

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, August 16, 2018

The Board of Commissioners of the Greenville Utilities Commission met in the Greenville Utilities Board Room in regular session at 12:00 noon with the following members, and others present, and Chair Blount presiding.

Commission Board Members Present:

Rebecca Blount, Chair	Minnie J. Anderson
Joel Butler	Ann E. Wall
Parker Overton	Tommy Stoughton
Don Mills	Toya Jacobs

Commission Staff Present:

Tony Cannon, General Manager/CEO	Lou Norris
Chris Padgett	David Springer
Phil Dixon	Durk Tyson
Jeff McCauley	Carl Smith
George Reel	Jason Manning
Keith Jones	Kevin Keyzer
Roger Jones	Emily Barnes
Anthony Miller	Jonathan Britt
Randy Emory	
Sandy Barnes	
Richie Shreves	
John Worrell	
Scott Mullis	
Amy Wade	

Others Present:

Ginger Livingston, The Daily Reflector; Rick Smiley, City Council; Melissa Miranda, ElectriCities; and Marvin Blount.

Chair Blount called the meeting to order and Mr. Overton ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

A motion was made by Mr. Butler, seconded by Mr. Stoughton, to accept the agenda as presented. The motion carried unanimously.

Safety Brief

Tony Cannon, General Manager/CEO, called on Kevin Keyzer, Risk and Facilities Manager, to provide the safety brief. Mr. Keyzer explained the plan of action should there be an emergency at today's meeting.

Recognition of Service as Chair: Don Mills

Chair Rebecca Blount recognized Commissioner Don Mills for serving as Chair for 2 years. She stated that Mr. Mills was appointed to the GUC Board of Commissioners in July 2013 and served as Secretary and Chair-Elect prior to being elected as the Chair. During his tenure as Chair, Mr. Mills lead GUC through Hurricane Matthew, the selection and purchase of property for the New Operations Center, implemented the new Customer Care and Billing systems, began implementation of Water Treatment Plant and water system improvement plans, the new strategic plan – BluePrint and started SafeAlign program. Chair Blount thanked Mr. Mills for his service and his leadership as Chair.

Recognition of American Public Gas Association (APGA) System Operational Achievement Recognition (SOAR) Award

Mr. Anthony Miller, Director of Gas Systems, introduced Durk Tyson, Gas Systems Engineer, and Carl Smith, Gas Distribution Engineer, to share details on the SOAR Award. Mr. Tyson stated that the APGA created the SOAR Award to recognize gas systems for demonstrating excellence in four areas that include system integrity, system improvement, employee safety, and workforce development. Mr. Smith provided scoring details of the award.

Out of approximately 750 APGA members, Greenville Utilities Commission was selected for the SOAR Silver level by its peers. GUC was one of eighteen SOAR recipients recognized at the APGA Annual Conference in Portland, Oregon on July 23, 2018. This is the second time GUC has been awarded the APGA SOAR Silver award.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Ms. Jacobs, to approve the July 19, 2018 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – July 31, 2018 Preliminary (Agenda Item 2)

July 31, 2018 Preliminary Financial Statement:

Key financial metrics for the combined funds for the period ending July 31, 2018:

Operating Cash:	\$79,126,900	Days of Cash on Hand:	145
Less Current Liabilities	(\$20,456,221)		
Fund Balance:	\$58,670,679		

Fund Balance Available for Appropriation:	23.2%	Days of Cash on Hand After Liabilities:	108
Average Investment Yield:	1.53%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$2,086,074	\$737,643	\$3,386,208	\$2,086,074	\$737,643	\$3,386,208
Water	\$599,470	\$313,382	\$664,122	\$599,470	\$313,382	\$664,122
Sewer	\$617,181	\$150,853	\$690,369	\$617,181	\$150,853	\$690,369
Gas	(\$205,265)	(\$730,024)	(\$461,544)	(\$205,265)	(\$730,024)	(\$461,544)
Combined	\$3,097,460	\$471,854	\$4,279,155	\$3,097,460	\$471,854	\$4,279,155

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Revised Budget	Last Year
Electric	\$2,086,074	\$737,643	\$3,036,208	\$2,086,074	\$737,643	\$3,036,208
Water	\$353,637	\$67,549	\$530,789	\$353,637	\$67,549	\$530,789
Sewer	\$483,848	\$17,520	\$607,036	\$483,848	\$17,520	\$607,036
Gas	(\$205,265)	(\$730,024)	(\$544,877)	(\$205,265)	(\$730,024)	(\$544,877)
Combined	\$2,718,294	\$92,688	\$3,629,156	\$2,718,294	\$92,688	\$3,629,156

Mr. Jeff McCauley, Chief Financial Officer, provided a presentation on the Preliminary Financial Statement for July 2018.

The weather impact for the month of July reported that the cooling degree days were less than July 2017. The July rainfall was 8.42 inches which was more than last year. The portfolio earned 1.53% for the month of July.

Overall year-to-date results through the end of July remain stable. The Electric Rate Stabilization Reserves are approximately \$23.4 million and the Gas Rate Stabilization Reserves are \$0.71 million. The Operating Reserves are 145 Days Cash on Hand, and Renewals and Replacements Reserves are approximately \$2.6 million.

A motion was made by Mr. Overton, seconded by Mr. Butler, to accept the Preliminary Financial Statement for July 31, 2018. The motion carried unanimously.

RECOMMENDED AWARD OF CONTRACT FOR CONSTRUCTION SERVICES FOR THOMAS LANGSTON ROAD ENHANCEMENTS (GCP10094) (Agenda Item 3)

Mr. Anthony Miller stated that it is necessary to award a contract for construction services for Thomas Langston Road enhancements and asked Durk Tyson to provide an update on this project. Mr. Tyson stated that the Thomas Langston Road Enhancements Project involves the installation of approximately 18,000 linear feet of eight-inch polyethylene pipe from Gate Station #5 to NC-11 with interconnects to the gas system on Thomas Langston Road and Reedy Branch Road. The route of the gas main generally follows an existing GUC overhead electrical transmission line. The Board of Commissioners adopted GCP10094 with a budget of \$1,000,000 in June 2016 and an amended budget of \$1,400,000 in May 2018. A total of 52 easements and six (6) NC DOT encroachment agreements were required for this project and all were successfully negotiated by GUC staff.

The project was publicly advertised in accordance with NC General Statutes and 20 potential bidders were provided copies of the notice. An insufficient number of bids were received to open and the project was re-advertised. Three bids were received in response to the re-advertisement. The engineer's Letter of Recommendation and Certified Bid Tabulation were provided in the agenda materials which outline that Classic City Mechanical, Inc. provided the lowest responsive and responsible bid. Staff recommends that the construction services contract be awarded to Classic City Mechanical, Inc. in the amount of \$632,150.00. The total project cost is within the approved budget for this project.

A motion was made by Mr. Overton, seconded by Mr. Mills, to authorize the General Manager/CEO to execute a Construction Services Contract with Classic City Mechanical, Inc. in the amount of \$632,150.00. The motion carried unanimously.

ADOPTION OF RESOLUTION APPROVING THE USE OF CONSTRUCTION MANAGER AT RISK SERVICES FOR CONSTRUCTION OF THE WATER TREATMENT PLANT UPGRADE PROJECT PURSUANT TO N.C.G.S. 143-128.1 (Agenda Item 4)

Mr. Randy Emory, Director of Water Systems, introduced Water Plants Engineer David Springer to provide an update on this project. Mr. Springer stated that recognizing the complexity associated with designing, permitting and constructing the Water Treatment Plant Upgrade Project, staff researched project delivery methods permitted for public entities by North Carolina law to determine which should be utilized. The result of this research led to the conclusion that the use of a Construction Manager at Risk would best meet GUC's needs for this Project. Using this method, GUC engages in two separate contracts; one with a Consulting Engineering firm (i.e. designer) and one with a Construction Manager at Risk who is a licensed general contractor. The Construction Manager at Risk provides construction management services, such as preparing and coordinating bid packages and construction administration, and guarantees the cost of the project.

This project delivery method has many advantages for a project of this scale and complexity. Some of these advantages include:

- Provides for a team approach (owner, designer, contractor) that is less adversarial than traditional methods;
- Allows for early collaboration between the designer and contractor;
- Allows for significant owner input throughout the design and construction process;
- Allows for more accurate cost estimating early in the project;
- Allows for the pre-qualification of bidders;
- Provides cost transparency; and
- Provides for continuity of the team throughout the project.

Upon reaching out to other entities it was recognized that this project delivery method has been widely used across the State by cities, counties, and universities. It also has been used locally by the City of Greenville (downtown parking deck); East Carolina University (School of Dentistry, Health Sciences Student Services Building, Main Campus Student Union); and Vidant Medical Center (Children's Hospital, Heart Institute, Cancer Center).

A motion was made by Mr. Butler, seconded by Ms. Wall, to adopt the resolution approving the use of Construction Manager at Risk Services for the construction of the Water Treatment Plant upgrade project pursuant to N.C.G.S. 143-128.1. The motion carried unanimously.

**RESOLUTION APPROVING THE USE OF CONSTRUCTION MANAGER
AT RISK SERVICES PURSUANT TO G.S. 143-128.1**

WHEREAS, G.S. 143-128.1(e) requires that construction management at risk services may be used by a public entity only after the public entity has concluded that the use of construction manager at risk services is in the best interest of the project, and the public entity has compared the advantages and disadvantages of using the construction manager at risk method for a given project in lieu of the delivery methods identified in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3); and

WHEREAS, the Greenville Utilities Commission intends to construct a Water Treatment Plant Upgrade; and

WHEREAS, the proposed project is a large and complicated construction project, which will require sophisticated project management and construction oversight; and

WHEREAS, the use of construction manager at risk services is preferred over the other delivery methods provided for under G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3) because the project will greatly benefit from preconstruction services, logistics planning, complex scheduling, constructability reviews and subcontractor market analysis, which services are best delivered by construction manager at risk services.

NOW, THEREFORE, THE GREENVILLE UTILITIES BOARD OF COMMISSIONERS RESOLVES:

Section 1. For the reasons stated above, the use of construction manager at risk services is in the best interest of the project, said finding being made after comparing the advantages and disadvantages of using the construction manager at risk method for the project in lieu of the delivery methods identified in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3).

Section 2. This resolution shall be effective upon passage.

Adopted this the ___ day of August 2018.

/s/ Rebecca Blount
Chair

ATTEST:

APPROVED AS TO FORM:

/s/ Parker Overton
Secretary

/s/ Phillip R. Dixon
General Counsel

**UPDATE OF ANNUAL STATEMENT OF CONFLICT OF INTEREST POLICY,
DISCLOSURE AND ETHICS BRIEFING (Agenda Item 5)**

Mr. Phil Dixon, General Counsel, informed the Board that in 2009 the N.C. General Assembly passed legislation requiring various local governing bodies to adopt a resolution or policy containing a Code of Ethics to guide board members in the performance of their duties as

members of the governing board. While GUC is not covered by the State Ethics Act, Mr. Dixon previously recommended that the GUC Board consider the adoption of an ethics policy.

In this regard, the League of Municipalities had developed a model code that Boards could use in developing their own Code of Ethics. Mr. Dixon, in collaboration with the City Attorney developed a Code of Ethics that was adopted by the Commission and by the City Council of the City of Greenville.

Mr. Dixon distributed a packet of information related to this matter and a copy of the Conflict of Interest Policy and Disclosure form. Mr. Dixon recommends that the Board members consider executing the "Conflict of Interest Policy and Disclosure Form" annually to ensure that any conflict of interest issues are avoided. The form outlines what to do if a Commissioner thinks he or she has a potential conflict of interest over a matter coming before the Board. Each Commissioner shall return their completed Conflict of Interest Policy and Disclosure form to Mr. Dixon.

UPDATE OF ACTIVITIES BY GENERAL COUNSEL (Agenda Item 6)

Mr. Phil Dixon, General Counsel, included in the agenda materials a memorandum which outlined the types of legal activities that he is involved with on behalf of GUC. He added that Doug Askew joined GUC as the new Right of Way Officer. Mr. Askew, along with Debbie Miller, Paralegal, have been a big help with the many successes of the GUC Legal Office. Over the past year GUC has acquired 154 easements, processed 84 general liability claims, initiated 8 condemnations and reviewed 118 contracts and 28 encroachment agreements.

UPDATE ON OPERATIONS CENTER PROJECT (Agenda Item 7)

Mr. Chris Padgett, Chief Administrative Officer, announced that in June the bids for the site work package were opened and the bids were higher than estimated. The team conducted a value engineering process to lower costs. Some examples of cost savings include adjusting the use of asphalt and concrete, adjusting sidewalk widths and parking, and modified design of the buildings.

The result of the modifications was a reduction of \$4.8M in overall cost. The current project schedule is to obtain one guaranteed maximum price (GMP) and to begin site work in March 2019, the vertical construction package (i.e. buildings) would begin in July 2019 with a completion of the project in December 2020.

GENERAL MANAGER'S REPORT (Agenda Item 8)

1. Informational Reading

Bids, Statistical Data Report, Sewer Spill Tracking Report, and Load Management Report were provided.

The following Bids awarded by the General Manager/CEO during the past month were reported for information:

GREENVILLE UTILITIES COMMISSION
TABULATION OF BIDS RECEIVED
METER BASES AND C.T. CABINETS
JUNE 29, 2018

VENDORS	TOTAL
Anixter, Inc.	\$54,104.40*
Wesco Distribution, Inc.	54,723.25

* Indicates recommended award based on the lowest responsible, responsive bid.

**BRACKETS, POLE TOP PINS, INSULATORS, ISOLATORS, FIBERGLASS
SIDEWALK GUYS, DEAD END CROSS ARMS, COPPER GROUND RODS,
SCREW ANCHORS, GUY WIRE, & CLUSTER MOUNTS
JULY 11, 2018 @ 2:00 PM**

VENDORS	DELIVERY WEEKS	TOTAL
Wesco Distribution, Inc.	Stock – 18 Weeks	\$112,262.70*
Anixter, Inc.	Stock – 18 Weeks	114,256.10

* Indicates recommended award based on the lowest responsible, responsive bid.

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on July 11, 2018 for the hour ending at 6:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,409,212.

2. Key Performance Indicators (KPIs)

The following KPIs highlighted for this month were provided in the dashboard format along with the corresponding scorecard:

- Days Operating Cash on Hand
- Duration of Electric Interruptions - CAIDI
- Installation of New Service – Water/Sewer
- Response Time to Cut Gas Lines/Leaks

3. Commendations

The following are compliment records from customers:

Karyn Wilson, Gas Department Customer Records Clerk, received a thank you email from customer Melissa Banno. Ms. Banno stated in her email that she appreciated her assistance in getting her gas service connected.

Other

Mr. Cannon reported that the CNG fueling station has had record sales during the past month.

Mr. Cannon stated that he, Mr. Padgett, Mr. Dixon and Commissioner/City Manager Ann Wall were a part of the group that visited Spartanburg and Greenville, South Carolina as part of the Chamber Inter City visit. The trip was organized to view their model for their success. It was noted that there is a very strong investment in their community.

Mr. Cannon reported that the Occupational Safety and Health Administration (OSHA) recordable KPI goal has been reached for a second time.

Budget Books were distributed to the Commissioners and Management Team members.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 9)

Chair Blount reminded the Commissioners of the following meeting:

- GUC Special Meeting, Tuesday, September 11, 2018, 12:00 p.m., Board Room
- GUC Regular Meeting, Thursday, September 20, 2018, 12:00 p.m., Board Room
- Joint GUC/COG Meeting, Monday, September 24, 2018, 6:00 p.m., City Hall Council Chambers

Chair Blount called upon Mr. Butler to speak about the recent Joint Pay and Benefits Committee meeting that was held on August 9. Mr. Butler stated that the committee reviewed data from Mercer Consulting on the Health and Dental plans and recommendations will be presented at the Joint City Council and GUC Board of Commissioners on September 24, 2018. The

recommendations are to approve a 7.5% increase in employee contribution for medical, a 7.7% increase in the dental plans, as well as adopt a new three-year strategy plan for plan years 2020-2022.

Chair Blount announced that the Committee appointments were provided in the agenda materials.

CLOSED SESSIONS:

Mr. Phillip Dixon, General Counsel, stated that the Board of Commissioners should consider entering Closed Session pursuant to the following statutes:

N.C.G.S. 143-318.11(a)(1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.

N.C.G.S. 143-318.11(a)(4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment.

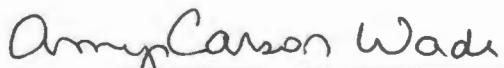
N.C.G.S. 143-318(a)(6) To consider the qualifications, competence, performance, character, fitness, condition of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee.

Upon motion by Mr. Butler, seconded by Ms. Wall, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 1:03 p.m. pursuant to the fore mentioned statutes.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Overton, seconded by Mr. Stoughton, the Board of Commissioners unanimously agreed to return to Open Session at 2:01 p.m.

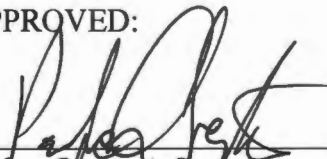
Upon motion by Mr. Stoughton, seconded by Mr. Overton, the Board unanimously agreed to adjourn the meeting at 2:01 p.m.

Respectfully submitted,



Amy Carson Wade, Executive Secretary

APPROVED:



Parker Overton, Secretary

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