



GreenvilleWater

MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
517 West Washington Street
Community Room
Greenville, South Carolina
October 6, 2020
8:15 a.m.

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, Mayor Knox H. White, and Will Brasington. A quorum was present.

Greenville Water Senior Staff in attendance:

Chief Executive Officer David H. Bereskin, Chief Operations Officer Jeff Boss, Chief Financial Officer Phil Robey, Director of Water Resources Jeff Phillips, Director of Strategic Initiatives Dr. Jane Arrington, Director of Engineering Mark Hattendorf, Director of Human Resources Richard Posey, Manager of Field Operations Wayne Benson, Manager of Facilities and Fleet Allen White, Public Relations Manager Emerald Clark, 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 listed the items of the Consent Agenda which were the meeting minutes of the Regular Commission Meeting September 1, 2020, the Water Resources Report, the Finance Update, New Development, and New Annexations.

Mayor White asked for more information on New Annexation Covenants. A list of developers who have been given the annexation covenant for execution and recording was presented, along with a map showing the location of the properties. Mayor White thanked Mr. Bereskin for providing this information in the consent agenda. Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to approve the consent agenda items. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Chairman Kilgore welcomed Legislative Liaison Bob Knight to provide a legislative update. Mr. Knight mentioned the Legislature has adjourned for the year, passing two budget bills in the last two weeks. Most of the Cares Act funding that remained was put into the Unemployment Trust Fund to reimburse the fund to protect businesses that had to lay off employees during the pandemic. The Senate attempted to pass a budget instead of a continuing resolution, but the House of Representatives did not want to pass a budget. Two

issues of interest are the new money that came in certified to be recurring money (\$80 million) was carried over to next year. The Senate had wanted to put this money into Teacher pay raises, among other things, but the House of Representatives did not want to do this. The surplus budget from last year was also not spent, which is about another \$700 million. The Senate had suggested putting the money into a special fund to cover mid-year budget cuts. The House of Representatives preferred to hold it all and took no action on the budget. Mr. Knight stated there is uncertainty if the economy will continue to recover, stall, or decline. If it declines, there will be mid-year budget cuts. If the economy holds steady, the money will become available in January when the Legislature returns.

Greenville Water's bill regarding the State Retirement System will need to be pre-filed in November/December to be ready for the Legislators when they return in January. Mr. Bereskin asked if the bill will have to go through both Houses. Mr. Knight confirmed, stating it should not take long to move through the House of Representatives because it has been passed before. The bill will then need to be added to the Senate's finance calendar.

Mr. Bereskin announced South Carolina Department of Health and Environmental Control Director, Mr. Rick Toomey, resigned. Mr. W. Marshall Taylor, Jr. is the Acting Director. Mr. Knight announced Ms. Nancy Whitworth has joined the South Carolina Department of Transportation's Commission, representing the fourth district.

5. APPROVAL TO FINALIZE LCWSC SERVICE AREA PURCHASE AGREEMENT

Chairman Kilgore invited Mr. Bereskin to present the Laurens County Water and Sewer Commission (LCWSC) – Greenville Water proposed purchase of service area transfer. In 2004 it was discussed that LCWSC had to divest themselves of the service area within Greenville County officially in order to sell wastewater bonds. Greenville Water has been working with LCWSC to resolve what entity will provide water service to the residents around highway 418 within both Greenville County and Laurens County.

Mr. Bereskin presented a map of the region. The service area considered for transfer is an area of land located in Greenville County but is currently served by LCWSC. There are around 200 accounts presently in the service area. This area also includes several potential new developments, as well as the Greenville Area Development Corporation's (GADC) new business park. Greenville Water performed a 30 year financial analysis with each house projected to use 3500 gallons of water per month, and assumed a pattern of zero rate increases for five years and then 2.5% rate increases for five years and then alternating this pattern for the remainder of the 30 year period. An 8% rate discount was then applied to the 30-year revenue streams for both utilities to determine a present-day dollar value.

Mr. Bereskin presented the findings of the proforma which depicted price, return on investment, return on equity. Mr. Bereskin then detailed the agreed upon purchase price, and requested the Commission give authority to the Commission Chairman and the Chief Executive Officer (CEO) to draft and execute an agreement with LCWSC for the service area acquisition under the guidelines materially explained in this presentation.

Chairman Kilgore asked Mr. Bereskin to comment on the assumptions that went into the calculations. The analysis began with the initial 200 accounts, then a 30-year buildout in the

area which included two subdivisions (100 and 400 homes) to be built out in the next five years, 9 commercial accounts to be added in the industrial park, and 433 additional residential services to be added over the next 30 years. Chairman Kilgore asked if the assumptions were considered to be conservative or aggressive. Mr. Bereskin responded the assumptions are considered conservative that in the fact there are already two subdivisions that have committed with paying fees and a third subdivision that has recently received preliminary plat approval from Greenville County Planning Commission.

Vice Chairman Bannister moved, seconded by Commissioner Sofield, to give the Commission Chairman and CEO the authority to draft and execute an agreement with LCWSC for the service area acquisition under the guidelines presented. The motion passed unanimously.

6. UPDATE ON RUTHERFORD ROAD PRESSURE ZONE IMPROVEMENTS

Chairman Kilgore called upon Mr. Hattendorf to provide an update on the Rutherford Road pressure zone improvements. Mr. Hattendorf presented a map of the pressure zones around Paris Mountain. The Hillandale zone is going to feed the new zone Greenville Water is creating on Rutherford Road and Pleasantburg Drive. There are several CIP improvements required to get the area ready for the new pressure zone. The phased approach includes the following:

- New mains (Rutherford Rd complete 2019)
- Replace old 2" mains (N. Acres complete 2020)
- Install PRV's (140 accounts in new zone 2020)
- New Hillandale Tank (1.25 MG 2020)
- Crestwood PS (5 MGD 2021)
- Improve hydraulics w/ additional mains ('20-22)

Mr. Hattendorf reviewed each of the items included in the phased approach, providing details and pictures of work done to date. Planned upcoming hydraulic improvements to aid in moving water around the mountain include:

- Crestwood Drive #1: 2,120' of 24" (2020)
- Crestwood Drive #2: 3,140' of 24" (2021)
- Tryon Ave/Timber Ln: 2,730' of 24" (2021)
- State Park Rd: 1,840' of 24" (2022)

Chairman Kilgore stated these changes seemed to be focused on system reliability and asked if this is also a growth area. Mr. Hattendorf stated the area is approaching buildout, especially the North Acres area, which is a well-established neighborhood. The driver for the project was customers experienced lower pressure during times of heavy demand. Mr. Bereskin added these improvements will help to move water throughout the system. This will allow Greenville Water to provide water pressure and flow, not only in this area, but also in the gravity zone by relieving the demand. The area was a gravity zone, and the demand was too great, which caused drops in pressure, not only impacting this area but also impacting areas farther down the gravity line. The South Carolina Rural Infrastructure

Authority awarded a grant to help with work completed on Rutherford Rd, near the House of Raeford – Columbia Farms Greenville Plant.

7. CAPITAL IMPROVEMENT PROGRAM 2021 PRESENTATION

Chairman Kilgore welcomed Chief Financial Officer Phil Robey and Chief Operations Officer Jeff Boss to present the proposed 2021-2025 Capital Improvement Program (CIP) budget. Mr. Robey explained the Commission will only be asked to approve the 2021 portion of the CIP budget, the rest of the items are a road map for the future. When planning for the capital program, staff also performs rate planning, financial planning, debt planning, et cetera. A five-year financial forecast is prepared concurrently with the CIP which helps to understand how much can be afforded in the CIP, as well as the scheduling, timing of those projects, and how to pay for the projects, whether debt issue, reserves, capacity fees, or rate revenue.

Mr. Robey announced there is no rate increase needed to fund the 2021 CIP, and for the first time in Mr. Robey's tenure, there is a debt issue proposed for the Adkins Plant to Welborn Road parallel main project in 2022.

Two aspects of capital planning are the CIP and Normal System Improvements. Normal System Improvements are capital investments made as part of every operating budget. Greenville Water has an ongoing, steady commitment towards investing in Greenville's water system. The vast majority of investments, 73%, will take place in water main related projects. Mr. Boss reviewed the projects for each year of the CIP, giving particular emphasis to the 2021 capital budget.

Chairman Kilgore asked for comments on the Adkins WTP to Welborn Road Parallel 72-inch Adkins Transmission Main project in the 2022 Capital Budget. Mr. Bereskin explained this budget amount is a place holder in representation to the Commission of Greenville Water's financial wellness and what can be done in the future. Mr. Bereskin requested the Commission Finance Committee convene to discuss bonding and timing to move forward with this project for resiliency and redundancy. Mr. Robey completed the presentation reviewing the financing plan.

Commissioner Brasington moved, seconded by Vice-Chairman Bannister, to approve the 2021 CIP plan. The motion passed unanimously.

8. STRATEGIC PLAN UPDATE

Chairman Kilgore called upon Director of Strategic Initiatives Dr. Jane Arrington, Director of Human Resources Mr. Richard Posey, and Public Relations Manager Emerald Clark to present the strategic update. Dr. Arrington opened the presentation announcing this was the third presentation in a series of three updates on the strategic plan. This presentation covered the Management division with the initiatives once again focused on the three pillars of operational excellence, long term viability, and corporate/social responsibility.

Mr. Posey reviewed the Human Resources initiatives which include:

- Software Automation – Volunteer time off has been automated and benefits will be automated by the end of November.

- Evaluation improvement - New evaluation forms were implemented in January 2020.
- Awards program – The Quarterly Awards program has been implemented with three award recipients. Also, there is a quarterly drawing for employees who have received commendations and thank you notes. The prize for the drawing is \$100.
- Safety goal – HR has worked with each department to ensure two or more safety processes are hardwired using Job Safety Analysis techniques.
- Benefits awareness – Various tools have been used to keep employees aware of the wonderful benefits provided by Greenville Water. Examples of tools are:
 - Total Compensation Books distributed in the spring
 - Benefits fair held in the summer
 - Open Enrollment held in the fall
 - Benefits guide given to all applicants
 - Orientation held first day of employment
- Payroll & HRIS Software – Microsoft-Great Plains (MS-GP) no longer includes Payroll effective 1/1/2021. A request for proposal (RFP) process was implemented with four vendors responding. Responses were reviewed and Ultimate Software's Ultimate UltiPro was selected, with a "go live" date effective November 1, 2020. Mr. Posey reviewed the features of Ultimate Software's program.

Ms. Clark shared Greenville Water's strategic plan update for communication goals, and how the goals support the focus of Corporate Social Responsibility:

- Greenville Water has partnered with Roper Mountain Science Center to develop 10 classroom lessons for grades 4-7, to be administered at the facility. The lessons will focus on specific Greenville Water careers and subjects related to the water cycle, to discovering watersheds, to micro, hydro and bio labs. The next focus will be to examine some teacher activities for extension outside of the center, into the classroom.
- Plant tours are temporarily on hold, but virtual tours of the Adkins facility have been held for Clemson University students.
- In support of a partnership with Travelers Rest Farmer's Market, water bottles have been distributed to market attendees and information has been shared regarding Greenville Water's watershed protection efforts, water treatment process, and home water conservation tips.
- Volunteer opportunities with Habitat for Humanity are currently being explored. Volunteer dates will be shared as they become available.
- The Association of Metropolitan Water Agencies Sustainable Water Utility Management Award application was submitted in July 2020. Notification was received in September that Greenville Water was granted the award.
- Interactive games will be housed at Greenville Water's exhibit at Roper Mountain Science Center's new Environmental Science & Sustainability Building to support educational outreach and workforce pipeline. Greenville Water careers to be showcased through the interactive games are:
 - Water Release: Hydraulic Modeler, Director of Water Resources, and Watershed Manager
 - Water Treatment: Distribution Technician, Plant Operator, and Lab Analyst
 - Water Distribution: Field Services Technician, Field Operations Technician, and Engineering Design Inspector.

- The new Environmental Science and Sustainability Building will also have a Greenville Water mural that is 17' tall by 42' wide, which will correspond and light up to specific activities within the treatment, release, and distribution games.

Chairman Kilgore brought attention to the Association of Metropolitan Water Agencies' 2020 Awards brochure, where Greenville Water was featured on page 5. The brochure details the criteria upon which the judges relied on to extend the Sustainable Water Utility Award. On behalf of the Commission, Chairman Kilgore congratulated staff for receiving the award.

9. CHIEF EXECUTIVE REPORT

Chairman Kilgore invited Mr. Bereskin to provide the Chief Executive Report. Mr. Bereskin thanked Chairman Kilgore for pointing out the brochure regarding the Sustainability Award. The announcement becomes official on October 13, 2020.

Mr. Bereskin mentioned sponsorship requests received from the Department of Natural Resources and Naturaland Trust are coming due for funding consideration through Greenville Water's Community Giving program. Chairman Kilgore stated the Naturaland Trust request is consistent with Greenville Water's strategic objective of protecting all watersheds including the Keowee watershed. Vice-Chairman Bannister added Naturaland Trust had provided information relevant to the number of potential septic tanks this grant will keep out of this watershed.

10. COMMISSION COMMENTS

Commissioner Sofield commended Staff on the latest edition of the Waterline, stating it was well done.

11. ADJOURNMENT

There being no further business, the meeting was adjourned 9:48 a.m.



Phillip A. Kilgore, Chairman



Kimberly Haulter, Executive Assistant