



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
August 5, 2014
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, J. David Sudduth, and Debra M. Sofield-via phone. Absent: Mayor Knox H. White 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 and Commission Attorney David Ward.

The Regular Meeting of the Commissioners of Public Works was called to order at 8:15 a.m. by the Chairman, Commissioner Kilgore.

1. APPROVAL OF MINUTES

Commissioner Bannister moved, seconded by Commissioner Sudduth, to approve the regular meeting minutes of July 1, 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 in good shape. Table Rock is 0.65 feet below full pond and North Saluda is currently at full pond. Production is much better in 2014 than in 2013, with total production for 2014 at 66 million gallons per day (MGD) average. In 2013 the average was 52 MGD, which was an all-time low for the month of July since the Stovall Plant had been in operation. The reason production was so low in 2013 was because of the large amount of rainfall received. In July 2013 the area had reached the annual average for rainfall at 72 inches, this July is more normal for both watersheds.

4. FINANCIAL UPDATE

Chief Financial Officer Phil Robey presented the Financial Update through June 30, 2014, eleven months through the year. Covering Revenues first, Mr. Robey shared water sales are falling behind estimates, which has been discussed throughout the year. Looking at other revenue sources, some are over and some are under. Expenses are also below budget, with the bottom line showing 9.7 million dollar revenues over expenses. Taking out the one time revenue from Laurens County Water and Sewer Commission Capacity Agreement, there is a 5.4 million dollar surplus through the end of June 2014. Preliminary unaudited year-end numbers will be brought to the Commission next month. Chairman Kilgore asked how the five million plus compares to the excess revenue over expenses that was projected. Expenses are running further below revenue than the revenues are which is generating the excess. Mr. Bereskin added to date, the billings for the two big capital projects have not been received. The five million dollars will be

spent on the capital plan that was approved. The bills are just starting to roll in, such as the tank painting and the pressure improvement projects. The budgeted dollars are going to carry through the five month short year and the five million dollars in excess revenue is all going to be spent as planned. Commissioner Kilgore clarified he was trying to get a sense of how close the numbers are to the projected excess of revenue over expenses. Mr. Robey stated budget to actual expenses are at 77% whereas the operating revenue is at 85%, so we are not spending as much money even though we are not taking in as much money as we had anticipated. Chairman Kilgore stressed that we are a little bit ahead of where we projected. Commissioner Sudduth reminded everyone to keep in mind salaries and benefits are somewhere between three and a half to four million dollars under budget which makes up a big chunk of the excess. Mr. Bereskin confirmed we will continue to have some open positions budgeted as we normally do.

5. WATERSHED MONITORING AND RESOURCE PLANNING

Mr. Price explained Greenville Water has always done a very good job of monitoring the bulk water out in the reservoirs for the various components, but there is a need to start looking at what is coming into the reservoirs and what is leaving on a quantity and water quality aspect. The first part of planning was the bathymetry study, which has been completed. This second part will provide good safe yield numbers and quality data. With the advent of the Watershed Management Plan we are looking at some new techniques never utilized, e.g. prescribed burning, etc.

The base line information on water quality will help us to know how we are impacting for the positive or negative and modify plans to do what is best for the system. In order to obtain this data, instruments will be deployed to measure parameters as such as dissolved oxygen, temperature, pH, conductivity (total dissolved solids), pressure and turbidity. Mr. Price then shared a picture of the device that will be used. The EX01 Sondes is the same instrumentation used by US Geological Survey on the submarine in the bathymetry study. The Sondes will be laid in the creek beds where data will be collected, which staff will download and analyze periodically. Equipment has been purchased to deploy three Sondes at Table Rock and three at North Saluda. Table Rock locations to be monitored are Slickum Creek, the main influent from the South Saluda River, and the discharge. North Saluda locations are Big Falls, the North Saluda River influent and the discharge. This will help capture the most flow of what we are bringing into the system and the highest amount of surface area from the watershed itself, so we can see what practices we are doing. The devices are mobile, so at various times they may be moved around if there is an area of concern that needs to be monitored.

