



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
Field Operations Community Room
517 W. Washington Street,
Greenville, South Carolina
April 5, 2022
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, and Wil Brasington. Absent: 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 Engineering Mark Hattendorf, Director of Human Resources Richard Posey, Director of I.T. Billy Cooper, Director of Business Services Steve Miller, Controller Brian Bearfield, Manager of Field Operations Wayne Benson, Public Relations Manager Emerald Clark, Facility Maintenance Manager Allen White, Internal Auditor Jacob Polson, Purchasing Manager David Freeman, and Safety Manager Steve Lee.

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 March 1, 2022, the Water Resources Report, the Finance Update, New Development, and New Annexations. Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to approve the items of the consent agenda. The motion passed unanimously.

Chief Executive Officer David Bereskin asked Chairman Kilgore for permission to amend the regular agenda to include for approval a second resolution for the Commission to consider in support of the Senate American Rescue Plan Act (ARPA) legislation. Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to amend the agenda accordingly. The motion passed unanimously.

4. RESOLUTION IN SUPPORT OF SENATE ARPA LEGISLATION

Mr. Bereskin explained the importance of the resolution the Commission was being asked to consider. The resolution is representing Greenville Water's stated position of asking both the Senate and the House of Representatives to continue to move forward the ARPA bill with a

60% funding mechanism to the large utilities and 40% to the smaller systems under 30,000 customers. The supporting argument for this ratio is the large utilities in the state serve 82% of the South Carolinians on municipal water systems. This resolution gives 22% to the smaller disadvantaged, rural communities that continue to need financial help.

Chairman Kilgore stated the resolution is consistent with Greenville Water's long-standing position that has been abdicated. Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to approve the resolution as presented. The motion passed unanimously.

5. RESOLUTION HONORING DR. JAMES "JD" DURHAM MARTIN JR.

Chairman Kilgore invited Mr. Bereskin to present the resolution honoring Dr. James "JD" Durham Martin, Jr. Mr. Bereskin recognized Dr. Martin for his support of the Greenville community et al. Dr. Martin was accomplished both as an Engineer, Businessman, as well as a Commissioner for Renewable Water Resources.

Chairman Kilgore spoke of Dr. Martin's recent passing, noting Dr. Martin was a longtime serving member of the community and the public utility family who made a significant contribution to the Upstate of South Carolina, including the open space in front of the Greenville Water Field Operations Community Room.

Vice-Chairman Bannister moved, seconded by Commissioner Brasington, to approve the resolution honoring Dr. James "JD" Durham Martin, Jr. The motion passed unanimously.

6. LEGISLATIVE UPDATE

Chairman Kilgore welcomed Legislative Liaison Bob Knight to provide a legislative update. Mr. Knight thanked the Commission for approving the ARPA resolution and explained the purpose of the resolution as the Senate ARPA committee will meet at 12:30 pm to take up the ARPA legislation. Each house passed a version of ARPA authorizing various amounts of money to both water, sewer, broadband, and highways. There is still some work to be done by both the Senate and the House of Representatives. The most important difference is the 60/40 proposal. The resolution will help to make the House and Senate members aware of the importance of this proposal.

Mr. Knight and Mr. Bereskin met with the Governor's office to press the ARPA point. Chief of Staff Trey Walker and Director of Legislative Affairs Sym Singh were open and receptive to Greenville Water's position, but they also expressed their concern for the rural communities. There was no agreement that they would take the same position, but Mr. Bereskin was able to communicate all concerns to them.

Mr. Bereskin stated the other forty-nine states in the Union have enacted and distributed the ARPA funding that South Carolina is still struggling with. Material shortages and fuel increases are really impacting everything. Ductile iron pipe manufacturers have added a surcharge starting April 1, 2022, going forward of a minimum of \$150 per ton of ductile iron pipe. This is not charged at the date the pipe is ordered, but the date the pipe is received.

Costs are continuing to increase for materials and the ARPA legislation puts everything farther behind. Pipe is now 6 to 9 months out from the date of the order.

