

COMMISSIONERS OF PUBLIC WORKS
Minutes of July 13, 2017

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, July 13, 2017 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

In attendance:

Arthur C. Bush	Steve D. Reeves, Jr.	Wayne Bartley	Melinda Miller
Michael G. Monaghan	Jeff Chapman	Jeff Auman	Bill Patrick
Henry O. Watts	Jerry Smith	Jeff Meredith	James Bateman
	Carlos Cometto	Vicki Knott	
	Chris Lindley	Alethea Phillips	

- I. Chairman Watts called the meeting to order and Commissioner Bush gave the invocation.

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

Mr. James Bateman with the Greenwood Partnership Alliance gave the Board an update. Mr. Bateman stated that the County's bid opening will be this afternoon for the three initial improvements at the North Greenwood Industrial Park. Mr. Bateman said that he would be attending that bid opening. He said a recommendation to County Council will be made by the County for a bid selection at next Tuesday's meeting on July 18th with construction slated to begin in August for the monument sign, the partially paved roadway and sewer under the highway. The proposed site is the first buildable site for this spec industrial building. Construction completion will be the end of November. Mr. Bateman stated that the Partnership has submitted a letter of intent to the Department of Commerce to apply for a second round of funding through a grant program that made possible these three improvements that will be underway in the next month. Mr. Bateman answered a question for Commissioner Monaghan that was raised at the Metro meeting. He said as they count up their year-end metrics from the 2016-2017 fiscal year, they are looking at the 43 total Request for Information received and the 29 submissions that they made for those RFI's. He said there were 10 that they did not have a submission for. He said the other difference in those numbers is where there was an inquiry about a specific property that we provided assistance for, but we did not have to propose properties as would be typical for a RFI. He said for the 10 where they did not have a submission, he has looked at all of those and of those 10, seven of them, we are looking for existing buildings, two of them, we are looking for sites that we did not have and one of them, we chose not to submit on due to the type of industry. Mr. Bateman said that of the seven buildings, there is a particular interest with

the state living proposal, none of those seven, this proposed spec building would not have been a perfect match for. One of the seven, we would have submitted the spec building on. There was one that looked for a 100,000-250,000 square foot food grade building. This spec building would be built such that it could be made into a food grade building. Mr. Bateman stated that was the first phase of a project. That particular project did not find a 100,000-250,000 square foot existing food grade building in the state. They came back with a second phase of their search and asked for 20-50 acre sites. Mr. Bateman stated that they submitted the North Greenwood Industrial Park for the second phase of that project. He said that is one example of a case where a company comes looking for an existing building and then accepts sites as they are in their second phase of their search. Mr. Bateman stated that a couple of the others were searching for existing buildings with rail service which there are none available in Greenwood County. Others were looking for much larger buildings. He said one was looking for a 500,000 square foot building expandable to a million square feet and another was looking for 340,000 square feet. These are examples of request for building that our proposed spec building would not have matched up for. Mr. Bateman said that another piece of information he wanted to bring back to the Board was updated information on the building size and site size of the active projects at the Department of Commerce. He said the Department of Commerce can provide us with a total number of spec buildings that exist in the state today and what the specs are for those buildings like the square footage, how long they have been on the market and when they were built. They can tell us the number that are under construction and the number that are planned and when construction is expected to begin on those buildings. Mr. Bateman said that at last check, it was some 26 spec buildings. He said what is interesting to see is the time on the market for all of the buildings verses the time on the market for the buildings that were built between 2014 and 2016 and that was six months. In the older date, of all the spec buildings in the state, the average time on the market was 3 ½ years. But from 2014 to 2016, the newer spec buildings, the average time on the market until they were released or sold was half a year. It is to the point of having a newer building and in Greenwood County, none of our available industrial buildings were built more recently than 1991. He said that is why on the building requests, they continue to fail. He said having newer buildings would go a long way. Mr. Bateman said that in the last week, the Department of Commerce has requested communities tell them if they have any pad-ready sites for a construction ready site.

III. Business:

- A. Jerry Smith gave a presentation on the Weather Service Agreement options. Mr. Smith stated that we have used "SkyWatch" for winters 1999-2000 and 2000-2001, starting back in 2005 and continuing currently. He said SkyWatch is the only service that provides forecasts that are customized for our needs and our geographical area. Mr. Smith said that when we didn't use a weather service, we used generic weather information and experienced difficulties in

accurately scheduling natural gas volumes with the pipeline. He said that SkyWatch provides a web-based weather service with daily and weekly forecasts that are customized to CPW's needs. Phone access is also available to discuss special situations and conditions. The SkyWatch forecasts include an indicator that takes into account temperature, cloud cover, wind and rain in our area. Mr. Smith stated that we just completed a five year contract term with SkyWatch. He said SkyWatch proposes the following: a one year term with a \$20.00 per month increase per year; a two year term with a \$30.00 per month increase each year; and a five year term with a \$50.00 per month increase in the first year only. Mr. Smith said the five year term has the lowest monthly cost over the term of the contract and recommended the five year term securing this customized service at a reasonable price that will not increase for five years. Commissioner Bush made a **motion** to authorize the Manager to execute a Weather Service Contract with SkyWatch in the amount of \$540.00 per month for a five-year period with a total cost over that time frame of \$32,400.00, seconded by Commissioner Monaghan and unanimously approved.

- B. Jerry Smith gave the Quarterly Natural Gas Update. Mr. Smith started his update by stating that no gas was purchased this quarter. He said the 12-month strip fell \$0.16/Dth and we made two firm transportation commitments with DCGT. These commitments included renewing our existing contract for 500 Dth/day in winter for a five year term and a signed contract for 10,000 Dth/day for a five year term starting in May 2018. Mr. Smith then stated that this year, the economy is finally improving and that could increase demand, and crude oil prices have approached the lower end of the \$40 - \$60/barrel range. He said this could discourage additional production efforts. Mr. Smith said that we have 25% of estimated usage covered through March 2019 at prices less than \$3.00. Natural gas prices have declined into summer to just above \$3.00 for 2018 and 2019 which means that prices are actually below \$3.00, but our higher volumes in winter make the weighted average price higher. Mr. Smith recommended that we purchase additional volumes to bring coverage to approximately 40% through March 2019 at approximately \$3.00/Dth. He said we may get another buying opportunity in August, September and October when 2017-2018 winter months can be added. Commissioner Monaghan made a **motion** to purchase additional volumes at up to \$3.05/Dth, seconded by Commissioner Bush and unanimously approved.

IV. Other Business:

Manager Reeves said that the Annual Hedge Review needed to be scheduled. Manager Reeves asked if the Board wanted to continue with auditor Mr. Charles Schultz or include our new auditors since they seem to have a good bit of knowledge. Commissioner Monaghan recommended that we talk to Mr. Schultz and then come back to the new auditors if Mr. Schultz cannot do it. Mr. Bill Patrick stated that at some point, the Board may want to have the new auditors involved. Manager Reeves stated he will contact Mr. Schultz again.

V. Executive Session:

A **motion** was made by Commissioner Bush to go into *Executive Session* to discuss a Personnel Matter per SC Code 30-4-7-(a), seconded by Commissioner Monaghan and unanimously approved. Manager Reeves stated that following *Executive Session*, the Commissioners may return to Open Session to take action on matters discussed in *Executive Session*.

The Commissioners went into Executive Session.

VI. Adjourn

Approved: 7/24, 2017



Secretary