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Commissioners
Jeffery M. Howell - Chairman
Perry J. Williams
Eugene G. Gibson

Michael Richard, P.E.
General Manager

MINUTES OF THE MEETING OF THE COMMISSIONERS OF PUBLIC WORKS

November 9, 2020

Meeting Location: 301 McCall Street, Greer, SC 29650

SPECIAL BUDGET WORK SESSION

Greer Commission of Public Works met in **Special Session** with Chairman Jeffery M. Howell presiding. The Commissioners of Public Works assembled for their special meeting at 10:00 AM in the boardroom of the administrative and operations complex.

Commissioners present were: Chairman Jeffery M. Howell and Commissioner Perry J. Williams.

Others present: General Manager Mike Richard, Finance Manager Angela Karcher, Engineering and Planning Manager Mark Harvey, Operations Manager Marc Regier, and Secretary to the Board Fredia Snow.

The Greenville News, The Greer Citizen, Greer Today and the Spartanburg Herald Journal were notified of the meeting by email on November 2, 2019 at 3:00 PM.

Mr. Howell called the **Special Budget Work Session** to order at 10:00 AM.

INVOCATION

Mr. Howell offered the invocation.

2021 BUDGET

Finance Manager Angela Karcher presented the proposed 2021 Budget. Following is the proposed 2021 Budget and approved 2020 Budget.

	<u>2021 Budget</u>	<u>2020 Budget</u>
Total Operating Revenue	\$92,382,015	\$93,237,034
Total Operating Expense	\$83,932,730	\$84,445,055
Total Net Operating Revenue	\$ 8,449,285	\$ 8,791,979
Total Salaries & Benefits	\$13,547,274	\$12,876,134
Total Capital Projects	\$21,868,866	\$12,818,700
Funded from Capacity Funds	<u>\$ 3,824,045</u>	<u>\$ 3,883,000</u>
Net Capital Projects	\$18,044,821	\$ 8,935,700

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Capital Equipment	\$ 1,334,600	\$ 1,214,561
Net Cash Flow	-\$ 5,293,690	\$ 3,314,494
Debt Service Coverage	335.18%	322.29%
Debt Balance	\$51,729,142	\$56,047,869

Mrs. Karcher indicated that there is an 8.3% reduction in Purchased Power and an increase of 4.68% in Purchased Gas. Depreciation is up 12.02% because of additional assets added in 2020 as well as accumulated depreciation on older assets. Net Revenues are down 3.90%. Mrs. Karcher also stated that Accounts Receivables was looking good and that some customers are now paying off their COVID-19 payment arrangements. Mr. Richard added that the impact of COVID-19 has not been as large as anticipated. Mr. Williams said the impact was due to our great response which Mr. Howell agreed because our payment arrangements were more lenient than other utilities. Mr. Richard affirmed that when you take out payment arrangements, it is a lower balance than last year. Mrs. Karcher confirmed there was a diminished capacity to obtain debt refunding savings than originally seen in early Fall. Net revenues available for debt service is 3.11%.

Prior to Marc Regier and Mark Harvey discussing the Combined Utility System Capital Improvements and Requests, Mr. Richard indicated that the italicized items would be paid with capacity fee money. Some highlights for 2021 per Mr. Regier are \$8,000,000 for IT, with the AMI project being \$7,500,000. \$16,000,000 for Gas expansion over the next five (5) years due to concerns with pressure changes and new growth. For the Electric Department, new residential development was \$875,000 last year and will be \$1,000,000 this year. Among the municipalities, our Gas system is the largest in the State, we are installing approximately 100 new gas meters per month. The Commissioners asked staff to review Gas incentives for gas logs, dryers and pool heater as builders are not putting in that many hot water heaters.

Mr. Harvey stated for Sewer System Expansion, there will be the BMW Pump Station Upgrade, High School Pump Station Upgrade, Princess Creek, Gibb Shoals and Abner Creek Collector. Water Distribution will be replacing 2" with 6" for fire protection.

Mr. Regier stated that the Electric system still required a lot of manual operation and we will be adding intelligent devices on the primary Electric system. For example, we do not have real-time visibility into the LEC tie-in points. We will continue to fund the overhead to underground conversion. The CIP also has money included for land acquisition around the Water Plant property. The Gas system will use monies to create a new transmission safety plan. The Engineering Department is looking to enhance/replace our Outage Management System. The Water Filter Plant will be removing trees around the property perimeter. At the Wastewater Treatment Plant, we will be making upgrades to the UV Electric system. In the IT Department, we will be installing a new CIS system to replace the aging AS400. The Finance Department is looking to add the Acumatica projects module next year. The total for Capital project is \$21.8M. On the Capital Equipment side, we are looking to replace a skid steer, purchase 9 gas squeeze off tools, replace one clear well pump at the Water Filter Plant, and replace a grinder at the Wastewater Treatment Plant.

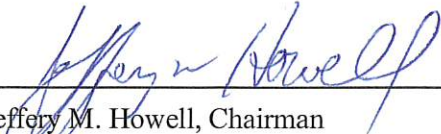
GENERAL MANAGER COMMENTS

Mr. Richard advised that our regular Board of Commissioners meeting if there are no changes, we will submit the same budget for approval. Also, at that meeting, will present Electric Tariffs which will show a decrease in rates that we will also ask for approval.


ADJOURNMENT

With no further business, Perry Williams made a motion to adjourn. Jeff Howell seconded. The vote tally was as follows: Mr. Howell, yes. Mr. Williams, yes. The motion carried, and the **Special Session** adjourned at 11:33 AM.

Respectfully Submitted,



Jeffery M. Howell, Chairman
Board of Commissioners



Fredia M. Snow, Secretary
Board of Commissioners