

COMMISSIONERS OF PUBLIC WORKS
Minutes of April 23, 2009

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, April 23, 2009 at 5:00 p.m., in the Boardroom at 121 West Court Avenue.

In attendance:

Gene P. Hancock	Steve D. Reeves, Jr.	Vickie Gorham	Lee Roper
Michael G. Monaghan	Ken Barnett	Jeff Meredith	Michael Nix
Henry O. Watts	Jeff Auman	Jeff Chapman	Jean Martin
	Carlos Cometto	Richard Gentry	Rebecca Steifle
	Denise Ogletree	Vicki Knott	Mark Warner
	Jerry Smith	Jeff Elliott	Stacia May
	Chris Lindley		Chris Trainor

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. A motion was made by Commissioner Hancock and seconded by Commissioner Watts to approve the minutes as received for the March 5, 2009 joint meeting with City Council, and the March 12, 2009 regular meeting; the motion was unanimously approved.

IV. Financial Statement:

With no questions from the Commissioners, the financial statement was received as information.

V. New Business:

A. Ms. Rebecca Steifle with Countybank reported on a meeting with Ms. Ogletree and a discussion on the bank side regarding things that may be brought to the Board in the future. Mr. Michael Nix with Greenwood Capital provided a regular investment report, as well as market update. He referred to the investment report for the account with issues that had matured, or were called or sold during the period of January 1, 2009 through March 31, 2009. He pointed out proceeds, realized gains and losses, net gains and losses, and income for each issue. Mr. Nix referred to pages 2 and 3 showing a list of current assets in the account, all consisting of state statute approved investments. He continued that individual government bonds and agency

bonds were also included, noting nothing of concern there. He noted no immediate needs from a cash flow standpoint, adding that they would continue to reinvest any bonds coming due to generate as much interest as possible during that period. He referred to page 4 giving a snapshot of the account during the current fiscal year and calendar year, beginning value of the portfolio with accrued interest, contributions and withdrawals, realized and unrealized gains, interest generated, and the ending value. He stated that current cash flow was on budget based on what was planned, and would be monitored. Mr. Nix reported on reinvestment challenges existing as bonds come due in a very low rate environment, and reminded the Commissioners of discussions over the past twelve to eighteen months in anticipation of these reinvestment challenges in an environment where rates are coming down aggressively. He noted that was reflected both in money market rates and reinvestment rates as they continue to look for opportunities. He stated that the focus right now is on U. S. Treasuries, and as they continue to monitor the use of FDIC insured corporate bonds, there would be a proposal asking the Board to consider other alternatives within the statute requirements, including agencies, S. C. municipal bonds, general obligation bonds. He noted that the FDIC corporate bonds had not been determined to be under statute yet. He stated that treasuries are the safest, but are also paying the lowest rate now. Mr. Nix stated that most municipalities are under more and more stress to generate income because of GASB. He commented on the importance of being smart while also utilizing whatever instruments are available to generate additional income. Chairman Monaghan inquired about any interest from Greenwood Capital to offer an alternative proposal for an irrevocable trust for GASB 45. Mr. Nix responded that they could certainly look at it. He commented that based on the previous day's presentation, the Municipal Association seemed to have done a very good job of packaging to meet the needs from an administrative and investment perspective. He stated that they could explore the alternatives, noting that it is much more cost effective to do it through the Municipal Association; however, they could do a comparison. He continued that there is an opportunity for them to talk with the Municipal Association about being a manager they would use; right now they are using Synovus for their investments. Mr. Nix stated that they had contacted the Municipal Association regarding opportunities to work with them, and would love the opportunity to work with CPW and other municipalities through the Municipal Association in the future. Mr. Nix stated that for their purposes, it makes sense to evaluate the other options. He expressed agreement with what was presented by MASC adding that it was a very thorough, cost effective, efficient way to implement trusts to meet the GASB guidelines. Chairman Monaghan expressed confidence in the abilities of Greenwood Capital. Mr. Nix stated that six months down the road, they

would be happy to evaluate the performance of a particular product with Synovus or some other manager. He stated that to the extent someone is managing the assets of this municipality and others, there should be some type of oversight and offered the assistance of Greenwood Capital on a periodic basis. Mr. Nix reported on an individual account for the bond proceeds currently in a money market fund with Federated, adding that while that is an appropriate investment, money market rates had collapsed with treasuries. He noted that the process had begun to evaluate the use of individually managed accounts that match the drawdown schedules or payment schedules of the bond account in order to generate additional income, and reporting would begin going forward. Mr. Nix concluded that they are available as a resource to answer questions and extend help.

- B. Manager Reeves expressed concern with the collection of past due accounts in amounts of less than \$25. He noted that they had agreed not to pursue those amounts through the collection agency during discussions prior to the start of the debt collection program. Manager Reeves stated that we still continue to send bills at this time, and pointed out that the administrative costs rather quickly exceed the value of anything we could ever hope to collect. Manager Reeves recommended that past due amounts of \$25 or less simply be written off, and that we continue to flag them in the hope of collecting them in the future. The Commissioners agreed that it would make sense to discontinue pursuing past due amounts of \$25 or less.
- C. A motion was made by Chairman Monaghan and seconded by Commissioner Watts to elect Commissioner Hancock as Chairman; the motion was unanimously approved.

