

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, January 17, 2019

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	Kelly L. Darden, Jr.

Commission Staff Present:

Tony Cannon, General Manager/CEO	Jonathan Britt
Chris Padgett	Kevin Keyzer
Phil Dixon	Tony Godwin
Jeff McCauley	Lou Norris
Keith Jones	Kristen Jarman
Randy Emory	Kathy Howard
Sandy Barnes	Scott Farmer
George Reel	Dail Booth
Scott Mullis	
John Worrell	
Amy Wade	
Steve Hawley	
David Springer	

Others Present:

Will Litchfield, GUC Liaison; Rick Smiley, City Council; Ginger Livingston, The Daily Reflector; Kevin Irby, NC AWWA-WEA; Brad Hufford, Pitt County Development Commission; Cecil Wayne Suggs, Patrick Roberts, Dail Booth, Patty Gillen, Byron Aynes, and Michael McCarren, Chamber Leadership Institute participants.

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

Chair Blount welcomed participants from the Chamber Leadership Institute to the meeting.

ACCEPTANCE OF THE AGENDA

A motion was made by Mr. Mills, seconded by Ms. Wall, 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 2018 NORTH CAROLINA AMERICAN WATER WORKS ASSOCIATION & WATER ENVIRONMENT ASSOCIATION (NC AWWA-WEA) COLLECTION SYSTEM OF THE YEAR MEDIUM SYSTEM AWARD

Randy Emory, Director of Water Resources, stated that GUC recently won an award and he called upon Mr. Kevin Irby of NC AWWA-WEA Board of Trustees to present the award. Mr. Irby stated that it is the mission of the North Carolina Collection System of the Year Award

to identify and recognize the municipalities that protect the public health and the natural beauty of the environment through pro-active practices of management, operations and maintenance beyond what is required of its North Carolina Department of Environmental Quality (NCDEQ) collection system permit.

The award honors the collection system personnel that serve the community with a high level of professionalism and diligent work in the operation and maintenance of their wastewater collection system facilities. Mr. Irby congratulated GUC staff and presented the 2018 AWWA-WEA Sewer Collection System of the Year, Medium System Award to Scott Farmer, Water Resources Systems Engineer.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Overton, seconded by Mr. Stoughton, to approve the December 20, 2018 Regular Meeting minutes as presented. The motion carried unanimously.

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

**December 31, 2018 Financial Statement:**

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

Operating Cash:	\$81,543,520	Days of Cash on Hand:	141
Less Current Liabilities	<u>(\$19,939,058)</u>		
Fund Balance:	\$61,604,462		

Fund Balance Available for Appropriation:	24.3%	Days of Cash on Hand After Liabilities:	106
Average Investment Yield:	2.08%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$744,292	(\$176,145)	\$1,259,928	\$5,532,358	(\$180,673)	\$6,529,187
Water	\$315,362	\$232,193	\$542,179	\$1,677,834	\$1,792,848	\$1,893,590
Sewer	\$441,000	\$158,117	\$296,909	\$2,781,917	\$1,260,537	\$1,815,504
Gas	\$899,368	\$602,494	\$1,208,643	\$904,904	(\$2,596,582)	(\$11,821)
<b>Combined</b>	<b>\$2,400,022</b>	<b>\$816,659</b>	<b>\$3,307,659</b>	<b>\$10,897,013</b>	<b>\$276,130</b>	<b>\$10,226,460</b>

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Revised Budget	Last Year
Electric	\$244,292	(\$176,145)	\$909,928	\$4,482,358	(\$180,673)	\$4,429,187
Water	\$69,529	(\$13,640)	\$408,846	\$202,836	\$317,850	\$1,093,592
Sewer	\$141,000	\$24,784	\$213,576	\$1,548,585	\$460,539	\$1,486,421
Gas	\$399,368	\$602,494	\$1,125,310	\$404,904	(\$2,596,582)	(\$511,819)
<b>Combined</b>	<b>\$854,189</b>	<b>\$437,493</b>	<b>\$2,657,660</b>	<b>\$6,638,683</b>	<b>(\$1,998,866)</b>	<b>\$6,497,381</b>

Mr. McCauley provided a presentation on the Financial Statement for December 31, 2018.

The weather impact for the month of November indicated that the heating degree day was less than December 2017. The December rainfall was 6.46 inches which was more than last year. The portfolio earned 2.08% for the month of December.

