

**COMMISSIONERS OF PUBLIC WORKS**  
**Minutes of February 22, 2007**

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, February 22, 2007, at 9:30 a.m., in the boardroom at 121 West Court Avenue.

**In attendance:**

Gene P. Hancock	Steve D. Reeves, Jr.	Ken Davis	
Michael G. Monaghan	Jeff Auman	Jeff Chapman	Bill Patrick
Henry O. Watts	Jeff Meredith	Ron Lemon	Richard Gentry
	Denise Ogletree	Wayne Bartley	Ken Barnett
	Curtis Burnett	Ken Whittle	Brad Jeffares
	Carlos Cometto	Melinda Bishop	

Mr. Brad Jeffares with GST Consulting provided a project review of GIS upgrades from 2005 to present. Mr. Jeffares also presented information on projects proposed for 2007 to include: GIS consulting services; location of meters; electric field mapping; and a mobile work order management system, at a total cost of \$135,000.

- I. Chairman Hancock called the meeting to order. The invocation was given by Commissioner Watts.
- II. Chairman Hancock gave the statement of compliance with the notification provision of the Freedom of Information Act.
- III. A motion was made by Commissioner Monaghan and seconded by Commissioner Watts to approve the minutes of the joint meeting with City Council on January 17, 2007; the regular meeting on January 25, 2007; and the special called meeting on January 29, 2007. The motion was unanimously approved.
- IV. Financial Statement:

Commissioner Watts referred to an item showing office chairs ordered at two different prices. Manager Reeves responded that he was not sure, but they were probably different chairs for two different locations. Mr. Reeves added that Mr. Burnett could answer the question when he returned to the meeting after evaluating bids. Commissioner Monaghan referred to a "typo" on page 7 showing "interest over actual". He pointed out that it was hard to read because of very small print. Ms. Ogletree reminded the Commissioners of a request to do the budget differently. She stated that they went back over three years and the historical weighted average of what was spent during the budget year was how the budget was in this year. Commissioner Monaghan

asked if a drop-off had been seen with rebate requests. Ms. Ogletree responded that a large amount of rebates were issued last month. Commissioner Monaghan commented on the reason for asking because there had not been any advertisements the past couple of Sundays. Mr. Lemon pointed out that other things were advertised but not the rebate. Commissioner Monaghan expressed a need to continue running both types of ads. Mr. Reeves stated that a request had been submitted to him that morning to run additional ads. Mr. Gentry added that the incentive ads would start back up the following week. Commissioner Monaghan noted that a lot of people do not subscribe to the newspaper and those people rely on hearing by "word of mouth". Mr. Reeves stated that Richard Gentry could work up a bill insert to send out to customers, and that those are relatively inexpensive. Commissioner Monaghan suggested that sometimes newspapers offer specials for ads running on weekends, such as is done with political ads. Mr. Gentry stated that he would ask but he did not hold out much hope. Mr. Reeves noted that something was to be put on the City TV channel; Mr. Whittle added that something is already there. Mr. Auman suggested the possibility of sending e-mails to people who sign up for on-line billing. He stated that it costs nothing to e-mail something like a brochure; however, he pointed out that to send an ad after someone signed up for a service would be sort of like "spamming". Commissioner Monaghan stated that they should think about that before doing it. Commissioner Watts inquired about the status of credit card payments. Mr. Auman responded that the programming had been completed and testing would begin today. It actually goes live on Monday, although that will not be advertised until they try a few first to make sure everyone is comfortable. He explained that it takes two or three days to go through the whole process and get the money come back to us. After that time, they will put stickers on the doors and do billing inserts. Commissioner Monaghan referred to the gas cost recovery sheet. He stated that he understood they would look at where we were with gas cost recovery at the end of the month, and at some point adjust the gas cost recovery factors for the coming month. He noted that the billing goes from half of a month to half of a month, and asked about the reason for having 50% current month's sales and 50% estimated when it is analyzed. Ms. Ogletree responded that it is because of the way the meters are read every day. She provided an example whereby a meter is read on February 15, but part of the gas bought and paid for was for January. It might be that from January 15 through January 31 would actually be billed in February. Commissioner Monaghan asked if it could it be stated just for their purposes by calendar month, whether they recovered the money or not. Chairman Hancock commented that you would not be able to do it that way in certain months because you can get "out of whack" in one month. Commissioner Monaghan responded that it is "out of

whack" now by \$500,000. Ms. Ogletree stated that they went back to June and looked at how the gas was actually running through the meter on a daily basis, how we were buying it. She explained how the sales were weighted based on how the gas went through the meter. When looking at it that way, we are actually under-recovered by more like \$117,000. Again, it will not be exact because each customer is different. Since January they sold gas but the first part of the month was warm, the last part was colder and they sold 64% of our gas in the end of the month as opposed to the beginning. So when looking at 50/50, it is not going to work. Mr. Lemon stated that they added incremental to the cost of gas as they were estimating it to over-recover, which they did. He pointed out that weather was not our friend in January. It caused significant swings in how the usage had been in there. As they bill, they are looking forward. Denise takes the forward numbers that he has projected and uses those to estimate what we are going to recover during that month. That assumes that their estimate of usage is correct. In the first part of January, they used about 46% of the historical average. No one was using gas because it was 70° but as they paid for this gas and then billed for it at a lower rate, we are under-recovered on buying metrically about 52,000 decatherms at \$10 (about \$500,000). They had a reservoir of uplift so the net came out to be where it is now just due to their average. He pointed out that they expect to over-collect when going from a high volume month to a low volume month, but had not gotten to one of those months yet. Commissioner Monaghan stated that they may be talking about two different things. On one hand they are using a number of factors and estimates to develop an adjustment factor; on the other hand, as a Commissioner he wants to know how well they are doing that. He stated there are two different things and it gets confusing; therefore, he was requesting they do it by month. Mr. Barnett stated that if you take what they paid for gas this month and what they billed, you will get a number that will be all over the place because there is not a meter reading from each residential customer that matches up with when the gas actually flowed into our system. It is hard to get to an "apple-to-apples" comparison because there will always be these types of swings. Commissioner Monaghan referred to \$250,000 each for the months of December and January and asked if that would be recovered. Mr. Lemon responded that it would be recovered by the end of June. He explained how they knew this would happen and had purposely tried to over-recover. He noted that at this time last year it was \$650,000. He further explained that it would have been necessary to add an incremental \$2 per decatherm to the December and January PGC for that number to be flat and not have this discrepancy. They already had \$9.50 to \$10.00 gas and were already adding \$0.50 - \$0.75 in so they would have been adding \$2.50 to \$3.00 to each decatherm bought. To have the numbers look flat would have been significant. They know that it is there and coming up in

March or April they will go from a high volume month to a low volume month and over-collect, whereas in these months they are under-collecting. Mr. Barnett explained that it takes until June to recover because as you come out of the winter, the volumes get smaller and smaller, and that is where you are basically making it up. The key is to get a little better every year at figuring out how to squeeze that number coming out of the winter swing months. Hopefully next year they will find a way to "tweak" it a little better and drop the spread. He stated that with what is anticipated for sales versus what really occurs, you don't expect to do 46% in your average. Then you have the swing in prices and it just kills you. He added that they can take what Denise found going through the meter, and maybe over time get a better idea of how to begin to use that percentage instead of 50/50 on cost recovery. Commissioner Monaghan stated that he understood and agreed with the rationale, but in essence, there is a cash flow problem of \$430,000. Mr. Lemon agreed and added that they chose what was best for CPW's customers without making the customers pay. Chairman Monaghan noted over-recovery in October and November so that maybe next year that will not happen. Mr. Lemon stated that they will start to be a little more aggressive. It is a learning curve and they were hurt significantly by the weather. Mr. Barnett stated that maybe they would back up to the August/September timeframe to begin to build a little more without "killing" the customer, and keep in mind that wintertime is probably going to hit us again. Chairman Hancock stated concern with whether any of what is over-collected was retained, or if it flowed back to the customers, and if so, whether it flowed back to the people who paid in the money. He stated that as long as that is done, we are doing all we can do, and you will never get it all balanced out because neither the weather nor the way gas is purchased will let you do it. You will never be perfect, but you get as close as you can so that money flows back to the customers who paid it. Mr. Lemon noted that it had been but in the winter there are customers that are "winter only" customers. When they turn off those winter appliances and the demand goes down other than just a meter charge, they are getting a little bit of a benefit that the other customers do not get. He pointed out that there is not a way to go back and charge somebody who is no longer using gas. Mr. Barnett added that one of the reasons they do just the gas commodity cost true-up from July 1 through June 30 is to look at it outside of that big winter swing. He stated that last year it ended up at less than \$100,000 difference. On the amount of gas we buy, we almost came back to zero, which is the goal. The Commissioners see that report and make a decision as to whether we charge more incrementally or what they want to do. Thus far, that number at the end of that time period has been very small. Chairman Hancock agreed that the goal is to break even.

Mr. Burnett returned to the meeting and Commissioner Watts referred to the two chairs mentioned earlier. Mr. Burnett responded that \$300 was budgeted per chair, and after some discussion they backed off and looked at other options. He noted that the chairs came from two different individuals with the one that cost less having a higher back. He stated that he searched the Internet for about two weeks looking for the best prices. Commissioner Watts asked about using a standard office chair. Mr. Burnett responded that there was not a standard chair, but they try to stay within a certain level and spending limit. Mr. Whittle added that several people joined in the search for cheaper chairs. Ms. Gorham noted another factor when looking for chairs for her girls was that it takes different styles of chairs to "fit" them. Mr. Barnett stated that they try to keep cost within a certain range, but employees spend so much time sitting in their chairs, they try to accommodate them by providing something that will be comfortable.

V. New Business:

- A. Chairman Hancock noted that Mr. Jeff Fowler was placed on the agenda to give a quarterly report but was not in attendance.
- B. Manager Reeves stated that the next item was on the agenda at the request of Commissioner Monaghan. Commissioner Monaghan presented a request from representatives of the new library to furnish utilities. He stated that he explained to them that they would need to go to the City. He sent an e-mail explaining that as a County function, this should be in the County budget and anything else would have to go to the City. The Commissioners were in agreement with Commissioner Monaghan's explanation and no action was taken.
- C. Chairman Hancock presented a request from Mr. Jeff Chapman for two new crewman positions in the water department. He added that these positions were budgeted for 2007. A motion was made by Commissioner Monaghan, seconded by Commissioner Watts, and unanimously approved.
- D. Chairman Hancock presented a request for consideration of the GIS Contract with GST Consulting. A motion was made by Commissioner Monaghan to approve extending the contract with GST Consulting to include the four projects covered in a memorandum from Mr. Auman; the motion was seconded by Commissioner Watts, and unanimously approved.

- E. Chairman Hancock presented recommendations from staff for vehicles shown on the bid recommendation form as **Items A., C., D, E., F., and G.** from **Ballentine Ford**: one (1) six-passenger sedan at \$19,866; three (3) mid-size SUV's at \$21,263 each; one (1) ½-ton regular cab pick-up at \$14,916 each; six (6) ½-ton extended cab pick-ups at \$15,718 each; one (1) ¾-ton service truck at \$29,583; and one (1) 1-ton cab & chassis truck at \$22,510, plus \$300 sales tax on each vehicle. **Item B.** from **Love Chevrolet** for one (1) 4/5-passenger sedan/SUV at \$15,600, plus \$300 sales tax. Commissioner Monaghan expressed appreciation for the vehicle maintenance records. He commented on the need to be sure that vehicles are heavy enough to do the work. Commissioner Watts inquired if there was better service from a particular brand of vehicle or truck. Mr. Barnett responded that over time they will be able to better analyze this type of information with the vehicle maintenance system. Commissioner Monaghan inquired about the vehicle maintenance software; Mr. Auman responded that it was part of the ASI software enhancements. Mr. Barnett added that the system was capable of tracking the number of times a particular vehicle goes in for service. Mr. Auman noted that the new system had a "remarks" section to notate things like "secondary or repeat repairs". Manager Reeves presented additional requests regarding a vehicle for Mr. Barnett, and an additional SUV for Mr. Chapman whose vehicle was totaled during an ice storm. He noted that approval of this recommendation would add one vehicle to Item C. which is a mid-size SUV, and depending on what was done with Mr. Barnett, could also add a second mid-size SUV. Commissioner Monaghan asked for clarification on the recommendation. Manager Reeves recommended that bids be approved for Items A., D., E., F. and G.; Item C. also be approved as recommended plus two additional vehicles; and the deletion of Item B. altogether. A motion was made by Commissioner Monaghan to approve the vehicle bids as recommended; the motion was seconded by Commissioner Watts, and unanimously approved.
- F. Chairman Hancock presented a recommendation from staff to accept the low bid of \$76,336.34 from HD Supply Waterworks for ductile iron pipe for the Maxwell Street and Scotch Cross Road projects. A motion was made by Commissioner Monaghan, seconded by Commissioner Watts, and unanimously approved to accept the low bid as recommended.
- G. Chairman Hancock presented a recommendation from staff to accept the low bid in the amount of \$42,041.00 from Central Equipment Solutions for a replacement trencher in the gas department. A motion was made by

Commissioner Watts, seconded by Commissioner Monaghan, and unanimously approved.

- H. Chairman Hancock presented a recommendation from staff to purchase a backhoe/loader in the gas department from Linder Industrial Machinery Company at a cost of \$58,246.00, which is the lowest bid meeting the specifications. He noted that the recommendation was based on the maintenance history with the Ford Holland tractor versus the Komatsu, and added that the Ford Holland did not meet the specifications as requested. Commissioner Monaghan commented on instances where they had not gone with the low bidder and noted that in most of those cases, they would redo the specifications and rebid. However, he did not have a problem with going ahead in this case. Mr. Barnett pointed out repair problems in the past with Ford and added that the Komatsu people actually come on site to do repair work. Commissioner Monaghan referred to a statement in the memorandum included in their package, "The gas department recommends purchasing the Komatsu backhoe/loader at a higher cost to ensure more power and efficient operation and better service". He suggested that specifications be redone and the item rebid in the future to allow everyone a chance to bid on something with more power. Both Mr. Whittle and Mr. Reeves pointed out that the specifications did address that in this instance but the Ford did not meet the specifications. Mr. Whittle noted that you do get better production and service with certain brands and that typically Ford is not one of them. Ford may have higher horsepower but less torque, and the strength comes from the torque. Mr. Reeves added that we are trying to give the local vendor an opportunity, but they still have to meet the specs. A motion was made by Commissioner Watts, seconded by Commissioner Monaghan, and unanimously approved to purchase the Komatsu backhoe/loader from Linder Industrial Machinery Company.
- I. Chairman Hancock presented a recommendation from staff to accept the low bid in the amount of \$71,510 from Columbia Freightliner and Sterling Trucks for a tandem axle flatbed truck in the gas department. He added that this truck would be shared with the electric department to pull the directional boring machine. A motion was made by Commissioner Monaghan and seconded by Commissioner Watts to accept the low bid from Columbia Freightliner and Sterling Trucks. Manager Reeves reminded the Commissioners of the request coming from Mr. Meredith that was mentioned earlier. Mr. Meredith explained that the truck under consideration looked similar to a "semi" with a very high hood line. He stated that typically, the electric department bought International trucks;

however, International was unable to bid at this time due to unforeseen circumstances. He stated that Mr. Barnett sent out the specs and ultimately the decision was left up to him as to whether they should try to rebid so that everybody had an opportunity to look at the International versus the Sterling. Mr. Meredith added that essentially the Sterling is a Ford truck. He stated that the price for an International would have been less than \$1,000 more. Commissioner Monaghan stated that if that was the preference, they could wait for them to rebid. Mr. Meredith pointed out the need to get a truck as quickly as possible because they are operating a piece of machinery with a truck that is inadequate. He stated that the Sterling truck meets the specifications and is a big, strong truck, and added that he did believe this truck would do the job. He stated that he gave an opinion to Mr. Barnett and the decision was left up to him. Chairman Hancock stated that it did not make any difference to them; they would wait for them to rebid if that was the preference. Mr. Whittle stated that it did not matter to him; if Mr. Meredith had a good record with International, he had no problem with going with them. Mr. Meredith stated that Mr. Whittle would know if Sterling had been unfavorable in the past. Mr. Whittle added that he did not know a lot about Sterling, only that it was sufficient to do the job and was the lowest bidder. Mr. Barnett commented that there is a truck that is inadequate right now and that is a safety issue; the question was how much of an issue that is as opposed to delaying to go out for another bid. With no further discussion, the motion was unanimously approved to accept the low bid from Columbia Freightliner and Sterling Trucks for a tandem axle flatbed truck.

- J. Manager Reeves stated that bids for a meter reader truck were opened prior to the meeting and evaluated during the meeting. Mr. Burnett reported that although Vic Bailey Ford was the low bidder with the state contract, their truck did not have the step bumper that they normally get on trucks. He noted that the bid of \$9,876.00 submitted by Vic Bailey was about \$374 less than the Ballentine bid of \$10,250.00. A motion was made by Commissioner Monaghan to approve the bid from Ballentine Ford. Chairman Hancock asked if the truck from Ballentine Ford would have the step bumper and Mr. Burnett responded that it would. With no further discussion, the motion was seconded by Commissioner Watts, and unanimously approved.

VI. Other Business:

1. Manager Reeves provided a sample uniform for the Commissioners. He explained the probability of changing to a new uniform color due to regulations dictating certain employees, particularly in the gas and electric departments, wear a flame-retardant material. Unfortunately, that material is only available in the navy blue and khaki colors so Mr. Burnett is looking at bidding uniforms. Chairman Hancock asked if everyone would need the flame retardant material. Mr. Reeves responded that only if it is a requirement of the position, but to be consistent with all employees, the color would be changed for everyone. Commissioner Monaghan asked about employees wearing tee shirts. Mr. Reeves responded that they had gotten away from allowing tee shirts because it was non-uniform based and wearing strictly uniforms was preferred.
2. Manager Reeves advised the Commissioners of an error made with interest calculations by Countybank. He stated that the error was found by Ms. Ogletree and staff and the total amount of \$26,935.35 had been put into our accounts.
3. Manager Reeves provided an incentive report to the Commissioners showing the overall effect of the program since its inception. He pointed out information contained in the report showing the number of conversions from electric to gas and rebates issued.
4. Manager Reeves informed the Commissioners of a Municipal Association Hometown Connection Meeting on February 28, 2007. He stated that it is typically attended by city officials and city council members. He reminded them of an upcoming SCAMPS legislative function in April.
5. Manager Reeves provided an update on the proposed bond issue. He stated that projects were being prioritized and a couple of different scenarios would be provided at a special meeting that would likely be scheduled within the next couple of weeks. He added that it looked like the bond issue would be between \$7 million to \$10 million, and depending on the projects could go as high as \$11 million. He reported that Sheree Brown was working on this along with updating the rate review; information showing scenarios either without the bond issue and adding two different levels of bond issues and the effect on rates would be provided by Ms. Brown. Commissioner Monaghan noted a need to have an answer on the old water plant. Mr. Patrick pointed out that a reimbursement resolution would be needed as soon as possible to go back and catch things. Mr. Reeves responded that it would be done soon and noted the keyless entry as one of the projects where the bid was already approved but the project had not yet begun. Chairman Hancock commented on the need to include the administrative building. Chairman Hancock inquired about a substation to be built in 2011. Mr. Barnett responded that it was in 2009; Mr. Reeves noted that it was included in the

proposed bond issue and was originally scheduled for 2007 then moved out to 2009. Mr. Reeves noted the inclusion of new lines going into the Genetic Center. He added that there were other capital projects and they would go over everything in more detail at a special meeting.

VII. Executive Session

A motion was made by Commissioner Monaghan, seconded by Commissioner Watts, and unanimously approved to go into *Executive Session* to discuss legal and contractual matters pertaining to a fiber optic agreement and an electric service contract.

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

Approved: \_\_\_\_\_, 2007

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Secretary