



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 West Broad Street
Commission Room, Level Two
Greenville, South Carolina
June 4, 2019
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 George Fletcher. 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 I.T. Joe Beineke, Acting Director of Water Resources Jeff Phillips, Director of Strategic Initiatives Jane Arrington, Human Resources Director Richard Posey, Director of Engineering Mark Hattendorf, Director of Business Services Gary VerDouw, Manager of Field Operations Wayne Benson, Facilities, Maintenance, and Fleet Manager Allen White, Business Process Analyst Heather Nix, Public Relations Specialist Emerald Clark, 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 May 7, 2019, the Water Resources Report, the Financial Update, New Development, and New Annexation Covenants . The items of the consent agenda were unanimously approved.

4. LEGISLATIVE UPDATE

Chairman Kilgore invited Legislative Liaison Bob Knight to provide a Legislative update wrapping up the 2019 Legislative session. Mr. Knight reviewed the results of the most important pieces to Greenville Water.

S.401 provides for some reimbursement of costs for moving public water and sewer lines to accommodate road construction. This bill passed the General Assembly and was signed by the Governor.

H.3984 and S.522 were both introduced at Greenville Water's request. These bills will allow a participating entity of the SC Retirement System to pay a portion of the employee's

contribution to the retirement system. H.3984 passed the House of Representatives and is now in the Senate Finance Committee. Mr. Knight requested the Commissions active support to move this bill.

S.530 is an update to the state procurement code. It is a largely technical bill, but has the potential to impact Greenville Water's procurement policies. This legislation passed the General Assembly and was signed by the Governor.

The annual appropriation act (H.4000) passed the General Assembly. There were some line items vetoed by the Governor. The Department of Natural Resources did receive money for state water planning and state wide water monitoring to provide additional data.

5. DEVELOPMENT FEE SCHEDULE UPDATE FOR MULTI-FAMILY USE

Chairman Kilgore welcomes Director of Engineering Mark Hattendorf to present a proposed development fee schedule update for multi-family use. Mr. Hattendorf shared over the past several years Greenville has seen a significant amount of new multi-family developments. In 2017 through 2019 the area has seen approximately 8500 units built. Most developers choose to have a single meter serve a building, however some are starting to meter individual units. Current capacity fees are based on meter size only and no consideration is given to use or anticipated flows.

Mr. Hattendorf explained the development fee schedule is being reviewed to address the inequality in fees charged per customer class. Residential units and their associated flows need to be treated similarly whether several dwellings reside under one roof or not. The development fee schedule was last updated in September 2015 to standardize the Contribution in Aid of Construction fee over the service area. The current capacity fees were updated in February 2010. This fee went into effect in 2006 based on recommendations from a study completed by the engineering firm Black & Veatch. The capacity fees are collected as a one-time fee to fund future capital projects.

Greenville Water Staff proposed to adopt a fee schedule that incorporates multi-family development, recommending each multi-family unit, including condominiums and apartments, be assessed fees based on the size of the unit. The proposed fees were as follows:

- \$1,320 per 3 bedroom unit in addition to the water system meter and contribution fee.
- \$1,000 per 2 bedroom unit in addition to the water system meter and contribution fee.
- \$660 per 1 bedroom unit in addition to the water system meter and contribution fee.

Staff proposed the update also include each motel/hotel sleeping unit providing kitchen facilities, such as extended stay suites. Capacity fees are calculated based on Equivalent Residential Connection (ERC), with a 5/8" meter representing 1 ERC and 300 gallons per day. Information was provided on other water utilities in South Carolina who have adopted this type of fee schedule for multi-family developments.

Mr. Hattendorf explained the proposed fee schedule change is about equality. If Greenville Water offers reduced capacity fees for multi-family housing, the same should be provided for

single-family residential as well. Staff recommended the following affordability minded approach for single-family residential based on a 5/8" meter:

- Any 3 bedroom home or larger will pay the current \$1,320 capacity fee
- Any 2 bedroom home under 1,200 sq ft will pay \$1,000 capacity fee
- Any 1 bedroom home under 1,000 sq ft will pay \$660 capacity fee

Chairman Kilgore asked if consumption from a three bedroom apartment has essentially the same consumption as a three bedroom house. Mr. Hattendorf answered yes, based on the Department of Health and Environmental Control (DHEC) regulation 61-67.300 H which covers Unit Contributory Loadings (similar to ERC) of 300 gallons per day. Chairman Kilgore asked if it is fair to conclude that the single family housing capacity fee is underwriting the cost for multi-family. Mr. Hattendorf affirmed the conclusion. Mayor White requested Staff work with the Housing Trust Fund and other affordable housing experts to vet the options.

Mr. Hattendorf added Greenville Water would like to create a plan to update monthly base water rates for multi-family master metered accounts. There is a significant difference in base rates depending on how a developer chooses to meter a building at this time. A new fee schedule would encourage more individual meters. Chief Executive Officer David Bereskin stated another serious issue is ratio utility billing and sub-metering being done without Greenville Water's consent. Individual metering would help deter these practices.

The proposed fee schedule change would ensure the multi-family development community is paying its fair share for future capacity driven projects, as well as equalize water charges across the customer base. Commissioner Fletcher mentioned Duke Energy's base rate increase proposal to the South Carolina Public Service Commission and referenced the cost on the volume of water used is not all that relevant, the fee is truly for system costs. There is an argument that the base fee should be higher and the user charge lower. Mr. Bereskin responded Greenville Water has been ahead of the curve with the base fee carrying more of the cost, with 30% of costs being covered by the base fee. Greenville Water is balanced very well and if an update is made to the base water rates, the rates would continue to be stable and everyone would be paying the same amount into the system to keep the costs covered. There has not been a rate increase in three years and there is no rate increase forecasted for the next two years.

Mr. Bereskin asked the Commission to consider changing the capacity fee schedule for multi-family development to the graduate base fee of three bedroom, two bedroom, and one bedroom as a proration on the single family unit and consideration for changing the single family units by the number of bedrooms and square footage until such a time as a more precise affordable housing rate structure is developed. Mayor White stated this is a good opportunity because it provides more of a means for Greenville Water to work closely with the Housing Trust Fund, Housing Authority, et cetera. Chairman Kilgore asked for clarification whether Staff's request for action on the capacity fee schedule for multi-family development included motel/hotel sleeping units provided with kitchen facilities (extended stay suites), and single family residential. Mr. Bereskin answered it is Staff's recommendation to include multi-family development included motel/hotel sleeping units provided with kitchen facilities (extended stay suites), and single family residential in the policy change. Commissioner

Sofield added this change would be for all new development and would not be retroactive. Chairman Kilgore asked if a policy change will be brought back to the Commission. Mr. Bereskin stated this would be the policy change and the new fee schedule would be instituted most likely August 1st to give Greenville Water time to inform the Development Community.

Vice-Chairman Bannister moved, seconded by Commissioner Fletcher, to approve the proposed capacity fee schedule for multi-family development, single family residential, and motel/hotel sleeping units provided with kitchen facilities (extended stay suites). The motion passed unanimously.

6. CHANGE TO BEREAVEMENT POLICY

Chairman Kilgore welcomed Human Resources Director Richard Posey to present a proposed change to Greenville Water's Bereavement Policy. Mr. Posey reviewed the background for establishment of the bereavement leave policy in September 2015 and the subsequent update to include Mother-in-law and Father-in-law in January 2017. After researching other water utilities and changes in demographics, where a number of people are being raised by their Grandparents, Staff recommended aligning with other water utilities to include employee's Grandparent.

After brief discussion, Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to update the policy to increase leave for Fathers-in-law and Mothers-in-law to two days and add two days of Bereavement leave for Grandparents. The motion passed unanimously.

7. CHIEF EXECUTIVE REPORT

Mr. Bereskin presented slides with information provided by the Association of Metropolitan Water Works regarding a group based in California called the Environmental Working Group (EWG). EWG will be posting a tap water database guide on the internet listing seven constituents all water systems in the United States have in their water as a violation of, what they call, Public Health Goals (PHG). A PHG is the level of a chemical contaminant in drinking water that does not pose a significant risk to health. PHGs are not regulatory standards. Chief Operations Officer Jeff Boss reviewed the seven constituents and the United States Environmental Protection Agency's (EPA) standards. Greenville Water is under all the EPA detection level standards and the South Carolina Department of Health and Environmental Control (SCDHEC) detection level standards. The technology does not exist to get to the PHG levels.

Director of Strategic Initiatives Dr. Jane Arrington added that the levels suggested as a public health goal is what everyone would like to have in the ideal world, but even the laboratory method detection limits are above the goals EWG is proposing. The EWG public health goals levels are not technically feasible or even measureable.

Mr. Bereskin informed everyone Greenville Water's latest consumer confidence report will be published in the month of June.

Mayor White left the meeting.

Public Relations Specialist Emerald Clark reviewed upcoming events Greenville Water will be participating in, including the date for the employee picnic which is scheduled for August 3, 2019, 11:00 a.m. to 3:00 p.m. at the Stovall Plant.

Releases from Table Rock and North Saluda will be increased based on the upcoming rain forecast that was recently updated.

8. COMMISSION COMMENTS

No comments were presented at this time.

9. EXECUTIVE SESSION

Mr. Bereskin asked Chairman Kilgore to consider a brief Executive Session for the purpose of discussing personnel matters. Commissioner Sofield moved, seconded by Vice-Chairman Bannister, 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.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:51 a.m.



Phillip A. Kilgore, Chairman



Kimberly J. Haulter, Executive Assistant