A motion was made by Commissioner Hancock and seconded by Chairman Monaghan to elect Commissioner Watts as Vice Chairman; the motion was unanimously approved.

A motion was made by Commissioner Hancock and seconded by Commissioner Watts to elect Chairman Monaghan as Secretary; the motion was unanimously approved.

VI. Other Business:

- 1. Mr. Jeff Meredith provided a report on storm damage related to two recently confirmed tornadoes, adding that the two tornadoes had affected mostly

areas inside the city limits and the CPW systems. Mr. Meredith reported on outages experienced on Friday, April 10 when there were eight of the twenty circuits completely off, affecting approximately 6,400 customers. He continued that within a couple of hours, they were able to get three circuits completely back on, and isolated problems on five of the other circuits to get them partially back on. He noted that by midnight, they were down to about 2,200 to 2,500 customers off, with one circuit still completely off with no way to isolate the problem. He stated that by noon on Saturday, all but 600 customers were back on with about three circuits still affected. He noted that most of the trouble came from the Phoenix Street, Edgefield Street, and Panola Mill Village areas where large trees were down at each location. Those trees had fallen from across the road into our power lines tearing down three to four spans of primary line and poles. Mr. Meredith noted about eleven poles replaced during the time frame. He continued that on Sunday morning at 8:30 a.m., everyone went home adding that they had been working since 9:00 p.m. on Friday. On Sunday morning, all power was back on where problems were known, and with all primary lines back up. He reported that two trouble men continued to field calls until around 9:30 p.m. with secondary issues and customers that were not known to be off. Mr. Meredith reported that clean-up efforts continued the previous week, and in addition, three crews went to Abbeville to help following a "category 2" tornado there. He noted that some clean-up continued into this week with most things back to normal. He stated that as of today, approximately \$65,000 was spent on personnel, equipment, and materials, exclusive of exempt employees. Chairman Monaghan commented on that being a minimal amount considering there were two tornadoes. Mr. Meredith commended the electric department employees for positive response without complaint to the hard work and long hours. The Commissioners expressed appreciation for a job well done. Chairman Monaghan inquired as to whether the aggressive tree trimming program had helped to minimize the damage. Mr. Meredith responded that there would have been substantially more trouble had we not taken care of the trees and kept lines cleared. He added that most of the downed trees came from outside of the normal trim right-of-ways and were huge oaks, some likely over 100 years old. Commissioner Hancock inquired about the total spent for Greenwood County and whether there would be enough to get any money refunded. Manager Reeves responded that the hope is that there would be. There are two thresholds with one statewide that would probably be met, and the other on a county basis that would probably be met after adding in the cost of City and County cleanup. Mr. Meredith concluded that the City had been very cooperative and helpful during this time.

2. Manager Reeves reminded the Commissioners of the SCAMPS Legislative Reception in Columbia on Tuesday, April 28.
3. Manager Reeves reported on a phone call regarding the rezoning of the City Pond property. He reminded the Commissioners of working on the project with Mr. Warner and staff, and suggested they move forward with rezoning if ready, adding that he could coordinate the rezoning with Mr. Barrineau. Chairman Monaghan expressed the opinion that it should not be done until everything was concrete. Mr. Warner stated that he did not think waiting would affect anything since the response to the request for information simply stated that there is a plan for zoning. He added that there is probably plenty of time as the process moves forward; the file could be updated to show that it was considered at the meeting, and the Commissioners had agreed to move in that direction as the plan develops. Chairman Monaghan concluded that would be better than going back and forth on the issue.
4. Manager Reeves asked for a date for a pre-construction meeting on the water line rehabilitation grant project. The Commissioners decided on Wednesday, April 29, at 4:00 p.m., at the COC.
5. Manager Reeves provided handouts of the guidelines for Greenwood United Ministries contributions, as well as a report of the funds disbursed thus far. He added that another report would follow after the remaining funds are disbursed, noting that they still appear to be keeping within the guidelines. Chairman Monaghan asked about the total; Manager Reeves responded that the total contributed by CPW is \$20,000, with matching funds of around \$4,000. Chairman Monaghan concluded that United Ministries had received \$24,000 through the CPW Cares Program designated for CPW customers who could not pay their bills.
6. Manager Reeves asked Mr. Meredith to present information on funding through stimulus money for a project proposed for Greenwood CPW and other municipalities. He stated that there is already a commitment from at least ten cities in South Carolina to proceed with the program. He noted that there may be some benefit to some customers and suggested it may be worth the time to listen and decide whether to participate. Mr. Meredith explained that both he and Mr. Barnett were contacted by Breezeplay, who had initially contacted SCAMPS about possibly partnering with them to get stimulus dollars for energy conservation. He continued by explaining the purpose to help educate homeowners and small commercial businesses about their energy usage and things to lower their usage and peak demands during the summer. Mr. Meredith stated that they met with them to go through the

thermostat-style panel. He explained that the panel is placed in the home where they essentially put CT's around incoming power to monitor the amount of power used. Several things can be done with the panel including looking at your daily usage, monthly usage; with some upgrades, you can look at how much you are using for each appliance, and control lighting in the home so that it only comes on at certain times. Mr. Meredith stated that the biggest thing is that it would allow the customer to monitor usage and to set goals for the amount of energy they want to use; it would then adjust appliances such as the water heater so as not to go over those goals. He stated that with some of the upgrade features, the panels are capable of providing the savings and cost to run each appliance. Mr. Meredith stated that they are asking us to agree to deploy the units into the homes to our customers; the units would cost anywhere from zero dollars up to \$500, but it is not a cost that would necessarily be paid by CPW, but is a cost to the customer if they want the unit in their home. He stated that there is a monitoring fee of anywhere from \$5 to \$15 per month if the customer wants to continue the program and use some of the upgrades. They can actually use the unit without the monitoring fee to see what their usage is and to make adjustments to lower energy consumption without paying anything other than the initial upfront cost that may be there, depending on how much stimulus money they receive. Mr. Meredith continued that they are looking at this as a good tool to give customers as a way to try to conserve energy, and are not looking at it as a way to make additional revenue, and recommended endorsing the product for use on the system. He noted that they have asked us to sign a memorandum of understanding; adding that the document had been reviewed by both Mr. Barnett and himself, but not by the CPW attorney at this point. He continued that there would be two phases. In phase one, we would agree to deploy 2,000 units at no cost to either CPW or the customer for the first 2,000 units. Phase two would be where the cost would start to come in to the customer. We would sit down with Breezeplay and agree on some type of rollout onto the system after the pilot program ends. Mr. Meredith commented that in the agreement it states that it would have to be initially agreed upon for a phase-in of the monitoring, or we would not do it. Mr. Meredith concluded that there is not a downside to do it; it would be something to offer customers to educate them on how much some of their appliances cost to operate. Manager Reeves expressed agreement with Mr. Meredith in that there was not a particular downside; it is purely voluntary with no cost to us, and at potentially no cost to any of the customers unless they choose to go into the program long term and sign up for the administrative fees. Chairman Monaghan asked if those people in the initial 2,000 could be charged after the cost phase comes in. Mr. Meredith responded that if they want to continue with some of the upgrades and the monitoring

functions such as the ability to go on the internet and look at their usage, then this company offers additional services. If the customer wants those types of services, that is where the monthly fee of anywhere from \$5 to \$15 per month would be incurred, depending on what they choose. If all they want is to keep the unit but do not want the services, there would be no cost to them, they get to keep the unit, and could manage their household through that unit. Commissioner Monaghan asked about billing. Mr. Meredith stated that Breezeplay would do the billing; we would essentially be a third party endorsing the product. The Commissioners were in agreement to enter into the program. Manager Reeves stated that a motion would be necessary authorizing the Manager to sign the memorandum of understanding upon the review of legal counsel.

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

7. Commissioner Watts inquired as to whether the propane tanks had been moved. Manager Reeves responded that they had been moved, the property was rough graded, and someone was checking with a fencing contractor about any value in removing the fencing. He stated that Mr. Barnett had been asked to proceed with surveying the property.
8. Chairman Monaghan asked if any employees were having problems with medical insurance claims getting paid by the new administrator. He commented on a personal bill that had still not been paid from January. Ms. Knott stated that she thought an e-mail had come about that the previous week; Chairman Monaghan stated that he had seen an e-mail but was still getting a bill from the doctor. Ms. Knott noted that some of those are computer generated, but as far as she knew the bill had been paid. Chairman Monaghan stated that it had not been paid. Manager Reeves stated that he was not aware of any complaints received from employees regarding bills not being paid. Commissioner Watts noted some problems as well, after noting that it is supplemental insurance for him. Ms. Knott stated that there were a few glitches during the transitional period from Medical Claims Management to Medcost Benefit Services. Chairman Monaghan stated that this is the end of April. Manager Reeves noted that the key was when the invoice was given to the insurance administrator rather than when the service was received; some doctors offices are very slow in filing them. Chairman Monaghan stated that he had faxed this particular one two months ago. Manager Reeves responded that they would follow up; there is no reason for that. Chairman Monaghan stated that he had also e-mailed asking for an answer and never received an answer back. Ms. Knott responded that she would look into that

but was pretty sure they did forward a response. Chairman Monaghan expressed the desire to ensure that employees are getting good service and not being dunned by the health agencies or worrying about their bills being paid. He stated concern with them goofing up on others, adding that some people are not as tenacious with chasing them down. Manager Reeves commented that they might be surprised at the tenaciousness of some employees when it comes to out-of-pocket money. Chairman Monaghan stated that there is a problem; if these little things are a problem, then what about a big thing. Manager Reeves expressed that employees would come to us as they had in the past with problems when bills were not being paid. Chairman Monaghan requested an informal survey of employees be done to find out; noting that some people do not want to make trouble. Manager Reeves responded that a survey would be done.

VII. Executive Session:

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

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

Approved: _____, 2009

Secretary