



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
Field Operations Community Room
517 W. Washington Street,
Greenville, South Carolina
November 9, 2021
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Debra M. Sofield, and Wil Brasington. Absent: Vice-Chairman James W. Bannister and Mayor Knox H. White. 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, Chief Administrative Officer Dr. Bob Schmidt, Director of Water Resources Jeff Phillips, Director of Strategic Initiatives Dr. Jane Arrington, Director of Engineering Mark Hattendorf, Director of Human Resources Richard Posey, Director of I.T. Billy Cooper, Controller Brian Bearfield, Manager of Field Operations Wayne Benson, Public Relations Manager Emerald Clark, Facility Maintenance Manager Allen White, Internal Auditor Jacob Polson, and Attorney Adam Bach.

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.

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 October 5, 2021, the Water Resources Report, the Finance Update, New Development, and New Annexations. Commissioner Sofield moved, seconded by Commissioner Brasington, to approve the items of the consent agenda. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Chairman Kilgore announced Mr. Knight was otherwise occupied doing business for Greenville Water in Columbia, SC and will not be providing a Legislative Report. Chairman Kilgore invited Chief Executive Officer David Bereskin to provide input. Mr. Bereskin briefly explained the meeting Mr. Knight was attending in Columbia involving the American Rescue Plan Act funding distribution. The first topic to be discussed is to be water/wastewater. A methodology was developed by the Blue-Ribbon Panel established by Rep. Bruce Bannister. Part of the team that created the proposal together included SC DHEC and SCRIA, however, SCRIA was also asked to develop a plan for AccelerateSC. The AccelerateSC plan has a different twist on it. The Blue-Ribbon plan was to allocate money across the State based on

population much like the Federal dollars, whereas the SCRIA plan is more focused on rural communities throughout the State. Governor McMaster issued a press release supporting a \$500 million investment of ARPA funds in water/wastewater utilities for South Carolina. This support is great but is a bit biased towards the rural communities which represent about 10% of the population. The Blue-Ribbon panel methodology represented around 80% of the population served by municipal systems, with the remaining 20% being served by wells, et cetera.

Chairman Kilgore stated the Commission would look forward to hearing updates on the funding plan and asked if there is a timeline regarding when there will be some certainty of how things will play out. Mr. Bereskin answered possibly late December or early January.

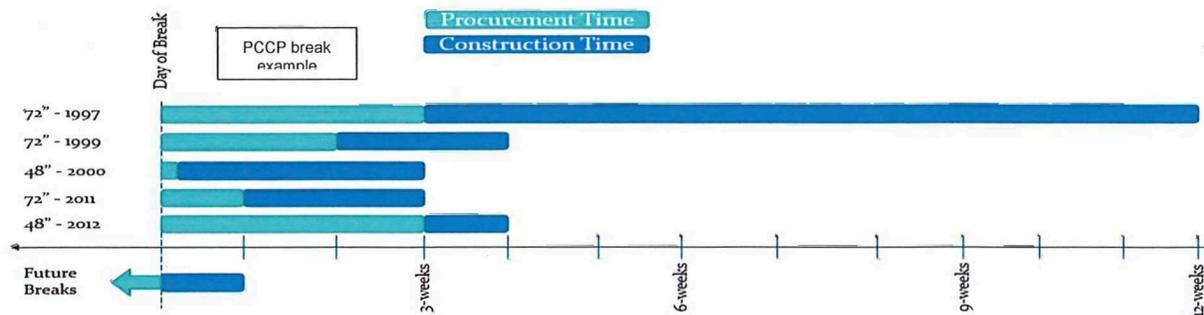
5. EMERGENCY RESPONSE PLAN FOR PRE-STRESSED CONCRETE PIPE

Chairman Kilgore called on Chief Operations Officer Jeff Boss to present the emergency response plan (ERP) for prestressed cylindrical concrete pipe (PCCP) failure. Mr. Boss explained the emergency response plans for not only PCCP but for the critical assets throughout Greenville Water. This presentation focuses on PCCP, which is a concrete pipe with a steel liner and is wrapped with wires to keep it from blowing up. Concrete is not really a good pressure pipe.



Mr. Boss provided an example of what could happen to PCCP pipe if a contractor were to hit it, a farmer hitting it with his plow, or the wires in the pipe start to corrode. The ERP identifies key critical infrastructure within the system and weaknesses based on historical failures, prepares a plan which includes valve locations to reduce damage, an on-call contractor who will be on site within two-hours in case of a critical infrastructure failure and having materials on hand to make repairs. Repairs would take considerably longer if materials would be ordered.

