



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
December 4, 2018
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Debra M. Sofield, and George Fletcher. Absent: Vice-Chairman James W. Bannister 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 Jeff Boss, Controller Jondia Berry, Director of Engineering Michael Sharpless, Director of Strategic Initiatives Jane Arrington, Manager of Field Operations Wayne Benson, I.T. Director Joe Beineke, Human Resources Director Richard Posey, Water Resources Director Rick Pfeiderer, Facilities Maintenance/Fleet Manager Allen White, Business Process Analyst Heather Nix, Business Services Director Gary VerDouw, 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 at this time.

3. CONSENT AGENDA

Chairman Kilgore listed the items of the Consent Agenda which were the meeting minutes of the Regular Commission Meeting November 6, 2018, the Water Resources Report, New Development, and New Annexation Covenants. Commissioner Sofield moved, seconded by Commissioner Fletcher, to approve the consent agenda items. The motion passed unanimously.

4. FINANCIAL UPDATE

Chairman Kilgore welcomed Chief Financial Officer Phil Robey to provide a Financial Update. Mr. Robey pointed out noteworthy items impacting financial results this year. These included significant development activity that has resulted in higher than anticipated capacity fee and tap and meter charge revenue as well as interest rates increasing resulting in increased interest on investments above the budget estimate. Greenville Water Staff has been doing a very good job of managing the budget and is one of the reasons Greenville Water is in good financial standing. Staff vacancies have lowered expenses in salaries and benefits creating savings. Mr. Robey reviewed graphs and charts depicting the financial highlights. Chief Executive Officer David Bereskin explained Greenville has experienced a very wet year but

the growth over the last couple of years has made up for the lower gallons per capita per day usage in revenue in water sales.

The Operating Budget Policy authorizes the CEO to make administrative adjustments to the budget as long as there is no significant policy impact and reserves are not affected. Mr. Robey reviewed departmental adjustments and line item transfers as provided in the Commission agenda package. Commissioner Sofield asked what happens if a department needs more money in their budget. Mr. Robey explained departments are instructed to stay within the budget using line item transfers; However, if a need arises that exceeds the departmental budget, the need is evaluated by the Chief Executive Officer and approved as necessary.

5. STRATEGIC PLAN UPDATE

Chairman Kilgore welcomed Director of Strategic Initiatives Dr. Jane Arrington to present updates on strategic plan items for 2018 that support the pillars of operational excellence, long-term viability and corporate social responsibility. In 2018 the strategic goals were mapped to the Eight Areas of Effective Utility Management. Dr. Arrington presented updates on Greenville Water's progress towards the future state as provided in the Commission agenda package.

6. SUMMARY OF AWWA TRANSFORMATIVE SYMPOSIUM ON AFFORDABILITY

Chairman Kilgore invited Director of Business Services Gary VerDouw to report on the American Water Works Association's (AWWA) Transformative Symposium on Affordability he attended in Washington, DC. Mr. VerDouw reviewed the topics of discussion during the two day symposium and posed the key points which were:

- Income inequality is growing
- The "Middle Class" is shrinking – more poor, more rich people
- Financial burdens have increased
- Communities are demanding affordability
- A large number of water/wastewater systems have not only rate issues but infrastructure issues that are not being addressed

Mr. VerDouw described rate assistance programs discussed at the symposium. Some of the programs are run and administered by the utility, while other utilities provide rate-funded assistance via social service agencies. Some utilities have a "round up" program that allows consumers to "round up" their bill, with additional pennies going to payment assistance. Also, Dollar Energy Fund is a 501(c)(3) that works with utility customer assistance for 42 utilities in 12 states.

AWWA reports median monthly bills by region every two years. In 2016 Greenville Water's water bills rates were very low as compared to the rest of the Country which is a benefit to Greenville's customers and helps with affordability.

2016 Median Monthly Bills By Region (*)



(*) Monthly charge of 5/8-inch meter and 10 Ccf (7,480 gallons)

Mr. VerDouw reviewed the issues facing Greenville Water which were:

- The largest portion of a typical Greenville Water customer bill is not the water charge; it is the sewer/other charges we bill on behalf of other utilities
- As such, any assistance program Greenville Water might provide or develop on its own would benefit the other utilities more than our own water customers
- Greenville Water's current uncollectible rate is less than ½ of 1% of total revenue billed
- If any program were to be developed, it would be in Greenville Water's best interests to ensure that sewer/other utilities that we bill for be included and participate in the program

Mr. Bereskin added Greenville Water, Renewable Water Resources and the other sewer/collection agencies Greenville Water bills for would need to work together to develop an affordability program because all these agencies make up the total water bill. Commissioners encouraged Staff to explore assistance programs.

7. COMMUNITY ROOM POLICY UPDATE

Chairman Kilgore welcomed Business Process Analyst Heather Nix to present an update to Greenville Water's Community Room Policy. As more people learn about it, the Community Room is becoming increasingly popular. Greenville Water wants to make sure the best decisions are made with how it is used and to clarify publicly that the intent is for the room to be used for "community focused" events with the proposed wording being *"Greenville Water is happy to allow local neighborhood associations, community groups, nonprofits, businesses, and government agencies to hold community-focused meetings in the Community Room located in our Operations Building at 517 West Washington Street."*

Ms. Nix reviewed the room usage for November and explained that requests are coming in well in advance with five events already scheduled for 2019. Associated Staff time per event is about 5 hours, at an in kind cost of approximately \$150. Events outside of normal business hours will increase the costs.

To streamline staff time in answering questions, reduce confusion and also to improve the user experience, staff has been working to provide clearer policies and more details about the facilities. Specific changes proposed included:

- Improve User Agreement by including all policies, specific details about the facilities provided, and include indemnification clause.
- Limit reservations to three months in the future to accommodate use of room by Greenville Water staff.
- Charge \$75 to cover custodial costs.
- Limit use to Monday-Thursday (8am–9pm) and Friday (8am-4pm).
- Clarify GW staff roles and expectations.

After discussion, Commissioners approved clarification of the Community Room policy.

8. ROPER MOUNTAIN SCIENCE CENTER PARTNERSHIP UPDATE

Chairman Kilgore invited Ms. Nix to update the Commission regarding a partnership with Roper Mountain Science Center. Ms. Nix reiterated Greenville Water's fundamental Strategic Goals of Operational Excellence, Long-Term Viability and Corporate Social Responsibility. These goals and efforts across all departments are meant to ensure Greenville Water continues to provide a stellar product long into the future. A critical factor in being able to do this is to have people who understand and engage in the issues faced by Greenville Water, who will become future leaders and employees, which means it is critical to effectively educate and engage today's youth.

Ms. Nix summarized some of Greenville Water's sponsorships directed to youth focused education. Greenville Water has supported other community initiatives that were not as directly related to its goals. While these sponsorships brought about great exposure, Greenville Water would like to redirect these funds to better align sponsorship funding with the strategic goals of social responsibility and corporate sustainability.

Partnering with Roper Mountain Science Center (RMSC) in the creation of a Sustainability Center will allow Greenville Water to exponentially expand reach and effectiveness in educational efforts. Staff is working with RMSC to expand from their initial idea of the "water cycle" to include all aspects of a water utility: watershed protection, reservoir operation, water treatment plants, water distribution and transmission, water use, and through wastewater treatment and discharge back to a waterway. A partnership with RMSC is in line with Corporate Social Responsibility goals. After carefully reviewing rate models and expenses for the next few years, Staff is confident a sponsorship is keeping within fiscal responsibility, while allowing significant expansion in reach and effectiveness in educating and engaging Greenville Water's future leaders and staff.

Commissioners agreed the program is excellent and highly supportive of Greenville Water's mission. Commissioner Sofield made a motion, seconded by Commissioner Fletcher, to approve the proposed sponsorship requesting Mr. Bereskin negotiate with RMSC and the Greenville County School District regarding naming rights. The motion passed unanimously.

9. LEGISLATIVE UPDATE

Chairman Kilgore invited Legislative Liaison Bob Knight to update the Commission on Legislative items. Mr. Knight informed Commissioners he is working with the Governor's Scheduler to determine a date/time to meet with Governor McMaster to discuss the South Carolina Retirement System. The meeting will be in Columbia.

Pre-file will be on December 12th in the Senate and December 18th in the House of Representatives.

10. CHIEF EXECUTIVE REPORT

Mr. Bereskin announced Human Resources will be contracting with Evergreen Consulting for a study of employee salaries to ensure Greenville Water is remaining competitive. The latest study completed by Evergreen was in 2013/2014. The study will include approximately 25 positions. This will be used as a basis to see if the study needs to be expanded or if it is indicative of the workforce. Due to this study being done, Staff will not be presenting the annual Consumer Price Index (CPI) inflationary program adjusting salary ranges.

Mr. Bereskin asked Chairman Kilgore to consider a brief Executive Session for the purpose of discussing contractual and personnel matters. Commissioner Sofield moved, seconded by Commissioner Fletcher, to go into Executive Session. The motion passed unanimously.

(Executive Session)

Commissioner Sofield moved, seconded by Commissioner Fletcher, to go out of Executive Session. The motion carried unanimously. No action was taken.

Commissioner Sofield moved, seconded by Commissioner Fletcher, to approve a proposal from Management to grant a bonus to Greenville Water Staff. The motion passed unanimously.

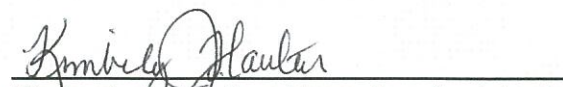
11. COMMISSION COMMENTS

No comments presented at this time.

12. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:54 a.m.



Phillip A. Kilgore, Chairman

Kimberly J. Haulter, Executive Assistant