

**COMMISSIONERS OF PUBLIC WORKS**  
**Minutes of January 27, 2011**

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, January 27, 2011 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

**In attendance:**

Gene P. Hancock	Steve Reeves	Vicki Knott	Stacia May
Michael G. Monaghan	Ken Barnett	Jeff Auman	Bill Patrick
Henry O. Watts	Vickie Gorham	Richard Gentry	Chris Trainer
	Denise Ogletree	Chris Lindley	Mark Warner
	Eduardo Noriega	Jerry Smith	Michael Nix
	Jeff Meredith	George Petersen	Jean Martin
	Jeff Chapman	Carlos Cometto	Brad Jeffares

I. Chairman Watts called the meeting to order. The invocation was given by Commissioner Hancock.

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

III. Approval of Minutes:

A motion was made by Commissioner Hancock and seconded by Commissioner Monaghan to approve the minutes as received for the regular meeting of December 9, 2010, and the budget work session of December 22, 2010; the motion was unanimously approved.

IV. Financial Statement:

Commissioner Monaghan asked if the money for the Federal Building was included in a \$1.2 million transfer to the City shown in the report. Ms. Ogletree responded that would be a year-end audit adjustment when all of the bills are pulled for the year; the December statement has a lot of adjustments that must still be done before the audit. She stated that it would be one of the accrual adjustments calculated on the percentage agreed upon as part of the transfer. Commissioner Monaghan asked about the reason for a \$1 million net gain shown in water. Ms. Ogletree attributed the gain to higher sales and holding back on expenses. Manager Reeves noted that the reason was better explained on page 38 of the report showing water construction expenses. He stated that all items were in the budget, amounting to \$1.2 million that was not spent on projects. These projects were needed, but there were concerns with revenues at that point in time. The rate increase was not done until later in the year; there was a calculated

decision to hold off on the construction of some projects. Commissioner Monaghan asked about the largest of those projects; Mr. Chapman stated that some projects had already been initiated. The cost was budgeted in 2010; they are doing the roofing project at the water treatment plant, which is coming in at about \$100,000. This was budgeted in 2010, but because it was delayed, the actual bills will not come out until 2011. Commissioner Monaghan noted that was only \$100,000 and they are looking at about \$1 million; Mr. Chapman continued that there are also several lines extensions and other rehab projects, such as high-service pumps 5 and 3, as well as the controllers that are still to be done. Again, these will now be billed in 2011. Manager Reeves commented that there was not really a net gain, had we completed the projects that were planned. Mr. Chapman identified \$100,000 for a water department truck and trailer that was delayed from 2010 and is now in the 2011 budget. Chairman Watts inquired about South Carolina Debt Set-off Program showing \$1.3 million sent to Internal Revenue, and specifically whether that also included Metro. Ms. Ogletree responded that it did; Chairman Watts noted there would still be a balance of over \$1 million. Ms. Ogletree responded that would have been what was sent in around the first of November or December; they start collecting now from tax returns. Mr. Auman added that set-off debt is done as tax returns come in; there are usually a lot in the first two to three months when people file their returns, then we don't see much come in throughout the rest of the year. Chairman Watts noted that we are likely down the list and not necessarily number one priority; Ms. Ogletree responded that it depends on who gets the information there first, noting that the hospital is pretty quick to get theirs in.

V. Business:

A. Mr. Michael Nix with Greenwood Capital Associates provided a quarterly investment report for period ending December 31, 2010, noting that the full fiscal year of 2010 was represented. Mr. Nix first reported on realized and unrealized gains and losses for Investment Account 1802 with a list of assets that had matured, or called or sold during the period. He stated that a list of current assets in the account show that not much cash is being held, with statute approved investments, including S. C. Municipal Bonds, U. S. Treasury Bonds, and U. S. Agency Bonds. He noted that opportunities to buy when appropriate on the municipal side continue to be seen, adding that they do not get the benefit of the tax-free nature, but the overall yield is better than with some other instruments. Mr. Nix provided a performance report of the account with the portfolio value at the beginning of the fiscal year, withdrawals, realized and unrealized gains, interest for the cash flow generated from the account, and the ending portfolio value. He stated that cash flow for the year relative to the budget was in line throughout the year.

Mr. Nix then reported on Revenue Bond Fund Account 1975, including securities called, sold or matured during the period. He continued with a list of current assets in the account including cash, municipal bonds, and government bonds that included treasuries and agencies. He then referred to a performance report for the account showing a portfolio value from 12/31/09 to 12/31/10. He stated that the report included withdrawals from the account that are in accordance to the draw schedule. Mr. Nix noted that interest generated in the account had actually exceeded the budgeted amount of \$35,000 to \$40,000, coming in at about \$90,000. He then reported on the Debt Service Reserve Fund Account 2047, set up with four sub accounts when the account was first opened that were aligned with four bond issues. He stated that as of December, one was paid off and that portion of the money moved over to the Investment Account leaving three subaccounts. One of those three will be paid off in 2011 at which time that portion will move over to the Investment Account. The other two sub accounts will continue to stay on the books until those bonds are paid off at some point in the future. Mr. Nix noted that a different money market is used with current assets in the account; it is custodied at Bank of New York versus the other accounts invested at Countybank. Mr. Nix referred to a performance report noting that Greenwood Capital began as the advisor of these funds in the middle of 2010 so a beginning value is not shown on 12/31/09; the contribution which was the assets transferred into the account and any corresponding activity was shown. He stated that although no cash flow target was established for the account, a little over \$17,000 was generated for the period they have had the account. In looking forward for next year, there will be a budget amount for that account. Mr. Nix concluded with the 2010 Revenue Bond Proceeds Account funded in the later part of October of 2010. He stated that one issue came due, and then referred to the list of current assets in the account. He continued that the cash would be a little more fully invested and they had discussed timing of any withdrawals expected from the account. Given the current cash flow position, they should not need to pull out any cash from the account until August so it can be more fully invested until that point. He stated that from there, there will be a semi-annual withdrawal to be matched to the needs of the Commission. He pointed out negative interest shown because as the bonds are bought initially, they had to pay for accrued interest and that is paid back to us once the bonds pay that income. Mr. Nix shared that rates for three years out had moved up pretty rapidly. The way they are managing the assets they are able to go out and pick up additional yield by going out beyond a one-year maturity which you would typically have in a money market, so they can pick up additional basis points just by doing that and that can be advantageous.

- B. Chairman Watts presented a recommendation to approve an agreement with The Index Journal for 2011 in the amount of \$12,000.

A motion to accept the bid as recommended was made by Commissioner Hancock, seconded by Commissioner Monaghan, and unanimously approved.

- C. Chairman Watts presented a recommendation to accept the low bid from Mainline Supply in the amount of \$9.05 per foot for 6-inch ductile iron water pipe for a total contract price of \$55,223.10. Mr. Chapman noted this would be used on Reynolds Avenue.

A motion to accept the bid as recommended was made by Commissioner Hancock, seconded by Commissioner Monaghan, and unanimously approved.

- D. Chairman Watts recalled previous Board approval of \$20,000 to United Ministries to go toward utility bills. Manager Reeves stated that typically this money is sent through the CPW Cares Program; to date there had not been many contributions. Rather than the money sitting out there until spring, there is a current balance of \$14,394.64. Manager Reeves recommended sending half now to United Ministries and then send the remainder in four weeks to cover bills during the colder part of winter.

A motion was made by Commissioner Hancock and seconded by Commissioner Monaghan. Commissioner Monaghan noted \$12,000 had already been sent. Manager Reeves responded that was correct, including the contribution amount. With no further discussion, the motion was unanimously approved.

- E. Manager Reeves noted a request from the Commissioners at the last meeting to put together a Gas Piping Policy amendment to allow for free gas piping as long as one of the units was a primary heating source of 50,000 BTU's or greater, and at least one other appliance in the house that provided annual usage. He continued that the last policy specified that appliance had to be a gas hot water heater. The Board had asked that they look at including either a gas cook top stove or clothes dryer, so this policy makes that provision and allows for any of those appliances to be that second appliance. Commissioner Monaghan expressed that there would be an exception with gas logs; Mr. Patrick clarified that gas logs would not be included in that list of appliances. Manager Reeves added that it would also not include an outside gas grill. Commissioner Hancock stated that if they put in 50,000 BTU heating and put

in a year-around usage with it, then they should connect everything. Mr. Patrick stated that this policy defines that that year-around usage would be only for natural gas water heaters, natural gas cook stoves, and natural gas clothes dryers; if you put in a primary heat source and one of these, then you would get the free piping. He continued that it might be helpful if in the first paragraph after primary heat source, the word "and" be underlined or bolded. Mr. Patrick again clarified the point made earlier by Commissioner Hancock is that the policy states in the fourth paragraph "all other gas piping will be charged according to miscellaneous rate tariffs", which is the same as what was said all long. This was not a change. Manager Reeves stated that the thought process was if you have one of these, then put in the others of these, then all of that piping would be free. We have not given free piping for the gas logs before. Mr. Patrick stated that if that is part of the request, then that was not addressed here. Commissioner Hancock stated that if you say you put it in now when you put in 50,000 and put in year-around usage with it and come back three or four months later and add one of the other things, you get free piping for that too. Manager Reeves said that would happen if you add one of the other things; but if you add gas logs you would have to pay for those. Chairman Watts stated that would be once you get all those others. Mr. Patrick clarified that this policy today would provide for free piping for the primary heat source and the qualifying year-around usage item. Chairman Hancock agreed that was correct.

A motion to approve the policy changes as recommended was made by Commissioner Hancock, seconded by Commissioner Monaghan, and unanimously approved.

- F. Mr. Brad Jeffares with GST Consulting provided a project review for 2010 and plans for 2011. He noted that they had been working with CPW since 2005, beginning with the initial conversion of the GIS systems from a Legacy system to the ESRI. He stated that all GIS databases were designed and migrated to ArcGIS Server Advanced Enterprise, ESRI's most powerful platform. This platform had been utilized to create mobile applications to get GIS into hands of field crews. Mr. Brad Jeffares noted that 9,995 meters were located in 2010; previously they had located 33,090 so that approximately 75% of all meters for all three utilities have been GPS located. The remaining meters were matched based on E-911 address and AS400 addresses. He noted that they located in this fashion was to help with mapping of the electric system secondary wires, so the focus was on capturing those meters first. Mr. Jeffares stated that they go through one route at a time, the same as used by meter readers, to capture meters; if the route contains all three utilities, then they capture all three meters as they go. He provided an example of address

matching noting that they first wanted to see where customers are located to at least get in the ballpark with areas where customers are residing when address matches were done. Now that GPS has been done, they can see where all meters for all utilities are located at an address. He stated that this is +/- three feet; if the water meter gets covered up by a plant, grass or bush, they have the ability to navigate back to that point and dig it up. Mr. Jeffares continued with the plan for 2011 which is to locate additional 13,000 meters which will cover most of the rest of the meters. This is done to have the accurate location of a meter; knowing where a meter is located is important but also it allows them to tie in meter points to the customer service information on the AS400 to know who and where customers are located. He noted this would be done at a cost of \$39,000. Commissioner Monaghan asked about capability to continue on our own with this when a new house is put on the system; Mr. Auman responded that they are already doing that internally with new construction. This has been part of a five-year plan to get all meters located and we are now in the fifth year. As of this year, GST will no longer be locating any more meters and CPW will take over the maintenance. Mr. Jeffares continued with an explanation of the plan to continue electric collection. He noted they had already mapped circuits 15, 16 and 17 and located every pole. Once poles are located, each line is walked and primary and secondary information is captured including wire size, phasing, location of transformers, switches, and fuses. Then they populate attributes from the ground. He noted they are mapping from the GPS meter out to the GPS pole and putting in all of the other features. This past year they did substation 1 which consisted of mapping an area with 2760 poles, 25.5 miles of overhead electric primary, 2.7 miles of underground electric primary, 58.9 miles of overhead electric secondary, and nine miles of underground electric secondary. Mr. Jeffares stated that over the last four years, they had located 8,305 poles covering 8,669 electric customers. Commissioner Monaghan inquired about how this worked into assets, recalling some things identified before that were not in the accounting system. Mr. Auman responded that is one of the problems that will eventually be addressed. They had an issue in the past with what is on the books not tying in with what is in the field; for instance with the piping they are getting ready to replace, when piping was retired, there was not a way to put that against the asset and say it was retired. Once this project is completed, that can be tied to the actual asset in the GL so those can be retired. After finishing the next phase with getting everything in the system as accurately as possible, they can begin to reconcile between the two. Mr. Jeffares pointed out that with 162 miles of overhead and 68 miles of underground electric secondary, usually there was no GIS record of that asset. Those assets must have been estimated on the AS400 somehow. They are inventorying all assets out in the field and that should be reported in

