



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
March 1, 2016
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, David Sudduth, and Mayor Knox H. White. A quorum was present.

Greenville Water Staff in attendance:

Chief Executive Officer David H. Bereskin, Chief Financial Officer Phil Robey, Chief Operations Officer Dennis Porter, 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 Analyst Jane Arrington, Facilities Maintenance Manager Allen White, Manager of Field Operations Wayne Shuman and Commission Attorney David Ward.

The Regular Meeting of the Commissioners of Public Works was called to order at 8:15 a.m. by Chairman 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 the Regular Commission Meeting February 2, 2016, the Water Resources Report and the Financial Update Report. There being no questions or comments, the items were deemed approved.

4. WRITE OFF SET OFF DEBT PRESENTATION

Chief Financial Officer Phil Robey introduced Controller Jondia Berry to provide the Write-off and Setoff Analysis. Ms. Berry reviewed the write off process explaining uncollectible accounts are written off annually. Uncollectible accounts are non-active customers with at least a 12 month Final Bill receivable. The debt is not forgiven when written off, efforts continue to be made to collect the debt through research done by Customer Service Representatives prior to establishing service for a new account and the Setoff Debt Collection Program of the Municipal Association of South Carolina (MASC). The MASC Setoff Debt Collection Program garnishes State tax refunds.

Ms. Berry presented the 2015 Write Off by AR and Write-off Transactions as provided in the Commission agenda package, directing attention to the Write-off Trend which is less than one percent of water sales since 2014. Another collection option, the South Carolina Department of Revenue's (SCDOR) Governmental Enterprise Accounts Receivable Collections (GEAR) program, offered to government entities, was presented to the Commission for approval. The GEAR program is a more flexible and comprehensive debt collection service that includes garnishment of wages and state individual income tax refunds, use of tax liens and levy of bank accounts. Delinquent accounts can be entered into GEAR anytime throughout the year. The program allows debtors to set up payment plans and they are charged a \$25 fee per collection on an account. The fee charged to Greenville Water will be 22% of the amount collected.

Chief Executive Officer David Bereskin emphasized the GEAR program is a more aggressive collection agency program. Mr. Robey added use of the GEAR program would allow Greenville Water to collect on delinquent amounts faster than waiting for the annual submission to the Setoff program. Chairman Kilgore requested explanation of the 22% fee charged to Greenville Water. Mr. Bereskin explained the fee would only be charged on the amount collected through the program. Normal collection agencies charge around 33%. The fee would be taken from the amount collected and the remaining amount would be dispersed to the ARs accordingly. Commissioner Sudduth pointed out the uncollected revenue belongs to all the rate payers and Greenville Water has an obligation to collect the owed money. Commissioner Sudduth requested a trial period of one year in the program with an update to be provided in a year.

Commissioner Sudduth moved, seconded by Commissioner Sofield, to begin participating in the SCDOR's GEAR program. The motion carried unanimously.

5. AUTOMATED METER READING UPDATE

Chairman Kilgore introduced Business Services Director David Hughey to present an update on Greenville Water's Automated Meter Reading (AMR) program. Currently there are 128,745 Itron, Inc. units and 38,181 Metron-Farnier, LLC units installed in the system. In a previous update, Commissioners asked if the failure rate Greenville Water is experiencing is really that bad. Mr. Hughey responded both products are missing about four percent of reads on a monthly basis.

Itron proposed to replace 60w warranty returns with 100w units, one for one. The 100W has improved functionality. If Greenville Water purchases 600 - 100w units, Itron will upgrade the mobile collector at no additional cost. The second generation 100w improvements over 60w are 40 days of data log information of hourly data, high power mode, migratable to fixed network, optional port for leak detection on the water main side (for additional cost), leak detection on customer side, and drive by daily read.

Metron proposed to continue warranty returns and previous issues were corrected with serial numbers higher than 915000. Installation of this series began in October of 2015 and there have been no failures to date. Metron does not have an option for fixed network, but does offer VN (cellular network) product. Mr. Hughey provided a visual example of the VN product register.

Greenville Water's plan moving forward is to purchase the 600 - 100w ERTs to upgrade the mobile collector as proposed by Itron. Purchase second generation 100w units as needed, explore a pilot fixed network location at Verdae Development and analyze the Itron 100W ERT and the Metron Innov8 for 12 months to confirm the performance meets expectations. This will prevent the need for a third meter reading solution. Staff will relocate the Metron equipment to designated areas to have Metron only books and will continue installing the Metron cellular equipment on large users that need daily information on water usage. These large users would be commercial/industrial accounts with green initiatives.

6. LEGISLATIVE UPDATE

Government Liaison Bob Knight drew attention to bills discussed in previous meetings. In the Senate, a bill dealing with pipelines has been amended. This is a reaction to the petroleum pipeline being built from Savannah, Georgia to Belton, SC. The bill has been amended to only apply to pipelines for petroleum, for profit, private utilities. A study committee has been created in a separate piece of legislation to study petroleum pipe companies.

A bill previously mentioned which passed in the House in 2015, is a concurrent resolution which has no effective laws. The resolution encouraged State Agencies to support the efforts of the South Carolina Georgia Water Caucus to have real-time data monitoring of the Savannah River Basin. As it came out of the Senate, a reciprocity on concealed weapons was attached to it, which caused it to be sent to the Agriculture Committee in the House. Mr. Knight stated he will keep a watch out to see if the water caucus comes back around for approval.

The South Carolina Safety of Dams bill has had a wealth of discussion. Currently the bill is too burdensome. The Agricultural Committee sent the bill back to the sub-committee for more work. The latest version of the bill passed by the sub-committee was given to Greenville Water staff for review. This version lowered the threshold of the height of the dam impacted by the new regulations.

7. CHIEF EXECUTIVE REPORT

Mr. Bereskin provided an update and Memo on the Department of Natural Resources Brook Trout and Rainbow Trout Fish Study for Commissioners to review. The study will take place in March.

George Acker, Vice President of External Relations for Duke Energy South Carolina will be retiring and there will be a retirement celebration held on March 17, 2016.

Association of Metropolitan Water Agencies (AMWA) and American Water Works Association (AWWA) are keeping water utilities informed on what is taking place in Washington, D.C. There is an interest in the Administration to continue to target taxing Muni-Bonds and lowering the tax free status to the first \$0.28 being tax free. This could have a negative impact for all who sell Muni-Bonds.

Another big issue in Washington, D.C. is lead and Flint, Michigan. There are several House and Senate proposals on funding some sort of disaster relief for Flint, Michigan. The Environmental Protection Agency (EPA) is writing new guidance and rules concerning lead and communicating with the public. The lead rules are changing and the way utilities interface with the public is changing.

Mr. Bereskin announced the resignation of Water Resources Director K.C. Price. Mr. Price thanked the Commission and Management for the opportunity to serve the Greenville community. The Commission thanked Mr. Price for his years of service.

8. COMMISSION COMMENTS

Vice-Chairman Bannister thanked Mr. Price for meeting with Save Our Saluda. Great comments were received from several attendees of that meeting.

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:15 a.m.


Phillip A. Kilgore, Chairman


Kimberly J. Haulter, Executive Assistant