



GreenvilleWater

**MINUTES OF THE REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
June 25, 2013
8:00 a.m.**

Commissioners of Public Works:

Chairman Debra M. Sofield, James W. Bannister, J. David Sudduth, and Knox H. White;

Absent: Phillip A. Kilgore

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 Human Resources Susan Rector, Director of Information Technology Joe Beineke, Controller Jondia Berry and Commission Attorney David Ward.

The Workshop Meeting of the Commissioners of Public Works was called to order at 8:03 a.m. by the Chairman, Commissioner Sofield.

1. OPERATING BUDGET

Chief Financial Officer Phil Robey presented an overview of the proposed FY 2013-14 Annual Operating Budget and Budget Summary as provided to the Commissioners with their Agenda.

Mr. Robey advised depreciation would not be in the budget this year and budgeting would be on a cash basis providing a clearer understanding of how Greenville Water spends money. Mr. Robey also advised the budget would be aligned with the basis used to set rates. Mr. Robey discussed the breakdown of department budgets into functional divisions and stated he has a better grasp and understanding of Greenville Water after going through the budgetary process.

Mr. Robey commented on revenue and operating expenses including capital outlays and normal system improvements. Commissioner Sudduth asked if the amount budgeted for salaries assumes a full staff, and Mr. Robey responded it does. Mr. Robey provided an outline of the revenue breakdown including the water sales by customer class and base/volume charge. Chief Executive Officer David Bereskin stated the breakdown is a good model to follow. Mr. Robey discussed how the budget is spent and referred to the majority of the operating expenses going to salary and wages.

Mr. Robey shared budget highlights including assuming a 3 percent rate adjustment effective February 1, 2014, assuming 1,884 new connections during the coming year, assuming 247 authorized employee positions, and resolving the pay for performance longevity program for a five percent increase similar to the City's program. Mr. Robey stated he anticipates a 12 percent increase in health insurance and a 5.5 percent increase in dental insurance. Commissioner Sudduth recommended receiving feedback from the staff regarding the change to a five percent increase.

Mr. Robey commented on allocating costs to departments which have previously been budgeted for, such as fuel, auto insurance, safety supplies and licenses/certifications. Mr. Robey discussed

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in general the budget including capital investments, CIP budget transfers, normal system improvements, meter program, vehicles, equipment, computer hardware and computer software. Commissioner Sofield asked about the status of the meter program and shared her concern with continual costs. Mr. Bereskin responded the meter program is a continual and ongoing program that would always requires some type of funding to maintain the program.

Mr. Robey provided the following breakdown of department and division budgets:

1. Executive Management - including CEO, COO, and Community Relations
2. Human Resources
3. Finance - including Building and Grounds, Garage, and Warehouse
4. Business Services – including Customer Service, Field Services, and Billing
5. Information Technology
6. Engineering
7. Field Operations – including Management, Locating, and Maintenance and Construction
8. Water Resources – including Management, Labs, Watersheds/Reservoirs, Maintenance, and Stovall and Adkins Plants

Mr. Robey reviewed the proposed CIP Main replacements in the City in the proposed budget. Mr. Bereskin commented on wanting to take advantage of the City's asphalt program during the coming year. Chief Operating Officer Murray Dodd advised most municipalities do not release the proposed project lists until they are approved by City Council. Mr. Dodd reviewed the priority list for the water line replacement program and highway improvement projects.

Mr. Bereskin commented on Greenville Fire Department meeting with Greenville Water staff regarding developments along Roper Mountain Road, Garlington Road, and Woodruff Road and the reduced water flow in the area. Mr. Bereskin advised Greenville Water is reviewing the possibility of implementing private mains instead of public mains and looking to combine the mains to have a dual feed. Mr. Bereskin stated Greenville Water would be meeting with Cabela's and developers in the next few weeks to discuss the matter further.

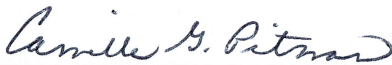
Regarding debt service, Mr. Robey advised Greenville Water would be budgeting both principal and interest in the coming year.

Commissioner Sofield thanked everyone for their work with the budget.

2. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:56 a.m.



Debra M. Sofield, Chairman

Camilla G. Pitman, CMC, Certified PLS
City Clerk