost, (5) MWBE Utilization and (6) the Community Benefit Program. The evaluation and scoring of the proposals were conducted by an evaluation committee.

The Request for Proposal (RFP) was advertised in the Spartanburg Herald-Journal and posted on the Spartanburg Water website Current Opportunities page. Twenty-Eight proposal packages were distributed to potential contractors. Five proposals were submitted and evaluated. Proposals received are as follows:

<b><u>BIDDER</u></b>	<b><u>AMOUNT OF BID</u></b>
Dukes Root Control, Inc. Elgin, IL	\$ 99,560
Southeast Pipe Survey, Inc. Patterson, GA	\$106,993
Gavel & Dorn Engineering, PLLC Charlotte, NC	\$111,000
EnviroWaste Services Group, Inc. Palmetto Bay, FL	\$201,830
Bio-Nomic Services, Inc. Belmont, NC	\$376,050

The highest scoring proposal and lowest price was submitted by Dukes Root Control, Inc. Based on the results of their response and the matrix score, management recommended the award of the contract for the Shoresbrook Interceptor Basin Sewer System Evaluation Study to Dukes Root Control,

Inc., of Elgin, IL in the amount of \$99,560. The project will be funded by the collection system rehabilitation funds.

Gene Jackson provided the Commission with an overview of the Shoresbrook Interceptor Basin Sewer System Evaluation Study (SSES) agenda item.

Ms. Barnes moved and Mr. Littlejohn seconded the motion to approve management's recommendation to award the contract to Dukes Root Control, Inc. The motion passed unanimously.

**11. OWNERSHIP AGREEMENT – BAXTER VILLAGE**

Boiling Springs Holdings, LLC proposes to construct approximately 15,415 linear feet of 8-inch and 1,941 linear feet of 10-inch gravity sewer line to provide service to 550 residential lots in Baxter Village located off SC Highway 9. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning Lynch Wastewater Treatment Facility. SSSD will participate in the off-site sewer construction cost in accordance with the Sewer Extension Policy adopted January 26, 2023.

The line will be constructed according to District-approved plans and specifications, with District inspection provided. The owner will provide all necessary right-of-way and easement agreements for this project.

The form of the agreement transferring ownership of the gravity sewer to the District has been reviewed by the District's attorney and executed by Boiling Springs Holdings, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

**12. OWNERSHIP AGREEMENT – CLEMENT OAKS**

RH Development of SC, LLC proposes to construct approximately 1,392 linear feet of 8-inch gravity sewer line to provide service to six commercial lots in Clement Oaks located off SC Highway 9. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning Lynch Wastewater Treatment Facility. SSSD will participate in the off-site sewer construction cost in accordance with the Sewer Extension Policy adopted January 26, 2023.

The line will be constructed according to District-approved plans and specifications, with District inspection provided. The owner will provide all necessary right-of-way and easement agreements for this project.

The form of the agreement transferring ownership of the gravity sewer to the District has been reviewed by the District's attorney and executed by RH Development of SC, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.



The above was provided as information to the Commission.

**13. OWNERSHIP AGREEMENT – CRESTVIEW**

Pulte Home Company, LLC proposes to construct approximately 4,430 linear feet of 8-inch gravity sewer line; 1,650 linear feet of 4-inch force main; and a pump station to provide service to 126 residential lots in Crestview located off Plainview Drive Extension. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning Lynch Wastewater Treatment Facility. The developer will bear all costs.

The line will be constructed according to District-approved plans and specifications, with District inspection provided. The owner will provide all necessary right-of-way and easement agreements for this project.

The form of the agreement transferring ownership of the gravity sewer to the District has been reviewed by the District’s attorney and executed by Pulte Home Company, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

**14. OWNERSHIP AGREEMENT – ESSENTIA PHASE 1**

Rainbow Lake Community Holdings, LLC proposes to construct approximately 2,190 linear feet of 8-inch gravity sewer line to provide service to 12 commercial lots in Essentia located off McMillin Boulevard. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the A. Manning Lynch Wastewater Treatment Facility. The developer will bear all costs.

The line will be constructed according to District-approved plans and specifications, with District inspection provided. The owner will provide all necessary right-of-way and easement agreements for this project.

The form of the agreement transferring ownership of the gravity sewer to the District has been reviewed by the District’s attorney and executed by Rainbow Lake Community Holdings, LLC. Under the terms of the resolution adopted by the Commission on January 26, 2023, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

**15. CHIEF EXECUTIVE OFFICER REPORT**

- A.** Mr. Boyle asked the Commission to confirm availability for budget work sessions on Wednesday, May 15.
- B.** Mr. Boyle informed the Commission that management will work with legal counsel regarding the new Open Carry Law recently approved by the Governor. The new law does not change how Spartanburg Water administers firearm policy to employees or on company property.

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- C.** Mr. Boyle reminded the Commission that Good Friday is not a holiday beginning this year and Spartanburg Water will operate under normal business hours.
- D.** Mr. Boyle stated that the recent Employee Recognition Breakfast that was held on two dates went well. The employee's really enjoyed it and thanked the Commissioners that were able to participate.
- E.** Mr. Boyle informed the Commission that the Federal Low Income Assistance Program money will run out on March 31, 2024. Customer Experience has helped over 275 families (17 more than once) to fund water bill payments with this program.
- F.** Mr. Boyle reminded the Commission that the ACE24 Conference will be held June 10-13 in Anaheim, CA. Please let Trish know by April 12 if you are planning to attend.
- G.** Mr. Boyle noted that Healthcare Open Enrollment will be March 28 through April 15.
- H.** Mr. Boyle stated that Choose Tap will participate in the Spartanburg Earth Day Festival at USC Upstate on April 16. Time and location to be determined.
- I.** Mr. Boyle noted that Choose Tap will participate in the SPACE Earth Day Celebration to be held at Glendale Shoals from 10:00 a.m. until 2:00 p.m. on April 20.
- J.** Mr. Boyle informed the Commission that the Choose Tap Oasis will provide water at the Criterium Bike Race from 5:00-10:00 p.m. on April 26. Employees are invited to visit the Spartanburg Water tent directly in front of the Sparkle City Mini Putt on Broad Street for food, water, and sodas.
- K.** Mr. Boyle and Jennifer Candler stated that the Choose Tap Oasis will provide water at the Hog Fest on April 12-13. This two-day festival will benefit Mobile Meals.

Meeting adjourned at 3:13 p.m.

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Camlyn M. Cole  
Secretary-Treasurer

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