



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
July 7, 2015
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, Mayor Knox H. White and J. David Sudduth. 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, Director of Information Technology Joe Beineke, Director of Human Resources Richard Posey, Communications Specialist Olivia Vassey, Business Process Analyst Dr. 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 Vice-Chairman, Commissioner Bannister.

1. WELCOME

Chairman Kilgore welcomed everyone to the Commission Meeting. Chairman Kilgore stated it was his understanding Greenville Water Staff wanted to add an item to the Agenda. Chief Executive Officer David Bereskin requested Discussion and Presentation on Open Space for Campus Project by the Architectural Committee and Sculptor Doug Young be added. Commissioner Sofield moved, seconded by Commissioner Sudduth, to amend the Agenda to add the Discussion and Presentation on Open Space as requested by Greenville Water Staff. The motion carried unanimously. The presentation was added as Item 7 of the Agenda.

Commissioner Bannister joined the meeting.

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 June 2, 2015, the Water Resources Report and the Financial Update Report. There being no questions or comments, the items were deemed approved.

4. POLICY PRESENTATION

Chief Financial Officer Phil Robey presented the following new financial policies for review and consideration:

- a) Rates, Fees and Charges Policy
- b) Expense Policy
- c) Internal Control Policy
- d) Risk Management Policy

After discussion of the policies, Chairman Kilgore asked for confirmation that the first three policies codified long standing practices and did not constitute any change in practice. Mr. Robey verified this to be true.

At the request of Commissioner Sofield, the first three policies were presented for consideration by the Commission, separate from the proposed Risk Management Policy. Commissioner Sudduth moved, seconded by Commissioner Bannister, to approve financial policies, listed a, b and c. The motion carried unanimously.

Mr. Robey mentioned the Risk Management Policy was originally presented in May 2015 and was brought back with a recommendation based on discussions and guidance from the Commission. The proposed Risk Management Policy was reviewed by Commission Attorney, David Ward, and The Insurance Reserve Fund. The policy limits financial assistance to water extraction and dehumidification only. Under the proposed policy, Greenville Water would reimburse a property owner the lesser of their insurance policy deductible or \$5,000, for water extraction and dehumidification. The policy requires property owners to promptly take action to mitigate damage, contract directly with provider of water extraction and dehumidification services, sign a release stating Greenville Water does not acknowledge responsibility and file a claim with their insurance carrier. Providing this assistance is an enhanced level of customer service. In the vast majority of these cases, the Insurance Reserve Fund would find Greenville Water would have no responsibility to provide financial compensation.

Chairman Kilgore asked for clarification that the proposed policy would not apply if it is found that Greenville Water has caused a rupture of a line or was careless in the repair of the line. Mr. Robey confirmed that in those instances, the Insurance Reserve Fund would pay a claim, because that would involve fault by the water system. This Risk Policy is designed to deal with other situations, such as where the water line simply ruptures, through no fault of Greenville Water. The Insurance Reserve Fund does not pay these types of claims because there is no negligence or fault of Greenville Water. The types of claims addressed in the policy are recoverable under almost all homeowner's insurance policies.

Commissioner Sudduth asked staff to share industry best practice along the lines of this policy. Mr. Robey stated common practice among most utilities is to not provide any financial assistance on the basis of the lack of negligence or fault. An enhanced level of customer service is being provided, compared to common practice, by considering adoption of this financial policy. This policy provides consistency within the organization in terms of everyone will know what to do in these situations.

Commissioner Sudduth moved, seconded by Mayor White, to approve the change to the Risk Management Policy. By a vote of four in the affirmative and one in the negative, the motion carried.

5. RULES AND REGULATIONS PRESENTATION

Business Process Analyst Jane Arrington, Ph.D. presented the overview of the improvement to Greenville Water Rules and Regulations. The current Rules and Regulations are being reorganized from 15 articles to 6 sections. Dr. Arrington began with reviewing the proposed timeline for completion of the Rules and Regulations review.

The Water Main Extension Policy that was originally presented in the May 2015 Commission Meeting with the two major changes being ceasing the Reimbursement Agreements and the Standardization of Contribution Fees was presented for consideration. With rising costs Greenville Water is looking to decrease cost sharing on water main extensions. The biggest change is where the developers are required to finance the entire cost of the water main extension. The Contribution in Aid of Construction Fees (C.I.A.C. Fee) are not applicable to

mains installed within subdivisions being developed because it is already rolled into the cost to the developer. In turn, Greenville Water wants to minimize subsidies for individual main extensions. The change to individual service connections was the applicant is required to advance funds for a water main installation at \$30 per foot or 50% of the project cost/linear foot of water main, whichever is greater. A C.I.A.C. Fee will not be assessed to the parties involved in the installation; however, parties that later connect to the line will be assessed the standard C.I.A.C. Fee. The overall change is the elimination of Reimbursement Agreements. The existing Reimbursement Agreements will be honored, however moving forward Greenville Water will no longer offer Reimbursement Agreements.

These changes compelled staff to review the C.I.A.C. Fees. Current practice was in need of standardization. The recommendation was to standardize fees entirely based on meter size rather than location, eliminating the district distinctions. C.I.A.C. Fees would continue not being collected within a subdivision because the subdivision developer installed the pipe at their expense. Mr. Bereskin explained the thought process behind the standardization across the system. Greenville Water serves about 170,000 accounts through 3,000 miles of pipe. The first pipes were installed in 1898. The standardization of this fee would aid in replacing water mains. \$5 to \$10 million of infrastructure and mains are being replaced per year. If the fee is standardized across the board, the money collected will help to fund these projects. The C.I.A.C. Fee only applies to new accounts into the system.

Mayor White shared his concern regarding charging the fee in the City of Greenville. Chairman Kilgore saw a distinction between charging the fee to newcomers to the system versus existing customers who have participated in the system. Commissioner Sudduth also expressed his concern regarding the change, but recognized the overarching goal of financial stability of Greenville Water, and describing it as an equity situation and that new customers who create a need for infrastructure expansion should contribute for that growth.

Mayor White questioned if the rate differential would change. He noted that the policy had always been that connections to the City were different than those outside the City limits.

Chairman Kilgore said he saw a difference between charging a C.I.A.C. Fee to a newcomer to the system requiring a new connection, even in the City, and the rate differential for a City customer who has already paid into the system. The philosophy behind the rate differential is different than a philosophy regarding the C.I.A.C. Fee. Commissioner Sofield agreed with Chairman Kilgore's statement adding only because the C.I.A.C. Fee applies to new connections. Commissioner Sofield thanked Mr. Bereskin and Dr. Arrington for taking this on to help get business in order.

Chairman Kilgore called for a vote on standardizing the C.I.A.C. Fee for all districts outside of the City of Greenville. Mayor White moved, seconded by Commissioner Sofield, to standardize the C.I.A.C. Fees outside the City limits of Greenville effective September 1, 2015. The motion carried unanimously.

Chairman Kilgore remarked if the issue of meter fees or rates comes before the Commission, he does not consider the vote regarding the C.I.A.C. Fee to be a precedent. Commissioner Bannister inquired, if the fee is added in the City of Greenville will it deter development in the City. Mr. Bereskin answered Greenville Water encourages development through an Economic Development partnership with the City of Greenville.

Chairman Kilgore then called for a second vote on the City of Greenville portion of the proposal. Commissioner Sofield moved, seconded by Commissioner Bannister, to apply the Contribution in Aid of Construction Fee to the City of Greenville service area effective September 1, 2015. By a vote of three in the affirmative, and two in the negative, the motion carried.

Dr. Arrington continued with the Obtaining Service portion of the Rules and Regulations by presenting the proposed additions. The additions have been in practice but were not part of the Rules and Regulations document. The first addition was Annexation as a condition for service which was passed back in 2002. Mr. Bereskin asked Dr. Arrington to review exemptions B and C of the Annexation Policy. Other practices codified were Water Facilities and Encroachment Permit Requirements, Water Availability Fees defined for Wholesale Customers, and the option of allowing Developers to install taps in subdivisions (tap to curb) upon application to and at the sole discretion of the Greenville Water Engineering Department.

Dr. Arrington presented a proposed revision to Deposits, Section 3.60. A recommendation was made to lower the deposit from \$200 to \$100 when a Social Security Number is not provided. A defined duration for ease of administration was defined at crediting the account pending a satisfactory payment history of one year.

In an effort to get as much as possible onto Greenville Water's website and to make updates to the Rules and Regulations timelier, URLs have been added to the website.

Commissioner Sudduth moved, seconded by Commissioner Bannister, to approve the Rules and Regulations Section 3.0 Obtaining Service as presented. The motion carried unanimously.

6. PUBLIC RELATIONS PRESENTATION

Community Relations Specialist Olivia Vassey presented a breakdown of the Community Relations Program to better clarify Community Giving funds and sponsorships in general as provided in the Commission Agenda package. A master plan has been developed to clear up the advertising portion to include sponsorships, events/festivals and National Drinking Water Week and other national campaigns.

Ms. Vassey summarized Greenville Water's brand as defined in the strategic plan, the brand message and the first step to realizing Community Relations goals. The primary goal is for everyone to know the value of water, what Greenville Water does and the cost to provide service. The success of the goals will be measured through monitoring website views, the number newspaper articles, social media, accounts signed up for e-bills, phone inquiries, Customer Service Survey and Employee Relations Survey.

Ms. Vassey shared opportunities for Greenville Water to get involved in Advertising in different municipalities to spread Greenville Water's advertising message which is Greenville Water is safe, accessible, affordable, supports and encourages sustainable practices including conservation and water education. A rearrangement of funding was presented to include combining conservation and education accounts, reduce the website budget and move the remaining monies to Advertising to have a more adequate budget.

7. DISCUSSION AND PRESENTATION ON OPEN SPACE

Jay Martin of Arbor Engineering briefly reviewed three options for the open area design. The consensus was for Option C. Upon adjournment of the meeting Commissioners walked to the site to view a foam mock-up of the proposed statue.

8. CHIEF EXECUTIVE REPORT

Mr. Bereskin had Chief Operations Officer Dennis Porter to introduce Greenville Water's new Facilities Maintenance Manager Allen White to the Commission. Mr. White shared some of his background and his excitement about this new opportunity.

Mr. Bereskin communicated details of the Upstate Forever event, "Who Owns the Water?" he and Chairman Kilgore attended in which Mr. Bereskin was a participant on the discussion panel. Constructive feedback was given.

9. COMMISSION COMMENTS

No comments presented.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:05 a.m.



Philip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant