



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
April 5, 2016
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield and Mayor Knox H. White. Absent: J. David Sudduth. 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 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 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

Chairman Kilgore welcomed Rebecca West as the newest member of the Greenville Water Team. Ms. West came to Greenville Water as the new Chief Operations Officer, replacing Mr. Dennis Porter who will be working with the City of Phoenix. The Commission wished Mr. Porter well with his move to Phoenix, AZ and thanked him for his service to Greenville Water.

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 March 1, 2016, the Water Resources Report and the Financial Update Report. There being no questions or comments, the items were deemed approved.

4. RIGHT-OF-WAY AND RELEASE AGREEMENT AUTHORIZATION

Chairman Kilgore introduced Mr. Porter to present a minor revision to the Right-of-Way and Release Agreement with the Cliffs Keowee Springs Development, LLC. Greenville Water staff met with Cliffs Keowee to realign the right-of-way to center the existing pipeline in the area of development and maintain a separation between Greenville Water's infrastructure and the utilities going into the development. The realignment of the right-of-way is only a five feet exchange in some places.

Chairman Kilgore recused himself from the vote due to a conflict of interest because of his firm's work with The Cliffs Communities. Commissioner Sofield moved, seconded by Mayor White, to

authorize Chief Executive Officer David Bereskin to sign the revised Right-of-Way and Release Agreement. The motion carried unanimously.

Mr. Porter stated Cliffs Keowee verbally agreed to give Greenville Water access to one of the docks and a boat ramp for sampling purposes.

5. INCENTIVES FOR FIELD OPERATIONS CDL AIRBRAKE LICENSE

Director of Human Resources Richard Posey presented a plan to incentivize Field Operations staff who have or obtain CDL airbrake licenses to remain in the department. This plan was developed due to high turnover and difficulty filling open positions because of the heavy physical labor outside in the heat, cold and rain. The matter was studied at length and a proposal was developed and is being brought to the Commission for approval. The rationale is the incentive would help to retain employees who have the CDL license. Also, there is a significant investment in training for CDL drivers that is lost if they transfer to another department or leave the company.

Mr. Posey provided a 2016 and 2017 cost estimate. Commissioner Sofield questioned if the amount of the incentive pay is enough. Mr. Posey answered in an employees view it is never enough but it would be a big help. Mr. Bereskin hopes the incentive pay will encourage staff to remain in the department and grow in knowledge and experience. Greenville Water Field Operations staff did a great job on the I-385 and Woodruff Road project. The skill sets and work demonstrated on this project come from training and time spent in the department. Commissioner Sofield asked if the amount was significant enough to accomplish the desired results. Chairman Kilgore asked how Mr. Posey arrived at the incentive amount proposed. Mr. Posey studied the salary recommendations in the Evergreen Consulting, LLC evaluation completed for Greenville Water in 2014 and backed into the incentive pay rate recommended, rather than increasing the base rate. Commissioner Bannister clarified the incentive pay is not included in the hourly rate in order to encourage staff to stay in Field Operations. Chairman Kilgore added if staff that receive the incentive pay leave Field Operations they lose the incentive pay. Mr. Posey confirmed this to be accurate.

Commissioner Sofield recognized the struggle faced to keep staff in Field Operations positions stating a base needs to be built of knowledgeable, tenured staff in the department. Commissioner Sofield moved, seconded by Mayor White, to approve the incentive pay at \$3 per hour. The motion carried unanimously.

6. CAREER LADDER FOR MAINTENANCE SECTION

Mr. Posey presented a recommendation from Greenville Water Staff to provide a career ladder for the Maintenance department stating a career ladder helps improve retention of skilled workers and rewards employees for attaining higher skills. It would also improve morale and be beneficial to have employees with the higher skill levels.

Mr. Posey reviewed the current organization and outlined the proposed career ladder as provided in the Commission agenda package. Commissioner Sofield moved, seconded by Commissioner Bannister, to approve the Maintenance department career ladder as presented. The motion carried unanimously.

7. GREENVILLE WATER'S BOND REFUNDING HISTORY

Chairman Kilgore welcomed Chief Financial Officer Phil Robey to talk about Greenville Water's bond refunding history. Mr. Robey reported Greenville Water has been proactive in taking advantage of refunding opportunities. Staff communicates periodically with Greenville Water's financial advisor on market conditions and availability of refunding opportunities. To the credit of Greenville Water and the historically low interest rate environment over the last several years opportunities were identified and acted upon. Since 2010 refundings have resulted in \$7.4 million of net present value savings. Currently there are no refunding opportunities. Mr. Robey reviewed the current outstanding bond information as provided in the Commission agenda package.

