

COMMISSIONERS OF PUBLIC WORKS

Minutes of May 8, 2008

A regular meeting of the Board of Commissioners of Public Works was held on Thursday, May 8, 2008, at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

In attendance:

	Ken Barnett	Carlos Cometto	Bill Patrick
Gene P. Hancock	Jeff Meredith	Jeff Auman	Stacia May
Michael G. Monaghan	Jeff Chapman	Chris Lindley	Chris Trainor
Henry O. Watts	Denise Ogletree	Richard Gentry	Jay West
	David Tuck	Vicki Knott	Ken McClendon
		Allison Holland	Pat Kimble

- I. Chairman Monaghan called the meeting to order. The invocation was given by Commissioner Hancock.
- II. Chairman Monaghan gave the statement of compliance with the notification provision of the Freedom of Information Act.
- III. New Business:
 - A. Ms. Pat Kimbel and Mr. Ken McClendon with GLEAMS presented information on a weatherization program for low income homes. Ms. Kimbel explained the criteria including eligibility, funding, as well as weatherization measures that include health and safety, air sealing, insulation, electric base load measures, and incidental repairs. Commissioner Hancock pointed out that most of the homes with problems and extremely high bills are rental properties, and asked if anything can be done to help them. Ms. Kimbel responded that they must first obtain the homeowner's consent. Commissioner Watts asked Ms. Kimbel to clarify rental agreements made with property owners. Ms. Kimbel explained that an authorization must be signed to get permission to do the work on rental homes; the owner must also agree not to raise the rent for at least one year after the work is completed. Commissioner Watts asked for an explanation of the condition of the house before acceptance. Mr. McClendon responded that he goes out to check the homes and has to be sure the roof does not leak; if it does he cannot insulate. He explained that the first priority is attic insulation; therefore, lots of houses are turned down because they are not cost effective. Since the program is geared toward saving energy, he noted that an audit of the house is done and that tells the most cost effective ways to accomplish that. Mr. McClendon noted that only about 5% or less of rental units are done per year.

Chairman Monaghan expressed appreciation to Ms. Kimbel and Mr. McClendon for the presentation and requested that staff and management review the program and work with GLEAMS to determine ways CPW could facilitate or help with this endeavor. Mr. Patrick suggested that should staff decide to assist in some way, they might look at whether funds would be available for only customers of the CPW or just residents of the City. Chairman Monaghan stated that it would be for residents of the City and customers of CPW. Mr. Patrick pointed out concerns with high gas prices and stated that the Board and staff might also consider the need for a qualification that the primary heat source be gas, or if electric would also be included. Chairman Monaghan responded that the intent would be mainly for energy audits and things of that nature. Commissioner Watts added that CPW staff knows who has the highest bills and might be able to help identify those to be run through the GLEAMS program.

IV. Other Business:

1. Assistant Manager Barnett noted that Financial Statements were delivered earlier in the week. Chairman Monaghan referred to bad debts and new credit collection procedures and asked if those had been put into effect. Ms. Ogletree responded that they had to put that aside until Ms. Gorham's staff had an opportunity to identify questions they would ask a credit collection agency. She noted that a meeting with a collection agency had been scheduled for the following week, and after that would ask for quotes from several different agencies. Chairman Monaghan inquired about a concrete date for procedures to be in place. Ms. Ogletree responded that they should be in effect by the end of July. Chairman Monaghan requested that "power purchased for resale" be shown on the reports as "electric power purchased for resale". He pointed out a first quarter loss in the water department of \$335,000. He stated that for those who think CPW makes money on water, although our overhead costs are spread when lines are extended, we are incurring more cost and have to supplement water loss with revenue from gas and electric activities. Chairman Monaghan referred to the gas department income statement showing unallocated service charges and fees of \$183,000. Ms. Ogletree responded that was from the sale of propane gas. She noted that it had to be taken out of inventory and this was the amount above and beyond the book value of the propane, or the gain over what was paid. Chairman Monaghan asked about an expenditure of \$4,000 spent in three months at the propane plant. Ms. Ogletree responded that a piece of equipment had to be rented in order to get as much of the propane out of the tanks as

possible. Assistant Manager Barnett added that they also had to put in gravel because the trucks coming in to take out the propane were getting stuck. Chairman Monaghan noted gas net income over budget by \$250,000; he asked if a big expense was anticipated or if a better year was being projected. Assistant Manager Barnett responded that the revenue side is up because of the cost of gas being up, but as far as net income, he would need to look at that a little closer. Chairman Monaghan asked someone to get back with an answer. He then noted a rate adjustment in the electric department adding that there was one that stood out. Ms. Ogletree reminded Chairman Monaghan of a request a year or two ago to separate it out so that he would know what it was. Chairman Monaghan asked if that was the only rate adjustment. Ms. Ogletree noted that \$7,729 received last year was the result of a rate hearing and was accrued at the end of the year; a check was also received for \$800,000. Chairman Monaghan asked if that was the energy adjustment; Ms. Ogletree responded that the \$800,000 was the true-up on the contract. Chairman Monaghan stated he would understand such a large amount, but the amount he was referring to was only around \$7,000. Ms. Ogletree responded they would have received an additional \$800,000 last year that would have been accrued in December of 2007, so by the end of the year 2007 there was \$807,729. Mr. Patrick suggested that the \$7,000 amount might be a refund ordered by FERC from some prior period. Chairman Monaghan stated that every bill has an energy supply adjustment; Ms. Ogletree responded that was the fuel adjustment. Mr. Patrick stated this was for something separate like a FERC ordered refund from a prior period; Chairman Monaghan indicated he understood. He referred to a statement on page 14 and noted that those balances included accounts that may be part of the equal payment plan program. He asked how that impacted the numbers shown. Ms. Ogletree explained that if someone is on an EPP plan because of the seasonality of the bill, if they start paying in August and their bills are very high in November, December and January, they have not actually caught up their bills with the amount they are paying, so it would be reflected in accounts receivable in either the 0 – 30 days, 31 – 60 days, or possibly even longer since they are only set up once per year in August. Chairman Monaghan asked where it is shown and pointed out there are four categories. Assistant Manager Barnett responded that it would depend on at what point their payment was less than what they were billed; from that point on it is going to show up in accounts receivable and may shift from 0 – 30 days to 31 – 60 days until it is actually settled in August; therefore, each of the categories could have some of the equal payment plan dollars. Chairman Monaghan asked what defined “set-off” in debt set-off. Ms. Ogletree responded that debt set-off

is the amount of money for accounts sent to the state through MASC in order for them to set it off from an income tax refund. Chairman Monaghan referred to set-offs to date of \$56,000. Ms. Ogletree stated that was the amount collected from taxes. Chairman Monaghan referred to direct payments shown and asked about the difference between the two. Ms. Ogletree responded that was someone who was sent to debt set-off and comes in and pays. Chairman Monaghan suggested that to avoid confusion in the future, they should be shown as "set-offs from state to date" and "direct payments from customer". Commissioner Watts inquired as to whether the propane tanks had been sold. Assistant Manager Barnett responded that it had not been done yet.

2. Assistant Manager Barnett reminded the Commissioners of prior approval of a bid to purchase software and hardware for network back-up. He noted that during the process of initiating the purchase order, they found that the apparent low bidder at that time did not have everything in the bid. Mr. Auman commented that the low bidder left blanks on two items; typically if it is blank the assumption is that it is included. He later came back stating that it would be an additional \$7,500. Assistant Manager Barnett continued that Mr. Auman had gone through that with the low bidder and the next low bidder who also left something out, and is now down to the third low bidder. Authorization is now needed from the Board to go to the actual low bidder. Mr. Patrick clarified that the one referred to as "the third" would be the low bidder with the conforming bid. Mr. Auman confirmed that as being correct. Commissioner Watts inquired about the amount, and Mr. Auman responded \$42,796.79.

A motion was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved to approve the third low bidder. Assistant Manager Barnett clarified that the third low bidder was Data Network Solutions.

3. Assistant Manager Barnett noted that specifications would be going out soon for asphaltting of the gravel road at the COC and also for replacement of some concrete in the yard. He commented on the need for a mandatory site visit and added that the Commissioners sometimes liked to attend. He suggested Thursday, May 29 at 10:00 a.m. He stated that they hoped to have the bids in for the June bid opening. The Commissioners were in agreement for May 29 for a pre-bid site visit.

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

The meeting returned to open session. Chairman Monaghan asked the CPW's attorney to state the motion as discussed in *Executive Session*.

Mr. Patrick stated that in *Executive Session* the Commissioners discussed a contractual matter dealing with the utility account of the Arts Council, and that based on such discussion it appeared to be the consensus of the Commissioners to fund the payment of that account from February 1, 2003 through June 30, 2009 as a part of the annual exchange of checks with the City of Greenwood. Therefore, he stated the following motion which was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved.

Subject to the requirements of the CPW's Bond documents, as a part of the annual exchange of checks with the City of Greenwood, the CPW will contribute additional funds to fund the utility account of the Arts Council, shown on the records of the CPW as Federal Building Account No. 002104003, for the period February 1, 2003 through June 30, 2009. To accomplish such funding: the contribution from the CPW to the City of Greenwood for 2007 will be in the amount of \$1,200,000 plus the charges to the Federal Building Account for the period February 1, 2003 through December 31, 2007; the contribution from the CPW to the City of Greenwood for 2008 will be \$1,200,000 plus the charges to the Federal Building Account for the period January 1 through December 31, 2008; and the contribution from the CPW to the City of Greenwood for 2009 will be \$1,200,000 plus the charges to the Federal Building Account for the period January 1 through June 30, 2009.

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

Approved: _____, 2008

Secretary

