



MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
407 W. Broad Street, Level 2,
Greenville, South Carolina
July 26, 2023
8:15 a.m.

GreenvilleWater

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, and Mayor Knox H. White via telephone. Absent: Deb Sofield and Wil Brasington. 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, Director of Water Resources Jeff Phillips, Director of Operational Technical Services Dr. Jane Arrington, Director of Engineering Mark Hattendorf, Director of Information Technology Brad Treas, Director of Field Operations Gary Baysinger, Director of Human Resources Lisa Bryant, Controller Brian Bearfield, Manager of Field Operations Wayne Benson, Manager of Facilities and Maintenance Allen White, and Internal Auditor Jacob Polson.

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

Consent agenda items will be presented at the next meeting for approval.

4. LEGISLATIVE UPDATE

Chairman Kilgore called on Legislative Liaison Bob Knight to provide an update on legislative activities. Mr. Knight deferred to the next agenda item as the Legislature was not in session.

5. STATE REVOLVING FUND LOAN RESOLUTION

Mayor White called in to the Commission meeting.

Chief Financial Officer Phil Robey explained that part of the process for developing the application for the \$30 million State Revolving Fund loan for construction of the Adkins 60" Potable Water Transmission Main Phase I project required the Commission to authorize the completion and submission of the application. The resolution presented by Mr. Robey authorized Greenville Water to submit the completed application for the loan. Chairman Kilgore added that presentations had been made regarding the project in previous meetings. Mr. Robey concurred, adding the presentations detailed the project as well as the means for financing the project. After approval of the resolution, the resolution would be submitted to

the State Revolving Fund program and the loan will close in 4 to 8 weeks. Chairman Kilgore added that staff had examined financing alternatives, and this is the most competitive, cost-effective way to finance the project.

Vice-Chairman Bannister moved, seconded by Mayor White, to approve the resolution as presented to complete the SRF loan application for the Adkins 60" Potable Water Transmission Main Phase I project. The motion passed unanimously.

Mayor White left the meeting.

6. ANNUAL INDEPENDENT FINANCIAL AUDIT

Chairman Kilgore invited Mauldin & Jenkins, LLC Director Grant Davis to present the annual audit results. Mr. Davis thanked the Commission for the invitation to present. Mauldin & Jenkins (M&J) issued an unmodified opinion on the financial statements and the annual comprehensive financial report. The unmodified language is the only acceptable result in a financial statement audit. It is a clean opinion. Greenville Water's responsibility was to prepare the financial statements and M&J's responsibility was to express an opinion. The audit was conducted in accordance with the Government Auditing Standards.

Mr. Davis reviewed the financial statement highlights, other communications, and the new financial reporting GASB standards. Chairman Kilgore congratulated the Finance and Accounting Team for a great report and thanked everyone for a job well done. Chief Financial Officer Phil Robey gave kudos to Controller Brian Bearfield and his team that put forth the effort to prepare throughout the year for a clean report. A copy of the Annual Comprehensive Financial Report was provided to the Commission.

7. FLEET PRESENTATION

Chairman Kilgore welcomed Chief Administrative Officer Dr. Bob Schmidt and Internal Auditor Jacob Polson to present on the current status of Greenville Water's fleet. Dr. Schmidt reviewed the findings of the recent fleet management audit and described the current state of fleet vehicles. The presentation highlighted the following notables:

- 43 vehicles 10+ years old
- 5 vehicles with over 200,000 miles
- 11 vehicles with 150,000 to 200,000 miles
- 14 vehicles with 125,000 to 150,000 miles
- 12 vehicles with 100,000 to 125,000 miles

Dr. Schmidt called on Mr. Polson to explain the alternative fleet management options evaluated which included staff's ultimate recommendation to outsource a portion of Greenville Water's fleet to Enterprise Fleet Management to maximize operational effectiveness of the Fleet Department.

The proposed 2024-2025 budget will include \$3,000,000 (a \$1,000,000/year increase over traditional vehicle purchase budget) to replace 70 aging vehicles in the Greenville Water fleet. It was estimated that this initial investment will be realized in 7 years, or 5 years after

the Greenville Water fleet enters an effective fleet lifecycle. Direct savings will be derived from three areas: (1) Increased revenue from the resale of vehicles (by selling vehicles at or near the end of warranty period instead of at end of life), (2) decreased maintenance expenditures (reducing maintenance cost per mile from \$0.20 to \$0.07) and (3) decreased fuel expenditures (improving MPG from 13 to 17). This investment is necessary to avoid supply chain issues and provide resilience against a future disaster/calamity. The primary goals of outsourcing are to increase the safety of the vehicles reduce risk and reduce Greenville Water’s vehicle maintenance cost and operational expenses.

8. MASTER PLAN REVIEW

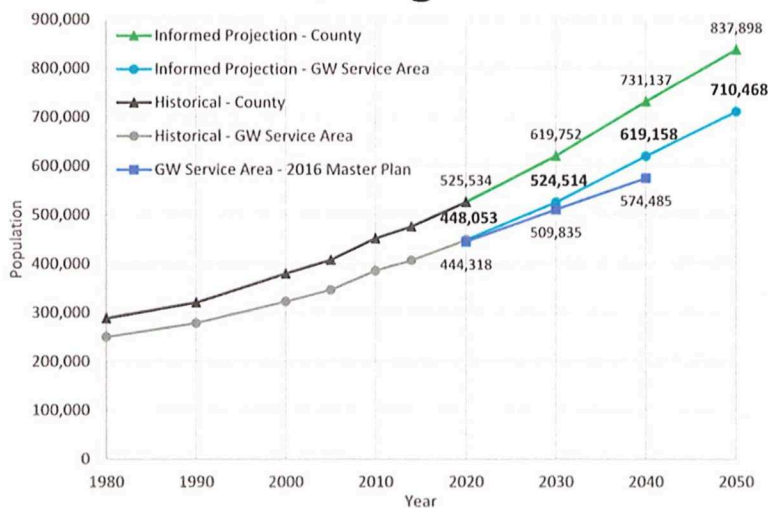
Chairman Kilgore called on Director of Engineering Mark Hattendorf to present the Master Plan review. Mr. Hattendorf described the Master Plan as Greenville Water’s comprehensive planning tool, a document that allows staff to navigate investments for the upcoming five to ten years. A master plan is completed about every five to seven years. This latest iteration was completed in collaboration with the engineering firm Brown and Caldwell.

The scope of work included levels of service, population projections/per capita demands, future regulatory requirements, and program development. The levels of service, or short term/long term technical system goals, were the program driver. These goals were used to come up with a system of investment projects in all Greenville Water facilities. Mr. Hattendorf provided some examples.

One segment of extra focus was population growth, as Greenville County has seen a lot of consistent growth in recent years. Demographers were hired to help with this review. The following projected numbers through 2050 were presented:

Population Growth Drives Increasing Demand

Service Area Population



Greenville Water examined the county as a whole due to services provided to wholesale customers. Over the next 25 years a 50% increase is expected in the average day demand of water consumption. Chairman Kilgore asked if the consultant looked at historic trends and interpolated beyond that to arrive at the projected numbers or was an outside source consulted. Chief Executive Officer Jeff Boss explained the engineering consultant hired outside demographers to review the data.

Regulatory drivers were reviewed and there does not appear to be anything on the horizon requiring drastic action. There was a lead and copper rule revision which caused a deep dive into system components, but to date no lead has been found in the system. There is some galvanized pipe replacement language that is already being addressed. PFAS monitoring is also already in place. Currently, there are non-detects in all three water sources.

As levels of service were developed, a recommendation was made to enhance investment in normal system improvements to include development of a defined program to replace all galvanized mains within the system. A 10-year program has been targeted. As the galvanized program winds down in the next decade, the goal would be to replace unlined cast iron pipe, then prestressed concrete cylinder pipe operating above 80 psi. To use the improvement investment wisely, Voda artificial intelligence software, which performs a risk base assessment of the historical performance of the asset classes, will be used. Voda also takes into consideration the impact of the probable failures in its assessment.

Greenville Water is cognizant that existing asset classes do not always mirror what the American Water Works Association (AWWA) says is a typical life span for pipe materials. Ductile iron and cast-iron mains in the system are trending toward a substantially longer lifetime than the AWWA standard of around 100 years. A 100-year-old water main on North Main Street was investigated recently where the consultant recommended the pipe has another 100 years of life left. Data will be examined before dollars are invested in replacement.

Mr. Hattendorf moved from the normal system improvements to capital program investments. These projects invest in plants, pump stations, and other non-linear assets. The master plan shows Greenville Water needs to ramp up investment in the system. The recommendations made will be vetted and value engineered, but in order to maintain levels of service the system's investment in the capital program will need to be enhanced.

Mr. Hattendorf reviewed the master plan dashboard created by Brown and Caldwell that will be used as a planning tool as well as a couple of projects from the master plan. The financing strategy for the system needs, identified in the master plan, include a combination of sources: Issuance of debt, adjustments of rates and fees, use of cash reserves and revenue generated by rates and fees, and pursuit of Federal and State grants.

Staff will come back to the Commission at a later meeting, after fine tuning the projects, and provide more detailed information in the five-year capital improvement plan. Mr. Boss added the most important thing is that if Greenville does not meet the 800,000 population according to the projection, the program can be easily adjusted as needed. If the population grows faster, Greenville Water now has the ability to move projects forward through the use of AI technology and the program dashboard developed with Brown and Caldwell. These tools will be used to plan the program out for over 50 years.

9. CHIEF EXECUTIVE REPORT

Table Rock reservoir has been lowered by seven feet to work on the sluice and rehabilitate the spillway. This project is scheduled to be completed in early fall. The reservoir will remain at this level until the project is completed.

Mr. Boss shared the Water Resources department is looking into a bathymetric study for Table Rock and North Saluda. In lowering of the lakes, silt build-up was detected. The previous bathymetric study was completed in 2013, so the timing is right for an update. Depending on the study results, dredging may be necessary.

Bids are in for the 60-inch parallel transmission main project. A notice of intent to award will be sent to the State Revolving Fund.

Greenville Water employees teamed up to send a 178-pound care package to teammate Joseph Chapman who is deployed to Syria. Joseph sent a text and picture with the goodies to say thank you.

10.COMMISSION COMMENTS

No comments were presented.

11. ADJOURNMENT

There being no further business, the meeting was adjourned 9:12 a.m.



Phillip A. Kilgore, Chairman



Kimberly Haulter, Executive Assistant

COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF GREENVILLE

RESOLUTION

WHEREAS, the State Water Quality Revolving Fund Authority (the "State Authority") provides low-interest loan financing for the construction of public drinking water facilities from the Drinking Water Revolving Loan Fund (the "Fund") pursuant to the Federal Safe Drinking Water Act and Title 48, Chapter 5, Code of Laws of South Carolina 1976, as amended; and

WHEREAS, the City of Greenville, South Carolina (the "City") is a body corporate and politic and a municipal corporation of the State of South Carolina and is authorized to incur revenue debt pursuant to Title 6, Chapter 21, Code of Laws of South Carolina 1976, as amended; and

WHEREAS, the Commissioners of Public Works of the City of Greenville (the "Commissioners") operate the waterworks system of the City (the "System") and have requested that the City issue revenue bonds for certain capital projects related to the System; and

WHEREAS, the Commissioners have determined that it is in the best interests of the System to apply to the State Authority for a loan from the Fund;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners, in a meeting duly assembled:

1. That the Commissioners hereby authorizes the Chief Financial Officer to complete, and the Chairman of the Commissioners to execute and submit, an application to the State Authority for a loan from the Fund in the amount of approximately \$30,000,000 to finance a portion of the costs for the acquisition and construction of the Adkins 60" Potable Water Transmission Main Phase I project, consisting of (i) approximately 30,900 linear feet of 60" transmission main; (ii) approximately 517 linear feet of 20" pipe; (iii) approximately 231 linear feet of 78" steel casing; and (iv) all associated appurtenances for the System all as more specifically described in the above-referenced application. The Chief Financial Officer is authorized to take such actions as may be necessary or convenient to complete the application process.
2. That the Commissioners, acting on behalf of the City, will grant to the State Authority a pledge of the revenues of the System, after payment of operation and maintenance expenses, and a statutory lien on the System for repayment of the loan.
3. That the final terms and conditions of the loan and the loan documents shall be subject to the approval of the Commissioners, acting on behalf of the City.

The above Resolution, upon motion duly made, was passed and approved by the Commissioners at their meeting held on the 26th day of July, 2023.

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


Chairman

ATTEST:


Secretary