Mr. Boss reviewed the critical assets identified as PCCP. Repair materials have been pre-purchased, stored in strategic locations, and will be regularly inspected. A chart was provided to show how the ERP will impact a repair schedule.



Commissioner Sofield asked why Greenville Water does not sleeve the line. Mr. Boss answered liner technology is still not available for larger mains due to structural issues. Chairman Kilgore congratulated Staff on putting together the ERP and asked the price of the

repair kits. Mr. Boss answered the 72-inch materials were approximately \$74,000. The rubber seals and gaskets are the only items that may need to be replaced over time and will be inspected periodically. Chairman Kilgore asked if the repair kit could be used at any location along the 72-inch. Mr. Boss explained Director of Engineering Mark Hattendorf and his staff went through the 72-inch to ensure the one repair kit will repair any location on the main. The 48-inch is a little different where the repair is two closures, and a ductile iron piece will go between those. These closures will fit any location on the 48-inch. Mr. Hattendorf stated the adapters were approximately \$20,000 each. Commissioner Brasington asked if the referenced past failures were the result of an accident or structural failure. Mr. Boss explained the 72-inch failure was structural but the one in the cornfield was believed to be the result of an accident.

6. STREAM RELEASE IMPACT ON RESERVOIR ELEVATIONS

Chairman Kilgore invited Director of Water Resources Jeff Phillips to speak about the releases for 2021 from the Table Rock and North Saluda reservoirs, rainfall, and status of the reservoirs. Mr. Phillips provided maps showing the location of the dams where Greenville Water releases water in relation to the first US Geological Survey (USGS) gauging station. The first gauging station for North Saluda is five miles downstream from the release while the first gauging station for Table Rock is one mile downstream. North Saluda has a number of tributaries including the Callahan Mountain Branch and Terry Creek that contribute significantly to the flow downstream from North Saluda. Mr. Phillips provided a line graph showing the downstream USGS gauging vs releases for the reservoirs. North Saluda releases average 45% of the downstream flow.

On September 28, 2021, Mr. Phillips ran the water model to look at summer usage for North Saluda. There was a constant release of 15 million gallons per day (MGD) through the entire period. Usage by the Stovall Water Treatment Plant varied but was averaged at 25 MGD to accommodate the model. The timeframe setting was May 3rd to September 28th. The model predicted at current 15 MGD release an elevation of 1223.10 ft mean sea level (MSL) which is 6.90 ft below full pool. The actual elevation on September 28th was 1223.75 ft MSL. This shows the model was fairly accurate with around a half foot deviation over the entire summer.

At some periods during the summer, Table Rock releases were the entire flow out of Table Rock. The 10 MGD release was all that was going downstream one mile to the USGS gauging station, averaging 83% of the flow during the summer months. However, the releases averaged 59% of the downstream flow for the entire year. Rainfall at Table Rock is very similar to North Saluda trend wise, the only difference is Table Rock averages about 85-inches of rainfall compared to 68-inches at North Saluda. As Table Rock is smaller and more rain is received there, the elevation response is better through rainfall events.

Chairman Kilgore asked if Greenville Water could choose where the USGS gauging station is located. Mr. Bereskin responded Greenville Water's agreement with USGS is very cooperative. Greenville Water funds ten gauging stations in the watersheds. Chairman Kilgore noted the North Saluda gauging station is not at an optimal location. Mr. Bereskin explained Greenville Water does not fund this station. There is discussion between Greenville Water, the Department of Natural Resources (DNR) and USGS regarding this station. Chairman Kilgore stated he understood, according to the presentation, that Staff was

able to validate the models and asked if there are any adjustments that need to be made based on a review of the data and running the models. Mr. Bereskin responded after another year or two of data is collected, the model will be sent back to Greeley and Hansen to adjust and fine tune. Mr. Bereskin explained the model allows Staff to manage flows precisely to where releases can be adjusted to keep the reservoirs at recommended water levels and to provide best reaction times for impending drought or storm events.