Chief Administrative Officer Dennis Porter announced the Water Resources Master Plan project has been kicked-off and reviewed the consultant selection schedule and list of firms provided in the Commissioner's Agenda package. Commissioner Sudduth asked how long is development of the Water Resources Master Plan expected to take. Mr. Bereskin responded ten months to a year. Commissioner Bannister asked what are some things anticipated to result from a Water Resources Master Plan. Mr. Bereskin answered first and foremost to verify safe yields in the two reservoirs, establish what projected demands 100 years from now will be, see if existing resources will provide for demands 100 years from now, if not then analyze the different choices available to increase our resource and put an economic value to it. Other results hoped to be achieved in partnership with the Watershed Management Plan and installation of the sensors is to receive flow data to develop an operational regime for the reservoirs, then regulate discharge with the possibility of sending different water quality down, such as colder water. Also to add a component of weather forecasting into the management of the watersheds to elevate how they

are managed today. Commissioner Bannister summarized, at some point in the future, once the data received has been verified to be accurate, there will be a system in place where we can decide, based on weather patterns and predictions, to what extent to pull from Keowee versus Table Rock versus North Saluda. Mr. Bereskin added to release to keep the lakes at levels we feel the asset will be replenished. Commissioner Bannister questioned if this plan will tie back into the Drought Management Plan with Duke. Mr. Bereskin answered yes, later down the line.

Commissioner Kilgore asked if the list of tasks for the Consultants is set forth in the request for qualifications. Mr. Porter responded yes, the tasks are broad so the Consultants would put in a lot of thought and get creative with their responses. Mr. Bereskin added the Water Resource Committee will need to meet with the team to review the shortlisted participants to ask questions and feel comfortable because this is very strategic planning, a hundred years down the line.

6. STRATEGIC PLANNING UPDATE

Mr. Bereskin briefly reviewed what has been accomplished to date in the three areas of focus of the Strategic Plan and where it is going as provided in the Commissioner's Agenda package. The three areas of focus are Stakeholder relations, Operational Excellence and Human Capital. As Mr. Bereskin reviewed Stakeholder Relations/Intergovernmental Relations, Commissioner Bannister asked if staff has an idea, assuming success with discussions with existing wholesale customers regarding capacity agreements, who will be approached next. Mr. Bereskin responded there have been inquiries from other systems regarding potential connections.

Mr. Robey added to Mr. Bereskin's update on Human Capital/Employee Relations, pointing out Greenville Water provided the first ever employee benefit statement to employees this year. This statement provided employees a recap of their total compensation and the total value to them in terms of health insurance, paid time off, etc. summarizing all the benefits they are entitled to as a Greenville Water employee. Commissioner Bannister requested an update on development of an internship program. Mr. Bereskin conveyed staff is working with Carolina Apprenticeship to develop a program and also Wounded Warrior Project to see if there is an opportunity to bring some of our veterans into the workforce or at least give them notice of jobs.

7. EXECUTIVE SESSION

Commissioner Bannister moved, seconded by Commissioner Sudduth, to go into executive session for the purpose of discussing legal matters. The motion carried unanimously.

(Executive Session)

Upon coming out of Executive Session, the Chairman announced no action had been taken.

8. COMMISSION COMMENTS

Chairman Kilgore thanked the Greenville Water team for coming together in welcoming the new member of the House of Representatives in the Six Mile, South Carolina service area, former Judge Gary Clary, with a tour and presentation at the Adkins Plant. This House District is the largest in Pickens County which overlaps the Six Mile service district. He was pleased to learn a lot about how the water he personally consumes and his constituents consume is produced.

Mr. Bereskin announced Greenville Water's Finance and Accounting Department won the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program (Comprehensive Annual Financial Report Program). Mr. Bereskin thanked

Controller Jondia Berry and staff for all the hard work put into this achievement. Chairman Kilgore asked heartiest congratulations be expressed to Mrs. Berry. Mr. Bereskin shared the award would be posted on our website.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:35 a.m.



Phillip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant