



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
517 West Washington Street
Community Room
Greenville, South Carolina
April 6, 2021
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Debra M. Sofield, Mayor Knox H. White, and Wil Brasington.

Absent: Vice-Chairman James W. Bannister. A quorum was present.

Greenville Water Senior Staff in attendance:

Chief Executive Officer David H. Bereskin, Chief Financial Officer Phil Robey, Chief Operations Officer Jeff Boss, Director of Water Resources Jeff Phillips, Director of Strategic Initiatives Dr. Jane Arrington, Director of Engineering Mark Hattendorf, Director of Administration, Sustainability and Compliance Dr. Bob Schmidt, Director of Human Resources Richard Posey, Director of Business Services Gary VerDouw, Manager of Field Operations Wayne Benson, Public Relations Manager Emerald Clark, CIP Manager Jon Sherer, and Controller Brian Bearfield.

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 everyone back for the first meeting in the newly renovated Commission conference room and complimented the team in design and effort put into making the space amenable to more great, constructive meetings in the future.

2. PUBLIC COMMENT

No comments were presented.

3. CONSENT AGENDA

Chairman Kilgore asked for questions pertaining to the consent agenda items. There being none, he called for approval of the items of the Consent Agenda which were the meeting minutes of the Regular Commission Meeting March 2, 2021, the Water Resources Report, the Finance Update, New Development, New Annexations, and the Commission Strategic Plan Update. Commissioner Sofield moved, seconded by Commissioner Brasington, to approve the items of the consent agenda. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Chairman Kilgore welcomed Legislative Liaison Bob Knight to provide a legislative update. Mr. Knight announced Greenville Water's retirement proviso is in the budget, in the House of Representatives side, and out of sub-committee in House Ways and Means Committee. There is a little bit of crossfire with another issue on retirement that some of the legislators are trying to resolve. Senator Karl Allen has made a request for the bill to be included in the

Senate side of the budget. If the bill is included in the Senate side of the budget, the work will be complete. It will no longer be a negotiating point when the two budgets are reconciled.

In reference to the budget, it has passed the House of Representatives and is now in the Senate. There will be another SC Board of Economic Advisors meeting and money is expected to be added to the budget for the State at that time. Federal money from the American Rescue Plan Act of 2021 is expected to be received and must go through the state budget as well.

Legislators will be in session most likely well into June. Normally statutory adjournment is around May 13th, but it is suspected the session will be extended for the budget and then extended again in the Fall for reapportionment.

Greenville County and The City of Greenville will be receiving funds and there will be Federal guidance as to what can be done with the money. There is hope the guidance will be a little less stringent than the guidance on the first money in 2020, which could only be used on COVID related expenses. Commissioner Sofield asked if money has been set aside to pay water bills. Mr. Knight said yes. There was a provision that went through the Health and Human Services Agency (HHSA) in Washington, D.C. for water relief. The money was to be paid directly to water providers. Everyone assumed this was similar to a stimulus package and the money would be distributed quickly. Many people around the Country are disappointed that this has not happened. The answer being given is the program is new and will require new guidelines, new rules and regulations to be set up. Governor McMaster sent a letter to Washington assigning a person in the SC Department of Administration that will be responsible for the money, but the money nor guidelines have been distributed.

Chief Executive Officer David Bereskin announced he and Chief Financial Officer Phil Robey met with the Greenville County Administrator Joseph Kernell regarding money the County received for utility, rental, and mortgage assistance. Mr. Kernell has two staff members managing the program and working with Mr. Robey and Greenville Water's Business Services Director to determine qualifications for assistance. Greenville County is handling all the screening to see if applicants qualify under the rental assistance/utility assistance program guidelines. Mr. Robey explained the process, stating when a customer indicates they are having problems paying the bill, Greenville Water staff refers the customer to Greenville County. The County takes the customer's information and screens for eligibility. Greenville County then makes a pledge to Greenville Water on behalf of the customer to pay the customer's bill. The program is working well so far. Mr. Bereskin added when the money comes from HHSA, he hopes to be able to partner with the County and continue with the same approval process.

5. DAILY BILLING

Chairman Kilgore called upon Director of Business Services Gary VerDouw to report on daily billing. Mr. VerDouw reported details on the move that Greenville Water made to a daily billing process on March 1, 2021. Greenville Water has been billing all customers monthly since 2012. Prior to March 1, 2021, all meters were being read through four monthly billing cycles. Each cycle was comprised of approximately 45,000 meters. The meters were read weekly, normally on Wednesdays and Thursdays. The bills would then be mailed the

following Friday, Monday, Tuesday, and Wednesday. There was some time between when the meters were read, and the bills were mailed. Starting March 1st, Greenville Water moved from four cycles a month to 20 cycles a month, with approximately 9,000 meters being read 20 days of the month.

Benefits of moving to a daily billing cycle include:

- Reading meters 20 days a month allows read periods to remain more consistent from month to month.
- Daily billing helps to eliminate the workload “peaks and valleys” that arise with reading 45,000 meters in two days instead of five, working all weekly non-pay disconnects in one day instead of five, etc.
- Daily billing gives an opportunity to maximize efficiency in meter read routes by shrinking the size of each meter book read and giving meter readers more flexibility if weather or other items occur that force Greenville Water to postpone meter reading by a day.
- Daily meter reading will allow Greenville Water personnel to get bills out the door to our customers quicker, with the goal to have bills mailed to customers by the day after the meter reading is obtained.
- Non-pay disconnects are carried out five days a week rather than just on Tuesdays. This is requiring a re-education of some customers who only pay the day before they are subject to disconnection.

Mr. VerDouw reported daily billing is working well for all departments involved. There is less overtime due to the leveling out of the peaks in workload. Call volume is steadier during the week, rather than a heavy call volume on Tuesdays due to non-pay disconnects. Efficiencies in processes are being seen by completing the processes daily rather than once a week. Daily billing has increased some workflow, such as loading meter routes and downloading meter route reads, but it has really helped in getting bills out the door much quicker. A big plus is the employees like it as well.

Mr. VerDouw stated all of this came about as the result of some great work by several team members from each department: Billing, Customer Service, Field Services, and Information Technology. There was a lot of work done up front to ensure the transition went well. Field Services Representative Trevor Binns laid out the new meter routes and Billing Supervisor Jennifer Edwards put in a lot of work to make sure Billing was prepared. The Commissioners thanked everyone for their efforts.

6. SHORELINE PROTECTION PROJECT AT KEOWEE INTAKE

Chairman Kilgore welcomed CIP Manager Jon Sherer to report on the shoreline protection project at the Lake Keowee intake. Mr. Sherer provided a map showing the raw water pump station at the Adkins Water Treatment Plant is located on a small island and explained there has been increasing soil erosion due to waves from increased boat traffic in the area. Erosion on the island undermines the facilities and adds sediment to the water. Soil stabilization is the best way to avoid these negative consequences.

The project was initiated in 2019, final permits were received in 2020 with project construction starting in December 2020. The goals of the project are:

- Stabilizing approximately 3,100 feet of shoreline around the raw water intake property
- Adhere to permitting agency requirements
- Complete the project by June 30, 2021

Mr. Sherer provided before and after project pictures of Section 1 and a project flyover video.

7. UPDATE ON N. SALUDA STREAM RESTORATION & 319 GRANT APPLICATION

Chairman Kilgore called on Director of Administration, Sustainability and Compliance Dr. Bob Schmidt to update the Commission on the North Saluda stream restoration. Dr. Schmidt stated there are several programs on going and explained the update would show how they overlap. Greenville Water's program is multifaceted and multi-generational, but the update just covered the current generation projects which are:

- Release channel sediment removal and relining
- Creation of a tailrace fish habitat
- Examination and remediation of turbidity sources
- Restoration of a sustainable riparian environment

In September 2020 Greenville Water approved a grant request from SC DNR for \$20,000 to have Jennings Environmental conduct a conceptual design. In February of 2021 the project was taken over from SC DNR because it was easier and in the best interest of Greenville Water to manage the project. March 31, 2021 Jennings Environmental completed the conceptual design, and through the Section 319 Nonpoint Source Implementation Grant application process Greenville Water was able to expand the project to a greater focus. Dr. Schmidt presented maps of the focus areas.

Jennings Environmental was tasked with:

- Analyzing the conditions of the North Saluda stream from Callahan Branch confluence to the end of Naturaland properties
- Identifying potential locations and engineering approaches for reducing streambank erosion
- Identifying stream requirements necessary for aquatic habitat
- Developing conceptual design plans and cost estimates for recommended approaches.

Dr. Schmidt provided an informational chart of the Jennings Environmental reach segmentation and a map outlining the reaches, as well as detailed stream morphology information. Estimates of Bank Erosion Hazard Index (BEHI) show 33% of the total length is low BEHI, 45% is moderate and 22% is high or very high which is leading to large problems. The large problems are in reaches A and F.

Jennings Environmental determined 55 potential stream restoration project opportunities. These include 52 log and boulder in-stream projects, 1630 LF of toe wood revetment, and 860 LF of grading. Required support projects include invasive species removal, planting riparian buffers of trees and shrubs, grading and access planning. Dr. Schmidt presented design examples of the in-stream projects. A demonstration project on Greenville Water

property was designed to provide examples and allow Greenville Water staff to learn how to build boulder cross vanes, boulder j-hooks, and log vanes. The boulders, the wood, and the vegetation account for 65-70% of the cost of the in-stream projects. Greenville Water has those items available. The idea of the demonstration project is to learn how to perform the projects, then Staff could build future projects with materials on-hand. Dr. Schmidt reviewed the Jennings project constraints and conceptual design next steps.

Mr. Bereskin pointed out the project areas and asked Commissioners how much support Greenville Water should give to the areas. Chairman Kilgore recommended Greenville Water take care of the low hanging fruit, build up credibility in the community, build up skill set and demonstrate competence in that, and begin persuading allies to come aboard in support of this effort.

8. ACTUARIAL STUDY OF SCRS PENSION LIABILITY

Chairman Kilgore called on Mr. Robey to provide a report on an actuarial study of the South Carolina Retirement System pension liability. Mr. Robey explained over the last five or six years, Mr. Bereskin has been sounding the alarm about the rapidly increasing cost associated with Greenville Water's participation in the South Carolina Retirement System (SCRS) as well as concerns about the ongoing solvency long-term of the SCRS unless changes are made to address the significant funding problems.

Since 2010 Greenville Water's costs in participation in the SCRS has almost doubled. Currently, the contribution is 15.56% of employee wages toward the SCRS. The contribution is going to be capped out in the next five years at 18.56%. Employees pay 9.39% of their wages toward contributions in the SCRS. This amount has been capped for the last two or three years. The alarming fact is of the 15.56% contributed by Greenville Water, only 1.63% goes toward paying the retirement benefits of current retirees, as well as for future enrollees. The rest of the contribution, 13.93% goes toward buying down the unfunded liability of the SCRS.

As of June 20, 2020, the total pension liability for the SCRS was \$51.8 billion. Of that amount, \$25.5 billion had no assets to back it. Greenville Water's calculated share, per the State's actuary of the unfunded liability, is \$30.7 million. Based on SCRS actuary's projection of Greenville Water's share of contributions relative to those of all participating SC state and local governmental employees, as of June 30, 2020 Greenville Water's proportionate share was .120462%. Mr. Knight provided an update on the legislative efforts to address concerns about the retirement system. Leaving the SCRS is among alternatives to explore to address concerns about growing costs of SCRS participation and concerns about its long-term health and solvency. This proposition raises several questions:

- Is there statutory/legislative path to allow an exit?
- What is our true share of the long-term SCRS liabilities?
- What other potential costs are associated with an exit?
- How do we finance the cost of a buy-out?
- What is involved in the establishment, design, and administration of our own plan?

To get the ball rolling towards exploring the exit strategy, staff is recommending hiring an actuary to perform a true valuation of Greenville Water's share of the unfunded SCRS liability. The accuracy of the state's proportionate share is unknown. The actuary would perform an independent actuary evaluation of Greenville Water's share. Also, an attorney experienced in assisting clients with separations from cost sharing multiple-employer, defined benefit pension plans would need to be consulted to provide guidance on development of legal and legislative strategy.

Mr. Bereskin stated the tasks discussed would be the first steps in exploring other options and asked if the Commission was still interested in looking at other options. Commissioner Sofield asked if there are other systems looking at exiting the SCRS. Commissioner Brasington asked if there were not other entities in the past that had already succeeded in this endeavor. Mr. Bereskin answered there have been systems within South Carolina who succeeded but it has been probably 20+ years.

Chairman Kilgore asked for a motion for the Commission to authorize an actuarial study and to authorize obtaining a legal opinion of whether Greenville Water can succeed in leaving the SCRS, along with the request that Staff reach out to sister agencies to see if an alliance can be built. Commissioner Sofield moved, seconded by Commissioner Brasington, for approval of the funding to begin the process. The motion carried unanimously.

9. CHIEF EXECUTIVE REPORT

Mr. Bereskin asked the Commission if there was any interest in having the May 2021 Commission Meeting held at the Roper Mountain Science Center to see the Greenville Water Exhibit in the new Environmental Science and Sustainability Center. There was a unanimous decision to hold the May 4th meeting at the Environmental Science and Sustainability Center. Chairman Kilgore thanked Director of Strategic Initiative Dr. Jane Arrington and Public Relations Manager Emerald Clark for all the efforts made to bring about a successful project, as well as all resident experts who added details of their job specialties. The exhibit is so important for a lot of reasons, not only as a corporate responsibility to the community but also in looking to train the next generation of water professionals. This exhibit is a great workforce initiative.

Mr. Bereskin introduced Mr. Brian Bearfield, CPA as Greenville Water's new Controller. Mr. Bearfield joined Greenville Water from Prisma Health. The Commission welcomed Mr. Bearfield to Greenville Water.

10. EXECUTIVE SESSION

Mayor White moved, seconded by Commissioner Sofield, to enter Executive Session for the purpose of considering contractual, legal, and personnel matters. The motion passed unanimously.

(Executive Session)

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

11. COMMISSION COMMENTS

No comments presented at this time.

12. ADJOURNMENT

There being no further business, the meeting was adjourned 9:50 a.m.



Phillip A. Kilgore, Chairman

Kimberly Haulter, Executive Assistant