Overall year-to-date results through the end of December remain stable. The Electric Rate Stabilization Reserves are approximately \$23.6 million and the Gas Rate Stabilization Reserves are \$0.87 million. The Operating Reserves are 141 Days Cash on Hand, and Renewals and Replacements Reserves are approximately \$2.6 million. The Capital Project Funds Reserved for Existing and Future Capital Projects are approximately \$22.7 million.

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

CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER /CEO TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE DOWNTOWN OFFICE EFFICIENCY AND ENHANCEMENT PROJECT (Agenda Item 3)

Kevin Keyzer, Risk and Facilities Manager, reminded the Board that a previous update was provided at the September 2018 Board meeting and stated that the project was established to address exterior issues and interior renovations of the Commission's Administration Building. He added that The East Group is working with GUC on exterior and interior renovations and showed the video renditions of the 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, hardscaping, and landscaping. Major interior elements include cashier and reception space, customer service offices, flex space for employee work stations and/or meeting rooms, security improvements, lighting, and HVAC efficiency.

Three formal bids were received on December 12, 2018, and Hudson Brothers Construction Company was the lowest responsible bidder with a base bid of \$2,240,000 and with add alternates for a total of \$3,278,500. This bid is within the current available budget of \$3,315,000. It is estimated that the interior construction will begin in March 2019 and be completed by January 2020.

In order to move forward with the project, it is recommended that the Board authorize the General Manager/CEO or his designee to negotiate and execute a contract with the lowest responsive responsible bidder within the available budget of the project.

After brief discussion, a motion was made by Mr. Overton, seconded by Ms. Anderson, to authorize the General Manager/CEO or his designee to negotiate and execute a contract with the lowest responsive responsible bidder within available project budget. The motion carried unanimously.

UPDATE ON OPERATIONS CENTER PROJECT (Agenda Item 4)

Mr. Chris Padgett, Chief Administrative Officer, stated that 32 bid packages were sent out as planned for the Operations Center Project and the bids were scheduled to be opened January 17, 2019. It was recommended by Barnhill Contracting Company, GUC's Construction Manager at Risk (CMAR) for this project, to delay the bid opening date to January 31 in order to allow time for more details to be provided to subcontractors. This delay will not change the overall schedule of the project.

UPDATE ON TENTH STREET WATER MAIN REHABILITATION PROJECT (Agenda Item 5)

Mr. Randy Emory, Director of Water Resources, introduced Scott Farmer, Water Resources Systems Engineer, who provided an overview of the 10<sup>th</sup> Street Water Main Rehabilitation project. Mr. Farmer stated that this project was authorized by the Board in 2014. Phase 1 included a study that identified and prioritized 75 miles of cast iron mains in need of rehabilitation and \$1 million was allocated. The Phase 1 construction began in July 2018 and was completed in December 2018. This is Greenville Utilities' first water main rehabilitation project which was funded with a North Carolina Department of Environmental Quality (NCDEQ) State Revolving Fund low interest loan.

Mr. Farmer explained that the current pipes along 10<sup>th</sup> Street are unlined cast iron and were installed in the 1940s. He explained the process of installing a bypass system so that customers would not be without water, showed how the work was performed and explained how the liner was installed.

GENERAL MANAGER'S REPORT (Agenda Item 6)

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**

CONTROL SWITCHBOARDS  
NOVEMBER 29, 2018 @ 2:00 PM

VENDORS	DELIVERY DAYS	TOTAL
KVA, Inc.	98-112	\$59,179.00*
Keystone Electrical Mfg. Co.	117	60,566.10
Lekson Associates / Electrical Power Products, Inc.	91-98	61,678.00
Kemco Industries, LLC	144	63,815.00

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

ADMINISTRATION BUILDING RENOVATIONS  
DECEMBER 12, 2018 @ 2:00PM

VENDORS	BASE BID	BID ALTERNATE	TOTAL \$
Hudson Brothers Construction Company	\$2,240,000.00	\$1,038,500.00	\$3,278,500.00*
C.A Lewis	2,365,000.00	1,151,000.00	3,516,000.00
A.R. Chesson Construction Co., Inc.	2,746,000.00	1,066,800.00	3,812,800.00

\*Indicates recommended negotiations based on the vendor's submitted base and alternate bids.

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on December 6, 2019 for the hour ending at 8:00 a.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,152,508.

2. Key Performance Indicators (KPIs)

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

- Billing Process Accuracy
- Frequency of Interruptions in Service – Electric (SAIFI)
- Bond Rating
- Disruption of Service - Water

3. Commendations

The following are compliment records:

Lisa Johnson, Senior Administrative Assistant-Gas, received a call from Liz Freeman. Ms. Freeman called to compliment Justin Oakes, Gas Service worker, and Tony Richards, Gas Systems Technician IV. She was very appreciative of the customer service they provided.

4. Semi-Annual Report on Disposal of Surplus Property

**Greenville Utilities Commission, NC**  
**Semi-Annual Report on Disposal of**  
**Surplus Property Date range:**  
**07/01/2018 – 12/31/2018**

Greenville Utilities utilizes GovDeals, an internet based government surplus sales auction to dispose of surplus property as well as Greenville Auto Auction in Greenville, NC which sells vehicles and heavy equipment. In accordance with G.S. 160A-268 ( c ), the property disposed of between July 1, 2018 and December 31, 2018 is listed below. No action is required by the Board.

Description	Sold Amount
1987 Ditch Witch with Trailer	\$2,510.00
Lot of iPads	\$6,634.34
Lot of iPhones	\$6,502.00
Ricoh Aficio Coper	\$30.00
Misc Traffic Signs and Streamlight Flashlights	\$30.00
U-Shaped Wooden Desk	\$25.00
Vinyl Covered Chairs, Round Table, Folding Tables	\$131.00
Arnco wire MT800c	\$410.00
50 Ton Press	\$805.00
Transmission Jack	\$105.00
Television with Rolling Cart	\$25.00
(2) 1997 Long Trailers	\$370.00
2007 Continental Cargo Trailer	\$730.00
Misc Plastic Cabinets	\$30.00
Lot of Misc Verizon Flip Phones	\$25.00
Lot of Misc Cummins and Ford Parts	\$235.01
2008 Ford F-150	\$7,925.00
2008 Ford F-150	\$4,940.00
1999 Ford F-250	\$2,950.00
2005 Ford F-250	\$5,740.00
<b>Total</b>	<b><u>\$40,152.35</u></b>

Revenue generated by the sale of surplus property is listed below:

Calendar Year	Revenue Received
Year 2008	\$85,972.26
Year 2009	\$90,001.15
Year 2010	\$83,292.38
Year 2011	\$106,297.20
Year 2012	\$113,381.46
Year 2013	\$80,010.99
Year 2014	\$10,366.05
Year 2015	\$158,613.46
Year 2016	\$34,641.35
Year 2017	\$134,668.95
Year 2018	\$85,698.85
<b>TOTAL</b>	<b><u>\$ 982,944.10</u></b>

5. Other

American Public Power Association (APPA) magazine wrote an article related to utility involvement on economic development. They wanted to get GUC's perspective and they interviewed Chris Padgett, Chief Administrative Officer, and Kathy Howard, Business Development Specialist. A copy of the article was provided.

GUC's financial plans include bond issuance and a preliminary meeting with team members was held to discuss funding of the first phase of the water treatment plant expansion and the new operations center.

A Governance Workshop for Commissioners is scheduled for Thursday, February 7, 2019 at the Hilton Greenville. A survey was sent today for completion by the end of the month.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 6)

Chair Blount reminded the Commissioners of the workshop meeting on Thursday, February 7, 2019 at the Hilton Greenville and the next regular meeting on Thursday, February 21, 2019, at 12:00 p.m., in the GUC 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.

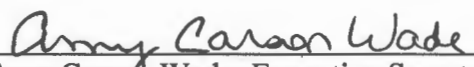
N.C.G.S. 143-318(a)(4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment.

Upon motion by Mr. Butler, seconded by Mr. Mills, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:41 p.m. for such purposes.

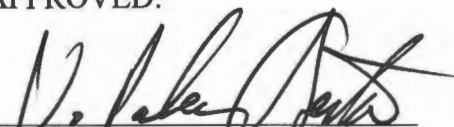
There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Butler, seconded by Mr. Stoughton, the Board of Commissioners unanimously agreed to return to Open Session at 1:15 p.m. Thereupon, Chair Blount announced there will be a Special Called Meeting of the Board of Commissioners on February 11, 2019 at 12 noon to hear a proposal on economic development.

There being no further business to come before the Board of Commissioners in Open Session, upon motion by Mr. Stoughton, seconded by Mr. Overton, the Board unanimously agreed to adjourn the meeting at 1:16 p.m.

Respectfully submitted,

  
Amy Carson Wade, Executive Secretary

APPROVED:

  
Parker Overton, Secretary