



GreenvilleWater

**MINUTES OF THE REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
March 5, 2013
8:30 a.m.**

Commissioners of Public Works:

Chairman Debra M. Sofield, James W. Bannister, and Phillip A. Kilgore;

Absent: J. David Sudduth and Knox H. White

Greenville Water Staff:

Chief Executive Officer David H. Bereskin, Chief Operations Officer Murray Dodd, Chief Financial Officer Phil Robey, Director of Business Services David Hughey, Director of Engineering Mike Sharpless, Director of Water Resources K.C. Price, Director of Community Relations Jennifer DeWitt, Director of Human Resources Susan Rector, Controller Jondia Berry, Information Technology Manager Joe Beineke and Commission Attorney David Ward.

1. APPROVAL OF MINUTES

Commissioner Bannister moved, seconded by Commissioner Kilgore, to approve the regular meeting minutes of February 5, 2012. The motion carried unanimously.

2. PUBLIC COMMENT

Powdersville Water District's General Manager Dyke Spencer shared comments regarding recent discussions between the Department of Health and Environmental Control (DHEC) and Department of Natural Resources (DNR) regarding statewide water planning. Mr. Spencer stated public utilities are asking to be stakeholders in water planning and to be informed on how river modeling fits into water planning. Mr. Spencer commented on receiving differing messages from DHEC and DNR regarding matter. Mr. Bereskin advised that water utilities have been working hard to be involved in the process.

3. WATER RESOURCES UPDATE

Director of Water Resources K.C. Price presented highlights from the Water Resources Report as provided in the Commissioners' Agenda packet. Mr. Price commented on Table Rock and North Saluda being at full pond and provided an overview of the calendar rainfall, water production, and levels at Lake Hartwell and Lake Thurmond. Mr. Price also commented on releases by Duke Energy into Lake Hartwell and referred to storage for Lake Hartwell and the Army Corps currently being higher than Duke Energy's storage. Mr. Price advised levels for Lake Jocassee should begin increasing.

Regarding the Agreement in Principle, Mr. Price stated issues involving lake levels, drought trigger levels, and low inflow protocol should be finalized this month. As a follow up to questions asked during the last Commissioners' meeting regarding the surface area of each basin, Mr. Price advised the percentages are actually 55 percent in Georgia, 43 percent in South Carolina and 2 percent in North Carolina. Mr. Price also advised while it is difficult to determine the volume from each state, the estimated figures are 63 percent of the flow from Georgia and 37 percent of the flow from South Carolina. Mr. Price added that power production is difficult to determine individually for each state.

Commissioner Sofield asked if Greenville Water is in a good position with finalizing the Agreement in Principal, and Mr. Price responded he believes so. Mr. Price shared his concerns with Oconee and the low inflow protocol and advised that while confident, he is at a 3 on a scale of 1 to 5. Mr. Bereskin commented on the state water planning process and the need to determine the best model for the process. Mr. Bereskin advised Duke Energy is doing everything they can to address the stakeholders.

4. FINANCIAL UPDATE

Chief Financial Officer Phil Robey presented highlights from the Financial Statement as provided in the Commissioners' Agenda packet. Mr. Robey commented on January 31 being the midpoint of the fiscal year and total revenues being at 48 percent. Mr. Robey referred to payment of the first semi-annual debt service being made and the proposed Laurens County agreement which is being negotiated. Mr. Robey discussed the budget to actual revenue and stated the primary drivers are the capacity fee revenue which has not been received yet and a transfer from reserve for Capital Improvement Projects affecting the comparison. Regarding expenses, Mr. Robey advised Greenville Water is approximately where it should be and is below the budget target.

Commissioner Sofield referred to emails received from some customers regarding the delinquent fee and asked for the Commission to consider reducing the delinquent fee from \$7.50 to \$5.00. Mr. Bereskin explained the complaints have come from less than one percent of the customers and the increase was made by the Commission due to delinquency. Mr. Bereskin advised while the goal has been to reduce the delinquent charges with the monthly billing, revenue shows customers are not yet reacting to paying their bills on time. Mr. Bereskin discussed ways of encouraging customers to pay in a timely manner. Commissioner Sofield stated \$7.50 is one of the highest delinquent fees around and Greenville Water should consider reducing the fee. Commissioner Kilgore recommended receiving information from staff prior to making a decision. Mr. Bereskin recommended staff review the matter further to determine where the delinquency is occurring.

Mr. Robey discussed management of the Slater Revenue Bond and referred to the final payment scheduled for October 2016. Mr. Robey recommended paying off the bond, continuing the \$10 surcharge to recoup the cost for the payoff and removing the surcharge once the cost for the payoff is reimbursed to Greenville Water. Mr. Robey requested the Commission authorize the Chief Executive Officer to pay off the note and make budget adjustments to fund the pay off. Mr. Robey stated accounts have been identified with surplus funds and the funds could be transferred to the debt service account to provide for the payoff.

Commissioner Kilgore asked what the projected revenue over expenses is anticipated to be, and Mr. Robey responded staff is still working on the figure as they develop the budget for the coming year. Commissioner Kilgore recommended tabling the matter until additional information is received. Commissioner Bannister asked what accounts Mr. Robey is currently reviewing. Mr. Robey responded he is reviewing IT accounts and supplies and maintenance accounts, among others, in identifying options.

