



GreenvilleWater

**MINUTES OF INFORMATIONAL MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
September 5, 2017
8:15 a.m.**

Commissioners of Public Works in attendance:

Vice-Chairman James W. Bannister and Debra M. Sofield Absent: Chairman Phillip A. Kilgore, Mayor Knox H. White and J. David Sudduth. A quorum was not present. The meeting was for informational purposes only.

Greenville Water Staff in attendance:

Chief Executive Officer David H. Bereskin, Chief Financial Officer Phil Robey, Chief Operations Officer Rebecca West, Controller Jondia Berry, Director of Engineering Michael Sharpless, Director of Information Technology Joe Beineke, Information Technology Supervisor Ken McClaren, Human Resources Director Richard Posey, Water Resources Director Rick Pfeiderer, Business Process Analyst Jane Arrington, Manager of Field Operations Wayne Benson, Communications Manager Olivia Vassey, Facilities Maintenance Fleet Manager Allen White and Commission Attorney David Ward.

The Informational Meeting of the Commissioners of Public Works was called to order at 8:15 a.m. by Vice-Chairman Bannister.

1. WELCOME

2. PUBLIC COMMENT

No comments were presented at this time.

3. CONSENT AGENDA

As a quorum was not present, the consent agenda items were informational only and approval of the August 2017 Commission meeting minutes was postponed until the next Commission meeting.

4. FINANCIAL FORECASTING

Vice-Chairman Bannister invited Chief Financial Officer Phil Robey to present a five-year financial forecast. The forecast is done annually to give the Commission a feel for how Greenville Water is doing. The forecast for the period of 2017-2021 is a living document providing the organization with a financial guide. It is a planning tool and highlights issues on the horizon.

Mr. Robey reviewed the key assumptions which included a three percent rate adjustment for 2020. The need for this adjustment will be re-evaluated annually as part of the update of the five-year financial forecasts. The forecast assumes an average of 1,640 new connections annually with demand increasing by an average of one percent annually. Using fiscal year 2016 actual Operations and Maintenance expenses as the baseline, most O&M expenses grow at an annual inflation rate of two percent, salaries and benefits grow at an annual rate of three percent, chemical costs grow at an annual rate of three percent and power costs grow at an average annual rate of five percent. The forecast includes \$3.5 million in Operating Capital each year and an average of \$5.3 million in Normal System Improvements each year. The forecast uses the current approved CIP and financing assumptions included in it. There are no new debt issues assumed in the five year forecast.

Mr. Robey presented the Operating Financing Plan, reviewed the Debt Service Coverage, Days Cash on Hand, Capital Spending and presented the Financing Plan for Capital Spending. The Capital program is a substantial program with a particular emphasis on renewal and replacement. The Normal System improvements are paid for by revenue generated by rates each year. Greenville Water maintains an ample operating reserve with strong coverage and rate revenue to fund the Capital Program, which is modest. Commissioner Sofield asked Mr. Robey if modest meant modest for the size or industry. Mr. Robey answered modest for Greenville Water's size. It is an example of having done a really good job historically of preparing and planning for growth whether it be resources, renewal or replacement through normal system improvements done every year. The ongoing commitment to renewal and replacement levels the capital over the planning horizon.

Vice-Chairman Bannister asked if the benchmark for salaries/benefits is realistic with the pension crisis in South Carolina. Mr. Robey responded the number is conservative. Chief Executive Officer David Bereskin added as the pension crisis unfolds in South Carolina, Greenville Water may be experiencing higher increases to the benefits line until it is resolved. This year a two percent increase to the pension liability was avoided because the State kicked in one percent. There will be a one percent increase in July and could possibly be a two percent increase if the State support received is reassigned. There is an ongoing dialog between Mr. Bereskin, Legislative Liaison Bob Knight and Legislators regarding this issue.

5. EMPLOYEE SATISFACTION SURVEY

Human Resources Director Richard Posey was welcomed to present the employee engagement survey results. This is the third year Greenville Water has participated in the Best Places to Work in South Carolina survey. The purpose of the survey is to improve employee morale and retention and the outcome is higher quality and cost effective service for our customers.

The participation rate dropped slightly from 76% in 2016 to 72% in 2017. The survey was conducted in the first two weeks of May 2017. The key indicator group was the overall engagement which is the average of nine questions. The overall engagement for 2017 increased to 75% which was an increase from 71% in 2016. Mr. Posey reviewed the survey results, pointing out significant results and reviewing summary results by category and engagement by department. Commissioner Sofield asked when the next survey would take place. Mr. Posey answered April 2018. Mr. Bereskin added meetings will take place in the month of September to share the survey results with all employees.

6. UPDATES ON USGS FLOW MEASUREMENT

Vice-Chairman Bannister welcomed Chief Operations Officer Rebecca West to provide an update on Greenville Water's Partnership with US Geological Survey (USGS). The partnership began a year ago with the placing of monitors for flow and rainfall within the reservoirs which will enable Greenville Water to better understand the watersheds regarding water quality and quantity. Automatic stream gauges were placed in the larger streams providing real-time data that is monitored every 15 minutes and compiled by USGS. Automated rain gauges installed within the watersheds enable Greenville Water to track rain throughout the watershed. These gauges were a recommendation in the Watershed Management Plan adopted by Greenville Water. Staff Gauges were placed in the smaller streams to determine if additional, real-time monitoring, is needed. The deployment began in January 2017 and was completed in April 2017.

USGS has performed periodic field readings of the stream gauges to confirm the gauges are functioning properly and the data collected is accurate. These readings are used to develop a

curve to then convert gauge height to stream flow, which will allow Greenville Water to begin analyzing the volume of water coming from the monitored streams into the reservoirs and enhance the data that supports the Water Resources Model. Ms. West provided a map showing the location of the different instruments and reviewed some of the readings captured thus far on the automated gauges.

Another item Greenville Water is starting to look at is the temperature of the water being discharged back into the South Saluda River to see how the temperature correlates to the optimal temperature for trout but also to see how the temperature fluctuates with water released to the river. Ms. West reviewed a chart depicting the temperature changes from January 2012 to July 2017.

A map showing the location of the different instruments at North Saluda was provided as well. The North Saluda watershed is larger so there are additional rain gauges installed. As Ms. West reviewed the stream flow gauge data from North Saluda she pointed out that as we move into the summer months the water volume coming into the watershed is well sustained. One of the things to work towards in future watershed management is to see if over time the volume of water can be sustained even during drought periods.

For the next steps, staff will continue to look at the data being received to see if any additional monitoring stations are needed and rating curves will be finalized by the end of the year. The USGS Representative believes the data will be ready for review regarding volumes of water by October or November 2017. Once the volumes of water are identified from the stream flows, the information will be used to recalibrate the Water Resources Model in early 2018.

Mr. Bereskin added USGS is excited about this project/program and would have attended the Commission meeting but they were deployed to Houston, Texas to gather data from Hurricane Harvey. Commissioner Bannister asked if USGS understands we have a model in place to add their data to. Mr. Bereskin affirmed USGS's involvement is the proofing up of all the rain and flow information which will go back to the engineering firm, which will improve the Water Resource Model.

7. EARTH EX 2017

Mr. Bereskin requested the Earth Ex 2017 presentation be tabled until the next Commission meeting, but gave a brief description of EARTH Ex 2017.

8. STEM SCOUTS PARTNERSHIP UPDATE

Vice-Chairman Bannister invited Communications Manager Olivia Vassey to present information on the STEM Scouts partnership between Greenville Water and the Blue Ridge Council Boy Scouts of America.

The Blue Ridge Council Boy Scouts of America applied in June 2017 for a grant through Greenville Water's Community Giving program. The Boy Scouts of America have a National program called STEM Scouts for both boys and girls grades 3 through 12. The program is a pilot program that actually started in 2012. In 2015 it was expanded to 12 Councils and now the Blue Ridge Council is one of 20 programs in the Country.

The STEM Scouts program consists of 10-20 boys and girls with three or more leaders per unit. The units are grouped by elementary, middle and high school ages. There are weekly meetings and monthly field trips. The learning modules are 4 to 6 weeks with lessons created and vetted by

STEM educators. Participation and achievement awards are presented rather than ranks or rank advancement. There are leadership and mentoring opportunities, along with development of new skills. In a sample water module Scouts learn about the Clean Water Act, Watershed Protection Plans, Water Quality Standards, Water Quality Protection Processes and Water Quality Assessment. Scouts learn the importance of communicating their results in a simulated community meeting where they present tests, procedures and results in an understandable and respectful manner. Other modules include Urban Ecology and Effective Cities where both modules include water treatment.

Ms. Vassey reviewed the budget breakdown and the impact in the area. The Kick-Off Announcement will take place on October 10, 2017 at 4:00 PM in the Community Room of the Operations Building.

9. CHIEF EXECUTIVE REPORT

Mr. Bereskin discussed a meeting in Columbia with the Department of Health and Environmental Control regarding a future dump site for construction debris and alum sludge from the treatment plants.

In the last couple years the Commission has been made aware of difficulties experienced with AMR devices and how Greenville Water Staff has been working through what the next plans would be. The big difference between the Metron and the Itron products is that Itron works with a rotary dial head so the usage can be read even if the automation fails, where the Metron is completely electronic and cannot be read when it fails. The decision has been made to continue with rotary dial registers and the associated AMR.

There has been interest from different organizations within the Community regarding the use of Greenville Water's Community Room in the new Operations Building. A procedure will be developed with information to be located on our website. Ms. Vassey will be in charge of coordinating with the entities and scheduling with Staff.

10. COMMISSION COMMENTS

Commissioner Sofield thanked Staff for the bill redesign. The new design is very nice and easy to read. Mr. Robey added the outsourcing of the bill printing and the bill redesign have gone well and resulted in good comments.

11. ADJOURNMENT

The informational meeting ended at 9:08 a.m.


James W. Bannister, Vice-Chairman


Kimberly J. Haulter, Executive Assistant