7. NEW DEVELOPMENT REIMBURSEMENT

Chairman Kilgore welcomed Chief Operations Officer Jeff Boss to present on new development reimbursement. Mr. Boss explained the two ways Greenville Water has of expanding the distribution system, reviewed the old policy and proposed a new option with a list of pros and cons.

Mr. Bereskin added the update was a proposal to explore the opportunity for Greenville Water to get back into extending water mains. Today, with sophisticated GIS system and computers available, the cost of the extensions can be captured to show the true cost per foot per parcel for extensions. This would enable more Greenville Water line extensions than done in the last ten years and will do away with dead end lines in the system.

Commissioner Bannister asked if future developers would end up paying less because of the extensions. Mr. Boss answered it could be less for development in the future due to saving the developer off site costs to get the waterline to front the development property. Chairman Kilgore requested this be the lead point made to the development community and asked if there is a tried-and-true model of this program. Mr. Bereskin stated this program is found around the country. Currently developers pay for main extensions. Vice-Chairman Bannister clarified the disadvantage to the current program is Greenville Water must wait for development to show up for extensions that might be needed now for other reasons. The extensions would be added to the capital improvement program to make it more robust.

After discussing proposed methodology, Chairman Kilgore recommended the proposed program be vetted with the development community. Review the historical program, the current program, and the proposed program showing how the development community will save money in the long run. Commissioner Brasington recommended proforma hypothetical scenarios for developers which will help externally as well as internally.

The Commission recommended Staff move forward with the next steps as follows:

- Develop a formal policy, vetted with the development community, to bring back to the Commission for adoption.
- Formalize internal controls

8. MULTI FAMILY BASE FEE UPDATE

Chairman Kilgore asked Director of Engineering Mark Hattendorf to provide a multi-family base fee update. Mr. Hattendorf recalled in June 2019 the Commission adopted revised capacity fees to standardize the fee per each dwelling. This was done for economic consideration for affordable housing. Since that time, there have been eighteen apartment complexes come online. Ten of these complexes opted to stick with the master meter for a total of forty-one accounts. Eight of the complexes opted for individually metered dwellings for a total of 342 accounts. When the capacity fee was revised, the financial encouragement for the developers to use master meters was taken away.

All fees should match the equivalent residential connection (ERC) which is a unit of water usage that represents an average usage for a living accommodation for a single family, whether a single-family residence or a residence in a multifamily building. The current base fees utilize a graduated system based solely on meter size, which is not consistent.

Mr. Hattendorf pointed out Greenville Water is under collecting from multi-family properties when compared to their single-family counterparts for monthly base rates. Residential units and their associated flows need to be treated similarly whether several dwellings reside under one roof or not. Base fees have not been adjusted since March 2016 making Greenville Water rates the most stable amongst local peer utilities. These fees are examined every year and findings are presented to the Commission. Staff proposed to develop a plan to adopt a multi-family base fee classification into the current fee schedule as follows:

- To charge each master metered multi-family unit, including condominiums and apartments, a fee of:
 - \$4.52 per unit within the city
 - \$6.78 per unit outside the city

The customers effected by this change would include 36,000 dwellings in 211 master metered apartment complexes. This is estimated to bring in an additional \$157,000 in revenue per month. The customer impact will be \$4.52/\$6.78 per dwelling. The average difference per building served by a master meter is \$80 per month. There are already ninety-seven apartment complexes (3,547 apartments) that are individually metered and pay the base fee.

Mr. Hattendorf provided examples of how apartment tenants pay for water and a real-world example of the changes for one complex with a 1.5" master meter serving eighty-two units. This policy change will make the base fee common across the entire class of apartment tenants. Chairman Kilgore added this is an equity issue, when there are multi-family residents consuming the same amount of water as a homeowner, but the homeowner is paying more.

Mr. Bereskin concluded the Commission appeared to feel the proposed update had merit and recommended Staff continue to create a formal policy for adoption at a subsequent meeting. Commissioner Sofield pressed for Staff not to wait that long. Chairman Kilgore recommended Mr. Bereskin move expeditiously, but while doing that back fill the database so there is a larger cohort of data gathered. Commissioner Sofield added this should have been picked up earlier and thanked Staff for discovering the inconsistency.

9. TAPS FOR NEW DEVELOPMENT IN DOWNTOWN GREENVILLE

Chairman Kilgore invited Mr. Boss to present on taps for new development. Mr. Boss shared Greenville Water's break history of pipes greater than 6-inch averages to about fifty-eight per year with four of those being large main breaks or catastrophic main breaks. In comparing cast iron versus ductile iron pipe, Greenville Water has had years of good performance and corrosion resistance with cast iron pipe, but the structure of ductile iron makes it more flexible and less prone to breakage. The Ductile Iron Pipe Research Association (DIPRA) says ductile iron is even longer lasting and tougher than cast iron pipe. Much of the cast iron pipe

in Greenville Water's system is in the downtown area. The reason for this conversation is the two recent large main breaks in downtown. As a follow-up to these breaks staff researched the last 10 years to compile a list of connections made to cast iron mains in the downtown area. There were thirty and they have been ranked by consequence of failure.

Mr. Boss explained the process of making a tap, which is a normal procedure for all utilities. The saddles and field drilled taps can introduce stress concentrations that lead to cracks and breaks. The important step is to properly backfill under the pipe. Our inspectors are ensuring that saddles are installed, and taps are made correctly.

Due to recent events, heavy construction, heavy traffic, jack hammering, and to prove the water lines are in good shape, staff wants to investigate the thirty locations by excavating the connections made without tees, pour flowable fill around the connection and then back fill again. The plan going forward is to use tees, rather than saddles, when possible, on the cast iron mains throughout the system. A tee is a stronger connection and can sustain the external pressures put on the line due from subsidence.

The next steps are to develop a plan and coordinate the work with the City of Greenville and South Carolina Department of Transportation (SC DOT) staff. Commissioner Sofield requested an ad campaign to make the public aware this is planned work.

Commissioner Brasington shared his appreciation on behalf of the City of Greenville for the fact that Greenville Water will take the time and effort to perform this precautionary work. Chairman Kilgore asked Staff to also coordinate/evaluate likelihood of failure in conjunction with consequence of failure throughout Greenville Water's coverage area. Mr. Boss explained that is how the ranking for capital improvement projects will be determined in the future through the use of predictive software.

10. QUINQUENNIAL BONUS AWARD POLICY CHANGE

Chairman Kilgore called on Director of Human Resources Richard Posey to present an update to the quinquennial bonus award policy. Mr. Posey presented two recommendations for the policy update:

- Change the award calculation to a fixed amount rather than a percentage of salary up to a maximum.
- Enhance retention by requiring a team member to be an active employee in January of the subsequent year of achieving their quinquennial status in order to qualify for the Service Award bonus.

Commissioner Brasington moved, seconded by Commissioner Sofield, to approve the policy changes as presented. The motion passed unanimously.

11. CHIEF EXECUTIVE REPORT

Mr. Bereskin introduced the following newer staff members:

Steve Lee, Safety Manager
Steve Miller, Business Services Director

David Freeman, Purchasing Manager
Brian Bearfield, Controller
Jacob Polson, Internal Auditor

Mr. Bereskin mentioned the following current announcements:

- Next month Mr. Robey will bring the State Revolving Fund (SRF) loan final resolution.
- The grand opening for Unity Park is on Thursday, May 19, 2022. The Greenville Water logo displayed in the splash pad continues to be discussed.
- Recent/Upcoming South Carolina utility executive 2022 retirements include:
 - Spartanburg Water CEO Sue Schneider
 - Renewable Water Resources CEO Graham Rich
 - Charleston Water CEO Kin Hill

Commissioner Sofield moved, seconded by Commissioner Brasington, to enter Executive Session for the purpose of discussing legal matters. The motion passed unanimously.

(Executive Session)


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

12. COMMISSION COMMENTS

No comments were presented.

13. ADJOURNMENT

There being no further business, the meeting was adjourned 9:45 a.m.



Phillip A. Kilgore, Chairman

Kimberly Haueter, Executive Assistant

COMMISSION OF PUBLIC WORKS FOR THE CITY OF GREENVILLE, SOUTH CAROLINA

A RESOLUTION IN RECOGNITION AND MEMORY OF DR. JAMES "JD" DURHAM MARTIN JR.

WHEREAS, the Commissioners of Public Works for the City of Greenville, S.C. ("Greenville Water") recognizes the significant contributions of Dr. James "JD" Durham Martin Jr. for the betterment of our community, and

WHEREAS, in 1976, Dr. Martin founded Arbor Engineering Inc., a land engineering firm, through which he has significantly improved the visual quality of life of the Upstate and provided Greenville with beautifully sustainable landscapes to be enjoyed by generations to come, and

WHEREAS, some of Dr. Martin's notable significant achievements include Falls Park, the signature highlight of Greenville's landscape; the Kroc Center; and his final project-in-progress, the updated landscape for the Miracle Hill Mission adjacent to the Greenville Water headquarters, and

WHEREAS, Greenville Water itself has been the beneficiary of Dr. Martin's vision and skills through his work on Greenville Water's open space at the corner of Broad and Washington Streets, home of the Water Blessing Statue where Greenville Water pays homage to the legacy of the Cherokee Nation in the water resources presently benefitting the community, and

WHEREAS, Dr. Martin served the Upstate community as a longtime board member of Renewal Water Resources ("ReWa") where he applied his skills and experience in the operation of ReWA, as well as its building program, most notably ReWa's iconic Innovation Campus on Mauldin Road, and

WHEREAS, Dr. Martin was not only an essential participant in the economic development and vitality of the Greenville Community as we know it today, but was a leader and a friend to many, and

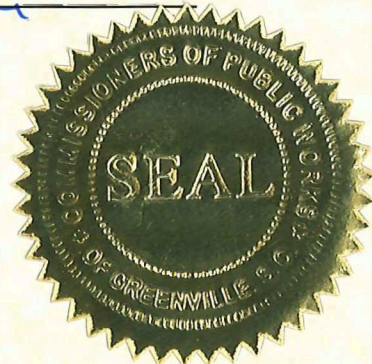
NOW THEREFORE, the Commissioners of Public Works for the City of Greenville, S.C. do hereby declare their sincere gratitude to Dr. Martin for his many contributions to our community and commends his legacy of leadership in improving Greenville's quality of life to future generations.

Respectfully submitted this 5th Day of April, 2022.

**COMMISSIONERS OF PUBLIC WORKS FOR
THE CITY OF GREENVILLE, S. C**



**BY PHILLIP A. KILGORE
ITS CHAIR**



**COMMISSION OF PUBLIC WORKS
FOR THE CITY OF GREENVILLE, SOUTH CAROLINA**

A RESOLUTION

WHEREAS, legislation allocating funding from the American Rescue Plan Act (ARPA) has separately passed both the South Carolina House and Senate,

WHEREAS, the separate bills contain some differences that must be resolved by the bodies,

WHEREAS, the Senate passed legislation (S. 952) at Section 5(B) allocates 60% of the funds for water and sewer to utilities serving a population of greater than 30,000 people, the so-called "large utilities," yet "large utilities" serve 82% of the state's population,

WHEREAS, even with passage of this allocation method, citizens served by "large utilities" will subsidize the "small utilities" by 22%,


WHEREAS, the House version of the ARPA legislation makes no such allocation between the large and small utilities,

WHEREAS, it is important to note that "large utilities" are not exclusively urban. Greenville Water serves the majority of Greenville County as well as parts of Anderson, Laurens, and Pickens Counties. Our customers are largely rural and suburban, and we also serve more socio-economically disadvantaged customers than any utility in South Carolina.

THEREFORE, the Commissioners of Public Works of Greenville, do hereby urge the members of the South Carolina General Assembly to adopt the language of the Senate ARPA legislation allocating 60% of the available funds to be allocated to large utilities.

In meeting duly assembled, this Resolution is adopted this 5th day of April, 2022.


Phillip Kilgore
Commissioner


Jim Bannister
Commissioner


Deb Sofield
Commissioner

