



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
May 5, 2015
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 Dennis Porter, Chief Financial Officer Phil Robey, Director of Engineering Mike Sharpless, Director of Water Resources K.C. Price, Director of Business Services David Hughey, Controller Jondia Berry, Information Technology Director Joe Beineke, Director of Human Resources Richard Posey, Business Analyst Jane Arrington 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.

3. CONSENT AGENDA

Chairman Kilgore listed the items of the Consent Agenda, which were the meeting minutes of April 7, 2015, the Water Resources Report and the Financial Update Report. Chairman Kilgore requested clarification regarding the Non-Operating Expense, Debt Service item in the Financial Update Report. Chief Financial Officer Phil Robey explained, once a year on February 1st a principal payment is made on bonds and then semi-annual interest payments also occur on February 1st and August 1st. The two payments on February 1st are the reason for the large transaction in February. Chairman Kilgore also pointed out the CIP project cost for the study for the North Saluda Pump Station Upgrade was higher than budgeted and asked the reason for this increase. Chief Operations Officer Dennis Porter explained the budget had been amended to include Table Rock as well.

There being no other questions or comments, the items were deemed approved.

4. EXECUTIVE SESSION

Commissioner Sudduth moved, seconded by Commissioner Sofield, to go into executive session for the purpose of receiving legal advice concerning Risk Policy. The motion carried unanimously.

(Executive Session)

Upon coming out of Executive Session, the Chairman announced no action had been taken. Commissioner Bannister joined the meeting at this time.

5. CONSIDERATION TO AMEND RISK POLICY

Chief Executive Officer David Bereskin asked that the item be tabled and brought back at a later meeting. Commissioner Sudduth moved, seconded by Commissioner Sofield, to table the consideration to amend the Risk Policy. The motion carried unanimously.

6. CONSIDERATION TO AMEND GREENVILLE WATER RULES AND REGULATIONS

Business Analyst Jane Arrington reviewed the current Water Main Extension Policy and presented amendments as provided in the Commissioners Agenda package. The proposed changes included rewording Sections 1.20 and 1.30 eliminating the ambiguity between “New” versus “Existing” streets, distinguishing between Developers and Individual Existing Residents and framing the distinction as “Water Mains for Development” versus “Water Mains for Individual Service Connections”.

In Section 1.20, Water Mains for Development (Extension Agreements) applies to three or more connections for a single owner/entity. The developer would enter into a full cost main extension and Reimbursement Agreements will no longer be offered. Chairman Kilgore clarified Greenville Water will no longer reimburse for extensions, full cost will be paid. Commissioner Sofield asked if the Home Builders Association had been contacted. Mr. Bereskin stated he will be speaking at the Home Builders Association Breakfast in June, adding he wanted the Commission’s feedback before sharing the proposed changes. Commissioner Sofield expressed a desire for Greenville Water to let those affected know this change is coming before implemented.

In Section 1.30, Water Mains for Individual Service Connections (Installation Agreements) the proposed change would be the applicant is required to advance funds at \$30 per linear foot or 50% of the project cost, whichever is greater. Mr. Bereskin explained a large percentage of residential agreements are done in partnership with Greenville County. When funding is available and certain criteria are met the County subsidizes \$15 per linear foot. The property owner has to invest \$15 per linear foot and Greenville Water presently subsidizes \$30 or more per linear foot. Staff has met with Greenville County, and since Greenville Water is already committing more to line extensions than the County is, Greenville County concurs with ceasing reimbursement agreements.

Mrs. Arrington reviewed the current Contribution in Aid of Construction Fee policy and presented the proposed change in Section 2.0 to a standard Contribution fee based upon the size of the meter and applied throughout the entire Greenville Water service area. Contribution fees would continue to not apply in subdivisions due to the cost being included in the developer’s costs.

Commissioner Sudduth motioned, seconded by Commissioner Bannister, to direct Greenville Water Management Staff to interact with relevant stakeholders to explain the Commission views which favor the proposed changes of the Water Main Extension Policy. Management is to provide a policy change rollout plan prior to approval of the policy changes. The motion carried unanimously.

7. STRATEGIC PLANNING UPDATE

Communications Specialist Olivia Vassey presented the first quarter update of the 2015 Strategic Goals as presented in the Commissions agenda package. Each strategic focus area, Stakeholder Relations, Operational Excellence and Human Capital, is twenty percent complete.

Stakeholder Relations progress included a five percent increase in E-bill customers since December 2014. Greenville Water currently has over 16,000 customers enrolled in E-bill.

