



**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 W. Broad Street, Level 2,
Greenville, South Carolina
June 7, 2022
8:15 a.m.**

GreenvilleWater

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, Mayor Knox H. White, and 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 Strategic Initiatives Dr. Jane Arrington, Director of Water Resources Jeff Phillips, Director of Engineering Mark Hattendorf, Director of Human Resources Richard Posey, Director of I.T. Billy Cooper, Controller Brian Bearfield, Director of Field Operations Gary Baysinger, Facility Maintenance Manager Allen White, 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 May 3, 2022, 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 asked Legislative Liaison Bob Knight to provide a legislative update. Mr. Knight shared the budget conferees were meeting again after being out for three weeks. Once an agreement is reached, the budget will be brought before the full House of Representatives and Senate the following week. The American Rescue Plan Act (ARPA) bill was passed and became effective on May 13, 2022. Bill 3106 sponsored by Rep. Bruce Bannister again in 2022, which deals with the retirement issue, moved through to a second reading in the Senate, but it was held up again.

The Department of Health and Environmental Control restructuring bill (S2) moved out of the Senate to the House of Representatives but did not move out of the House. The bill proposed dividing DHEC between environment and public health. The department of mental health

would move into the public health division. Protesters of this change showed up at the last public hearing before the House Ways and Means Committee. There was fear the Department of Mental Health would get lost as a subset of the old DHEC. Mr. Bereskin explained the agricultural community and the utilities supported the proposed split because it not only put all the DHEC environmental division into one agency but also moved the water related responsibilities of DNR into the same agency which would combine the planning and permitting. There was support for the Senate version, but it fell apart in the House of Representatives.

Mr. Knight added the Environmental Protection Agency distributed a letter regarding the poor structure for South Carolina water planning. The assumption is that it was a President Biden driven political statement that South Carolina water planning is bad and allows farmers to take all the water without licensing/permitting, et cetera. To the extent that the Federal Government weighed in on and took a bite out of South Carolina's statute on water planning is important. No one is sure where this is going to go.

5. ANNEXATION RESOLUTION

Chairman Kilgore asked Mr. Bereskin to present the resolution regarding annexation. Mr. Bereskin explained the resolution pertains to the City of Greenville seeking approval of a change to the annexation policy to be brought before City Council. There are two changes in the resolution. The current resolution being followed states any new water service within a one-mile boundary of today's City limits requires the owner of the property commit to annex into the City of Greenville when the property becomes eligible. The resolution being considered would increase the boundary to a mile and a half. The other change would prohibit developments from annexing into other municipalities.

Mr. Bereskin and Staff worked with the city closely to prepare the resolution for Mayor White to take to City Council. Chairman Kilgore asked for a motion to approve the resolution proposed by the City of Greenville. Mayor White moved, seconded by Commissioner Brasington, to approve the resolution. Mayor White thanked Mr. Bereskin because he had been talking to the city about addressing these topics for years, adding he had been right all along. With the new emphasis on annexation in the city, there will be a team focused on it like never before. The motion passed unanimously.

6. WATERSHED UPDATE

Chairman Kilgore welcomed Chief Administrative Officer Dr. Bob Schmidt to make a presentation about the watershed. Dr. Schmidt explained this would be a combination of presentations put together. The first piece was the 2021-2022 update of programs, the seconded was about the fish/trout study and the third was the multiple 319 project programs.

Dr. Schmidt shared watershed management has moved from a passive-reactive management to an active scientific and holistic management. Greenville Water wants to focus on water quality, water quantity, and sustainability. Done properly, it will impact the affordability of the water in the future.

Dr. Schmidt presented an overview of the spring 2021 proposals which included:

- Watershed Mapping Program
- Prescribed Fire Program
- Hemlock Treatment
- Invasive Species Management
- Brook Trout
- Stream Restoration

Greenville Water is just completing stream restoration of the North Saluda which is the first of three 36-month SCDHEC: 319 programs. This project was completed in a short 8-month timeframe. DHEC asked Greenville Water to expand the current program and offered an amendment to the grant. Recently staff submitted the 2023 319-program application to include clean-up of an additional 16 to 20 structures. Commissioner Sofield noted Greenville Water Staff did a great job on the stream restoration project in conjunction with the contractors, and saved thousands of dollars by completing so much of the work in house.

The South Carolina State Wildlife Action Plan covers both animals and plants. There are over 500 species and Greenville Water watersheds have over 350 of those species. Dr. Schmidt listed examples of the species and provided pictures. At some point staff would like to invest in more trail cameras to do more studies of the areas home to these species and catch the occasional trespasser.

The watersheds, as part of the new active scientific and holistic management, are focusing on Rivers, Roads, Fire, and Fish:

- Rivers: Water Quality & Water Quantity Impacts of Actions
- Roads: Assessment of Low Disturbance or Semi-Permanent Structures
- Fire: Implementing Watershed Specific Forestry & Fire Management
- Fish: Conducting Wildlife Studies to Understand Health

Commissioner Bannister congratulated staff on getting the 319-project done in 8 months instead of 36 months, which makes Greenville Water eligible for new 319 money. Mr. Bereskin explained the process started out rocky due to having to complete a watershed-based plan, but once the grant was received Greenville Water and DHEC have become great partners in improving the headwaters of the North Saluda. Commissioner Sofield added it is important to say kudos to Dr. Schmidt and his team. Mr. Bereskin explained the workforce in the watersheds has changed. Staff have college degrees in forestry and environmental sciences and have really embraced active management of the watersheds.

Mayor White left the meeting.

7. CYBER RISK MANAGEMENT

Chairman Kilgore called on Director of I.T. Billy Cooper to update the Commission on cyber risk management. Mr. Cooper pointed out that utilities are a favorite target of all different kinds of hackers, so security must stay ahead of them. Education is the best defense against cyber risks.

Mr. Cooper reviewed the current security posture, the strategic plan/project update, and service level metrics.

8. TOWN OF PELZER PURCHASE & OPERATING AGREEMENT

Chairman Kilgore welcomed Chief Financial Officer Phil Robey to present information regarding purchasing and operating the Town of Pelzer's water system. Mr. Robey explained acquiring the system has been an ongoing discussion for several years. The time has come where real progress can be made. The following facts of the Town of Pelzer water system were provided:

- 571 accounts
- 8 miles of cast iron pipe
- 88 fire hydrants
- 125,000-gallon elevated storage tank
- galvanized service lines
- Current Greenville Water wholesale customer
 - purchased 150,000 GPD capacity allocation in 2015
 - GW financed \$381k purchase cost over 10 years

The Town of Pelzer and Renewable Water Resources (Re-Wa) finalized the transfer of ownership of the sewer collection system in May 2022. Mr. Robey reviewed the plan for transfer of management and operational control of the water system to Greenville Water effective July 1, 2022. The legal documents are being drawn up by Willoughby & Hoefer, PA, both an asset purchase agreement and an operational agreement.

Mr. Robey explained staff was asking the Commissioners to approve in concept the transfer of the Town of Pelzer's water system to Greenville Water and to delegate the authority to the CEO to take any actions required to consummate and finalize the transaction. Chairman Kilgore asked if the matter would come back before the Commission for the final consummated agreement. Mr. Bereskin answered it would not, if the Commission delegates the authority to the CEO.

Chairman Kilgore said he sees the value of this approach to the Town of Pelzer and its citizens and asked Mr. Bereskin to articulate why this is a good arrangement for Greenville Water and existing rate payers. Mr. Bereskin explained the agreement adds approximately 571 residential customers, who Greenville Water is already servicing. This will enable Greenville Water to continue to provide stellar service to the residents of the Upstate. Commissioner Sofield asked what more will need to be done once Greenville Water is in possession of the Pelzer water system. Mr. Bereskin shared the ARPA funds applied for will be used to completely renew the system. If the funding does not come through, the agreement will be restructured to simply look at the system renewal being the repayment of the capacity fees.

Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to approve the concept to assume management and operational control as well as ownership of the Town of Pelzer water system. Chairman Kilgore asked to have staff bring an updated report to the Commission prior to consummating the agreements. The motion passed unanimously.

9. CHIEF EXECUTIVE REPORT

Mr. Bereskin informed the Commission that the Federal Grant application, submitted to Senator Lyndsey Graham's office with the help of lobbyist Adams & Reese, has purportedly moved out of Senator Graham's committee to the subcommittee of the Department of Interior, Energy and Public Works. Another update should be available in a few weeks.

Staff has been working with State Representative William Timmons on a language change to broaden the definition of disadvantaged communities within the Safe Drinking Water Act. Rep. Timmons has moved the proposal out of his committee, and it is within another subcommittee at the House of Representatives level where it may be expanded. SC DHEC would welcome a more defined definition from the Federal Government, so that changes could be made in South Carolina. South Carolina is very prescriptive of how to view disadvantaged communities, to the point where if the utility serves above 10,000 people grant funding is not available. There is hope this will change with guidance from the federal level. The National Association of Metropolitan Water Agencies supports this change.

Representative Timmons has also helped to open doors with the military to be able to procure surplus MRZR vehicles (military gators) that will outlast the current gators used in the watersheds, which last only around two years. The vehicles are used but will be much better than what can be purchased from the commercial market.

Commissioner Brasington left the meeting.

10. COMMISSION COMMENTS

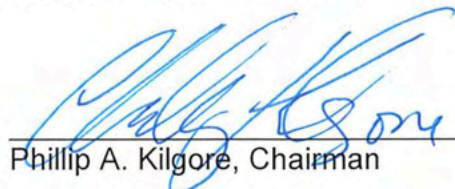
Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to enter Executive Session to receive information regarding possible legal matters. The motion passed unanimously.

(Executive Session)

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

11. ADJOURNMENT

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


Phillip A. Kilgore, Chairman


Kimberly Hauber, Executive Assistant