

MINUTES

Spartanburg Sanitary Sewer District Commission, Regular Meeting, held at 301 South Avenue, Spartanburg, SC, October 27, 2020, 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, Horton, Littlejohn, Montgomery, and White. No one 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 Ms. Barnes opened with a prayer.

2. APPROVAL OF MINUTES OF REGULAR MEETING OF SEPTEMBER 22, 2020

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

3. UNITED WAY CHAIRMAN'S AWARD

Ms. Paige Stephenson, President and Chief Executive Officer of the United Way of the Piedmont, presented Ms. Schneider with the United Way Chairman's award. Each year the United Way recognizes a corporate leader who is the catalyst for significant change within their company campaign, which resulted in greater investment in our community. Usually, it is awarded to a leader that has created a significant one-year increase in their campaign, but this year the award is to recognize a leader whose steady, consistent leadership; and support has led to a 10% increase in employee giving over the past five years. Ms. Schneider has created an environment where employees can become educated about community issues and be a part of the solution through giving, advocating, and volunteering.

Ms. Schneider thanked Ms. Stephenson and the United Way for recognition of this award, and stated this is a companywide team effort among all employees to give back to the community.

The Commission congratulated Ms. Schneider, and employees, on receiving this award.

4. NACWA EXCELLENCE IN MANAGEMENT RECOGNITION

On October 6, 2020, the Spartanburg Sanitary Sewer District was selected to receive Excellence in Management Silver Recognition for 2019. This honor celebrates our utility's commitment to sustainable, successful programs that exemplify the attributes of an effectively managed utility.

Spartanburg Sanitary Sewer District Commission – Regular Meeting, October 27, 2020

NACWA launched the Excellence in Management Program in 2003 to acknowledge significant achievements by NACWA member agencies in the utility management arena. This program honors member agencies that are implementing management practices that address a range of challenges identified in the Ten Attributes of Effectively Managed Water Sector Utilities.

These attributes are:

- Product Quality
- Financial Viability
- Customer Satisfaction
- Stakeholder Understanding & Support
- Operational Optimization
- Employee & Leadership Development
- Enterprise Resiliency
- Infrastructure Strategy & Performance
- Community Sustainability
- Water Resource Sustainability

As an Excellence in Management honoree, the District will be recognized with a presentation of this award during NACWA's Virtual Awards Ceremony on Wednesday, October 28, 2020.

Bobby Walden recognized Rick Jolley, Director of Wastewater Treatment Services, for receiving the Excellence in Management Silver Recognition for 2019. This honor celebrates the District's commitment to sustainable, successful programs that exemplify the attributes of an effectively managed utility. This award will be presented during NACWA's Virtual Awards Ceremony on Wednesday, October 28, 2020.

The Commission congratulated Mr. Jolley and staff for the accomplishment of receiving the Excellence in Management recognition award.

5. MONTHLY FINANCIAL REPORT

Newt Pressley presented a financial summary of SSSD expenditures and revenues for the three-month period ending September 30, 2020. An explanation was provided for the favorable and unfavorable budget variances.

The above was provided as information to the Commission.

6. COVID-19 REPORT

Ms. Schneider provided the Commission with an update on COVID-19. We have begun utilizing a weekly dashboard giving current Spartanburg Water employee data as it applies to COVID-19. From March 26 to October 19, Spartanburg water has had eight positive employee cases. There has been a total of 90 quarantines. As of October 19, there were seven active exposures, one positive, and eight quarantines. None of the positive cases has shown to be work related.

Spartanburg Sanitary Sewer District Commission – Regular Meeting, October 27, 2020

Spartanburg Water actively tracks daily positive case and death numbers in Spartanburg County. Average positive daily cases in April were 8.3, then a large increase in July to 67.3 with a decrease in August to 45.5. In September, the average positive daily cases were 50.9 and as of October 23 the average is 55.5.

Management continues to have weekly COVID-19 meetings, where we report activities within our divisions, review pending actions, SC Governor Executive Orders, discuss the "Health of the Organization," review current changes and topics related to COVID-19 that are affecting or could affect Spartanburg Water.

Travel and meeting guidance has been documented as part of our overall pandemic plan. Visitors are allowed on an as needed basis, with required COVID-19 questionnaire. Certification support training has continued by using web based training through water/wastewater support agencies, consultants, and vendors. Industrial flows have stayed relatively flat. There has been an 11% reduction, comparing February flows to those in August.

The above was provided as information to the Commission.

7. ADVANCED ENVIRONMENTAL OPTIONS, INC. – SETTLEMENT AGREEMENT

On October 30, 2019, staff informed the Commission that Advanced Environmental options, Inc., (AEO) had requested an Adjudicatory Hearing on the matter of an Administrative order issued by the District for Significant Non-Compliance (SNC) with its permit limit for Biological Oxygen Demand (BOD) in the first quarter of 2019.

AEO was granted an Adjudicatory Hearing in regard to the Administrative Order in accordance with District Sewer Use Rules and Regulations. The hearing was conducted by Josh Eagle, an attorney and professor of environmental law at the USC School of Law. On June 2, 2020, Professor Eagle issued a Memorandum and Order on Motions for Summary Judgment in which he found the District decision to assess a fine and costs against AEO was reasonable and lawful. AEO's Motion for Summary Judgment was denied, and the District's Cross-Motion for Summary Judgment was granted.

