



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
Field Operations Community Room
517 W. Washington Street,
Greenville, South Carolina
January 11, 2022
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, and Mayor Knox H. White. Absent: Wil Brasington. 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, Water Resources Assistant Director Elizabeth Lee, 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 December 7, 2021, the Water Resources Report, the Finance Update, New Development, and New Annexations. Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to approve the items of the consent agenda. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Chairman Kilgore called on Legislative Liaison Bob Knight to provide a legislative update. Mr. Knight announced the legislative session began this day. Governor McMaster released his executive budget which is notable for one recommendation which is a request for \$500 million of ARPA funds for rural water and sewer infrastructure. There is a rumor the House of Representatives may send an early tranche of money out in the next few weeks. There was no receptivity by the Senate a few weeks ago. The theory was water, sewer, broadband, et cetera are going to take a long time to execute so the House would like to get some money out early. Recently, Mr. Knight heard the Senate will take the bill up if the House moves

forward. The Senate and House of Representatives still must deal with Congressional reapportionment. The Senate has legislative issues that will need to be worked around if any money is to be sent out early.

Other items recommended in Governor McMaster's budget were \$500 million in the rainy-day reserve fund, \$500 million for SC DOT (part recurring/part non-recurring), \$300 million for the Ports Authority, \$177 million for an income tax cut, \$300 million for the remediation of the USS Yorktown in Charleston Harbor, and \$300 million into Interstate 73. These are basically statements which may be tweaked. Chairman Kilgore asked if any money is going to go toward pension reform. Mr. Knight answered that Federal money could not be used to go toward pension reform.

Mr. Knight announced a Senate resolution passed in December 2021 recognizing January 12th as Professional Engineers Day in South Carolina.

5. FIELD OPERATIONS BONUS PROGRAM

Chairman Kilgore welcomed Mr. Bereskin to present on the proposed Field Operations Bonus program. Mr. Bereskin introduced a video of Chief Operations Officer Jeff Boss presenting the program.

Estimating and tracking of project costs by the Field Operations team over the last few years has led up to Field Operations being able to competitively bid projects. This bonus program was designed to generate revenue savings for Greenville Water by having in-house crews install more distribution infrastructure. Field Operations crews will bid on projects in a similar manner as contractors. Engineering will continue to evaluate bids as usual, awarding bids to the lowest responsive bidder. When Field Operations is awarded a contract and completes the job at a lower cost than the next responsive bidder the savings will be put into a bonus pool. Conversely, if Field Operations completes the job at a higher cost than the next responsive bidder the negative delta will be removed from the bonus pool. Customary emergency work will not be included in the bonus program. Documentation for each project will be put into a project file with a summary sheet maintained for all projects.

On inclement weather days when crews cannot perform work, the crews will be assigned to focus on strategic plan goal maintenance activities or take a general leave day at the discretion of the Field Operations Manager. The Field Operations Crew/Team Leader will document inclement weather days via the Field Operations work schedule and/or EAM.

Mr. Boss explained the program calculation and reviewed an example. The revenue remaining will be divided with 40% going to Greenville Water for an equipment and vehicle budget and 60% will go to the bonus program pool. The pool will then be divided by the number of eligible employees in Field Operations. In order for Field Operations to realize 100% of the bonus pool the five strategic maintenance goals for the year must be met. Each goal will count as 20% of the bonus pool. The final amount of the bonus will be based on the percentage of each goal achieved. All projects will be audited by Greenville Water's internal auditing staff. The recommended bonus will be forwarded to Greenville Water's CEO for action. Each year the strategic goals required to receive 100% of the bonus will be reviewed and recommendations will be sent to the CEO for approval.

Mr. Bereskin thanked Greenville Water's Public Relations Manager Emerald Clark and Graphics Designer Elizabeth Breeze for producing the video. The essential points of the program were to encourage the Field Operations 60 individuals work to more as a team, care about each other's activities, performance, and efficiencies on a day-to-day basis. This will help with employee retention by keeping the goal out there for the employees not to leave mid-year for a dollar or two more with another company. Also, the program will hopefully help Greenville Water to get more competitive bids from outside contractors. Prices have spiked over the last few years.

After discussion, Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to approve the Field Operations Bonus Program as presented. The motion passed unanimously.

6. INSURANCE RENEWAL UPDATE

Chairman Kilgore welcomed Chief Financial Officer Phil Robey to present an insurance renewal update. Mr. Robey provided information on the 2022 renewal process, stating this is the second year Greenville Water has been in the private insurance market. In 2021 Greenville Water moved away from the state program into the private market saving money and getting a far stronger insurance program in the process. The overall structure of the 2022 program is mostly identical to the program in 2021 in terms of deductibles, limits, et cetera. The cyber insurance provider changed from Brit to Palomar. The cyber market has tightened significantly due to increasing cyber and ransom ware attacks.

Mr. Robey reviewed the structure and premium changes of the current insurance program. One coverage recommended for consideration by the insurance broker was terrorism and sabotage coverage. Currently terrorism events coverage is provided through a program called TRIA, which is a federal insurance program. Greenville Water pays premiums into the program. The coverage is only accessible during a federally declared terrorism event, which there has never been one of those. The additional coverage recommended would provide coverage in cases such as an extremist attack and liability claims that could result from the attack. Greenville Water declined the coverage in 2021 and the recommendation is to decline coverage in 2022. Staff feels the additional premium is not worth the coverage. Chairman Kilgore asked if some of the incidents would be covered by General Liability (GL) coverage. Mr. Robey responded there is some coverage in the underlying policy for GL property, but what happens is there is a lack of clarity when an actual event occurs. Mr. Bereskin added he wanted to make sure the Commission is comfortable with Greenville Water declining the coverage. Mr. Bereskin believes it is in Greenville Water's best interest. Commissioner Sofield asked if other utilities have the terrorism and sabotage coverage. Mr. Robey said he could investigate it.

Chairman Kilgore clarified the recommendation from staff is to accept the coverage presented except for the Hiscox/Lloyds proposed coverage. Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to approve everything understanding the terrorism and sabotage policy is declined. The motion passed unanimously.

7. CHIEF EXECUTIVE REPORT

Mr. Bereskin thanked the Commission on behalf of the entire workforce for the increased benefits for health insurance and the bonuses given at the end of the year. The employees really appreciated it all. Many individuals and groups sent e-mails and cards saying thank you. Also, everyone appreciated having a commissioner attend the holiday luncheons. Mr. Bereskin added Commissioner Sofield did a great job representing the commission. It was touching to the employees.

Work on the American Rescue Plan Act of 2021 (ARPA) funding continues. Representative Bannister has the plan drafted by the water infrastructure panel and Greenville Water's lobbyist team has worked with the Budget Director for the Ways and Means Committee to draft a bill to carry forward to the House and the Senate.

Releases were changed to 2 MGD at Table Rock and 3 MGD at North Saluda which helped reservoir levels rise from low point. The recent storm did not bring much water but the wind damaged trees and some buildings. Close to 100 trees were lost between the two watersheds. Repairs are being made.

The first financial application has been submitted for the North Saluda River headwaters restoration project 319 Grant. Permits are in place and the project is progressing.

8. COMMISSION COMMENTS

Commissioner Sofield recognized the Watersheds team and expressed Greenville Water's fortune to have the team members who work for the system.

9. ADJOURNMENT

There being no further business, the meeting was adjourned 8:50 a.m.



Phillip A. Kilgore, Chairman



Kimberly Haulter, Executive Assistant