



GreenvilleWater

**MINUTES OF THE REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
August 6, 2013
8:00 a.m.**

Commissioners of Public Works:

Chairman Debra M. Sofield, Phillip A. Kilgore, and Knox H. White

Absent: James W. Bannister and J. David Sudduth

Greenville Water Staff:

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

The Regular Meeting of the Commissioners of Public Works was called to order at 8:00 a.m. by the Chairman, Commissioner Sofield.

1. APPROVAL OF MINUTES

Commissioner White moved, seconded by Commissioner Kilgore, to approve the regular meeting minutes of July 2, 2013. The motion carried unanimously.

2. PUBLIC COMMENT

No comments were presented.

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 advised Table Rock and North Saluda are at full pond with production at 20 million gallons below the same time last year. Mr. Price also advised the Corps lakes are full and Lake Hartwell has reached flood stage for the first time since 1964.

4. FINANCIAL UPDATE

Chief Financial Officer Phil Robey presented highlights from the Financial Statement through the month of June as well as unaudited figures for preliminary yearend figures through July as provided in the Commissioners' Agenda packet. Mr. Robey stated water sales are anticipated to be eight to nine percent below estimate and other revenue sources are close to budget estimates. Mr. Robey advised the capacity purchase agreement with Laurens County which was anticipated in FY2013 is close to being concluded.

Commissioner Kilgore asked if the transfer from reserves for capital projects is a timing issue. Mr. Robey responded some of the projects in the CIP are either in process or have not started yet meaning there may be a need to reserve some funding for those projects. Mr. Robey advised there should be no alarm with the line item not being transferred.

Mr. Robey pointed out expense savings over the past year due to employment vacancies, changes in water treatment and production philosophy, and reductions in chemical costs due to

Minutes – Commissioners of Public Works
August 6, 2013
Page 2

reduced production and favorable bid pricing among other things. Regarding GASB 45, Mr. Robey stated a contribution anticipated this past year was not made because an updated actuarial study reflected modifications and reduced the actuarial liability and the annual required contribution.

Mr. Robey explained funding from the capital outlay for the financial information system will be carried over to next year as well as funding for the Greenville Water campus project since the funding has been approved. Mr. Robey referred to debt service which was anticipated in last year's budget and advised since it did not materialize, the debt service was not issued.

In summary, Mr. Robey stated he anticipates the year coming in below budget with a savings of \$2.6 million despite a revenue impact due to a wet year and good management of expenditures. Mr. Robey stated the auditors will be in the office in September to perform an annual required audit. Mr. Robey reassured the Commission that despite challenges, Greenville Water has ended the year in good shape.

5. ENGINEERING / OPERATIONS SUMMARY – 2013 PROJECTS

Director of Engineering Mike Sharpless presented a summary of capital and water main projects for FY2013 as provided in the Commissioners' Agenda packet. Mr. Sharpless provided photographs and updates on work performed on the rehabilitated 72 inch main, repaint of Hillandale Tank, replacement of water mains in the city of Greenville, and removal of the Piedmont Tanks. Mr. Sharpless advised approximately \$2.3 million was spent on major capital projects and \$8 million was spent on 73 water mains during the past year.

Chief Operations Officer Murray Dodd presented a summary of field operations activities for FY2013. Mr. Dodd commented on reports received weekly from the Field Operation Superintendents providing information on leak history, water outage, new accounts, leak detection, utility locating, valves and hydrants, and training and presented yearend reports as provided in the Commissioners' Agenda packet. Mr. Dodd stated system integrity numbers for FY2013 went down inside the city and up outside the city. Mr. Dodd offered to provide separate system integrity numbers and figures for leaks per 100 miles for inside and outside the city.

Mr. Dodd advised information regarding leaks is included in the Monday memorandums and he will add the system integrity numbers to the next memorandum. Mr. Dodd stated he has been attempting to watch for trends in leaks inside and outside the city and has determined leaks tend to occur more when there is more rain or a significant drought and when the temperature is averaged above 80 degrees for over a month or below 45 degrees for over a month.

Mr. Dodd commented on water outages advising there were 117 unscheduled incidents and 43 scheduled incidents and both type of incidents averaged approximately 2.5 hours to complete repair. Regarding accounts, Mr. Dodd stated the total number of new accounts for 2013 was 1,740 providing for a one percent growth in the system. Commissioner Kilgore asked where the growth is currently occurring, and Mr. Dodd responded in the Mauldin/Simpsonville area and the eastside of Greenville County.

Mr. Dodd explained the process of locating leaks and stated 42 undetected leaks and 232 pinpointed leaks were located last year. Commissioner Kilgore asked what the cost is to treat the water that is being lost. Mr. Dodd offered to provide information in the next memorandum and affirmed the leak detection program provides for a cost savings.

Mr. Dodd referred to Greenville Water being a member of SC811 as of June 2013 and stated anyone digging in the service area must call to advise Greenville Water of the digging. Mr. Dodd advised Greenville Water is averaging about 30 tickets per Damage Prevention Technician per day. Regarding valves, Mr. Dodd stated there are 47,154 total valves in the system with 6,808 in the city and 40,346 in the county. Mr. Dodd also stated the number of inspected valves went down in 2013; however, Greenville Water is working on hiring new employees to increase the number of inspections performed. Mr. Dodd advised there were 74 fire hydrants replaced in FY2013.

Commissioner Sofield referred to a prior request for checking valves in the city and asked if Greenville Water has a monitoring system in place for staff to go back and check the valves. Mr. Dodd responded staff has not gone back inside the city and worked on the valves. Mr. Dodd stated staff initially cleaned them out, making sure they would turn and not closing them all the way down due to additional problems which could occur in the system. Mr. Dodd advised they will strive to complete the work in the city in FY2014.

Regarding training, Mr. Dodd discussed his goal of increasing the training for the field operations team and advised a total of 1,523 hours in training has been provided for safety, supervisory, distribution and CDL. Mr. Dodd recognized six employees who passed the Distribution Operator Exams and commented on employee incentives offered for training and certification.

6. WELLNESS PROGRAM AND HEALTH PLAN UPDATE

Human Resources Manager Susan Rector presented an update of the proposed health wellness program as provided in the Commissioners' Agenda packet. Ms. Rector discussed a roll out proposal of the wellness program to the employees and advised the rollout includes talking points to share with supervisors who in turn will share them with the employees. Commissioner Sofield questioned who will be training the supervisors, and Ms. Rector responded Leadership members will be receiving the information and training the supervisors. Commissioner Sofield requested someone monitor the process to confirm the information is being provided to all the employees.

Ms. Rector presented the following three wellness options and provided overviews: (1) workforce option, (2) individual option, and (3) passive option. Chief Executive Officer David Bereskin reminded the Commission of discussions during the July meeting and information provided by representatives of Mercer Insurance Group. Mr. Bereskin advised today's presentation affirms the information presented previously to the Commission. Mr. Bereskin stated when staff spoke with Mercer about the workforce option following the presentation they were luke warm about it.

Commissioner Kilgore asked if Mr. Bereskin is looking for the Commission's view on what option should be implemented. Mr. Bereskin responded the Commission decided last month to move forward with the workforce option. Mr. Bereskin advised there was lengthy discussion regarding the individual option. Regarding the individual option, Mr. Bereskin stated the recommendation from staff was to charge \$20 if you did not participate. Mr. Bereskin also stated the consultant is saying the best way to keep health care costs in check is to start a wellness program including biometrics and a health risk assessment. Commissioner Kilgore asked if it would be more advantageous to create a positive incentive where people are rewarded for participating rather than charged for not participating. Mr. Bereskin advised the goal was to explain that a discount would be provided to everyone who completed the process; however, it was not well received.

Minutes – Commissioners of Public Works
August 6, 2013
Page 4

Ms. Rector stated she anticipates implementing much of the program through the proposed wellness committee and through communications. Ms. Rector discussed the creation of a diverse six person committee and presented guidelines and responsibilities for the committee.

Ms. Rector advised staff is working with Mercer in comparing and analyzing Greenville Water health care benefits with other entities. Mr. Bereskin stated the current healthcare coverage ends in January and the current goal is to keep the benefits where they are today and to work to reduce the costs. Mr. Bereskin advised staff is currently reviewing the Greenville County health plan.

7. CONSIDERATION TO MOVE INTO EXECUTIVE SESSION

Commissioner Kilgore moved, seconded by Commissioner White, to go into executive session for the purpose of contract discussions. The motion carried unanimously.

Prior to moving into executive session, Commissioner Kilgore introduced former Commissioner Bob Howard in attendance and announced Greenville Water celebrated its 95th anniversary on August 1.

(Executive Session)

There being no further discussions, Commissioner White moved, seconded by Commissioner Kilgore, to go out of Executive Session. The motion carried unanimously. No action was taken.

8. CHIEF EXECUTIVE REPORT

No report was provided.

9. COMMISSION COMMENTS

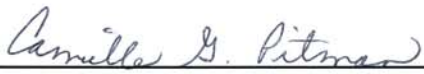
No comments were presented.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:34 a.m.



Debra M. Sofield, Chairman



Camilla G. Pitman, CMC, Certified PLS
City Clerk