



**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 W. Broad Street, Level 2,
Greenville, South Carolina
October 3, 2023
8:15 a.m.**

GreenvilleWater

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Deb Sofield, and Wil Brasington. Absent: Mayor Knox H. White. A quorum was present.

Greenville Water Senior Staff in attendance:

Chief Executive Officer Jeff Boss, Chief Financial Officer Phil Robey, Chief Administrative Officer Dr. Bob Schmidt, Chief Operations Officer Jeff Phillips, Director of Operational Technical Services Dr. Jane Arrington, Director of Engineering Mark Hattendorf, Director of Information Technology Brad Treas, Assistant Director of Water Resources Elizabeth Pierczynski, Manager of Field Operations Wayne Benson, Facilities and Maintenance Manager Allen White, Controller Brian Bearfield, 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 Meetings September 12, 2023, the Water Resources Report, the Finance Update, New Development, and New Annexations. Commissioner Brasington moved, seconded by Commissioner Sofield, to approve the items of the consent agenda. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Chairman Kilgore welcomed Legislative Liaison Bob Knight to give an update. Mr. Knight stated the legislators were not in session at this time. The session will resume in January. All the bills that were previously monitored remain. The Rural Infrastructure Authority has three or four bills they had asked to be introduced. These bills made no progress last year. Mr. Knight will continue to monitor them. There were bills of interest that were used to lean on a private water utility in York County. The water company was condemned and has been taken over by York County. Money in the budget helped York County to take the utility in condemnation. The legislation of immediate concern is now gone.

5. 2024 CAPITAL BUDGET PRESENTATION

Chairman Kilgore welcomed Chief Financial Officer Phil Robey and Director of Engineering Mark Hattendorf to present the proposed 2024 Capital Improvement Program (CIP). Mr. Robey reviewed the capital planning process explaining that capital planning is an everyday, continual process that never ends. The foundation of the CIP is the Master Plan which is updated every five years so that Greenville Water will always be looking forward, adapting, changing to the new demands and needs the system faces. Every year Staff talks with the Commission about the five-year CIP and the five-year financial forecast model used for rate planning, capital, and financial planning simultaneously. Mr. Robey reviewed the CIP categories money would be invested in and reminded the Commission the 2024 capital budget would be the only year needing approval. The remaining four years were for planning purposes. This budget consisted of projects that had funding approved in a prior CIP that had additional funding planned for 2024 and planned projects that were in a prior CIP that were getting funded for the first time in 2024.

Mr. Hattendorf presented the list and detailed a couple of the projects included in the 2024 budget. Mr. Robey presented the proposed financing plan and the new debt service requirements. Vice-Chairman Bannister moved, seconded by Commissioner Brasington, to approve the 2024 CIP budget as outlined. The motion passed unanimously.

6. REIMBURSEMENT RESOLUTION

Chairman Kilgore invited Mr. Robey to hold the podium as he presented the reimbursement resolution for approval. Mr. Robey reviewed the background where Greenville Water appeared before the City of Greenville two years ago to obtain authorization to borrow up to \$175 million. The authorization ends in 2026. Of the \$175 million, \$38 million has been used through the two State Revolving Fund (SRF) loans, so there is still capacity available. The IRS requires tax exempt debtors to declare reimbursement from bond proceeds before any money is spent on construction. The resolution presented declares the intent to cash fund the crosstown project as well as Phase I of the Adkins to Welborn project to a point, then borrow \$14-15 million to replenish what is spent. Mr. Robey's counterpart at the City of Greenville is authorized to sign-off and approve the resolution for the city as required.

Chairman Kilgore noted the Commissioners all had a copy of the resolution prepared by Brad Love with Haynsworth Sinkler Boyd PA. The language in the resolution was as required to achieve the purposes outlined by Mr. Robey. Commissioner Brasington moved, seconded by Vice-Chairman Bannister, to approve the resolution. The motion passed unanimously.

7. FLEXIBLE SCHEDULING IMPACTS

Chairman Kilgore called on Chief Operations Officer Jeff Phillips to provide an update on flexible scheduling. Mr. Phillips recalled on May 2, 2023 Greenville Water began a six-month trial of flexible scheduling in certain departments. Field Operations, I.T., and Engineering saw the benefit and implemented it immediately. At that time the department Directors were charged with keeping track of metrics to evaluate the success of the program. Mr. Phillips presented the metrics tracked and conclusions. The conclusions were:

- A portion of the Greenville Water team does not work 8 AM to 5 PM. I.T. can respond during these extended work hours.
- The Field Operations team is seeing more work orders completed with less overtime.
- Greenville Water is seeing a reduction in fuel and fuel costs.
- The benefit allows Greenville Water to competitively compete for talent.
- Team members are seeing a 20% reduction in transportation costs to and from work.

The program is scheduled to sunset for the year on November 5, 2023 for the Field Operations department due to the change back to standard time and a concern with running the program in darkness and cold temperatures. The program will continue for I.T. and Engineering and will be reinstated for Field Operations at the beginning of daylight savings time on March 11, 2024.

8. 2024 COMMISSION MEETING AND HOLIDAY CALENDAR

The proposed 2024 Commission Meeting and Holiday calendar was presented to the Commission for review. After discussion, Commissioner Sofield moved, seconded by Vice-Chairman Bannister to approve the 2024 calendar as presented. The motion passed unanimously.

9. CHIEF EXECUTIVE REPORT

Mr. Boss shared Greer CPW had requested to look at Greenville Water watersheds and water treatment processes as part of discussions regarding wholesale connections.

Greenville Water's family picnic will be held on Saturday, October 14, 2023 at the Stovall Plant. There has been a phenomenal response with close to 400 people planning to attend. The last family picnic was pre-covid.

Watershed staff is looking into a fish hatchery for the brook trout. Staff has visited the Walhalla State Fish Hatchery for ideas. The planned location is the old North Saluda plant.

In celebration of Customer Service Week, Customer Service has a big card behind the reception area for words of encouragement. Mr. Boss asked the Commissioners to stop by after the meeting.

Dr. Dale Greene, Dean of the Warnell School of Forestry and Natural Resources at the University of Georgia visited both watersheds to look at road erosion issues. Dr. Greene has made a recommendation to re-route the road to Slickum Falls to reduce erosion and for safer travel. Also, the Loblolly pines in the watershed need to be removed as they are not natural pines. They were originally planted as screening but have grown too big. Staff will contact The Nature Conservancy regarding these recommendations.

10. COMMISSION COMMENTS

No comments were presented.

11. EXECUTIVE SESSION

Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to enter executive session to discuss some legal issues. 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.

12. ADJOURNMENT

There being no further business, the meeting was adjourned 9:18 a.m.



Phillip A. Kilgore, Chairman



Kimberly Haulter, Executive Assistant

RESOLUTION

A RESOLUTION TO EXPRESS THE INTENTION OF THE COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF GREENVILLE, TO BE REIMBURSED FOR CERTAIN COSTS FOR CERTAIN PUBLIC IMPROVEMENTS WITH THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS.

WHEREAS, the Internal Revenue Service and the U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "*Regulations*") which authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for such projects; and

WHEREAS, the Commissioners of Public Works (the "*Commissioners*") of the City of Greenville, South Carolina (the "*City*"), are charged with the operation of the Waterworks System of the City (the "*System*"); and

WHEREAS, the Commissioners are adopting this Resolution to recite certain facts and intentions prior to the incurrence of certain expenditures and the issuance by the City of tax-exempt obligations; and

WHEREAS, the Regulations require that the Commissioners or a person designated by the Commissioners declare an official intent to reimburse an expenditure prior to the incurrence of the expenditure; and

WHEREAS, the Commissioners anticipate incurring certain expenditures (the "*Expenditures*") with respect to the undertaking of improvements to the System, including, but not limited to, improvements related to (i) the Crosstown 48" water line extension project and (ii) the Adkins Water Treatment Plant to Wellborn Road 60" finished water line project (collectively, the "*Project*") prior to the issuance of tax-exempt obligations by the City in an aggregate amount of approximately \$125,000,000 (the "*Obligations*") for such purposes;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Public Works of the City of Greenville, South Carolina, as follows:

Section 1. The Commissioners hereby declares their official intent pursuant to Regulation Section 1.150-2 to be reimbursed from the proceeds of the Obligations for expenditures with respect to the Project which may occur prior to the issuance by the City of the Obligations.

Section 2. In order for Expenditures to be eligible for reimbursement, (i) an Expenditure cannot have been paid earlier than sixty days prior to the date hereof and (ii) the Commissioners will allocate the proceeds of any tax-exempt obligations to reimburse such Expenditures not later than 18 months after the later of (a) the date on which the original Expenditures were paid or (b) the date the Project was placed in service or abandoned, but in no event more than three (3) years after the original Expenditures were paid. Expenditures, for purposes of the declaration of official intent and the reimbursement allocation, do not apply to any preliminary expenditures for a project, up to an amount not in excess of twenty percent of the aggregate issue price of the tax-exempt obligations. Preliminary expenditures include architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that were incurred prior to the commencement of acquisition, construction, or rehabilitation of any project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

Section 3. Within one year of any allocation made pursuant to **Section 2** hereof, funds corresponding to the proceeds of the Obligations will not be used in a manner that results in the creation of replacement

proceeds, as defined in Regulation Section 1.148-1, of any tax-exempt obligations. The preceding sentence does not apply to amounts deposited in a bona fide debt service fund, as defined in Regulation Section 1.148-1.

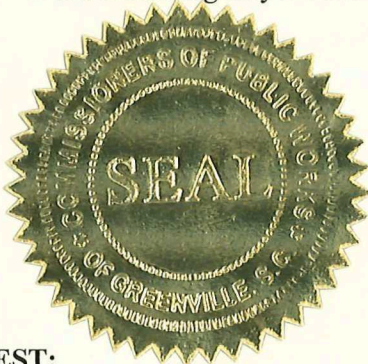
Section 4. The allocation described in **Section 2** hereof will not employ an abusive arbitrage device under Regulation Section 1.148-10.

Section 5. Any Expenditures to be reimbursed from proceeds of the Obligations will be incurred solely to acquire, construct, or rehabilitate property having a reasonably expected economic life of at least one year.

Section 6. The source of funds for the Expenditures with respect to the Project will be capital improvement funds, reserve funds or the general fund of the Commissioners. Any Obligations issued will be paid from revenues of the System.

Section 7. This Resolution does not obligate the City to issue the Obligations if it determines that such issuance is not in the interests of the City or the Commissioners.

Done in meeting duly assembled this 3rd day of October 2023.



**COMMISSIONERS OF PUBLIC WORKS OF THE
CITY OF GREENVILLE, SOUTH CAROLINA**

[Handwritten signature]
Chairman

ATTEST:

[Handwritten signature]
Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

CERTIFICATE OF RESOLUTION

I, the undersigned Secretary of the Commissioners of Public Works (the "*Commissioners*") of the City of Greenville, South Carolina, **DO HEREBY CERTIFY AS FOLLOWS:**

Attached hereto is a full, true and correct copy of the resolution duly adopted by the Commissioners at a meeting thereof duly held on October 3, 2023, which resolution has not been amended, altered or repealed but the same and each and every part thereof is in full force and effect at the date hereof.

WITNESS my official signature this 3rd day of October 2023.

**COMMISSIONERS OF PUBLIC WORKS OF THE
CITY OF GREENVILLE, SOUTH CAROLINA**



Secretary