AEO filed a Notice of Appeal to the Spartanburg County Circuit Court on June 19, 2020. AEO and the District subsequently negotiated a Settlement Agreement and Consent Order under the terms of which AEO accepted the original violation, agreed to pay the originally assessed civil penalties totaling \$1,500 and agreed to reimburse the District \$22,000 for its legal fees and cost. AEO agreed to voluntary dismissal of the court case with prejudice.

Bobby Walden provided the Commission with an overview of the Advanced Environmental Options, Inc., Settlement Agreement. (AEO) had requested an Adjudicatory Hearing on the matter of an Administrative order issued by the District for Significant Non-Compliance (SNC) with its permit limit for Biological Oxygen Demand (BOD) in the first quarter of 2019. AEO was granted an Adjudicatory Hearing in regard to the Administrative Order in accordance with District Sewer Use Rules and Regulations. AEO filed a Notice of Appeal to the Spartanburg County Circuit Court on June 19, 2020.

AEO and the District subsequently negotiated a Settlement Agreement and Consent Order under the terms of which AEO accepted the original violation, agreed to pay the originally assessed civil penalties. AEO agreed to voluntary dismissal of the court case with prejudice.

Ms. Schneider reviewed the District Sewer Use Rules and Regulations and its requirements related to reporting and the AEO violation.

The above was provided as information to the Commission.

8. RED FLAGS

C.J. Armour, Customer Service Manager, provided an annual update on the program status. Ms. Armour stated the Spartanburg Water's Red Flag Program was approved by the Commission in April 2009, in response to federal regulation aimed at protecting consumers from identity theft and is enforced by the Federal Trade Commission.

Ms. Armour reviewed internal controls used to protect consumer data. Customer Service uses screen filters on computer monitors so that data can't be seen by the public. The customer information system allows Customer Service to scan and download the Online Report. This eliminates the need to shred or store any of those documents. Customer Service Representatives are trained annually Red Flags policy and procedures.

Ms. Armour reported on the red flags that are relevant to Customer Service as they are trying to establish service. In the past 12 months, applicants were verified without any additional requirements 73% of the time, 24% were able to be resolved by effective questioning or by looking at previous accounts and less than 3% were flagged as deceased or had non-verifiable social security numbers. Customer Service requires those customers to come in and provide additional documentation to clear the red flag.

The majority of new service requests are received as inbound calls. The goal of Customer Service is to establish service as promptly and conveniently as possible. In the last fiscal year, customer service representatives received 101,977 calls, 4,104 walk-in customers, totaling 106,081 customer contacts. The lobby closed in March due to COVID-19. There were 10,602 customer contacts to establish new service. There were no customers that reported being victims of identity theft. If a customer reports being a victim of Identity Theft they are given an Identity Theft Affidavit form provided by the Federal Trade Commission. The customer account is then flagged to alert Customer Service Representatives when handling the account.

No changes were recommended to the program at this time.

The above was provided as information to the Commission.

9. CYBER SECURITY UPDATE

Kevin Brown, Director of Administrative Services, reviewed strategic measures to protect electronic data and enhance cyber security.

Mr. Brown stated that Spartanburg Water has been both proactive and strategic in addressing potential cyber risks. Cyber security is addressed with tactics from the following categories: Data and Network Security, Virus and Malware Protection, Managing our Mobile Devices, Maintaining Secure Configurations, Managing User Privileges, Website Filtering and Protection, Risk Management, and user training.

Mr. Brown noted that two of these categories have been improved over this last year. The antivirus protection software is used on all computers. This antivirus product used also contains anti-ransomware prevention features that assist in virus protection. Staff is currently coordinating with the South Carolina Law Enforcement Division (SLED) to participate in the SC Critical Infrastructure Cybersecurity Program (SC-CIC). IT staff participate in calls to learn about the latest cyber threats. IT is also coordinating with SLED to install an intrusion detection system to assist with identifying intrusion attempts. This also allows staff to make key contacts with law enforcement that would be needed if Spartanburg Water had an intrusion and needed to contact law enforcement.

The above was provided as information to the Commission.

10. OWNERSHIP AGREEMENT – CLEVEDALE FARMS

Mark III Properties, Inc., proposes to construct approximately 2,975 linear feet of 8-inch gravity sewer line to provide service to 93 residential lots in Clevedale Farms located off of Willis Road. The sewer line will connect to the existing SSSD infrastructure. The domestic waste will be treated at the Lower North Tyger River Wastewater Treatment Facility. SSSD will participate in the off-site sewer construction cost in accordance with the Sewer Extension Policy adopted December 17, 1996.

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 Mark III Properties, Inc. Under the terms of the resolution adopted by the Commission on May 29, 1990, this agreement has been executed on behalf of the Commission by the Chief Executive Officer.

The above was provided as information to the Commission.

11. OWNERSHIP AGREEMENT – DRAYTON MILL VILLAGE

DM Venture, LLC proposes to construct approximately 3,360 linear feet of 8-inch gravity sewer line to provide service to 132 residential lots in Drayton Mill Village located on Dalmation Drive. 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.

Spartanburg Sanitary Sewer District Commission – Regular Meeting, October 27, 2020

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 DM Venture, LLC. Under the terms of the resolution adopted by the Commission on May 29, 1990, 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. NEGOTIATIONS AND MISCELLANEOUS ADMINISTRATIVE MATTERS

- A.** Ms. Schneider noted that the next Commission meeting will be held on Tuesday, December 1.
- B.** Ms. Schneider reminded the Commission of upcoming events listed on their handout.

Meeting adjourned at 2:57 p.m.

G. Newton Pressley
Secretary-Treasurer

tbh