

**COMMISSIONERS OF PUBLIC WORKS**  
**Minutes of August 25, 2011, 2011**

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, August 25, 2011 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

**In attendance:**

Gene P. Hancock	Steve Reeves	Vickie Gorham	Lee Roper
Michael G. Monaghan	Ken Barnett	Jeff Auman	Chris Trainer
Henry O. Watts	Richard Gentry	Vicki Knott	Chris Lindley
	George Petersen	Jeff Meredith	Stacia May
	Eduardo Noriega	Jeff Chapman	
	Denise Giannetti	Carlos Cometto	

I. Chairman Watts called the meeting to order. The invocation was given by Ken Barnett.

II. Chairman Watts gave the statement of compliance with the notification provision of the Freedom of Information Act.

III. Approval of Minutes:

A motion was made by Commissioner Hancock to approve the minutes as received for the July 14 regular meeting, and the July 28, 2011 regular meeting; the motion was seconded by Commissioner Monaghan, and unanimously approved.

IV. Financial Statement:

Commissioner Monaghan noted a variance for cost of options commenting that maybe more was made on the options than was spent. Ms. Giannetti responded that the expense is included with options, but would also include if the option is exercised and money is made. She noted that \$36,000 was spent on options that would be included in the cost of gas. Commissioner Monaghan pointed out that does not explain the variance; Ms. Giannetti responded that they do not budget for the cost of an option so the variance is the difference between what was budgeted and what was paid. What they paid includes cost of options that are not budgeted. Commissioner Monaghan stated that if there is a variance, then right next to the variance they purchased put options at \$36,000, then that is like trying to explain part of the variance. Ms. Giannetti responded that it is part of the variance; it is not the whole explanation, but only a piece. Commissioner Monaghan commented that they could have made \$40,000; Manager Reeves

noted that they have not made it yet, and at this point in time, it is an expense. Commissioner Monaghan stated that the logic is not right, that is not a variance, it is part of the cost of the gas. He continued that you may have made \$50,000 on the exercising; Manager Reeves noted that they have not exercised them yet, at the time they exercise them, they may. Ms. Giannetti added that had they exercised and made a gain, that would have been reflected as a gain on exercising the options. Commissioner Monaghan asked for an e-mail showing where it was lost; Ms. Giannetti responded that it was not lost; it is an expense like the cost of insurance for gas. Commissioner Monaghan stated that if it is not lost, then it should not be to explain the variance. He asked if \$153,000 per year is a loss; Ms. Ogletree responded that it is not a loss, but the difference between what was budgeted.

Chairman Watts noted lower residential electric sales compared to the previous year.

V. Business:

A. Chairman Watts presented a recommendation to approve the bid from Line Equipment Sales in the amount of \$16,020 for fifteen (15) 25 KVA aerial transformers, based on lowest cost of ownership.

A motion was made by Commissioner Monaghan to approve the bid as recommended; the motion was seconded by Commissioner Hancock, and unanimously approved.

B. Chairman Watts presented a recommendation to approve the low bid from Ed Young Sales for Kerotest valves at a cost of \$725 each, and a total cost of \$20,300 for 28 valves.

A motion was made by Commissioner Hancock and seconded by Commissioner Monaghan; the motion was unanimously approved.

VI. Other Business:

1. Manager Reeves recalled adoption of a Cut-Off Policy recommended by the state several years ago. He explained that the Policy outlined conditions of cut-off pertaining to weather conditions, whether it was too cold or too hot, before disconnecting services. He noted the original intent of the Policy was to apply to residential only, but apparently that is not stated clearly. Manager Reeves asked for direction with whether the Commissioners would want that to apply to residential only, or if it should apply to everyone. He continued that with

very warm weather the past couple of weeks, there were situations where they did not disconnect residential services. He added that there was also a question with one commercial account as to whether to disconnect because the Policy did not specifically state one way or the other. Mr. Roper stated that he had looked at the South Carolina Law that is specific with the requirement that there be a policy with respect to residential customers; there is no requirement for disconnection under commercial. Manager Reeves recommended following the state wording to include residential only. Chairman Watts stated that had been his assumption all along. Commissioner Hancock pointed out that there could be ties with some commercial, such as a nursing home, where there would have to be a common sense decision made to not disconnect. Mr. Roper and Manager Reeves agreed that discretion would need to be applied in that instance. Mr. Roper stated that it is a good idea to specify in the Policy so that if a commercial customer is disconnected, they cannot come back and say that was done in violation of our own policy. The Commissioners requested that a recommendation be brought back to the next meeting.

2. Chairman Watts asked about the status with natural gas powered vehicles. Mr. Gentry responded that inquiries were sent out to Self Regional Healthcare, Lander University, Piedmont Technical College, and the City to gauge interest, that included a chart put together by Jerry Smith with costs to convert vehicles, purchase vehicles, and build a station. He continued that Mr. Barrineau was going to respond, adding that they are taken aback by the costs. If they can come up with a grant to pay back about half of the cost of conversion, that would certainly make it more attractive. Commissioner Monaghan stated that if it reasonable for us, we should go ahead whether or not any of the others do; Manager Reeves noted that the more that are involved, it helps the overall costs by sharing the costs of the station. Commissioner Monaghan asked about a timeline for the study; Manager Reeves responded that they are moving forward and making some progress daily. Commissioner Monaghan suggested developing a goal or a timeline. Commissioner Hancock noted more return on the larger vehicles, like garbage trucks, and those in use continuously. Mr. Barnett noted the cost per gallon as compared to gasoline of around \$1.50 to \$1.60. Commissioner Monaghan commented that if the County thought it was cost effective to convert sheriff's vehicles to propane, and propane is double the cost of natural gas, then natural gas should make sense. Mr. Gentry noted that they received a grant and there was no cost to them. Manager Reeves added that we are also looking for a grant for federal assistance. Mr. Barnett added that the conversion cost for gasoline to propane is less because of higher pressures with propane tanks than with a natural gas conversion. Mr. Gentry added that

they had also put in a slow-fill station which costs considerably less. Mr. Barnett stated that the City indicated an interest in working with us, and particularly with vehicles they might be replacing in the future. In many cases it is less expensive to buy vehicles that are ready, and you would see a faster payback.

3. Chairman Watts asked for an update on Augusta Fields. Mr. Cometto responded that construction is a little ahead of schedule with main lines to be completed the next week; after that they would start working on service. Mr. Chapman stated that 58 customers had come in to pay or had made arrangements for the impact fee, leaving roughly 38. He noted that letters would be placed on the doors letting them know the time is at hand. Manager Reeves suggested notifying the Homeowner's Association Chairperson.
4. Commissioner Monaghan inquired about progress of the gas line construction in Promised Land; Mr. Noriega responded that they will be on the west side of town the next day. The west side all the way to Cedar Springs and into Abbeville County is complete. They still have not heard from the railroad; there is nothing else that can be done in Promised Land until the permit is received.

VII. Executive Session:

A motion was made by Commissioner Hancock and seconded by Commissioner Monaghan to go into *Executive Session* for a legal matter; the motion was unanimously approved.

VIII. With no further business, the meeting was adjourned.

Approved: \_\_\_\_\_, 2011

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Secretary