

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, September 20, 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	

Commission Staff Present:

Tony Cannon, General Manager/CEO	Lou Norris	Amanda Wall
Chris Padgett	Tony Godwin	Amy Bartel
Phil Dixon	David Springer	Billy Moseley
Jeff McCauley	Ken Wade	Brandie Whitehurst
George Reel	Doug Askew	Brian Weigand
Keith Jones	Jason Manning	Charles Buck
Roger Jones	Emily Barnes	Cleve Haddock
Anthony Miller	Kristen Jarman	Cynthia Langley
Randy Emory	Vincent Malvarosa	Heather Manning
Sandy Barnes		Hunter Dixon
Richie Shreves		Jonathan Britt
John Worrell		Kevin Keyzer
Scott Mullis		Kim Coggins
Amy Wade		Louisa Chan
Steve Hawley		Margie Taylor
		Molly Ortiz
		Sandy Dail
		Tanya Brown

Others Present:

Will Litchfield, GUC Liaison; Ginger Livingston, The Daily Reflector; Rick Smiley, City Council; and Brad Hufford, Pitt County Development Commission.

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. Mills, 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 Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR)

Mr. Jeff McCauley, Chief Financial Officer, reported that GUC received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for Fiscal Year 2017 for the third consecutive year. The purpose of the program is to encourage and assist governments to extract information from their

comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the public and other interested parties without a background in public finance.

Recognition of Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting

Mr. McCauley announced that GUC received the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting for Fiscal Year 2017 for the ninth consecutive year. The purpose of the program is to encourage and assist governments in preparing financial reports of the highest quality for the benefit of its citizens and other parties with a vital interest in a government's finances.

Recognition of Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award

Mr. McCauley stated that GUC received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for Fiscal Year 2018. This marks the second year GUC has earned the Distinguished Budget Award. The purpose of the program is to encourage and assist governments in preparing budgets of the highest quality for the benefit of its citizens and other parties with a vital interest in a government's budget process.

Recognition of Carolinas Association of Governmental Purchasing (CAGP) Sustained Professional Purchasing Award

Mr. McCauley announced that GUC received the Carolinas Association of Governmental Purchasing (CAGP) Sustained Professional Purchasing Award for calendar year 2017 for the seventh consecutive year. GUC is one of 15 member agencies throughout North and South Carolina to receive the award.

The award recognizes GUC for demonstrating sustained excellence in purchasing standards during the calendar year 2017 with the use of technology, minority outreach, staff certification, customer training, vendor training, and the use of recycled products.

Mr. McCauley introduced the staff and recognized them for their achievements in the above-mentioned awards: Amanda Wall, Amy Bartell, Billy Moseley, Brandie Whitehurst, Brian Weigand, Charles Buck, Cleve Haddock, Heather Manning, Hunter Dixon, Jonathan Britt, Keith Jones, Kevin Keyzer, Kim Coggins, Louisa Chan, Margie Taylor, Meredith Dent, Molly Ortiz, and Tanya Brown.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Mr. Overton, to approve the August 16, 2018 Regular Meeting minutes as presented. The motion carried unanimously.

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

August 31, 2018 Financial Statement:

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

Operating Cash:	\$80,426,713	Days of Cash on Hand:	139
Less Current Liabilities	<u>(\$21,652,925)</u>		
Fund Balance:	\$58,773,788		
Fund Balance Available for Appropriation:	23.2%	Days of Cash on Hand After Liabilities:	101
Average Investment Yield:	1.71%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$1,668,144	\$380,549	\$499,720	\$3,845,348	\$1,118,192	\$3,885,928
Water	\$312,483	\$249,163	\$284,007	\$982,950	\$562,545	\$948,129
Sewer	\$330,002	\$147,485	\$283,531	\$990,572	\$298,338	\$973,900
Gas	(\$330,113)	(\$667,438)	(\$546,268)	(\$517,959)	(\$1,397,462)	(\$1,007,812)
Combined	\$1,980,516	\$109,759	\$520,990	\$5,300,911	\$581,613	\$4,800,145

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Revised Budget	Last Year
Electric	\$1,668,144	\$380,549	\$149,720	\$3,845,348	\$1,118,192	\$3,185,928
Water	\$66,650	\$3,330	\$150,674	\$491,284	\$70,879	\$681,463
Sewer	\$196,669	\$14,152	\$200,198	\$723,906	\$31,672	\$807,234
Gas	(\$330,113)	(\$667,438)	(\$629,601)	(\$517,959)	(\$1,397,462)	(\$1,174,478)
Combined	\$1,601,350	(\$269,407)	(\$129,009)	\$4,542,579	(\$176,719)	\$3,500,147

Mr. McCauley provided a presentation on the Financial Statement for August 2018.

The weather impact for the month of August reported that the cooling degree days were more than August 2017. The August rainfall was 3.5 inches which was less than last year. The portfolio earned 1.71% for the month of August.

Overall year-to-date results through the end of August remain stable. The Electric Rate Stabilization Reserves are approximately \$23.4 million and the Gas Rate Stabilization Reserves are \$0.86 million. The Operating Reserves are 139 Days Cash on Hand, and Renewals and Replacements Reserves are approximately \$2.6 million.

A motion was made by Mr. Overton, seconded by Ms. Anderson, to accept the Financial Statement for August 31, 2018. The motion carried unanimously.

RECOMMENDED AWARD OF BID FOR THE GREENVILLE 230 KV POD (POINT OF DELIVERY) SUBSTATION FLOOD MITIGATION PROJECT (ECP-10172) 230 KV AUTOTRANSFORMER (Agenda Item 3)

Mr. Roger Jones, Director of Electric Systems, stated that GUC takes delivery of its electric service from Duke Energy Progress (DEP) 230 kV transmission lines that enter our service area and operates three Point of Delivery (POD) substations. During the 1999 Hurricane Floyd and 2016 Hurricane Matthew event, DEP's 230 kV control house and equipment suffered damage jeopardizing DEP's ability to serve the G230 Mumford Road site. Recognizing the potential for increased flooding risks at G230 on Mumford Road, ECP-10172 Greenville 230 kV Substation Flood Mitigation capital project was created. Mr. Jones introduced Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer. Mr. Wade stated that the plan to mitigate future events is to add one 120 MVA transformer and associated equipment at the G230 West substation on McGregor Downs Road. The addition of a 120 MVA transformer would ensure GUC's ability to serve the customer load during flood conditions and protect our critical substation assets. Mr. Wade provided a map of the substation locations and discussed how this addition would allow for all the load to be handled from the other two sites should the Mumford Road site need to be shut down.

In response to the request for proposal (RFP) for the Design, Specifications, and Quotation of a 230 kV Autotransformer for Greenville POD # 2, five proposals were received. Booth & Associates, consulting engineers, reviewed the proposals and recommend the award per the vendor's submitted proposal, references, and qualifications to WEG Transformers USA LLC. GUC staff concur with the recommendation.

After discussion, a motion was made by Mr. Mills, seconded by Ms. Wall, to approve the award of bid for the Greenville 230 kV POD Substation 230 kV Autotransformer to WEG Transformers USA LLC in the amount of \$1,583,000.00. The motion carried unanimously.

APPROVAL AND RECOMMENDED CONVEYANCE OF EASEMENTS BY CITY COUNCIL – WASTEWATER TREATMENT PLANT PROPERTY (Agenda Item 4)

Mr. Phil Dixon, General Counsel, stated that Piedmont Natural Gas Company (PNG) has requested conveyance of easements on the Wastewater Treatment Plant property to accommodate the proposed construction of a new gas line. The new gas line will connect to an existing PNG gas line on the Wastewater Treatment Plant property. The easements proposed to be conveyed are for temporary construction, permanent gas pipeline, road access and a utility station site. The negotiated price for conveyance of the requested easements is \$23,229.00. Mr. Dixon reviewed the map showing the location of the easements.

A motion was made by Mr. Stoughton, seconded by Mr. Butler, to approve the conveyance of the easements and recommend similar action by City Council. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF THE NATURAL GAS FRANCHISE AGREEMENT WITH THE TOWN OF AYDEN (Agenda Item 5)

Mr. Chris Padgett, Chief Administrative Officer, stated that GUC has provided natural gas services to customers located within the Town of Ayden (Ayden) since 2000. These services have been provided without a formal Natural Gas Franchise Agreement in place. The purpose of this item is to approve a Franchise Agreement that will allow GUC to continue providing natural gas services to new customers located within Ayden's corporate limits utilizing Ayden's streets, alleys and public ways.

General terms of the Agreement include:

- Ayden grants GUC the right and authority to construct, operate and maintain Natural Gas delivery service within streets, alleys and public ways of Ayden.
- The rates charged for GUC Natural Gas service in Ayden are the same as rates to all other customer classes.
- Ayden is held free and harmless from claims associated with the provision of GUC's Natural Gas service within Ayden.
- The Agreement is effective for a term of 15-years with automatic renewal for additional five year terms unless one party provides six months' written notice otherwise.

The Town of Ayden Board of Commissioners approved this agreement at their September 10, 2018 meeting.

A motion was made by Mr. Overton, seconded by Mr. Stoughton, to approve the Natural Gas Franchise Agreement with the Town of Ayden. The motion carried unanimously.

UPDATE ON OPERATIONS CENTER PROJECT (Agenda Item 6)

Mr. Chris Padgett, Chief Administrative Officer, stated that GUC will send out bid packages by December 2018. Bids will be opened in January 2019 and site work would begin in spring of 2019. The design team continues to work on the construction documents.

UPDATE ON MAIN OFFICE UPFIT (Agenda Item 7)

Mr. Cannon stated the East Group is working with GUC on exterior and interior renovations at the Main Office on Greene Street. He introduced Kevin Keyzer, Risk and Facilities Manager, to review the project. Mr. Keyzer showed video clips that provided views of the exterior and interior enhancements. Major exterior elements addressed by the project will include service restoration for the drive thru, sunshades, awnings, mechanical equipment screens, exterior panels and masonry along with hardscaping and landscaping. Mr. Keyzer stated that the project budget is \$3,675,000 and the design should be completed in October 2018. The construction begins in January 2019 and should be completed by May 2019.

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

TWO 115 KV CIRCUIT BREAKERS FOR GREENVILLE WEST 230 KV SUBSTATION
JUNE 28, 2018 @ 3:00 PM

VENDORS	MANUFACTURE	DELIVERY TIME WEEKS	TOTAL PRICE
PowerTech, LLC	ABB	16-20	\$96,194.00*
National Transformer Sales	Siemens	18	104,980.00
Anixter, Inc.	GE/Alstom	16-20	107,040.00
Hitachi T&D Solutions, Inc.	Hitachi T&D Solutions, Inc.	18	108,320.00

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

SWITCHGEARS
JULY 17, 2018 @ 3:00 PM
ITEM I, FOUR COMPARTMENT 600 AMP, QUANTITY OF TWO (2)

VENDORS	MFG	DELIVERY (WEEKS)	UNIT COST	TOTAL
Chapman Company	S&C Electric Co.	9 Weeks	\$14,030.00	\$28,060.00*
Wesco Distribution	Hubbell	10-12 Weeks	15,035.00	30,070.00
Shealy Electric	Federal Pacific	10-12 Weeks	16,331.00	32,662.00
Anixter, Inc.	Federal Pacific	10-12 Weeks	16,968.00	33,936.00

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

ITEM II, THREE COMPARTMENT 1200 AMP, QUANTITY OF TWO (2)

VENDORS	MFG	DELIVERY (WEEKS)	UNIT COST	TOTAL
Shealy Electrical	Federal Pacific	10-12 Weeks	\$26,697.00	\$53,394.00(1)
Anixter, Inc.	Federal Pacific	10-12 Weeks	27,736.00	55,472.00(1)

(1) Indicates that vendor did not meet minimum specifications, therefore, GUC will reject all bid(s) and re-advertise.

TWO (2) 500 KVA THREE-PHASE VAULT TRANSFORMERS
JULY 17, 2018 @ 4:00 PM

VENDORS	MFG.	DELIVERY TIME	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Richardson Associates	Howard Industries, Inc.	12-14 Weeks	\$21,167.00	\$34,018.00*	\$42,334.00

*Indicates recommended award based on the lowest ownership cost.

**BUSS KITS, SPLICE KITS, ARRESTERS, CUT-OUT SWITCHES
JULY 18, 2018 @ 2:00 PM**

VENDORS	DELIVERY TIME	TOTAL
Wesco Distribution, Inc.	Stock - 14 Weeks	\$75,255.04*
Anixter, Inc.	Stock	11,918.00 (1)

*Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor did not quote all items.

**LOAD BREAK ELBOWS, RECEPTACLES, PRIMARY AND UG TERMINATORS,
JUNCTIONS, LOAD BREAK INSERTS, ELBOW AND PARKING STAND ARRESTERS,
AND ELBOW SEAL KITS
JULY 18, 2018 @ 3:00 PM**

VENDORS	DELIVERY TIME	TOTAL
Wesco Distribution, Inc.	Stock - 14 Weeks	\$105,085.55*
Anixter, Inc.	Stock - 8 Weeks	98,928.40(1)
Mayer Electric Supply	2-12 Weeks	185,912.03

*Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor submitted items that were not approved.

**LIGHT FIXTURES, ALUMINUM STREET LIGHT ARMS AND ALUMINUM POLES
AUGUST 2, 2018 @ 2:00 PM**

VENDORS	TOTAL BID
Wesco Distribution, Inc.	\$409,761.45*
Wesco Distribution, Inc. (Alt. Bid)	466,043.30
Anixter, Inc.	350,883.50(1)
Womack Electric Supply	423,306.75(1)
Shealy Electrical Wholesalers	454,220.75(1)

* Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor did not quote all items.

**30,000' OF 2/0 UG TRIPLEX CABLE, CODE "SHAW" STK# 201250
AUGUST 2, 201 @ 3:00 PM**

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE (FT.)	TOTAL
Anixter, Inc.	Southwire	10-12	.975	\$29,250.00*
Shealy Electrical Wholesalers	Southwire	10	.98	29,400.00
UAI	CME	10-11	.99078	29,723.00
Wesco Distribution, Inc.	Prysmian	8	1.059	31,770.00
Mayer Electric Supply	HWC	1-2	1.173	35,190.00

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

**30,000' OF 4/0 UG TRIPLEX CABLE, CODE "SWEETBRIAR" STK# 201260
AUGUST 2, 2018 @ 3:00 PM**

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE (FT.)	TOTAL
UAI	CME	2	1.23772	\$37,132.00*
Wesco Distribution, Inc.	BICC	Stock - 6	1.27	38,100.00
Anixter, Inc.	Southwire	Stock	1.33	39,900.00
Shealy Electrical Wholesalers	Southwire	2	1.39	41,700.00
Mayer Electric Supply	HWC	1-2	1.484	44,520.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on August 8, 2018 for the hour ending at 5:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,399,673.

2. Key Performance Indicators (KPIs)

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

- Installation of New Services - Gas
- Fund Balance
- System Losses - Water
- Response Time to Unplanned Electric Outages

3. Commendations

The following are compliment records:

Customer Randy Foster, posted on GUC's Facebook: "David McKeel and his crew performed a repair to a water line out at the Berkeley at Medford Point this morning and I wanted to commend them on the entire project. Their cleanup was exceptional." The crew included David McKeel, Water Resources Pipe Crew Leader I; Jason Owens, Equipment Operator III; Joshua Setzer, Equipment Operator IV; Kyle Veneski, Pipe Layer III; and Timothy Patrick, Pipe Layer I.

Lisa Johnson, Senior Administrative Assistant for Gas Services, received a call from customer Althea Wooten. Ms. Wooten called to compliment Justin Oakes, Gas Serviceworker. She said that Justin performed a leak investigation at her home and he was very kind, patient, and did an excellent job.

Joseph J. Bronsink, Water Resources Engineering Assistant II, received an email message from customer Mike Folen. Mr. Folen wrote to thank the water resources crew that moved the water meter at Eastern Radiologists Breast Imaging Center as planned. They were very prompt, and performed with high quality and professionalism. They were a great example of team work. The crew included Randy Beamon, Water Resources Pipe Crew Leader I; Ramsey Covington, Pipe Layer II; Cody Cratt, Pipe Layer III; Michael Silverthorne, Equipment Operator IV; and Tracy Colville, Equipment Operator III.

Debra Miller, Paralegal, received feedback from Mr. Perry Safran with Safran Law Office in Raleigh. He stated that not only is Carolyn Jones, Staff Support Specialist I for Customer Relations, friendly, she is also very efficient and knows what she is doing. They had 10 people to arrive at the same time for a meeting and she was very professional and courteous.

Other

Mr. Cannon reminded the Board that it is necessary for them to complete a new I-9 form.

Mr. Cannon recognized GUC's General Counsel Phillip R. Dixon, Sr., Esq. on his recent award recognized in Top Lawyers In North Carolina, The Legal Network in July 2018.

He noted that the Corporate KPIs report has been distributed for review.

Mr. Cannon reviewed slides on the recent Hurricane Florence. Greenville was fortunate that this storm was downgraded by the time it hit North Carolina. Greenville had about 10 inches of rain and it did not flood the Operations Center on Mumford Road. He commended the storm team for their efforts.

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

Chair Blount thanked all for their work during the storm and reminded the Commissioners of the following meetings:

- Joint GUC/COG Meeting, Monday, September 24, 2018, 6:00 p.m., City Hall Council Chambers
- Finance/Audit Committee Meeting, Monday, October 10, 2018, 12:00 p.m., Board Room
- GUC Regular Meeting, Thursday, October 18, 2018, 12:00 p.m., Board Room

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)(3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure.

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. Mills, seconded by Mr. Butler, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 1:07 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. Butler, seconded by Mr. Overton, the Board of Commissioners unanimously agreed to return to Open Session at 1:32 p.m.

Upon motion by Mr. Mills, seconded by Mr. Overton, the Board unanimously agreed to adjourn the meeting at 1:32 p.m.

Respectfully submitted,

Amy Carson Wade
Amy Carson Wade, Executive Secretary

APPROVED:

Parker Overton
Parker Overton, Secretary

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