8. LEGISLATIVE UPDATE

Government Liaison Bob Knight brought the Commission up to speed on the latest information on the gas tax bill, which for the time being has now been resolved. The bill still has to move through the House of Representatives to some extent, but it has made progress. There was an effort by some utilities to add an amendment to the Roads bill to require the SCDOT to pay for relocation of utilities when SCDOT is expanding a road. The amendment idea was dropped. The Safety of Dams bill has continued to move through the legislature.

9. CHIEF EXECUTIVE REPORT

Mr. Bereskin shared with the Commission that he was very impressed with Greenville Water Staff's work conducted over the weekend on the water main relocation required at the I-385/I-85 project. The Field Operations department and the Engineering department worked very closely on this project.

On April 26, 2016 at 1:45 pm there will be a Water Resources Master Plan (WRMP) Update meeting for the Water Planning Committee and any other Commissioners that would like to attend. The update will discuss plans for phase two of the WRMP.

Greenville Water competed for the first time and won first place in the Top Ops competition at the South Carolina Environmental Conference at Myrtle Beach, SC. The contest tests the everyday know-how of water treatment operators in a "college bowl" format. The first place team will compete at the National American Water Works Association Annual Convention & Exposition in Chicago, IL in June.

Mr. Bereskin introduced Rick Pfeiderer as the interim Director of Water Resources.

10. COMMISSION COMMENTS

Chairman Kilgore referenced a recent newspaper article regarding Greenville Water's decision to table the alkalinity project. The article attempted to connect the events in Flint, Michigan with the decision. Chairman Kilgore indicated his recollection was that the decision made to table the alkalinity project was because of cost considerations and the belief that the process would not be as effective as current processes to stabilize water ph.

Mr. Bereskin affirmed this to be true and recalled the alkalinity project idea began in 2007 when the caustic chemical corrosion control prices spiked due to the petroleum prices rising out of control. Preliminary numbers for the alkalinity project, included in the capital improvement program, increased 50 percent as consultants looked deeper into the project. As a result, operating and maintenance (O & M) costs would have increased because the price of the caustic chemicals came back down. The new technology required for the alkalinity project would have increased O & M costs around \$1 million. Chairman Kilgore summarized his understanding that Greenville Water Staff's recommendation to table the project was not a response to what was occurring in Flint, Michigan. Mr. Bereskin affirmed this.

Mayor White asked for the timeline of the alkalinity project research. Mr. Bereskin explained the alkalinity study began in 2007. The consultant, HDR, Inc. completed the loop studies in the 2012/2013 timeframe. While securing a scope of work and fine tuning the cost estimate the discovery was made that the benefit versus the cost were not commensurate. In reviewing water quality history it was proven Greenville Water's process, as is, was good and proper. There was no reason to spend the excess dollars.

Chairman Kilgore asked to be assured that by virtue of tabling the alkalinity project the water quality is not being adversely affected. Mr. Bereskin assured the water quality is not being adversely affected. Chairman Kilgore asked if any heightened risk of corrosion of pipes would be created by tabling the alkalinity project. Mr. Bereskin assured there would be no heightened risk of corrosion of pipes.

Chairman Kilgore stated he appreciated Greenville Water Staff for being willing to pivot based on new information regarding cost factors. When the study was originally presented, the cost was \$2.4 million in capital costs and chemical costs would be lowered. After further study the costs exploded up to over \$4 million and \$1 million per year in O & M costs. By not going through with the project, Greenville Water is saving that money, not changing the quality of water and not putting pipes at any more risk.

Commissioner Bannister announced the Brook Trout Study completed was successful and explained the process of safely netting the fish for the study. A clip of a tiny portion of a fin was taken to get the genetic information needed for the study and the fish were released unharmed. The Department of Natural Resources (DNR) was glad to see a lot of much smaller fish which means the fish are reproducing and have a healthy population. If the fish are genetically true fish, then the fish have been present since the Ice Age. This is significant for DNR because it may be the only place in the State where a genetically pure strain of brook trout can be found.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:18 a.m.


Phillip A. Kilgore, Chairman


Kimberly J. Haulter, Executive Assistant