



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
July 1, 2014
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, and Mayor Knox H. White, Absent: J. David Sudduth. A quorum was present.

Greenville Water Staff in attendance:

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

The Regular Meeting of the Commissioners of Public Works was called to order at 8:14 a.m. by the Chairman, Chairman Kilgore.

1. APPROVAL OF MINUTES

Commissioner Sofield moved, seconded by Commissioner Bannister, to approve the regular meeting minutes of June 3, 2014. The motion carried unanimously.

2. PUBLIC COMMENT

No comments were presented.

3. WATER RESOURCES UPDATE

Director of Water Resources K.C. Price reported Table Rock and North Saluda reservoirs are both close to full pond. The afternoon rains are helping the reservoirs remain at these levels. Production average this year is around 65 million gallons per day which is much better than last year's average of 57 million gallons per day. This is still lower than the 10 year average, but is catching up quickly.

Rainfall at Table Rock is normal at this time of year with 35 inches. North Saluda is a couple inches behind average but is still in good shape, as is Adkins. Commissioner Sofield asked why North Saluda is not quite as full, is the area not getting the afternoon rains. Mr. Price answered North Saluda is still as full, it just does not see the same amount of rain. Table Rock is three inches above average for this time of year. North Saluda is two inches below average. The little stretch of land between the two reservoirs makes all the difference in the world. Chief Executive Officer David Bereskin commented that in less than a week Table Rock received 4.4 inches of rain and North Saluda only received 2.1 inches in the same week.

4. FINANCIAL UPDATE

Chief Financial Officer Phil Robey presented the Financial Update through May 31, 2014, ten months through the year. Total operating revenues are seventy-six percent. The most important revenue is water sales which are running at seventy-five percent. This is behind the budget estimate but on the other side of the coin, expenses are running behind as well. Variable costs,

such as utilities and chemicals, are based on production levels. Mr. Robey stated the bottom line is year-to-date revenues exceed expenses.

5. SY 2014 BUDGET

Mr. Robey presented a five-month budget or short year (SY) budget for the period of August 1, 2014 through December 31, 2014, as a transition to a calendar year budget in 2015. A meeting was held where the Finance Committee reviewed the proposed budget prior to being brought before the entire Commission for approval. This budget was developed by looking at the timing of reoccurring expenditures to see when they normally take place and took into account the seasonal nature of some costs, so it was more than just taking a fraction of the typical annual budget. Mr. Robey reviewed the summary and highlights of the proposed SY budget as provided in the Commissioner's Agenda packet.

Mr. Bereskin expanded on the Dam Safety Study included in the Water Resources budget. This study is going to be conducted in the short year and then there will be an idea of what type of maintenance activity needs to continue into the 2015 year. Chairman Kilgore asked if this is routine or if it was prompted by erosion detected at Table Rock. Mr. Bereskin responded this study is being driven by information obtained from SC Department of Health and Environmental Control's annual inspection where erosion down the hill from the Table Rock reservoir was pointed out. Greenville Water has someone preparing a short report that will address that issue and then go into further detail to see how to address the bank and slope. Chairman Kilgore asked if anyone has reached a conclusion as to the cause of the erosion. Is it from surface runoff or is there something interior to the dam. Mr. Bereskin answered it is surface runoff. It is not penetrating through the rock embankment that is at the toe of the slope.

Chairman Kilgore referred to an interview Mr. Bereskin gave to WYFF Channel 4 regarding Spartanburg Water's budget process and asked him to comment. Mr. Bereskin shared Spartanburg Water had put a total of twenty-five million dollars in their Capital Improvement Plan for the next five years for infrastructure replacement. The reporter found it very interesting this was the first time this item was included in their budget so he reached out to Greenville Water. It was explained to the reporter it has been the norm for Greenville Water for years to have a replacement budget of between six and twelve million dollars every year for infrastructure improvements. Mr. Bereskin also supported Spartanburg Water saying this is the right thing to do, to look at replacing the infrastructure before it breaks. Chairman Kilgore added this is an affirmation for Greenville Water policies and procedures.

Mr. Bereskin asked the Commission to make a motion to approve the proposed Short Year Budget for 2014. Commissioner Sofield moved, seconded by Mayor White, to approve the budget. After discussion, the motion passed unanimously. Commissioner Sofield thanked Mr. Robey and staff for the helpful information.

6. AUTHORIZE CEO TO NEGOTIATE CONTRACT FOR FACILITIES MASTER PLAN

Chief Operations Officer Murray Dodd began by stating the focus of the facilities master plan is operational excellence. Mr. Dodd reviewed the Engineer selection, historical plan structure, additions to the plan structure as provided in the Commissioner Agenda packet and presented Greenville Water Staff's recommendation to request permission for the Chief Executive Officer to enter into negotiations with Black and Veatch on scope and price of the Facilities Master Plan. Mr. Bereskin added the reason the agreement is not ready for approval and permission to negotiate is being requested is staff wants make sure the scope and pricing schematic is fully

understood, to receive value for the money. Commissioner Sofield moved, seconded by Commissioner Bannister to allow Mr. Bereskin to negotiate the contract for the Facilities Master Plan. The motion carried unanimously.

7. USGS TOPOGRAPHIC STUDY OF TABLE ROCK AND NORTH SALUDA WATER BODIES

Mr. Price provided the U.S. Geological Survey (USGS) Bathymetric Study, or contour model, of the Table Rock and North Saluda Reservoirs initiated in February 2013, finalized in March 2014. This information aids Greenville Water in knowing how much water is in the reservoirs. This is the first step in completing a Safe Yield Analysis. Safe Yield Analysis is required to develop our Water Resources Management Plan and to update our Drought Contingency Plan. USGS used an EcoMapper, which is a small submarine, to travel all over the reservoirs mapping the bottom. The bathymetry showed Table Rock had 8.8 billion gallons of water and North Saluda had 23.8 billion gallons of water. Commissioner Sofield asked how much water was thought to be in each reservoir. Mr. Price answered 9.5 billion gallons in Table Rock and 24.8 billion gallons in North Saluda. The data used to calculate the numbers was from 1918. Chairman Kilgore asked if some of the difference could be attributed to sediment. Mr. Price said the report states the only place there has been any sediment is at the head of where North Saluda comes into the reservoir. USGS made comment that all the old stream beds are visible and there has not been much sedimentation. About five years ago USGS came out to Table Rock because it had been such a pristine area to use it as a reference lake. They took sediment sampling and had difficulty getting sediments because there was none to be found. Mr. Bereskin remarked this means the watersheds are being taken care of properly.

8. LEGISLATIVE UPDATE

Government Liaison Bob Knight announced the budget for Water Planning was passed including \$100,000 for community outreach of which Clemson University had asked for \$700,000 so it is suspected the money will sit on hold for a couple years as they try to find more money for the community outreach stakeholder involvement plan.

As was planned in the Legislative Agenda, Greenville Water held a luncheon for the Legislators in Columbia earlier this year which was well received. Discussions will take place later on planning another one next year.

Don Bowen who has been active in the water planning process lost his Primary Election battle. He was the person in Anderson who made his name fighting for the Lake Hartwell property owners during the drought. He had a good bit of time in the news representing the property owners fighting the Corps of Engineers on the level at Lake Hartwell. He also put in a couple of bills dealing with fighting the City of Anderson on their inside/outside water rates for his constituents outside the City.

Chairman Kilgore noted the gentleman who won the primary for House District 3, Gary Clary, former Judge, will be touring the Adkins Plant with Commissioners Kilgore and Bannister and Mr. Bereskin next month. Mr. Bereskin added Six Mile, SC is the largest part of this district.

Mr. Knight also informed the Commission of the passing of Fran Thomas, wife of former Commissioner David Thomas.

9. CHIEF EXECUTIVE REPORT

Mr. Bereskin provided detail into the Anderson Regional Joint Water System (ARJWS) infrastructure failure. Greenville Water reached out to ARJWS's Executive Director, Mr. Scott Willett to offer assistance. The problem was at a piping ring on the intake pipe that goes into the treatment plant which is supported by three 1½" bolts. One of the bolts failed, the other two bolts could not carry the support causing the pipe to blow out. Mr. Bereskin pointed out this is where the Black and Veatch Facilities Master Plan will be a benefit to Greenville Water by monitoring key components on a regular basis.

Mr. Bereskin shared he and Commissioners Kilgore and Bannister received notice from Greenville Water Attorney Randy Lowell saying the Corps of Engineers has issued a draft Environmental Assessment and a draft Finding of No Significant Impact (FONSI) on the agreement between Duke Energy and the Corp of Engineers on Lake Management. Greenville Water will be writing a letter of support with the Commission's approval to the Corp of Engineers. Alternative Three is what Greenville Water has been striving for and what Duke Energy said they would be trying to get the Corp of Engineers to enter into. The original agreement from 1968 which takes the whole volume in Lake Keowee/Jocassee compared to the volume in Lake Hartwell/Thurmond to balance both lakes. This Alternative Three will encompass all three lakes, owned by each party, adding Bad Creek and Russell into the calculation. This agreement would also recognize the Nuclear Regulatory Commission required level of storage do to Oconee Station. Keowee could not go below 794.6 feet, but the old agreement did not account for this. If this agreement is approved, it will recognize Lake Keowee's limitation to only draw down to 790 feet. It could be drawn down another 4.6 feet. This will limit the amount of times we will be in drought stage four in the Low Inflow Protocol. If this agreement is approved, Duke Energy will be spending about 10 to 15 million dollars to make engineering modifications to Oconee Station.

Mr. Bereskin stated Staff appeared before Greenville City Council for zoning issues, approval to commence plans on the Field Operations Relocation and the closing of Oscar Street. The first reading was Monday June 23, 2014. The next reading will be July 23, 2014.

Mr. Bereskin detailed an opportunity he and Chairman Kilgore had to spend time with representatives of South Carolina State Parks touring Paris Mountain State Park. Paris Mountain has very interesting Greenville Water historical landmarks. The Park Center explains the history of the park and how it was made. Interactive exhibits explain the park's importance as a watershed.

Chairman Kilgore asked Mr. Bereskin to briefly respond to the Greenville Health Systems recent bacterial outbreak. Mr. Bereskin conveyed Greenville Health System has done their due diligence and determined the outbreak was due to a certain surgical piece of equipment. The Center for Disease Control and Department of Health and Environmental Control have not completed their investigation. The surgical room has been closed down. The Department of Health and Environmental Control contacted Greenville Water stating the bacteria can be found in water, air and soil. They were wondering if we had a lapse in disinfection that makes the bacteria inactive. Chairman Kilgore asked was it ascertained water was not the source. Mr. Bereskin answered from all the information obtained in-house and research done at this time it has not been tied back to water.

12. COMMISSION COMMENTS

No comments were presented.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:38 a.m.



Phillip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant