



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
November 4, 2014
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield and J. David Sudduth. 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. WELCOME

2. PUBLIC COMMENT

No comments were presented.

CONSENT AGENDA ITEMS

3. APPROVAL OF MINUTES

4. WATER RESOURCES UPDATE

5. FINANCIAL UPDATE

6. 2015 COMMISSION MEETING DATES AND HOLIDAYS

Chairman Kilgore noted that Commissioners received the Consent Agenda materials for review and asked for questions regarding any of the items. There being no questions or comments, the Consent Agenda items stand as approved.

REGULAR AGENDA

7. FLUORIDE IN WATER BY ROCKY L. NAPIER, DMD, PEDIATRIC DENTIST

Chairman Kilgore introduced Dr. Rocky Napier, DMD, a pediatric dentist from Aiken, South Carolina and conveyed over the past few years the Commission has had the benefit of receiving information from a number of resources regarding fluoridation in the water. Dr. Napier is a recognized authority regarding fluoride, a long time pediatric dentist in Aiken, SC, a member of the American Academy of Pediatric Dentistry, Associate member of the American Academy of

Pediatrics section on Oral Health, Secretary/Treasurer of the South Carolina Dental Association, Region 19 Representative of the Academy of General Dentistry for the Dental Practice Council and 2010-2014 District 16 Representative of the American Dental Association Council on Access, Prevention and Interprofessional Relations.

Dr. Napier began by reviewing conditions in the 1930s and 1940s. At one time dental decay was rampant in society across all age groups. During World War II, Draftees were required to have 6 teeth, three opposing teeth, to chew. It was typical for children to get three or more cavities each year. It was not uncommon for high school graduates to receive dentures as presents so they could have more opportunities in the job market.

Fluoride is naturally occurring in water at some level anywhere you go and the fluoride concentration generally gets stronger as the water source goes deeper. Levels can vary greatly and the important thing is to know what the fluoride level is and to adjust properly. One of the first dentists to come upon the effects of fluoride on teeth was Dr. Frederick McKay in the 1920s. He noticed what was eventually termed "Colorado Brown Stain", in Colorado Springs, Colorado where there was a high concentration of fluoride in the water system. Dr. McKay noticed something was going on with the teeth and ended up consulting with Dr. G.V. Black, the Father of Restorative Dentistry. Dr. Black wrote on decay prevention more than restoration and is well known in dental history books. Drs. McKay and Black sought about trying to explain what was going on in Colorado. In the 1930s Dr. H. Trendley Dean, a dental officer of the U.S. Public Health Service, continued to study what was going on and was finally able to identify fluoride in the water was the cause of the brown stains and came upon the opinion after a lot of work that a fluoride concentration level of 1 part per million (ppm) was ideal for teeth. Anything beyond 1 ppm was not necessary and provided no additional benefit. Dr. Dean conducted four studies in four different areas comparing communities that had fluoride in the water against communities that were not fluoridated. Dr. Dean was able to prove through extensive research that fluoride was a benefit, helping to reduce dental decay in the population at the appropriate levels. In January 1945, Grand Rapids, Michigan began fluoridating its water and continued to study the effects of fluoride on the population. It was concluded the dental caries reduction rate was 50 to 60 percent. Even in today's world with all the additional fluoride exposure and the halo effect from many of the water systems being fluoridated there is still about a 25 percent reduction in dental caries as a result of appropriate fluoridation.

Dr. Napier stated community fluoridation benefits the entire population, young and old alike. In February of the past year, the American Dental Association in concert with the American Academy of Pediatric Dentistry and the American Academy of Pediatrics decided to update the toothpaste recommendations for children. Children under age three are now to use a rice grain size of toothpaste on a toothbrush twice a day. Children age three and above are recommended to use a pea size drop of toothpaste twice a day. After practicing pediatric dentistry for 25 years, seeing a broad range of children from all socio-economic groups, it is easily detected by looking in their mouth whether they live in a fluoridated community or not.

Under the Safe Drinking Water Act, the Environmental Protection Agency has established drinking water standards for a number of "contaminants" in water to protect the public's health. The Maximum Contaminant Level (MCL) for naturally occurring fluoride in water is 4 ppm and the Secondary MCL is 2 ppm. Water Systems are generally running 1.0 ppm now and there is discussion about reducing that to 0.7 ppm. Dr. Napier stated 0.7 to 1.0 ppm is well out of any range of danger. Currently Healthy People 2020's Oral Health Objective 13 has a goal to increase the proportion of the U.S. population served by community water systems with optimally

fluoridated water to 79.6 percent. South Carolina is ranked 10th out of the 50 States. The United States is within five percentage points of reaching the 2020 goal.

Cost effectiveness is another aspect of community water fluoridation. Generally in large water systems the cost runs between \$0.50 and \$1.00 a year per customer. Traditionally Dentists have quoted every dollar spent on community water fluoridation saves the customer at least \$38.00 in dental costs and with the cost of dentistry continuing to escalate the savings will increase. Fluoridation continues to grow. From 1992 to 2012 fluoridation has increased from 62% up to 74% or 210 million people are receiving optimally fluoridated water. Over the past thirteen years more than 427 communities in 42 states have voted to either retain or adopt fluoridation programs. Dr. Napier referenced the following website: http://www.cdc.gov/fluoridation/statistics/reference_stats.htm.

The Nation's Expert Registered Dental Hygienist, Ms. Jane S. McGinley will be at the 13th Annual Oral Health Forum in Columbia, SC on November 21, 2014. Ms. McGinley is the Nation's most noted expert on community water fluoridation and monitors all the fluoridation considerations and battles that go on across the Nation amongst water systems annually and also helped with the presentation provided to Commissioners. Mr. Bereskin stated Greenville Water will have representatives at this Forum.

Commissioner Sofield asked Dr. Napier to share some of the arguments he hears most often because the Commission has had a lot of folks reach out saying take the fluoride out of the water, because of poisoning and it was not asked for. The Commission informs them fluoride occurs naturally, but it does not ease their concerns. Dr. Napier pointed out court systems have upheld the right of community water systems to fluoridate water. There has been no ruling against fluoridation. The argument brought before City Council in Aiken, South Carolina the "Horse Capital of the South" was osteosarcoma, or bone disease, in horses. Council questioned one of the most noted figures in the horse industry, W. Cothran "Cot" Campbell, owner of Dogwood Stable. Mr. Campbell refuted the idea. The argument being heard now is there are recent studies out of China supposedly saying fluoride is depressing the intelligence quotient (I.Q.) of kids through community water fluoridation. These studies are not well controlled. It is hard to get all the details and there is no consistency in how the studies are carried out. In the peer review literature the studies do not carry any weight. Commissioner Sofield explained we hear fluoride is a by-product, it is a waste product and harm is being done to those less fortunate because they do not have a choice. Dr. Napier remarked if you want to make a class argument out of it, you would ask why would the upper class be depressing the I.Q. of upper class children, because the upper class is more exposed to community water fluoridation than lower class. Also, the lower socio-economic groups are the ones who benefit the most because of lack of alternative fluoride supplements. The Federal Government gathered scientists from different agencies to review literature and anything they could possibly look at on fluoride. From this research the decision was made to reduce the optimal fluoride level by 30 percent. Commissioner Sofield pointed out this is the argument being used by those against fluoridation. Dr. Napier advised this adds credence to the fact that fluoride is being looked at critically and trying to keep it at a level where it will have the appropriate effect without causing any damage to anything; kidneys, thyroid, I.Q.s, or bones. The overwhelming abundance of evidence shows what is being done is right. Science is not perfect and even when these recommendations are made, it does not mean what is said is absolute, it just means the overwhelming abundance of the evidence says to do this.

8. DIRECTION OF COMMUNITY SUPPORT

Chief Administrative Officer Dennis Porter shared an update on Greenville Water's Community Support including the budget, capital projects, municipal projects and public relations budget breakdown, current guidelines and reviewed highlights of the resolution passed by the Commission in 2011, as provided in the Commissioner's Agenda package.

Commissioner Sofield pointed out the Current Guidelines are different. The Community Support Committee has grown into this program. When the funding first became available there were numerable requests that had nothing to do with water. The Committee is now pushing more towards education and explaining to people about water and not just sponsoring to get our logo out there. In the past there were things that will probably not be done going forward. Commissioner Bannister further explained the problem determining which programs to sponsor was there was no way to discern between organizations in the community, who to give to and who not to give to, thus the move to the Education fiat. Commissioner Sudduth suggested beefing up the Advertising budget to lessen pressure on the Community Support Committee. Advertising is a different conversation and can be looked at as where are those avenues or venues where Greenville Water can get our message out. Commissioner Sofield requested a value be put on hand wash stations and the water buffalo lent out by Greenville Water for community events.

Mr. Bereskin asked Commissioners if an advertising budget increase should be provided in the budget presentation coming up in a couple weeks. Commissioner Sudduth pointed out for an organization the size of Greenville Water, the current advertising budget is a really small number. Commissioner Sofield stated criteria would be needed with the advertising budget, what would the advertising be for? Chairman Kilgore agreed, there is no need to just have the Greenville Water name on a billboard, but if the sponsorship engages the public and involves staff being in the public eye there is good value. Commissioner Sofield referred to Fall for Greenville as a great example of sponsorship, engaging the public and staff involvement. Commissioner Sudduth proposed quality over quantity, putting more money into the budget but really looking at where the best value can be found. Value is where the most people will recognize the sponsorship, where employees and Greenville Water's mission can be tied in. Commissioner Bannister requested a plan be developed to drive the budget. Chairman Kilgore wrapped up the topic by requesting a plan with a little more structure and more direction. Commissioner Sofield added with assumed monies available for the plan.

9. WATER SERVICE LINE INSURANCE

Mr. Porter began by calling attention to the fact water service line insurance has been around and gotten very popular in the last ten years. HomeServe, a provider of service line warranty programs, has been sending letters to our customers. American Water Resources is another such company. These companies send letters out annually. Commissioner Sofield recognized these letters are upsetting to some of our customers. Chairman Kilgore asked how these companies obtain the addresses of our customers. Mr. Bereskin assured everyone the information does not come from Greenville Water. Mr. Porter added Piedmont Natural Gas sends a similar letter, through HomeServe, to customers regarding gas lines. This discussion was brought before the Commission to receive direction in regards to four different responses as provided in the Commissioner's Agenda package.

Mr. Bereskin mentioned this topic had come up some time back, the last time such letters were mailed out. Here in South Carolina most of the larger utilities have gone to a warranty service line program. Spartanburg Water is about to start a program, Beaufort Jasper Water and Sewer

Authority is working out the details of their program, Charleston Water and Mount Pleasant Water Works offer a program.

Chairman Kilgore voiced his concern there be true value to our customers, stating it is known service lines do break; there are leaks that occur between the street and the house. The numbers will need to be run. The fixed costs to get started would need to be figured and amortized over a reasonable period, figure out the ongoing annual costs and how many customers would participate and price accordingly. Mr. Bereskin requested direction for response one or two and response three and four could be researched and reported on at a later date.

Commissioner Sofield requested to enter into Executive Session later in the meeting for purpose of discussing water service line insurance.

10. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2013-2014

Chairman Kilgore introduced Alan Robinson of Cherry Bekaert LLP, to provide an overview of Greenville Water's Audited Financial Statements for the year ending July 31, 2014, as provided in the Commissioner's Agenda package. Mr. Robinson reported an unmodified opinion with no surprises and briefly reviewed the financial statements.

