

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, September 19, 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 Butler presiding.

Commission Board Members Present:

Joel Butler	Minnie J. Anderson
Parker Overton	Kelly L. Darden, Jr.
Tommy Stoughton	Peter Geiger
Ann E. Wall	Lindsey Griffin

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer	Cynthia Langley
Chris Padgett	Jonathan Britt	Heather Manning
Phil Dixon	Kyle Brown	Hunter Dixon
Jeff McCauley	Jacob Barnes	Kelly Powell
Keith Jones	Scott Farmer	Kim Coggins
George Reel	Erin Walton	Margie Taylor
Randy Emory	Karin Fullington	Meredith Dent
Anthony Miller	Kathy Howard	Mike Fox
Roger Jones	Tony Godwin	Molly Ortiz
Richie Shreves	Lou Norris	Sandy Dail
Steve Hawley	Kristen Jarman	Tanya Brown
Sandy Barnes	Amanda Wall	
David Springer	Billy Moseley	
John Worrell	Brandie Whitehurst	
Scott Mullis	Brian Weigand	
Amy Wade	Cleve Haddock	

Others Present:

Ginger Livingston, The Daily Reflector, and Rick Smiley, City Council.

Chair Butler called the meeting to order and Mr. Stoughton ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

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

SAFETY BRIEF

Tony Cannon, General Manager/CEO, called upon 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 and provided a safety tip.

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 2018 for the fourth 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. Jeff McCauley announced that GUC received the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting for Fiscal Year 2018 for the tenth 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. Jeff McCauley stated that GUC received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for Fiscal Year 2019. This marks the third 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.

Mr. McCauley recognized the following staff for their achievements: Amanda Wall, Billy Moseley, Brandie Whitehurst, Brian Weigand, Cleve Haddock, Cynthia Langley, Heather Manning, Hunter Dixon, Jonathan Britt, Keith Jones, Kelly Powell, Kevin Keyzer, Kim Coggins, Margie Taylor, Meredith Dent, Molly Ortiz, Sandy Dail, and Tanya Brown.

Recognition of Service – Sandy Barnes, Director of Information Technology

Ms. Sandy Barnes, Director of Information Technology, is retiring at the end of the month after 16 years with Greenville Utilities Commission. Mr. Chris Padgett, Chief Administrative Officer, stated that she has worked in the IT field for 41 years and looks forward to retiring. Mr. Cannon added that she has been involved with many technology changes over the last 7-8 years.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Ms. Anderson, to approve the August 15, 2019 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – August 31, 2019 (Preliminary) (Agenda Item 2)

August 31, 2019 Financial Statement Preliminary:

Key financial metrics for the combined funds for the period ending August 31, 2019 Preliminary:

Operating Cash:	\$83,643,358	Days of Cash on Hand:	132
Less Current Liabilities	<u>(\$23,965,594)</u>		
Fund Balance:	\$59,677,764		
Fund Balance Available for Appropriation:	22.9%	Days of Cash on Hand After Liabilities:	94
Average Investment Yield:	2.28%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$372,055)	\$323,788	\$1,668,145	\$2,346,300	\$1,258,652	\$3,845,334
Water	\$320,043	\$283,191	\$312,483	\$1,208,529	\$794,532	\$982,943
Sewer	\$103,159	(\$181,721)	\$330,001	\$871,207	\$3,646	\$990,564
Gas	(\$622,625)	(\$575,005)	(\$330,113)	(\$826,565)	(\$954,192)	(\$517,959)
Combined	(\$571,478)	(\$149,747)	\$1,980,516	\$3,599,471	\$1,102,638	\$5,300,882

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$372,055)	\$339,191	\$1,668,145	\$2,262,967	\$1,289,458	\$3,845,334
Water	\$70,043	(\$114,078)	\$66,650	\$529,362	(\$6)	\$491,277
Sewer	\$53,159	(\$250,729)	\$196,668	\$646,207	(\$134,370)	\$723,898
Gas	(\$622,625)	(\$562,003)	(\$330,113)	(\$847,398)	(\$928,188)	(\$517,959)
Combined	(\$871,478)	(\$587,619)	\$1,601,350	\$2,591,138	\$226,894	\$4,542,550

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for August 31, 2019.

The weather impact for the month of August indicated that the cooling degree days were lower than August 2018. The August rainfall was 3.71 inches which was slightly more than last year. The portfolio earned 2.28 % for the month of August.

Overall year-to-date results through the end of August remain stable. The Electric Rate Stabilization Reserves are approximately \$24 million, and the Gas Rate Stabilization Reserves are \$1.6 million. The Operating Reserves are 132 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 \$31.9 million.

A motion was made by Mr. Overton, seconded by Mr. Geiger, to accept the Preliminary Financial Statement for August 31, 2019. The motion carried unanimously.

CONSIDERATION OF RESOLUTION AUTHORIZING APPLICATION FOR STATE REVOLVING FUND (SRF) FUNDING FOR WCP-10032 WATER MAIN REHABILITATION PHASE II PROJECT (Agenda Item 3)

Mr. Randy Emory, Director of Water Resources, introduced Scott Farmer, Water Resources Systems Engineer, to provided background information on this project. Mr. Farmer stated that the existing water distribution system dates to 1905 when the first cast iron water mains were placed into service. Many of the cast iron mains that were constructed in the early twentieth century are still in service today. Cast iron pipe was the predominant material used in construction of the water distribution system until the 1960's. Since that time, most of the water mains constructed in the GUC system have utilized either fibrous cement or polyvinyl chloride pipe materials. However, approximately 12% of the total distribution system piping is cast iron pipe and much of it needs rehabilitation.

He reminded the Board that the Water Main Rehabilitation Program Phase I was approved in December 2013. Subsequent planning, design and construction of Phase I was completed in December 2018. The first phase included a detailed assessment of the condition of the water system and developed a prioritized schedule of rehabilitation and replacement. Phase I rehabilitated approximately 2,800 linear feet of water main along 10th Street from Forbes Street to College Hill Road. Phase II will review the prioritized list and select the next candidates for rehabilitation, followed by design and construction.

Staff has begun preparation of an application for project funding for this major capital project. The application is for a low interest loan under the NC State Revolving Fund (SRF) program.

Mr. Farmer stated that in order to proceed with submittal of the application, a resolution must be adopted that authorizes the General Manager/CEO to act as the designated agent for Greenville Utilities Commission. The proposed authorizing Resolution must be included with the application.

After discussion, a motion was made by Mr. Overton, seconded by Mr. Stoughton, to adopt a Resolution authorizing the General Manager/CEO to act as designated agent for Greenville Utilities Commission in connection with State Revolving Fund (SRF) funding application for Phase II of the Water Main Rehabilitation Project. The motion carried unanimously.

GREENVILLE UTILITIES COMMISSION

STATE REVOLVING LOAN FUND – RESOLUTION OF ASSURANCES, AGREEMENTS AND AUTHORIZED REPRESENTATIVE

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water treatment works, and

WHEREAS, The Greenville Utilities Commission of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, has need for and intends to replace and/or rehabilitate certain designated portions of its drinking water distribution system described as Greenville Utilities Commission Water Distribution System Rehabilitation Program Phase II project, necessary to assure continued adequate water service to the Commission's customers, and

WHEREAS, The Commission, on behalf of the City of Greenville intends to request state loan assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE GREENVILLE UTILITIES COMMISSION:

That the Greenville Utilities Commission of the City of Greenville, North Carolina, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Greenville Utilities Commission of the City of Greenville, North Carolina to make scheduled repayment of the loan, to withhold from the Greenville Utilities Commission of the City of Greenville, North Carolina any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Mr. Anthony C. Cannon, General Manager/CEO, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan to aid in the construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 19th day of September 2019.

/s/ Joel Butler
Chair

ATTEST:

APPROVED AS TO FORM:

/s/ Tommy Stoughton
Secretary

/s/ Phillip R. Dixon
General Counsel

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Executive Secretary of the Greenville Utilities Commission of the City of Greenville does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Greenville Utilities Commission of the City of Greenville duly held on the 19th day of September, 2019; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of September 2019.

/s/ Amy Carson Wade, Executive Secretary

**RECOMMENDED APPROVAL OF JOINT PAY AND BENEFITS COMMITTEE'S
RECOMMENDATIONS FOR 2020 HEALTH AND DENTAL INSURANCE (Agenda Item 4)**

Chair Joel Butler announced that a Joint Pay and Benefits Committee meeting was held on August 26, 2019, and based on the medical and dental plans performing under budget, the Committee recommends to the full Board the following Health/Dental Insurance Benefits for Plan Year 2020:

- Maintain current health rates as plan experience does not warrant an increase.
- No plan design changes for medical or dental.
- Implement Omada behavioral counseling program to provide an interactive curriculum and health coaching to help at-risk people reduce their risk of obesity-related chronic diseases.
- Continue the "first-year incentive" of \$250 for individual coverage and \$500 for family coverage for employees electing to enroll in the HSA for the first time to encourage migration to the HSA; and
- Maintain current dental rates as plan experience does not warrant an increase.

A motion was made by Mr. Darden, seconded by Mr. Stoughton, to approve the Joint Pay and Benefits Committee's recommendation and to cancel the Joint City of Greenville/Greenville Utilities Commission meeting scheduled for September 23, 2019. The motion carried unanimously. Similar action was taken at the recent City Council Meeting.

RECOMMENDED AWARD OF BID FOR 1,000 KW/2,000 KWH PEAK SHAVING BATTERY ENERGY STORAGE SYSTEM (BESS) PILOT PROJECT (ECP-10208) (Agenda Item 5)

Roger Jones, Director of Electric Systems, introduced Kyle Brown, Electric Systems Planning Engineer. Mr. Brown stated that capital project ECP-10208, installation of a new 1,000 kW/2,000 kWh peak shaving battery energy storage system (BESS), is a \$1,600,000.00 budget designated as a pilot project to be installed at GUC's Evans Street Substation. Mr. Brown stated that it will expand GUC's existing fleet of peak shaving assets and will reduce GUC's wholesale power cost by +/- \$22,520.00 per month. The goal of this project is to evaluate the technical and financial feasibility of utilizing battery energy storage systems for future peak shaving applications in lieu of traditional reciprocating engine (RICE) technology. Additionally, GUC has received a \$125,000.00 grant from the American Public Power Association's Demonstration of Energy & Efficiency Developments (DEED) program.

GUC solicited bids for a turnkey design-build of a 1,000 kW/2,000 kWh battery energy storage system. Six bids were received and Strata Solar was the lowest responsible bidder at \$996,200.00.

After some discussion on the project, a motion was made by Mr. Overton, seconded by Mr. Stoughton to award the bid for a 1,000 kW/2,000 kWh Peak Shaving Battery Energy Storage System (BESS) to Strata Solar in the amount of \$996,200.00. The motion carried unanimously.

REFLECTIONS ON HURRICANE FLOYD'S 20-YEAR ANNIVERSARY (Agenda Item 6)

Mr. Cannon shared a video commemorating the 20-year anniversary of Hurricane Floyd. The video includes a three-part series that will be displayed on social media which illustrates GUC's dedication to the community and includes mitigation measures that have been established since the flooding of GUC's Operation Center. Mr. Cannon recognized Karin Fullington, Communications Specialist, for producing the video.

CAPITAL PROJECT UPDATES (Agenda Item 7)

Chris Padgett, Chief Administrative Officer, provided an update on the progress of the new Operations Center project. The building foundation for Building 2, consisting of concrete and steel beams, are in progress. Foundation walls and concrete floors will be poured for Building 3. Pipes and a drainage system are being installed on the site. The project continues to remain on schedule and within budget.

Kevin Keyzer, Risk and Facilities Manager, provided an update on the Main Office Renovation. He stated that current and recently completed work of the interior of the new customer service area includes HVAC, mill work, ceiling tile, ceramic flooring, and interior lighting. Canopy steel, screen wall, cornice steel, store front windows, and retaining walls have all been installed on the exterior of the main office building.

GENERAL MANAGER'S REPORT (Agenda Item 8)

1. Informational Reading

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

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

TABULATION OF BIDS RECEIVED

ELECTRIC METERS
JULY 24, 2019 @ 2:00 PM

VENDORS	DELIVERY	TOTAL
Shealy Electrical Wholesalers	8-10 Weeks	\$149,844.00*
Vision Metering, LLC	4-6 Weeks	127,316.00 ⁽¹⁾

* Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the brand quoted had been removed from our approved manufacturers list.

ELECTRIC MATERIALS
AUGUST 13, 2019 @ 3:00 PM

VENDORS	LEAD TIME	\$ TOTAL
Wesco Distribution, Inc.	2-10 Weeks	\$79,530.59
Anixter, Inc.	1-18 Weeks	82,011.02
Shealy Electrical Wholesalers	2-18 Weeks	65,510.43 ⁽¹⁾

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on August 13, 2019 for the hour ending at 4:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,534,130.

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
- Frequency of Interruptions in Service – Electric (SAIFI)
- Typical Monthly Bill Comparison – Sewer
- Bond Rating

3. Commendations

The following are compliment records:

Tye Nichols, Cashier I, received a compliment from customer Mr. Grimes. Mr. Grimes called Brian Weigand, Collections Manager, to let him know about the great experience he received by Tye. He said "Tye was refreshing, kind, humble, positive and extraordinary. She helped me before and provided the same high level of service on both occasions."

Mr. Mike McLawhorn wrote on the GUC Website that the crew that came out and cleared some trees around the power lines outside his home did an excellent job. There was no debris left in the yard. The employees recognized on the crew include Dustin Sauls, Tree Trimmer Crew Leader; Jeremy Page, Tree Trimmer II; and Brian Stallings, Hunter Sparks, Nathan Peele, and Robert Lewis, all Tree Trimmer I.

John Sheppard, Gas Worker Senior, and Jason Haddock, Gas Systems Technician IV, received a compliment from Mrs. Sandy Reel. Mrs. Reel sent an email message to Shirley Peele, Staff Support Specialist, to compliment them for providing excellent customer service when they changed out her meter. She stated they were nice and personable.

Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer, received an email message from Kevin Summerlin of East Carolina University. Mr. Summerlin wrote to say thank you for your help with their transformer issue at Joyner Library and for Ryan and the crew

that worked Saturday through the night. He wrote “they worked hard, fast, and safe to get us back online!”

Also, Tony Cannon, General Manager/CEO, received an email message from ECU Interim Chancellor Dan Gerlach. Mr. Gerlach offered his sincere thanks and admiration for the hard work of the GUC staff to restore power to Joyner Library and Joyner East. He said the team worked until 3:00 a.m. on Sunday morning to make the necessary repairs.

The team that worked on the ECU matters includes Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer; Ryan Hardee, Underground Electric Distribution Supervisor; Timmy Pollard, Troubleshooter Crew Leader; Jeffery Rouse, Underground Lineworker Third Class; Kevin Willoughby, Underground Maintenance Crew Leader; Daniel Dilda, Underground Lineworker Second Class; Stephen Leggett, Underground Lineworker Third Class; Matthew Craft, Overhead Lineworker Third Class; and Travis Ransom, Underground Lineworker Second Class.

4. Other

Mr. Cannon provided a brief summary of events from Hurricane Dorian. Most of the outages occurred early Friday morning, September 6, and power was restored to the majority customers that same day. Incoming calls were limited this year due to our new online chat feature via our website.

Mr. Cannon also provided a brief history on APPA’s Light Up Navajo project. This volunteer project provided electricity to remote areas in Arizona and New Mexico. Light Up Navajo II is scheduled in 2020. After discussion, it was the consensus of the board to have a representative attend the information session.

Commissioners will be issued new iPads next month and Amy Wade will coordinate this effort.

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

Chair Butler shared the approved minutes from the recent Joint Pay and Benefits Committee meeting minutes dated, March 26, 2019.

He also reminded the Commissioners of the following meetings:

- Finance/Audit Committee Meeting, Tuesday, October 1, 2019, 12:00 noon, Board Room
- GUC Regular Meeting, Thursday, October 17, 2019, 12:00 noon, Board Room

BOARD MEMBERS’ REMARKS (Agenda Item 10)

The Commissioners thanked employees for their dedication during Hurricanes Floyd and Dorian.

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.

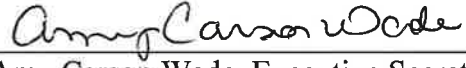
N.C.G.S. 143-318.11 (a)(6) To consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee.

Upon motion by Ms. Wall, seconded by Mr. Stoughton, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 1:32 p.m. for such purposes.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Overton, seconded by Ms. Anderson, the Board of Commissioners unanimously agreed to return to Open Session at 1:45 p.m.

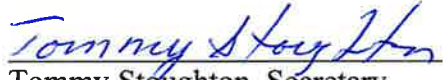
Without any further business to conduct, Chair Butler announced that the meeting would stand adjourned at 1:45 p.m.

Respectfully submitted,



Amy Carson Wade, Executive Secretary

APPROVED:



Tommy Stoughton, Secretary

--This page is intentionally left blank--