



GreenvilleWater

**MINUTES OF REGULAR MEETING  
COMMISSIONERS OF PUBLIC WORKS  
407 West Broad Street  
Commission Room, Level Two  
Greenville, South Carolina  
September 9, 2014  
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Mayor Knox H. White, and Debra M. Sofield. 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 and Commission Attorney David Ward.

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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 Sofield moved, seconded by Commissioner Bannister, to approve the regular meeting minutes of August 5, 2014. The motion carried unanimously.

**2. PUBLIC COMMENT**

No comments were presented.

**3. WATER RESOURCES UPDATE**

Director of Water Resources K.C. Price reported reservoirs are in good shape. Table Rock was a little low, but the level is still above normal for this time of year. North Saluda was at 0.30 feet below full pond, which is also above normal. Production was up quite a bit from last year, as last year was such a wet year, but is still a little behind average. Rainfall is average for Table Rock at 48.42 inches. North Saluda and Adkins are slightly below average for this time of year.

Chief Executive Officer David Bereskin added 2014 has been a wet year, but there has already been a drought level update as part of the new Federal Energy Regulatory Commission (FERC) guidelines. Mr. Price further detailed the conference call by listing the four stages of drought beginning with Stage 0. The stages are based on four different indicators, which are stream flow, the drought monitor, the level of water in the Corps reservoirs and the level of water in the Keowee Toxaway project. The Corps is projecting sometime in mid-October to be in Stage 1 drought. This does not drive our level into Stage 1, but it is one of the indicators.

**4. FINANCIAL UPDATE**

Chief Financial Officer Phil Robey presented an update to the preliminary unaudited financial results for fiscal year ending July 31, 2014. There will be some adjustments made, accruals, regular yearend adjustments and audit adjustments to get from a modified accrual to an accrual basis of accounting. Auditors will be on site the next couple of weeks to get started on annual audit. The Auditor will report results at the November Commission Meeting. Revenues from

operations, capacity fees and interest earnings came in at 96% of budget. This is \$2.5 million below our revenue estimate. This is primarily driven by water sales being less than budget estimate. A boost to our revenue this year was the \$4.3 million onetime payment from Laurens County for capacity purchase. This allowed total revenues to exceed estimate by \$1.8 million.

Mr. Robey shared Operations and Maintenance expenses were also below budget by \$5.2 million, largely owing to salary and benefit savings as well as chemical and utility cost which correlate with the lower water production. Capital outlay which includes vehicles, equipment, computer hardware and software came in at 74 percent of budget and Normal System Improvements at 64 percent of budget. These expenses being below budget allowed Greenville Water to end the year with revenues exceeding expenses by \$6.3 million. The money budgeted for normal system improvements, not spent, is anticipated to be spent during the short year of 2014. Mr. Robey pointed out an important note regarding the excess revenue, which drops to reserves, in that these reserves fund our Capital Improvement Program.

Commissioner Sofield asked for detail regarding turn-on/turn-off charges. Mr. Robey pointed out the turn-on/turn-off charges came in below budget. Chief Administrative Officer Dennis Porter conveyed this is not unusual in the industry. Mr. Bereskin added these charges have decreased.

#### **5. 2013-2014 OPERATING BUDGET LINE ITEMS CARRIED OVER**

Mr. Robey reviewed the portion of Greenville Water's Operating Budget that gives the Chief Executive Officer authority to carryover encumbrances that exist at year end. Encumbrances include outstanding purchase orders or contractual obligations committed to from money budgeted in the recent year ended. In recognition there is an obligation that was budgeted for in the prior year, the encumbrance is rolled into the new year. The excess of revenues will be used for these carryovers. The carry over for this new year is \$219,389. The Chief Executive Officer has the administrative authority to approve these carryovers and fulfilled the obligation to inform the Commission the amount carried over.

#### **6. INFORMATION TECHNOLOGY SECURITY UPDATE**

Director of Information Technology Joe Beineke presented an update on information security. A lot of changes made over the last year and a half have had to do with responding to the South Carolina Department of Revenue breach. A new, tighter password policy for login accounts has been implemented. An intrusion prevention system has been installed. This system identifies attacks coming in and shuts everything down from that attack. The Social Security numbers in our database have been encrypted. Security updates on servers and computer workstations have been stepped up. An Information Technology Steering Committee has been working on and has written some security related policies. Staff is working to improve the physical access controls of locations and some improvements have already been made.

Mr. Beineke reviewed current actions, future actions, security events and Information Technology Governance as provided in the Commission Agenda package.

#### **7. BACKFLOW PREVENTION AUTOMATED PROCESSING REPORT**

Cross Connection Control Coordinator Shane Jenkins provided an overview of the current backflow prevention procedure and explained the need for online backflow test report entry, as provided in the Commissioner's Agenda package. Mr. Jenkins shared options for new data entry programs for test results, reviewed steps to obtain Department of Health and Environmental Control approval of the new procedure, reviewed new procedure and resulting benefits.

#### **8. FISCAL YEAR 2014 OPERATIONS SUMMARY**

Chief Operations Officer Murray Dodd presented a summary of 2014 Operations beginning with Engineering, moving to Field Operations and Water Resources as provided in the Commissions Agenda package. Noteworthy highlights were the installation of a swipe card entry at the Adkins Plant, Stovall Plant, Table Rock and North Saluda; implementation of the Watershed Management Plan; development of a new employee safety orientation program; assisted Friends of Lake Keowee (FOLKS) with a water study involving fecal coliform monitoring; the U.S. Geological Survey Bathymetric Study was completed and published; and the Keowee-Toxaway Relicensing Agreement was completed and signed September 18, 2013.

#### **9. EXECUTIVE SESSION**

Executive Session was not entered into.

#### **10. CHIEF EXECUTIVE REPORT**

Mr. Bereskin introduced new employees hired since the last Commission meeting, five of whom were present at the Commission Meeting. One new employee, Ashley Simon, who was not able to appear at the Commission Meeting, was hired as Greenville Water's first female Water Treatment Plant Operator Trainee.

Mr. Bereskin presented Chairman Kilgore with Greenville Water's most recent award for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. Commissioners and Mr. Bereskin thanked Chief Financial Officer Phil Robey, Controller Jondia Berry and the entire department, for all the hard work that went into receiving this award. Greenville Water has now received an award for Budgeting and for Financial Reporting.

Mr. Bereskin announced the Adkins Treatment Plant has received the American Water Works Association (AWWA) Partnership for Safe Water's President's Award. The Award will be presented at the 2015 AWWA Annual Conference and Exposition in June. The Stovall Treatment Plant also received this award in 2013.

Mr. Bereskin shared with Commissioners the Town Council of West Pelzer voted for West Pelzer Water and Sewer Department to move forward with a capacity buy-in with Greenville Water. There will be a meeting with the Town of Pelzer at the end of the month to discuss the same opportunity.

#### **11. COMMISSION COMMENTS**

No comments were presented.

#### **12. ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:45 a.m.

  
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Phillip A. Kilgore, Chairman

  
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Kimberly J. Haulter, Executive Assistant