Mr. Bereskin asked Chief Financial Officer Phil Robey to further explain the GASB 68 changes. Mr. Robey explained this is where Greenville Water has to disclose its share of the State's unfunded pension liability. We are currently working with the State because they are the gate keepers of the information to find out how much that is and more importantly, what does it really mean to Greenville Water. A proportional share of that liability will have to be recorded on our balance sheet, which could potentially be a large number. We are working with the State to make sure to understand what the number is, how it is calculated and to understand what it means from a credit rating agency standpoint. Will it mean anything as it relates to Greenville Water's AAA bond rating? How are the banks and investors that might be interested in buying our bonds going to look at this? The plan is to provide the Commission more in-depth information in the December meeting.

Commissioner Sudduth moved, seconded by Commissioner Sofield to approve the audited financial statement as presented. The motion carried unanimously.

11. I-85/I-385 INTERCHANGE INFORMATION

Chris Lamb Project Manager for Flat Iron/Zachry, the design-build team for the Interstate 85/385 Interchange project introduced his team members and South Carolina Department of Transportation representatives present at the meeting and gave a brief introduction to Flat Iron/Zachry. Mr. Lamb reviewed the project details as provided in the Commissioner's Agenda package. The project will be broken up into different phases. The specifics of Interstate 385 (I-385) is the controlling factor for the job, pushing traffic out, getting the I-385 bridge over Interstate 85 (I-85) reconstructed, getting new bridges over Interstate 85 built, removing existing infrastructure, rehabilitating the existing structure over Garlington Road and Roper Mountain Road, widening them and pushing them towards the center. Design/Inspection Supervisor for Greenville Water Scott Tackett pointed out the critical areas in water line relocations, gap closings, etc.

Mr. Bereskin emphasized the report provided is a preliminary report for the Commissioners as leading community members. The process so far is very collaborative. Greenville Water is very

appreciative of SC Department of Transportation and Flat Iron/Zachry sharing the processes where costs can be calculated and conflicts can be determined early on. This is the first road project in the area with this much cooperation between all entities involved and it is greatly appreciated.

12. CHIEF EXECUTIVE REPORT

Mr. Bereskin reviewed important dates coming up in the month of November. Announcing November 13th as Open Enrollment, for employees and Commissioners who participate in Greenville Water's health insurance plan and need to make changes to their coverage. Mr. Bereskin provided some detail on a new option provided this year, which is the High Deductible Health Plan with a Health Savings Account (HSA) option. Greenville Water will be funding the HSA option with \$1,000 for employees who choose the High Deductible Health Plan. The good thing about a HSA is as money is put into the account it is tax free and it is portable. It goes with the employee when the employee retires or leaves Greenville Water. The higher deductible is not for everyone, but some will find it to be a good option.

November 20th is the deadline application for the Duke Grant. Greenville Water will be submitting an application that spells out the need for a watershed management plan for Keowee, bringing Friends of Lake Keowee Society (F.O.L.K.S.) into the application process.

As Dr. Napier mentioned, the Health Division of the S.C. Department of Health and Environmental Control is recognizing fluoridated water communities and has a work session from 8:00 a.m. to 1:00 p.m. on 11/21/14. Greenville Water will have representatives attending to see if there are any events that could be brought to Greenville, as far as free dental clinics in conjunction with schools.

13. COMMISSION COMMENTS

Chairman Kilgore recognized Government Liaison Bob Knight for his excellent achievement in completing the New York Marathon on November 1, 2014.

Commissioner Sofield acknowledged reading the Chief Executive Memo distributed to the Commissioners monthly and thanked staff for a job well done and for efforts to keep information up-to-date.

14. EXECUTIVE SESSION

Commissioner Sofield moved, seconded by Commissioner Sudduth, to go into Executive Session for the purpose of legal advice concerning water service line insurance. The motion carried unanimously.

(Executive Session)

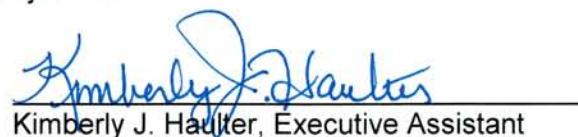
Upon coming out of Executive Session, the Chairman announced no action had been taken.

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:30 a.m.



Phillip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant