

**COMMISSIONERS OF PUBLIC WORKS**  
**Minutes of December 11, 2008**

A regular meeting of the Board of Commissioners of Public Works was held on Thursday, December 11, 2008, at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

**In attendance:**

Michael G. Monaghan	Steve D. Reeves, Jr.	Jeff Auman	Jerry Smith
Gene P. Hancock	Kenneth Barnett	Jeff Elliott	Richard Gentry
Henry O. Watts	Jeff Meredith	Carlos Cometto	Stacia May
	Jeff Chapman	Curtis Burnett	Bill Patrick
	Denise Ogletree	Vicki Knott	Chris Trainor
	Vickie Gorham		Lesley Lane

I. Chairman Monaghan called the meeting to order and Kenneth Barnett gave the invocation.

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

III. Approval of Minutes:

A motion to approve the minutes of the November 13, 2008 regular meeting as received was made by Commissioner Watts and seconded by Commissioner Hancock; the motion was unanimously approved.

IV. New Business:

A. Manager Reeves presented a recommendation to initiate the CPW Cares Program for people in the community to contribute to a fund to help those who cannot pay their bills, and explained the program that allows for CPW to provide matching funds up to \$20,000. Manager Reeves recommended authorizing staff to proceed with the program and to match contributions up to \$20,000.

A motion was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved.

Chairman Monaghan added that the CPW Cares Program allocated \$20,000 and that money goes to United Ministries to screen applicants for eligibility; CPW matches donations dollar for dollar, up to the \$20,000 amount.

Commissioner Watts inquired about the GLEAMS program to rehabilitate and weatherize homes. Mr. Gentry responded that the price had gone up in two years to almost \$7,000 per house at the addresses where work was done for GLEAMS during 2007. He also looked at the amount of consumption for the years before and after those dates, and found that there was not a significant amount of savings for the amount put into those houses. Mr. Gentry stated that a recommendation was turned over to Mr. Reeves based on those findings. Manager Reeves added that it did not produce the results anticipated, and in most cases, the annual return was less than \$100.

- B. Manager Reeves recalled the warehouse addition project that had been budgeted for this year in anticipation of completion. He noted a crunch to come up with funds to balance the budget during the budget work session. He stated that because the \$120,000 allocated for this project is in bond funds, those funds could be used for more important projects like water line extensions or improvements. Manager Reeves recommended rejecting the warehouse addition bid in its entirety, based upon staff's recommendation.

A motion to reject the bid was made by Commissioner Hancock, and seconded by Commissioner Watts. Chairman Monaghan inquired about cost for the project next year. Manager Reeves responded that the cost would likely go up, adding that the bids came in exceptionally well priced. They had anticipated somewhere in the \$175,000 range; the low bid was \$120,000. Chairman Monaghan pointed out the need for more room given the current warehouse arrangement, and asked if it made good sense to put it off. Manager Reeves responded that he had talked with Jeff Meredith about some things that could be moved outside to make more room. With no further discussion, the motion to reject the bid was unanimously approved.

- C. Manager Reeves presented a recommendation from staff to accept the bid from Ricoh U.S.A. in the amount of \$10,619.66, adding that it was the lowest bid meeting the specifications for a wide format scanner for the engineering department.

A motion was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

Manager Reeves pointed out that all agenda Items D. through S. were recommendations for annual bid items, and reminded the Commissioners that those had been approved with one motion in previous years. He noted that all the bids recommended for Items D. through S. are low bids, with the exception of Item F. for electric meters. Manager Reeves continued that Mr. Meredith had provided a memorandum explaining the justification of the higher cost electric meters in Item F. He explained that the higher cost meter is the meter currently used on our system, it is programmable, the software is already in place, and staff is already familiar with these meters. He added that the total projected extra cost of the higher meters was \$1.75 per meter, for a total of \$420 per year. The Commissioners expressed agreement with one motion for all annual bids shown as Items D. through S. Mr. Patrick suggested that it would be appropriate to have a separate motion for Item F., and then a motion for all other Items D. through S. (See attached recommendations for Items D. – S.)

A motion to approve Item F. for electric meters as recommended was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

A motion to approve the low bids as recommended for annual bid Items D. through S., except Item F., was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved.

- T. Manager Reeves presented a recommendation to approve an annual advertisement contract with *The Index Journal*. He reminded the Commissioners that Mr. Gentry was asked during the budget work session to look at savings opportunities. That was accomplished by slightly reducing the size of the advertisements, with a cost savings of \$8,000 realized, reducing the price from \$20,000 to \$12,000.

A motion to approve the contract as recommended was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

- U. After noting an extended budget work session with the Board on December 1 at which time they had gone through the budget in great detail, Manager Reeves presented a recommendation to approve the 2009 budget as amended during that work session. Manager Reeves noted total budgeted revenues of \$78,507,000. Chairman Monaghan stated that the revenues were shown as \$78,403,000, and asked for clarification after pointing out that he had previously requested a matrix. Manager Reeves

responded that Ms. Ogletree was on a trip at the time of Chairman Monaghan's request; however, the matrix would be provided. Chairman Monaghan asked about the amount of difference from the work session. Manager Reeves responded that somewhere in the neighborhood of \$330,000 was added during the budget work session. Manager Reeves commented that there is no requirement for approval today. Commissioner Hancock noted that the Commissioners had spent a lot of time on the budget and wanted to see the final outcome. The Commissioners agreed to postpone consideration of the proposed 2009 budget until the first meeting in January.

V. Other Business:

1. Manager Reeves informed the Commissioners of the receipt a \$75 check for first place in the Ninety Six Christmas parade. He noted that CPW had tied for overall winner and best adaptation of theme, and won the government category in the Greenwood parade. Manager Reeves acknowledged employees who participated in designing and building the float as follows: Doris Jones, Bobo Rushton, Brad Bell, Brian Dunnaway, Kathy Davis, Barry Mayfield, Richard Gentry, Sammy Farmer, Michael Ginn, Derek Pendley, and Greg Barnes.
2. Manager Reeves requested possible dates for an annual service awards banquet. The Commissioners were in agreement on January 22 beginning at 6:00 p.m. with benefits providers and followed by dinner.
3. Manager Reeves informed the Commissioners of a grant submitted by Greenwood County for a Lake Greenwood water quality improvement project to address non-point sources of phosphorous and PH. He reported that several agencies had been asked to help, including CPW and Metro. CPW was asked to provide access to our customer base through mailings or bill inserts for the education and outreach program, and was also asked to provide some laboratory sampling. Manager Reeves noted that the grant request amount was \$300,000 in federal funds and \$200,000 in non-federal funds, for a total grant amount of \$500,000.
4. Commissioner Watts referred to a discussion of water usage by Metro workers and their contractors at the last meeting. Manager Reeves commented that a note had been sent to both Mr. Martin and Mr. Coleman in regard to the use of water hydrant meters by their contractors. They were told that would not be permissible, and were also advised of the Board's decision to begin charging for any repairs to those hydrant meters on an annual basis.

5. Chairman Monaghan inquired about a date for an annual physical inventory. Ms. Ogletree responded that a physical inventory at the warehouse had been scheduled with the auditors on December 30. She added that she still had to discuss an inventory of furniture and fixtures with Mr. Reeves and Mr. Barnett. Chairman Monaghan indicated that date might not be good; Manager Reeves responded that they usually coordinate the inventory with the auditors. Ms. Ogletree stated that the auditors had already agreed to December 30. Chairman Monaghan stated that would be fine. He asked if they were planning to have a complete annual inventory of everything. Ms. Ogletree stated that they would but would not be able to do the furniture and fixed assets on that day because so much of the equipment is out on work sites. Manager Reeves added that they should be able to get to it within two days, possibly just one day, depending on how many people can be pulled in to assist.
6. Chairman Monaghan asked when a revised natural gas purchasing policy could be expected. Manager Reeves recalled an earlier discussion with Chairman Monaghan at which time they went through the hedging program and Mr. Smith had made recommendations regarding the gas purchasing policy. He stated that those recommendations would be put together and brought back to the Board. Mr. Smith expressed an understanding that there would first be meetings with the other Commissioners. Chairman Monaghan stated that would be a good idea, and added that they should have the revisions in place for the start of 2009. He suggested that it be ready for the first or second meetings in January. Manager Reeves responded that they would proceed with working on the revisions.
7. Chairman Monaghan inquired about the Transco transportation fee refund and specifically when that refund would be applied to utility bills. Ms. Ogletree responded that the credits would actually start today. Manager Reeves followed with an explanation of the Transco refund. He stated that the natural gas pipeline supplier files for rate increases before the Federal Energy Regulatory Commission (FERC), and before those rates are heard by FERC, they are generally approved subject to refund. When they are approved subject to refund, they go ahead and start billing customers, which in this case is Greenwood CPW, so CPW is billed for the extra charge. Once FERC has their hearing and makes a determination, if they determine rates less than what they were put into effect, there is a refund. He stated that CPW was refunded \$616,000; since that money also was a pass-through to our customers, we are now going to refund those customers who contributed to that \$616,000 through a credit on their bills.

8. Chairman Monaghan asked if the \$400,000 received for propane plant equipment was accounted for in the 2009 budget. Manager Reeves responded that it was posted in 2008.
9. Chairman Monaghan asked if local parts vendors had been asked to provide 2009 discount offers. Manager Reeves responded that we had not asked them. He noted that a couple of years were skipped as long as they did not ask for a price increase. He added that he had not heard of any price increases; typically when they are asked to rebid, the prices will increase.
10. Chairman Monaghan asked about input from the City with regard to providing help to the new community center. He noted that several organizations, including the Food Bank and other local charities, are congregating together there. Manager Reeves responded that nothing had been heard from the City at this time. He stated that they had talked to the City, and also to Frank Wideman about the process.
11. Chairman Monaghan noted the completion of the selection process for engineering services, at which time staff had interviewed various engineering firms and made a recommendation to the Board for ratification. He stated that there was nothing in the minutes last year for water or electric. Manager Reeves recalled that there was not a motion on water or electric; they had gone through them and informed the Commissioners of staff's recommendation. At that point, water and electric were done together, and the Commissioners had decided that a motion was not required since it was within the Manager's authority to hire the engineer. Chairman Monaghan requested that it be revisited and something provided in writing. Manager Reeves stated that a motion would be brought before the Board next month.
12. Chairman Monaghan inquired about a date for new exterior signs at the main office building. Manager Reeves responded that an agreement had been signed two weeks prior, with a four to six week window from that time putting it at around the end of January.
13. Chairman Monaghan inquired about grant search activity. Mr. Gentry responded that there was the normal with CBDG, and information had been received indicating possible availability of funds on the first of next year.
14. Chairman Monaghan referred to an area along Trestle Road just before getting to the lake where one side has low to moderate income mobile homes, and the other side of the same road has very affluent lake houses, and asked about the availability of natural gas. Mr. Barnett responded that there is gas all the way down Trestle Road. Chairman Monaghan requested a survey of that area, particularly with the mobile homes to find out if there is any interest in converting over

from propane. Commissioner Watts inquired about gas in the Promised Land area. Manager Reeves responded that there is no gas in that area. Commissioner Watts asked about the possibility of a grant; Mr. Gentry responded they could certainly look into it. He added that he was not aware of many grants for gas. Commissioner Hancock noted that they would have to take high pressure around before they could get down to Promised Land because it would be too long of a line for regular pressure.

15. Chairman Monaghan inquired about installation of water lines on Henderson Street and if anyone had hooked up. Manager Reeves responded that the line had been installed, but no one had hooked up. He stated that Mr. Barnett had just provided information on the other lines installed at the request of Greenwood County on Nations Road, and there are only a total of five customers so far. He pointed out an investment made by the County of about \$180,000 for those lines for only five customers. Manager Reeves noted a cost to the homeowner to hook up, and most of the homes on Henderson Street are rental units. He pointed out that at least they now have fire protection.
16. Chairman Monaghan inquired about a date for the next joint meeting between the City and CPW. Manager Reeves responded that he had a note to look at that, and it was the City's turn to provide the meal.
17. Chairman Monaghan inquired about a concrete date for an IT audit. Manager Reeves responded that the information would be ready to go out by the end of the year. A list of firms and a letter are ready, and Mr. Auman has promised to provide a description of the network software and hardware package by the end of the day.
18. Chairman Monaghan asked about revisiting gas appliance repair rates. Commissioner Hancock expressed the opinion that the rates are too high. Manager Reeves stated that Sheree Brown's firm had done a study several years ago; at that time, we provided them with hourly rates and vehicle costs. He stated that could be revisited. Chairman Monaghan requested that be done by the end of January or February.
19. Chairman Monaghan referred to water projects in the COC Planning Report. He inquired about Techwood and asked if there is water there; he pointed out that it was shown on the report as "developer still under design". Mr. Commetto responded that there are a couple of phases at Techwood; the first phase had been approved. Mr. Barnett added that there is the actual Techwood Building, as well as an area being developed across the railroad track. Chairman Monaghan noted that the report also showed "water main extension". Mr. Commetto responded that was the water line that went into the new part across the railroad tracks; the first portion for the first building was

approved, and they now have other portions in that development. Chairman Monaghan asked for the details regarding the discussion of Highway 225/Florida Avenue Commercial Park shown in the report. Mr. Meredith responded that had been discussed with the Partnership Alliance at the time they were looking at several different sites around town for creating more industrial park, and CPW had expressed the desire for that to be included into the City. Chairman Monaghan asked if they had talked to Dwight Funderburk; Mr. Meredith responded they had not talked about that particular piece of property; they had mainly talked about the Pepsi Cola area. Manager Reeves added that he had been playing phone tag with Dwight and would continue trying to make contact. Chairman Monaghan referred to the possible annexation shown for Berkshire Subdivision. Mr. Meredith stated that should have been updated; that particular developer was out of Massachusetts and had not been able to get funding to make the project viable. The developer had submitted plans to electric, water, and gas; on the electric side they had talked about possible annexation down Allison Drive on the east side of town. Chairman Monaghan referred to Barrington Subdivision that showed construction completed, waiting on CPW to complete tap under approved water projects. He expressed the importance of staying on top of annexation. Manager Reeves agreed and then noted that it was shown as waiting on CPW to complete tap. Mr. Chapman responded that the water department had never received the application. Manager Reeves stated that the wording should be changed to make it clear that the application was not received; it sounds like application has been made and waiting on us. Chairman Monaghan suggested that directors might review the report prior to it going out to them.

20. Chairman Monaghan expressed serious concern over the investment strategy and particularly with federal agency bonds, including Fannie Mae and Freddie Mac. He stated that Greenwood Capital had done a great job explaining to the Commissioners, and noted that Mr. Wiseman had personally come to talk with them. At that time, he said that the federal government had in effect guaranteed the payments of the federal agency bonds, including Fannie Mae and Freddie Mac. Chairman Monaghan stated that he had watched with great interest the congressional hearings on CSPAN this week. Commissioner Hancock stated that they were looking at the people who had approved bad loans that got all of the money; they were after those people, but those agency bonds are guaranteed by the federal government. Chairman Monaghan stated that according to the congressmen, they aren't; it is implicit, but not explicit. He stated that

he had the impression that there was not an absolute guarantee. Commissioner Hancock said that there is for those two. Mr. Patrick stated that based on what he had heard on the news, when they got into this trouble, in order to restore some degree of confidence in their paper, congress and government said that going forward for some period of time they would guarantee them. Up until that point they had not been guaranteed. Chairman Monaghan stated that according to the congressional hearing, there is not an absolute guarantee, it is "implicit", whatever that means. Chairman Monaghan continued that although Mr. Wiseman was of an opinion that our investments are not at risk; he still did not understand their strategy. He continued that Greenwood Capital had said that if we are uncomfortable, we could do something else. Chairman Monaghan expressed that they are the experts; therefore, they should give us a formal recommendation of what to do. He noted that he had questioned them back on April 24, 2008, and we were told that there is no concern for agency bonds. Chairman Monaghan stated that he would feel more comfortable if we got out of them by attrition, that we not sell them off at these prices, but once one expired, not buy another. Commissioner Watts noted that that was discussed earlier with Greenwood Capital. Chairman Monaghan stated that it was discussed, but no direction given to them. Manager Reeves stated that he would contact Mr. Nix to get a written recommendation, and then recalled that Mr. Nix had talked about getting rid of them through attrition. Chairman Monaghan stated he was not sure that they are doing that, so they should give us a recommendation; then we can go back and tell them we either accept that recommendation, or we want them to do something else. Ms. Ogletree stated that she spoke with a broker, and had also left a message for Michael to contact her because there has been a flight to treasuries and treasury rates are bottoming out; the government is calling some of those bonds because it is cheaper to call them and resell them at a lower rate. Chairman Monaghan expressed concern not so much with making money on the investments but with protecting the investment.

21. Manager Reeves reported on a Standard & Poor's bond rating change to A+. Commissioner Hancock stated that an A+ rating is an outstanding rating. He stated that given the economy, we are in good financial shape and save money on bonds by having a higher rating. Mr. Patrick added that they were told in the past that A+ is as high as you can get for the size of the Greenwood market; they will not give a AA rating to a market of this size.

VI. Executive Session

A motion was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved to go into *Executive Session* to discuss legal and personnel matters.

The meeting returned to open session.

Mr. Patrick noted discussion during *Executive Session* of Christmas and New Year's holidays, and that the Commissioners felt that it would be appropriate to give employees the Christmas Eve and New Year's Eve afternoons off, and wanted to make a motion authorizing the Manager to close the offices and dismiss employees at 12:00 noon on those days, subject to normal on-call employees to handle emergencies.

A motion was made by Commissioner Hancock to close at noon on Christmas Eve and on New Year's Eve; the motion was seconded by Commissioner Watts, and unanimously approved.

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

Approved: \_\_\_\_\_, 2009

\_\_\_\_\_  
Secretary