

COMMISSIONERS OF PUBLIC WORKS

Minutes of January 10, 2008

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

In attendance:

	Steve D. Reeves, Jr.	Vickie Gorham	Jeff Chapman
Gene P. Hancock	Ken Barnett	Jeff Auman	Stacia May
Michael G. Monaghan	Jeff Meredith	Curtis Burnett	Chris Trainor
Henry O. Watts	Denise Ogletree	Richard Gentry	Jay West
	Melinda Bishop	Ken Whittle	

- I. Chairman Watts called the meeting to order. The invocation was given by Kenneth Barnett.
- II. Chairman Watts gave the statement of compliance with the notification provision of the Freedom of Information Act.
- III. New Business:

A. Chairman Watts welcomed everyone to the first meeting of 2008. Chairman Watts reminded the Commissioners of an earlier phone call from Manager Reeves at which time each of them agreed to a change order in the amount of \$13,985 for wiring to pump station one at the water treatment plant. He presented a request from Manager Reeves to ratify that action.

A motion was made to ratify that action by Commissioner Hancock, seconded by Commissioner Monaghan, and unanimously approved.

B. Chairman Watts presented a request in the amount of \$20,000 for annual advertisement with *The Index Journal*. Commissioner Monaghan suggested further discussion as a contractual matter during *Executive Session*.

C. Manager Reeves referred to information provided on contractual-type bids coming up in 2008 or 2009, and a particular sheet showing a comparison of Metro's vehicle bids with CPW's prices. Commissioner Monaghan requested a matrix that would be easier to follow with columns comparing Metro and CPW, and asked that the information also be shared with Marsha at Metro. Manager Reeves agreed to share the information with Metro and noted that CPW was lower in almost every instance. Mr. Burnett commented that a couple of vendors are currently

holding down their costs as long as we agree to stay with them, but would increase their prices when rebid to where Metro is right now. Commissioner Monaghan again requested something showing a more overall and comprehensive comparison. He pointed out that CPW may have bid something that Marsha may not have bid at all. Manager Reeves stated that the Commissioners received a sheet provided by Mr. Burnett that showed a comparison of information he obtained from Metro. Commissioner Monaghan noted that if it is the same, then separate the information out, show it in columns for CPW and Metro to make it clearer who gets what. Manager Reeves noted that the initial list simply showed the items coming up for bid within either this year or next. He continued that in most cases, they are under an extension agreement and are maintaining the price until we decide to rebid. Mr. Burnett only compared CPW's low bid to Metro's low bid and his sheet and did not compare every bidder. He stated that the information would be made easier to read. Chairman Watts asked if any action was necessary. Manager Reeves responded that this was provided as information only. Commissioner Monaghan inquired about bids for vendors we go to for hardware, fittings, etc. Manager Reeves responded that we do not typically bid those lower cost items. Mr. Burnett would typically call several places to get prices. Commissioner Monaghan stated an understanding that we asked for a discount with vendors like Triangle Hardware or Quarles. Manager Reeves responded that typically Curtis would call around to get several prices with small quantities. Commissioner Monaghan noted that there are certain places where we go regularly and recalled a time when we went out to those places and asked for discounts. Commissioner Hancock agreed that a discount had been given in the past. Mr. Burnett stated that he recalled doing something with discounts and added that some vendors gave a discount on some things while others gave a discount on other things. Commissioner Monaghan stated that they had discussed in the past that they would stop "cherry picking". Mr. Burnett responded that was no longer done. He added that Manager Reeves was correct from the standpoint that we do not get a discount for things needed on a daily basis such as a bolt, a screw, or a fitting; however, it is done with smaller items stocked in the warehouse. They get bid sheets back for those type things. Mr. Burnett pointed out that it seemed they may be talking about several different scenarios here. Commissioner Monaghan stated his understanding that we bought the bulk of items from someone who is willing to give a large enough discount. Chairman Watts asked for clarification with whether we are discussing buying in bulk, or small items like screws. Commissioner Monaghan responded he was referring to items we buy every day. Manager Reeves responded that the items kept

in the warehouse have all been bid through discounts, but items picked up on a spot basis have not and Mr. Burnett agreed. He added that if it comes through him in most cases he calls for prices. He pointed out that if a crew is out and needs something that is not stocked in the warehouse, they would then go by and pick it up. In that case, they would go to Triangle, Crescent, or wherever happens to be convenient. Manager Reeves provided an example whereby Mr. Burnett would buy shovels on a quantity basis and price those to several vendors. Commissioner Monaghan requested that someone talk with the places used regularly about giving discounts. Manager Reeves stated that someone would check into getting set standard discounts for any purchases made by CPW. Mr. Whittle noted that most of what the Commissioners are probably seeing would be for customer parts. Commissioner Hancock recalled getting discounts of around 10 – 15% for small items in the past through Triangle Hardware and others. Commissioner Monaghan requested the Commissioners be kept informed of the outcome.

- D. Chairman Watts presented the proposed 2008 budget for consideration after noting that the Commissioners and staff spent an entire day studying the proposed budget at a work session in December. Chairman Hancock noted that the original budget was cut at that time by \$2.7 million. Manager Reeves stated that it was still in the red by \$1.7 million and was being evaluated for potential rate increases.

A motion was made by Commissioner Monaghan to approve the 2008 budget; the motion was seconded by Commissioner Hancock, and unanimously approved.

- E. Chairman Watts presented a recommendation for acceptance of the low bid in the amount of \$315,986.72 from Phoenix Fabricators and Erectors, Inc. for tank mixing systems at Anderson Street, Hodges, and Florida Street. Commissioner Monaghan requested an explanation to help justify the expenditure. Mr. Chapman explained that the EPA disinfection by-product rule requires a certain contact time in the system. If the system is not circulated enough, the value of the contact time diminishes. Commissioner Monaghan inquired about test results. Mr. Chapman responded that we are currently meeting the requirements for the majority of the system, but in outlying areas such as where these tanks are located, we are running very close and are in danger of exceeding. Commissioner Monaghan asked if this was a new regulation. Mr. Chapman explained that it is part of stage 2 of the disinfection by-product rule. The intermediate system distribution evaluation plan was submitted back in

October. He noted that although we are meeting the current standard, the new standards would come into effect in 2009. Commissioner Monaghan asked if we would meet the new standard in 2009 if this were not done. Mr. Chapman responded that it would all depend on water flow and we do not have a good idea of how to predict those situations. He added that we are meeting today's standards, but in 2009, chances are we would miss those sometimes and could be in violation of our permit and be levied fines. Commissioner Monaghan asked if the project would be paid from bond funds. Manager Reeves responded that it would. Chairman Watts asked if this would essentially mix the water in the tank. Commissioner Hancock commented that due to insufficient water sales, there is not enough flowing through the system and working the tanks up and down to regulate the system. Commissioner Monaghan stated that water sales don't seem to be down so much; Commissioner Hancock responded that they have been going down for the last seven years with all of the lost industry. Commissioner Monaghan stated that in looking at the last report it did not appear to be as bad as was painted. Mr. Chapman continued by explaining that the bids were higher than originally estimated because of using the design estimates from the 2003 or 2005 bond. They accounted for inflation, but there were other items such as fuel cost that had gone up since that time. He pointed out that contractor work load can never be predicted because there are only a set number of contractors qualified to work on elevated tanks. Since we are now closer to the time the new regulations will go into effect, their workload has increased and they will price the project more to their advantage because they know people have to do this.

A motion was made by Commissioner Hancock to approve the low bid in the amount of \$315,986.72 for tank mixing systems at the Anderson Street, Florida Street, and Hodges water tanks; the motion was seconded by Commissioner Monaghan, and unanimously approved.

- F. Chairman Watts recommended acceptance of all low bids for transformers as recommended by staff.

A motion was made by Commissioner Monaghan to accept the low bid for one (1) 1500 KVA padmount transformer from Line Equipment Sales in the amount of \$32,778; one (1) 1000 KVA padmount transformer from Line Equipment Sales in the amount of \$26,645; three (3) 750 KVA padmount transformers from Line Equipment Sales in the amount of \$63,084; one (1) 500 KVA padmount transformer in the amount of \$14,507 from Shealy Electrical, and one (1) 225 KVA padmount transformer in the amount of

\$9,584 from Shealy Electrical; the motion was seconded by Commissioner Hancock, and unanimously approved.

G. Mr. Gentry reported that something should be ready for consideration with competitive grants at the next Board meeting. He noted that work was also being done for a block grant project. Mr. Jay West with the Partnership Alliance reported on projects adjacent to the city. He stated that there would be a light industrial park on Highway 225 and Alexander across from the CPW operations center where Alexander and 225 intersect. He pointed out an existing traffic flow and safety issue in the area because of the school systems. He suggested a possible scenario might be to continue a four-lane through from the point where 225 goes from four-lane to two on up to West Alexander. He continued that for future planning, that would make it within two and a half miles of having a four-lane loop completely around the city of Greenwood. Mr. West stated that he was working with the owner and the City on the tax structure. He noted the continuation of monthly planning meetings with CPW and complimented CPW for their team effort. Mr. West referred to a newspaper article about an interstate proposed by a Georgia congressman to come through Greenwood. He reported that Gresham Barrett had been contacted in Washington and they had discussed both the positives and negatives of what it would do to Greenwood. He stated that they are ready to move forward and are actually looking at the possibility of this happening. He added that it was interesting that a Georgia congressman wants to do it out of Augusta, Georgia. He pointed out the great potential for Greenwood noting that if you look at Charlotte, Columbia, Charleston, Savannah, Augusta, Atlanta, and Athens on the map, Greenwood is the hub right in the center. He continued that the same as with the two-lane to four-lane on Highway 225, this must be carefully planned and everyone needs to be on the same page. Mr. West reported that Project Phoenix, the \$800 million company, came to Greenwood on December 14 and would return in February. He noted that they had made their short list of three sites now. He pointed out that they would be large water, gas, and electric users. Mr. West stated that three more announcements were anticipated to be made shortly. One of those would be commercial retail that would be the major boxes. It is almost complete with groundbreaking anticipated in April. He commended Mr. Meredith for his thoroughness during discussions about electricity and parking lot lights. Mr. West reported that other announcements would be forthcoming through the Partnership level that would affect CPW. He expressed appreciation to CPW staff for their cooperation and quick response time with requests. Chairman Hancock noted that Georgia and South Carolina had agreed on a port on

the Savannah River, and noted no roads going down that way. He added that with regard to an interstate, Greenwood was supposed to get I-73 coming through from Myrtle Beach and going up to Detroit, Michigan at one time. He commented that nobody wanted an interstate then, but apparently their minds had since been changed. Mr. West responded that it can work but the key is to plan carefully. He continued that some small towns got together in Georgia and decided they did not want it and prohibited it from going through that part of Georgia. That is why this congressman has now come back. He stated that if that happens in the future, with where Greenwood is located geographically, it would be huge. Commissioner Monaghan noted new construction next to the Metro technical operating center and inquired if anyone had approached them about annexation. Mr. Meredith responded that they had not yet, and noted that it is Crescent Supply. Commissioner Monaghan suggested that someone talk with them. Manager Reeves stated that it appears CPW would be the electrical provider for the boxes mentioned earlier by Mr. West that are located between Old Navy and Fairfield Inn. It also appears that the property on the corner of the Corley property across from Lowe's would select CPW. Mr. West added that selecting CPW was included in the incentive package at the other location. Manager Reeves mentioned that Mr. Meredith did an excellent job of negotiating on the Corley property across from Lowe's, and the assistance from the capacity fees to help match the economic incentives.

IV. Other Business:

1. Manager Reeves distributed handouts of news articles provided by Commissioner Hancock.
2. Manager Reeves presented a request to proceed with the purchase of a copier at the main office, and reminded the Commissioners that it was bid at the last bid opening. He explained that the request was anticipated to come to the Board later in the month; however, because the copier at the water plant had died and could not be repaired, a decision needed to be made sooner. Manager Reeves noted that a copier at the main office would go to the water treatment plant and the new copier would stay at the main office. He recommended acceptance of the low bid in the amount of \$14,455.33.

Commissioner Hancock moved to accept the low bid. Commissioner Monaghan pointed out the high cost of the copier and asked about the brand. Manager Reeves noted that the older copiers purchased a couple of years prior had cost around \$13,000. Mr. Auman added that the copiers

also do double duty as color network printers and scanners which eliminates the need to purchase them separately. Commissioner Monaghan asked whether it was competitively bid; Manager Reeves responded that it was and provided copies of bid tabulation forms. After reviewing the form, Commissioner Monaghan noted a big variance in the bids. Mr. Auman pointed out the projected first year cost, and the three-year cost for supplies that was the more true cost. Commissioner Monaghan seconded the motion made earlier, and the motion was unanimously approved. Chairman Watts inquired about the length of the service contract. Mr. Auman responded that it was for one year and included toner and supplies, as well as repairs and service calls. He stated that the amount of toner supplied through the contract would be based on the number of copies made. He noted an overage charge of \$0.02 per copy adding that given the usage of this particular copier, that should not happen.

V. Executive Session

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

The meeting returned to open session. Chairman Watts stated that discussion took place regarding an annual contract with the *Index Journal* in the amount of \$20,000. Manager Reeves stated that the Commissioners agreed during *Executive Session* to also include language that would guarantee the ads would appear in the front section of the newspaper.

A motion was made by Commissioner Monaghan to approve an annual contract in the amount of \$20,000 with the Index Journal and to include the language as discussed; the motion was seconded by Commissioner Hancock, and unanimously approved.

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

Approved: _____, 2008

Secretary