Improvement of a business communications system with Skype for business, IM, chat and video project will begin in June. The host system to house this server has been procured. Proposed strategy for implementation for 54 of 72 Watershed Management Plan programs has been completed. Banking Services Request for Proposal (RFP) was released on March 16 with a recommendation to be made in May. Commissioner Sudduth asked the process for evaluating the RFPs. Controller Jondia Berry replied a form was provided in the RFP requesting particular information; the information will then be compiled and compared. Presentations will be received from the top two firms. Chairman Kilgore asked if the RFP was for all banking services or certain services. Mr. Robey responded for core banking services and merchant banking services. Merchant services are the credit card/electronic services and the core services are deposits, reporting, drafts, wires, etc.

Operational Excellence progress included three of four components of the Information Systems Risk Analysis complete and the Information Technology Steering Committee will review the draft analysis in June. The draft Information Technology Contingency Plan is in progress, with a brief expected in June. An Emergency Response Plan for Chlorine is complete and an internal tabletop exercise is planned at the L.B. Stovall Water Treatment Plant.

Human Capital progress included development of an informal training program internally to assist Customer Service Representatives in areas needing improvement. Mr. Bereskin shared Customer Service Supervisor Kathy Reeder has been participating in the tuition reimbursement program to further her education and in turn is using what she is learning to advance the Customer Service Department. Greenville Water's new Human Resource Director has been working on a new employee orientation plan. The first class is to be offered by mid-June. Also, an option of an onsite wellness clinic is being explored.

8. WATER LOSS

Mrs. Arrington presented a brief overview of Greenville Water's 2014 Water Audit as provided in the Commission agenda package. This audit is the base line for the water loss control program moving forward. The AWWA Water Audit Software was utilized in this audit. The term "Unaccounted for Water" was replaced by "Nonrevenue Water". Nonrevenue Water is defined as water losses and unbilled authorized consumption. Greenville Water's nonrevenue water for 2014 is eighteen percent of the water that enters the distribution system. The current annual real losses equal twelve percent. These are losses due to pressurized distribution systems or leaking tanks. Based on the AWWA Water Audit, Greenville Water's data validity score is 79 out of 100. Information was also collected on the system data, so comparison could be made with other utilities. The key performance indicator reviewed was the Infrastructure Leakage Index (ILI). This is a ratio of the Current Annual Real Losses (Real Losses) to the Unavoidable Annual Real Losses (UARL). This ratio is based upon the length of the mains and the number of service connections, a normalizing factor. A bigger system would have a large volume of leakage. Greenville Water's index number is 1.66. Compared to other Utilities based on 2012 data validated by the AWWA, Greenville Water falls in the lower 25th percentile, the lower the losses the better.

9. LEGISLATIVE UPDATE

Government Liaison Bob Knight reviewed pieces of legislation that have been introduced thus far that pertain to issues affecting Greenville Water as provided in the Commission agenda package.

A bill of note was the House of Representative version of a bill to amend the Surface Water Withdrawal was to be heard in the House Agriculture subcommittee. This bill would open back

up the Surface Water Withdrawal Permit and put farmers under attack. This was in response to the potato farm application. The Environmental Groups want any agricultural use to be subject to a withdrawal permit.

10. CHIEF EXECUTIVE REPORT

Mr. Bereskin presented dates for upcoming events, including Duke Energy's Oconee tour in June.

Ms. Vassey shared current and upcoming community event opportunities including Drinking Water Week which was the first week of May. Greenville Water sponsored radio ads on stations 93.7 and 98.9 and also sponsored Greenville Craft Beer Week. Commissioner Sofield asked if the Craft Breweries had been notified of the phosphate increase in the water. Ms. Vassey stated she had spoken with the brew masters. Director of Water Resources K.C. Price conveyed the breweries have always adjusted the phosphate in the water for their needs. The change made by Greenville Water will be so minimal that the breweries will still have to adjust their alkalinity. Publication communications regarding alkalinity changes are being drafted and will be disbursed prior to any actual changes made.

The August Commission meeting was rescheduled for August 11, 2015.

Mr. Bereskin shared the United States Department of Health and Human Services issued a statement to continue fluoridation at 0.7 million gallons per liter (mgpl). Greenville Water's fluoridation levels were already set at 0.7 mgpl. Commissioner Sofield asked that number be put in common terms. Mr. Price explained in a million dollars, 0.7 would be seventy cents. Chairman Kilgore emphasized Greenville Water's fluoridation is at the recommended level and has been for some time.

11. COMMISSION COMMENTS

Commissioner Sofield acknowledged Trees Greenville for a great "ReLeaf" event, where appreciation was shown for Greenville Water's sponsorship.

12. ADJOURNMENT

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



Phillip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant