

**REGULAR MEETING OF THE COMMISSIONERS OF THE BOARD OF
PUBLIC WORKS**

ON MONDAY, MARCH 25, 2002 AT CITY HALL AT 5:15PM

MEMBERS PRESENT: Chairman Bob Clary, Commissioner Carl Kilgus and Commissioner Marion Dwight
Manager: Bruce Ellis
CLERK: Bruce Watson.
VISITOR: Keith Dooley, Mayor Alton McCollum, Daryl Pitre, Cindy Nichols, Nancy Foster, Buzzy Bunch and Nancy McFarland

Chairman Clary called the meeting to order and Clerk Watson gave the invocation.

Chairman Clary informed the Commissioners that Auditor Dooley was tied up in traffic but that he was on his way.

Mr. Daryl Pitre asked the Commissioners what steps could be taken to have his demand charge removed.

Commissioner Kilgus informed the Commissioners that Mr. Pitre had contacted him concerning his high demand charge. He explained that he was not trying to get him a reduced rate but was only trying to help him find a solution to his problem.

Manager Ellis explained that the BPW sized their service according to the builder's request. Manager Ellis told the Commissioners that the demand rate charge was placed on services to offset the high voltage usage when everything is cut on at one time. He explained that this is done for high demand services all the time. Manager Ellis explained that the BPW must pay demand rates to Santee Cooper in order to serve such commercial customers.

Manager Ellis explained that the rate structure was geared to charge for large demand loads like Mr. Pitre's when everything is cut on at one time. He said the service was not designed for a church.

Commissioner Kilgus asked Manager Ellis if the BPW transformers were designed for the building in which Mr. Pitre was renting.

Manager Ellis explained that the transformers were sized for the kw demand for that building. He said the design allowed for a low hourly kw usage but for a high demand load use.

Commissioner Kilgus asked if Mr. Pitre had been informed about the high demand rate.

Manager Ellis explained that the BPW does not tell everyone about demand rates when they ask to have services turned on. He told the Commissioners that if Mr. Pitre wants to get lower rates then he would need to have a contractor build a service that requires lower demand with staggered loads for the building.

Commissioner Kilgus told the Commissioners that the BPW needed to try and help their customers.

Mr. Pitre said he planned to take out one of the service panels for the building.

After some discussion, Manager Ellis said he would help Mr. Pitre look at his service in order to give him advice on what needed to be done.

Auditor Keith Dooley presented the 2000-2001 Audit Report to the Commissioners. He informed them that the audit gave the BPW a Clean Opinion with one qualification pertaining to plant additions made prior to May 1, 1978. He explained that the qualification would be removed in the future due to the depreciation of the equipment.

Auditor Dooley informed the Commissioners that GASB 34 would take effect next year and would require some changes in wording. He explained that for the most part the BPW is already doing what is needed.

Auditor Dooley informed the Commissioners that BPW assets exceeded liabilities to give the BPW \$15,871,723.00 in fund equity. He said this was a healthy fund balance.

Auditor Dooley informed the Commissioners that expenses had exceeded revenues this year to give the BPW a net loss of \$217,853.00. He urged the Commissioners to keep their eyes on their rates. He explained that the BPW needed to look at their rates and said they needed to be sure the BPW made money. Auditor Dooley explained that cost shifting between departments should not be done due to lawsuits that have come from such actions.

Commissioner Kilgus asked about the lawsuits.

Manager Ellis said the BPW charges their customers rates but also gives \$150,000.00 to the City each year. He said if the BPW was franchising with the City that the BPW should only pay \$35,000.00 to the City instead of the \$150,000.00.

Auditor Dooley told the Commissioners that they must be ready for deregulation. He explained that the BPW cash had decreased by \$714,639.00 this year but

explained that grant monies would be coming in soon to replace this cash. Auditor Dooley applauded the Commissioners for their good cash situation.

Auditor Dooley informed the Commissioners that one local industry provided 17% of the BPW total revenue and that the BPW had \$488,868.00 in notes payable.

Auditor Dooley told the Commissioners that he anticipated that they would get the rates where they needed to be.

The Commissioners had no questions for Auditor Dooley.

Commissioner Kilgus made the motion to approve the minutes of the February 25, 2002 meeting as received. Commissioner Dwight made the second. All approved. The motion carried.

The income and expense statements were received as presented.

Under Manager's Report:

Manager Ellis explained that Danny Matheny was the only bidder for the BPW property that he wished to buy next to his station. He said Mr. Matheny bid \$10,124.91 and that work would begin to transfer the property to him.

Manager Ellis informed the Commissioners that tobacco grant projects have begun and that within six months the first draw down of funds must be made.

Manager Ellis explained that once bids are opened Thursday, that the BPW would be reimbursed some of the 1.2 million dollars that is due the BPW.

Manager Ellis informed the Commissioners that the Rockland pretreatment plant is up and running.

During questions from the press, Manager Ellis explained where the tobacco monies were coming from. He also explained how EDA and CDBG grant funds were received.

With no further business, the meeting was adjourned at 5:50 p.m.