

**COMMISSIONERS OF PUBLIC WORKS**  
**Minutes of July 27, 2017**

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, July 27, 2017 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

**In attendance:**

Arthur C. Bush	Steve D. Reeves, Jr.	Eduardo Noriega	Vicki Knott
Michael G. Monaghan	Jeff Chapman	Jeff Auman	Alethea Phillips
Henry O. Watts	Jerry Smith	Carlos Cometto	Bill Patrick
	Jeff Meredith	Teresa Lake	John Wiseman
	David Tuck	Wayne Bartley	

- I. Chairman Watts called the meeting to order. The invocation was given by Commissioner Bush.
  
- 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 Monaghan and seconded by Commissioner Bush to approve the Minutes of the regular meetings of June 8, 2017 and June 22, 2017 as submitted; the **motion** was unanimously approved.

IV. Financial Report

- A. Mr. John Wiseman, with Greenwood Capital, provided the second quarter review for April 1, 2017 – June 30, 2017. Mr. Wiseman started his review with a Market/Economic Overview. He stated that the Labor Market looks good, and Confidence is still maintaining a post-election bounce. He stated that with federal funds rate now 125bp and the bond yields at 217bp, the yield curve has narrowed to just 92bp and this is a slowdown signal, but not a recession. Mr. Wiseman then gave a review of the CPW Accounts starting with the Operating Reserves Account 1802. He stated that the account had a beginning value of \$10,490,025.00 and a current value of \$8,565,891.00. The average maturity was 3.7 years, the average current yield and coupon was 1.7%, the average duration was 3.2 years, S&P rating was AA+ and the average Moody's rating was AAA. The Electric Rate

Stabilization Account 2172 had a beginning account value of \$7,920,444.00 and a current value of \$8,034,878.00. The average maturity was 2.9 years, the average current yield and coupon was 1.5%, the average duration was 2.6 years, S&P rating was AA+ and the average Moody's rating was AAA. The Gas Rate Stabilization Account 2129 had a beginning account value of \$1,428,204.00 and has a current value of \$1,441,635.00. The average maturity was 3.3 years, the average current yield and coupon was 1.5%, the average duration was 3.1 years, S&P rating was AA+ and the average Moody's rating was AAA. The Water Rate Stabilization Account 2515 had a beginning account value of \$1,235,558.00 and has a current value of \$1,235,247.00. The average maturity was 2.8 years, the average current yield and average coupon was 1.5%, the average duration was 2.7 years, S&P rating was AA+ and the average Moody's rating was AAA. Mr. Wiseman concluded with a review of the Debt Service Reserve Account 2047 and the '14 Rev Bond Proceeds Account 2471. He stated that the Debt Service Reserve Account 2047 had a beginning account value of \$462,713.00 and a current value of \$464,598.00. The average maturity was 1.4 years, the average current yield and coupon was 1.5%, the average duration was 1.4 years, S&P rating was AA+ and the average Moody's rating was AAA. The '14 Rev Bond Proceeds Account 2471 had a beginning account value of \$3,703,713.00 and has a current value of \$2,399,264.00. The average maturity was 1.2 years, the average current yield and coupon was 1.3%, the average duration was 1.2 years, S&P rating was AA+ and the average Moody's rating was AAA.

- B. Chairman Watts asked the Board if there were any questions or comments on the Financial Statement. Manager Reeves stated that while we are still in the black, he sent out an email this week asking departments to refrain from any non-essential expenditures. He said we will hold tight for a while and see if things pick up on the revenue side. Commissioner Monaghan asked Mrs. Lake to explain what the Debt Service Reserve Account is. Mrs. Lake stated that is the 2007 Debt Service Reserve Fund and that was required by the Bond Ordinance that we actually hold that fund to reserve an annual payment in case we were to get into trouble. She said this is the only one handled at Greenwood Capital in conjunction with Bank of New York. Mrs. Lake said this Bond will be paid off in December and once that Bond is paid off by the 2016 Bond that we have in escrow, this will actually come back to us and this account will be closed. Manager Reeves stated that Mrs. Lake is going to do an update on this at the next meeting.

V. Business:

- A. Manager Reeves stated that CPW had received an executed Franchise Ordinance for natural Gas to the Town of Hodges. He said that in accordance with that

Ordinance, it is proper for the Commissioners to adopt a Resolution acknowledging the extension of a Natural Gas Franchise with Hodges that will run until July 1, 2036. He said the terms and conditions remain the same as in the past. Manager Reeves recommended the Board approve and execute the Resolution and all three Commissioners would need to sign the Resolution if adopted.

A **motion** was made by Commissioner Bush to adopt the Resolution acknowledging the extension of a Natural Gas Franchise with the Town of Hodges, seconded by Commissioner Monaghan and unanimously approved.

- B. Manager Reeves stated that CPW has a fourteen-year Maintenance Agreement for the elevated water tanks with Utility Service Company, Inc. He said this agreement requires a 90-day notice of cancellation so if the Board wishes to cancel the agreement, a notice of cancellation would need to be given now. Manager Reeves said that it is staff's recommendation to continue this program and asked that the Board authorize staff to continue with this contract.

A **motion** was made by Commissioner Monaghan to authorize staff to continue the contract with Utility Service Company, Inc. for the maintenance of the elevated water tanks, seconded by Commissioner Bush and unanimously approved.

- C. Manager Reeves recommended the Board authorize the Manager to execute a three year contract with Presort Plus to continue with the utility billing at a savings of \$90,000.00 per year.

A **motion** was made by Commissioner Monaghan to authorize the Manger to execute a three year contract with Presort Plus to continue with the utility billing, seconded by Commissioner Bush and unanimously approved.

- D. Manager Reeves recommended the Board authorize the Manager to contract with JL Construction Company at a price of \$13,500.00 for the removal and replacement of a 20 inch valve in the filter gallery at the Water Treatment Plant. JL Construction Company is already on site working on other projects. A second bid was submitted from Chandler Construction Company at \$40,000.00.

A **motion** was made by Commissioner Bush to authorize the Manager to contract with JL Construction Company at a price of \$13,500.00 for the removal and replacement of a 20 inch valve in the filter gallery at the Water Treatment Plant, seconded by Commissioner Monaghan and unanimously approved.

- E. Manager Reeves recommended the Board authorize the Manager to transfer \$602,357.79 from the 2014 Bond Construction Fund into the General Operating Fund as repayment for those projects during the second quarter of 2017.

A **motion** was made by Commissioner Bush to authorize the Manager to transfer \$602,357.79 from the 2014 Bond Construction Fund into the General Operating Fund as repayment for those projects during the second quarter of 2017, seconded by Commissioner Monaghan and unanimously approved.

VI. Other Business:

Manager Reeves stated that a meeting has been scheduled with Charles Schultz for the Natural Gas Hedging Program on Monday, August 7, 2017 at 3:30 p.m.

VII. Executive Session:


A **motion** was made by Commissioner Bush to go into *Executive Session* to discuss Personnel and Contractual Matters 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*.

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

Approved: 8/24, 2017

  
Secretary