5. IRRIGATION METER POLICY ENHANCEMENT

Chief Operations Officer Murray Dodd referred to information previously provided to the Commissioners regarding irrigation meters. Mr. Dodd advised there was no mention of irrigation in the 2006 presentation involving capacity fees. Mr. Dodd also advised since the inception of capacity fees Greenville Water has accepted approximately \$850,000 in capacity fees for

residential irrigation. Mr. Dodd stated there are currently 13,000 residential irrigation meters in the system with 661 paid in the past seven years. Mr. Dodd also stated before 2006 customers paid a meter fee of \$160 and after 2006 customers paid a capacity fee of \$1,320 and a meter fee of \$350 plus costs for a plumber.

Mr. Dodd commented on the pluses and minuses of having an irrigation meter. Mr. Dodd stated the renewed purposes for Greenville Water to promote irrigation meters are enhanced conservation efforts, sustainability through enhanced control, and more effective water use management. Mr. Dodd provided information regarding historical water use patterns, summer peak use due to irrigation, and comparisons between single meter and double meter customers. Mr. Dodd advised the total consumption of the customer with two meters is approximately 2.5 times the average for someone without an irrigation system.

Mr. Bereskin stated the objective is to drive people to use the second meter so when droughts occur Greenville Water can affect the change through tier pricing or in the extreme case turning off the meter. Mr. Dodd provided scenarios for single and double meters and taps as well as information on the financial impact to the homeowner. Mr. Dodd stated while more water will be used with two meters, Greenville Water will be able to control usage due to seasonal impacts. Mr. Dodd stated staff would like to have seasonal tier migration included in the next rate study which is scheduled to be completed in FY 2014.

In summary, Mr. Dodd recommended the following:

1. Require all new irrigation systems to be metered.
2. Lower capacity fees for new irrigation meters to \$525.
3. Revise contract for water service to give Greenville Water authority to turn off all residential irrigation meters in designated times of severe drought.
4. Require all new irrigation systems to be equipped with WaterSense labeled weather-based sensors and/or controllers.
5. Future migration to increasing drought rate structure for both residential and irrigation consumption.
6. Items 1 through 4 will be effective upon Commission approval with no retroactive reimbursements for prior installations.

Commissioner Bannister asked if information can be provided to the homeowner on where to install the water sensor, and Mr. Dodd responded guidelines can be provided.

Mr. Bereskin stated the recommendations will allow Greenville Water customers to receive irrigation water throughout the 12 month period without concern or worry about managing waste water usage fees. In addition this will allow Greenville Water to sell water when it has water, and will allow Greenville Water a way to limit water use during drought conditions. Mr. Bereskin commented on anticipated competition from ReWa selling irrigation water.

Mr. Dodd advised the residential capacity fee of \$1,320 would stay the same and the residential irrigation capacity fee would be lowered to \$525. Commissioner Kilgore recommended providing an amnesty period of no cost for a year for the irrigation meter as an incentive to customers to migrate to an irrigation meter. Commissioner Bannister asked what the financial impact would be with charging and not charging the fee. Mr. Bereskin responded while the irrigation capacity fee would not be collected, the meter charge of \$350 would be collected. Commissioner Kilgore recommended determining the financial impact before making a decision.

Mr. Bereskin commented on the need for gaining support from the municipalities and Greenville County with implementing the recommendations. Mr. Bereskin stated consideration would need to be given to engaging in a public relations campaign.

6. CHIEF EXECUTIVE REPORT

County Councilman Joe Dill requested an opportunity for the Upcountry History Museum Board to visit Hogback Mountain Country Club. Commissioner Sofield requested the Board understand the trip is a onetime trip only for the Board and the location must be maintained in its natural state. Commissioner Sofield recommended providing lunch for the group.

Mr. Bereskin referred to the installation of the Greenville Water sign at the Peace Center and to a partnership with TreesGreenville. Mr. Bereskin stated Roper Mountain Science Center will be changing its name to Xplore and will be renovating its facilities and labs. Mr. Bereskin also stated Greenville Water staff will be working to establish a water based presentation in the curriculum. Mr. Bereskin commented on a presentation he will be receiving from the Children's Museum Board. Mr. Bereskin discussed Blue Ridge Middle School touring the Stovall Plant and the school implementing water education into their curriculum.

Commissioner Kilgore left the meeting.

Mr. Bereskin stated Belton Honea Path has contacted Greenville Water regarding an emergency tie in and staff is working with them. Mr. Bereskin also stated The Nature Conservancy Board has asked to tour Table Rock on May 23. Commissioner Sofield asked for the Commissioners to attend as well.

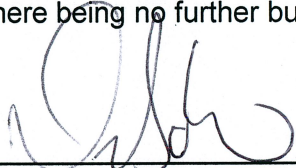
Director of Human Resources Susan Rector reported on a recent trip and fall injury at the office. Mr. Bereskin advised the area involved has been repaired.

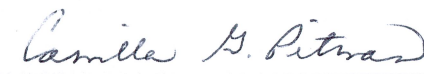
7. COMMISSION COMMENTS

No comments were presented.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:53 a.m.



Debra M. Sofield, Chairman

Camilla G. Pitman, CMC, Certified PLS
City Clerk