7. APPROVAL OF EMPLOYEE RECRUITMENT AND RETENTION BENEFIT PLAN

Chairman Kilgore invited Mr. Bereskin to present a plan to increase employee recruitment and retention. Mr. Bereskin explained Staff would be seeking the Commission's approval for the enhanced benefit plan due to workforce challenges brought about by the COVID-19 pandemic. Greenville Water's goal is to become the preferred employer in the Upstate and one way is through improved benefits, especially when it impacts our lower wage earners. Improved benefits include lower health care premiums which result in higher take home pay and incentivize health care choices through company contribution to a 401k plan. In addition, with the approval of this plan Staff would drop pursuing the state pension program improvements. The 2022 major Human Resources goal will be to review and consider overall compensation, flexible scheduling, recognition, and job growth opportunities.

To improve health care premiums and provide an opportunity for 401k contributions, Greenville Water will:

- Stay consistent with the healthcare premium methodology
- Look at decreasing employee premiums which will result in improving take home pay.
- Improve Health Savings Account (HSA) funding for all employees that choose the High Deductible Health Plan (HDHP)
- Develop a robust and informative session on the benefits of the HDHP and allow employees to choose their health plan
- Depending on the health plan selected, provide a company contribution to a 401k plan.

Mr. Bereskin provided Greenville Water health care plan costs and premium methodology, as well as current vs proposed paycheck premiums. Management asked the Commission to approve funding \$4,500.00 per employee into the employee benefit program. Employees with employee only coverage would get the full \$4,500 in a contribution to their 401k and HSA. Employees with Spouse, Children or Family coverage in the base plan would receive the \$4,500 in decreased premiums for their coverage and there would not be a 401k contribution to these classes of coverage. Correspondingly, the plan really shows the value of the HDHP coverage. An employee only would still have a \$0 premium payment, the HSA would be fully funded with \$3,000 and receive a 401k benefit of \$3,714 and likewise throughout the other classes of HDHP coverage. Mr. Bereskin provided an example of the benefit increase per pay period for a sample of employees who take the basic with spouse coverage.

The plan has immediate benefits, not only for the health care choices, but for the take home pay on a bi-weekly basis. Mr. Bereskin reviewed the overall cost to Greenville Water by segment and asked the Commission to consider the Retention and Recruitment Benefit Plan.

Requesting that \$1.5 million be added to the employee portion of the 2022-2023 budget that was approved in a previous meeting.

Chairman Kilgore asked for more information on the concept of retention to reflect on the struggles Greenville Water has had with retention. Mr. Bereskin explained that our entry level employees are sometimes taken for granted. They are most of the lower wage earners and work in all types of inclement weather. Employees that repair the mains, put in new mains and service lines, and respond to the customer come into the organization around \$30,000 annually. This has been the appropriate salary in our field of business. Lately, there has been a push for \$15 per hour for the most basic jobs in the economy. This has caused competition with our entry level positions. Normally they are inside, not subject to inclement weather, and some are even offering hiring bonuses. The population base that has normally been the recruitment flow now has other alternatives to earn the same amount of pay. In most situations, these employees are young. Young employees who are not married yet, do not have children, or are in the process of getting married, do not think about benefits. This plan will take some of the burden and cost off the employee netting more dollars to the take home pay. HR will continue to discuss Greenville Water's premium benefits during the interview process.

The state pension program, not at the fault of Greenville Water nor the employees, has been in a world of hurt. Unfortunately, employees are paying into a pension program to replace mistakes of the past. Greenville Water is presently paying 17% into the pension and employees pay 9% into the pension. The 26% is not what is needed to keep the new employees' pension promises in the future. This is to make up for all the people that are already in the system getting their pension paycheck and to keep it viable. The pension brings pay down 9% and the health care premiums in the three different categories is a tremendous burden to take home pay. If Greenville Water relieves these burdens through the employee benefit and retention plan both the employee and the company reap the benefit.

Chairman Kilgore asked Mr. Bereskin to flesh out alternative 1: contribute more to the employee benefit plan vs. alternative 2: take \$1.5 million to contribute to employee salaries. Mr. Bereskin explained if \$1.5 million is spread across in a salary adjustment, Greenville Water will pay an additional 17%, which will increase to 19.6% three years from now to the state pension plan. There is also the additional cost of the matching social security funds of 7%. By improving the health plan and contributing to the 401k savings plan several things are accomplished:

- Providing better health care benefits for the employees
- Saving the company roughly \$400,000
- Educating employees on the benefits of a High Deductible Healthcare Plan
- The HDHP, for the same cost of the basic health plan, is reaping benefits to the employees by:
 - A 401k contribution for a guaranteed savings program for retirement
 - A funded HSA which will grow through healthy years which could be worth \$100,000 at retirement to pay health care costs, or other expenses. It earns a tax-free compounded interest in the account.

Chairman Kilgore reiterated part of the plan is not only the additional contribution but also approval of the initiative to encourage employees to migrate from the basic health care plan over to the HDHP. Chairman Kilgore asked Mr. Bereskin if his view was that it is more beneficial to employees to be on the HDHP in terms of the net benefit. Mr. Bereskin said it is his view, 100%. When meeting with employees during the education process there will be slides showing all the benefits of each plan, with over half of the benefits improving in the HDHP.

Chairman Kilgore asked Mr. Bereskin to verify when the last water rate increase took place. The last rate increase was in 2016. Chairman Kilgore asked if this plan is approved, will the trend of not having a rate increase be able to continue. Mr. Bereskin answered yes. Chief Financial Officer Phil Robey added his presentation (Agenda Item 9) would touch on that. Chairman Kilgore stated keeping rates low is very important to the Commission, as well as maintaining Greenville Water's triple AAA rating. Chairman Kilgore asked if approval of this plan would have an impact on this rating. Mr. Bereskin answered approval of the plan would have no impact on the triple AAA rating whatsoever.

Commissioner Brasington complimented Staff on the underlying merits of the proposed recruitment and benefit plan and asked if the success of the plan rests on some targeted threshold of conversion. Mr. Bereskin explained the maximum exposure expected is around \$1 million +/-.

Commissioner Sofield moved, seconded by Commissioner Brasington, to approve the Employee Recruitment and Retention Benefit Plan as presented. Commissioner Sofield announced a proxy vote of yes for Vice-Chairman Bannister. The motion passed unanimously. Commissioner Sofield thanked the team for putting the plan together, helping Greenville Water employees in today's economy and trying to keep the team together.

8. APPROVE RESOLUTION REGARDING HEALTH BENEFITS FOR COMMISSIONERS

Chairman Kilgore asked Mr. Bereskin to present the resolution regarding health benefits for Commissioners. Mr. Bereskin explained the resolution codified the plan for health benefits for the Commission that has been historically followed by Greenville Water. Research provided by Greenville Water's Attorney was included with the Resolution. Chairman Kilgore reiterated Commissioners have historically been eligible to participate in the healthcare plan and this is simply a validation of that. Commissioner Brasington moved, seconded by Commissioner Sofield, to approve the resolution. Commissioner Sofield announced a proxy vote of yes for Vice-Chairman Bannister. The motion passed unanimously.

9. CAPITAL IMPROVEMENT PROGRAM 2022 PRESENTATION

Chairman Kilgore invited Mr. Robey to present the Capital Improvement Program (CIP) for 2022. Mr. Robey announced this would be a preview of the 2022-2026 CIP. Staff will come back to the Commission in December with the proposed CIP for action.

The presentation provided a listing of the planned projects, a financial forecast balancing operations and maintenance needs, investment in the system for growth, reinvestment for

major maintenance, maintaining days cash on hand, debt service coverage and minimizing rate impacts on customers. The program presented included no rate adjustments.

10. 2022 COMMISSION MEETING AND HOLIDAY CALENDAR

After review, Chairman Kilgore recommended changing the July Commission meeting date to the second Tuesday, July 12, 2022. Commissioner Sofield recommended changing the January Commission meeting date to the second Tuesday, January 11, 2022. The calendar was approved with recommended changes.

11. CHIEF EXECUTIVE REPORT

Mr. Bereskin recognized Greenville Water staff for the hard work that went into successfully obtaining a Rural Infrastructure Authority Grant for Edgewater Acres. Greenville Water will be working with Greenville County and Edgewater Acres to see if there are more dollars available to replace the community well system.

Insurance Open Enrollment will be coming up soon, once the educational program is developed for the benefits of the different insurance options. Mr. Bereskin thanked the Commission for the strong support and approval of the Employee Recruitment and Retention Benefit Plan. Chairman Kilgore stated it is important to the Commission to do whatever possible to help with employee recruitment and retention. What is good for the employees is good for the Commission.

12. COMMISSION COMMENTS

Commissioner Sofield thanked Mr. Phillips for the Stovall Treatment Plant tour provided for members of the Furman University Osher Lifelong Learning Institute (OLLI). Commissioner Sofield also thanked Public Relations Manager Emerald Clark for the success of the Elected Women Officials meeting at Roper Mountain Science Center.

13. ADJOURNMENT

There being no further business, the meeting was adjourned 9:35 a.m.


Phillip A. Kilgore, Chairman


Kimberly Haulter, Executive Assistant