the AS400 but also fed directly as modified. After noting 55 – 72% of the electric system mapped to date, Mr. Jeffares shared the plan for 2011. He stated that proposed for this year is mapping of all of substation six at a cost of \$68,000. Commissioner Monaghan asked how this process is done; Mr. Jeffares provided a slide showing all poles. He explained that a guy goes out and locates every pole and what he can see from the ground. Once he does an entire circuit, he comes back with a tablet computer; he has the existing GIS and verifies primary wires. He continues mapping and drawing in the secondary lines as they connect out in the field. Mr. Jeffares continued with utility management systems noting that the goal was to have maintenance work performed as part of daily work flows tracked and maintained in one centralized database. Currently, each department has records on tests and exercises performed on the system scattered about in spreadsheets and access database. That information will be taken and stored centrally and attached to the GIS for analysis. He stated that in 2009 they rolled out the GIS portal which is a mobile application based on ESRI's ArcGIS server for gas, water, and electric. Current functionality includes redlines to update maps; gas applications to include regulator maintenance, valve maintenance, rectifier reading, CP readings, leak tracking and repair tracking; and water applications to include leak tracking and repair tracking. He continued with enhancements in 2010 to include better searching capability; printing improvements; valve isolation for gas and water; hydrant flow testing; distribution flushing; hydrant maintenance; electric transformers; and document attachment. Those that have not been rolled out will be done early this year; they were developed through the end of 2010 and are not ready for installation and user training. He noted these would be rolled out for gas and water because the feeling is that these systems have been accurately mapped to the point of being able to pull out positive information. The electric system will have similar functionality after mapping and all the secondary is put in. Mr. Jeffares continued with plans for 2011 that include electric pole inspection, and meter shop testing integration at a cost of \$7,500. Also, to install and configure enhancements; design and develop applications for cross connections, elevated tanks, altitude valves, sampling points, and tracer studies, at a cost of \$10,000. Mr. Jeffares stated that the mobile work order system has been in the works for about a year and a half; they are at the point where work orders are being created in the AS400 . Once entered, they have a query that pulls those down as they come in so that within about four minutes, a dot shows up on the map in the GIS with the associated work order information. This is being done based on a customer match, all going back to having all meters located and having customer numbers for that meter inside the system. He stated that field crews will be able to receive work orders as point information to be filled out through mobile application.

The GIS portal will serve as host for the work order systems so there will not be two separate applications. Mr. Jeffares stated that in 2010 the entire framework was developed for the mobile work order system and the integration pieces that read data from the AS400 were joined with customer data to create GIS "dot". They also created forms and database tables for data to be displayed and edited in the GIS portal. For 2011, the plan is to roll out a beta version to meter services in February and provide initial training. Then they will make any modifications from beta testing and roll out the final version and train staff. This will be done at a cost of \$5,000. Once they are up and working live, GST will work with remaining departments starting with gas, water, and electric to go through the same process as with meter services to configure and set up to meet their needs. The cost for this part will be \$15,000. He concluded with the other part of the contract that is for general GIS support; remote and phone support for ESRI software bugs and problems; data updates from surrounding counties; and migration to ArcGIS server 10.0, at a cost of \$15,000. Also, mobile device and supplication support; remote and phone support for GST portal application; training; and installation and setup for new users and computers, at a cost of \$5,000. Mr. Auman noted that the total recommendation amount is \$164,500 and comes primarily from the engineering budget. Mr. Auman recalled that a few years back when the initial demonstration was done with the tablet PC, one of the biggest savings since that time has come from the data now available in the field so that they don't have to come back to the office or call someone.

VI. Other Business:

1. Mr. Warner updated the Commissioners on total projects since July of 2010, noting fairly steady activity with requests coming in. He stated that in looking at active in-progress projects, there are 15 projects that are less than six months old and only five greater than six months. The project list total investment potential is around \$1.37 billion, with potentially a little over 2,200 jobs. Existing employers have some activity going on now, varying in numbers.
2. Manager Reeves informed the Commissioners that during the recent winter snow and ice storm, it was found that the chemical building at the water treatment plant had numerous severe water leaks. The cost to replace the roof on that building is \$16,536. He noted that a roofing contractor was already on site, but approval of a change order was needed for the additional work. He stated that \$15,000 was available in the 2011 budget for painting. Mr. Chapman added that another \$1,900 for insulation that would be done along with the roofing brings the total change order amount to \$18,448.



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

3. Manager Reeves requested dates for a pre-bid conference for the Augusta Fields project sometime in early April. The Commissioners agreed to get back with Manager Reeves with dates.
4. Mr. Gentry reported on a meeting on March 10, at 7:00 p.m., with Eduardo Noriega, Derek Pendley, and Mark Hamm and the Promised Land Community Group to discuss the gas lines going in. He added that they would be meeting at the Fire Department; the Commissioners requested that Mr. Gentry send an e-mail reminder a couple of weeks ahead of that date. Mr. Gentry continued that on March 2, at 10:00 a.m., they would be making a presentation on energy savings to an AARP group at Post 201. Chairman Watts asked about the cost to convert from propane to natural gas; Mr. Noriega responded that it depends on what they already have in place.

VII. Executive Session:

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

The meeting returned to open session.

Mr. Patrick stated that during *Executive Session* the Manager reviewed with the Commissioners a proposed settlement agreement in connection with the Duke Energy transmission charges rate case pending before the Federal Energy Regulatory Commission. The Manager reported that Sheree Brown, the CPW's consultant in this case, has recommended that the CPW agree to the proposed settlement with Duke Energy, and the Manager also concurs in that recommendation. He continued that the Commissioners wanted to make a motion to authorize the Manager to execute the settlement agreement with Duke Energy in that FERC transmissions rate case.

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

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

Approved: \_\_\_\_\_, 2011

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Secretary