

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, February 20, 2020

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, Chair	Minnie J. Anderson
Parker Overton, Chair-Elect	Kelly L. Darden, Jr.
Tommy Stoughton, Secretary	Peter Geiger
Ann E. Wall	Lindsey Griffin

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer
Chris Padgett	Lou Norris
Jeff McCauley	Kristen Jarman
Phil Dixon	Jonathan Britt
Keith Jones	Jason Manning
George Reel	Lena Previll
Randy Emory	Robby Bright
Roger Jones	JoEllen Gay
Anthony Miller	Amanda Wall
Richie Shreves	Erin Walton
Steve Hawley	LeAnne Wetherington
Tony Godwin	
David Springer	
John Worrell	
Amy Wade	

Others Present:

Rick Smiley, City Council Liaison; Ginger Livingston, The Daily Reflector; and Laura Bliley, Chamber Leadership Institute Participant.

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. Darden, to accept the agenda as presented. The motion carried unanimously.

SAFETY BRIEF

Mr. 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.

Recognition of GUC's United Way Committee

Mr. Tony Cannon, General Manager/CEO, recognized GUC's United Way Committee members. The members represent all departments. He added that the committee members work each year to educate employees about the United Way of Pitt County and coordinate the annual campaign and pledge drive. The committee completed its 2020 pledge campaign and exceeded their goal

with \$39,511 in pledges. In addition to the annual campaign, the committee coordinates other fundraisers throughout the year.

The GUC United Way Committee Members are as follows:

Robby Bright	Natural Gas Supply Analyst I-Gas
JoEllen Gay	Environmental Compliance Coordinator-Water Resources
Scott Jablonski	Administrative Assistant-Human Resources
Charles May	Load Management Technician II-Electric
Lou Norris	Secretary to the General Manager/CEO-Administration
Amanda Wall	Senior Financial Planning and Rates Analyst-Finance
Erin Walton	Communications Specialist-Public Information Office
LeAnne Wetherington	Administrative Assistant-Customer Relations

Recognition of Chamber’s Ambassador of the Year – Lou Norris

Mr. Tony Cannon, General Manager/CEO announced that Lou Norris, Secretary to the General Manager/CEO, was recently recognized at the Greenville-Pitt County Chamber of Commerce’s Annual Member Celebration and awarded the Ambassador of the Year by her peers.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Mr. Darden, to approve the January 16, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – January 31, 2020 (Agenda Item 2)

January 31, 2020 Financial Statement:

Key financial metrics for the combined funds for the period ending January 31, 2020:

Operating Cash:	\$88,817,403	Days of Cash on Hand:	151
Less Current Liabilities	<u>(\$20,221,938)</u>		
Fund Balance:	\$68,595,465		

Fund Balance Available for Appropriation:	26.3%	Days of Cash on Hand After Liabilities:	117
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Average Investment Yield: 2.00%

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$182,298	\$171,247	\$783,166	\$1,981,873	\$2,076,760	\$6,315,524
Water	\$636,788	\$782,619	\$187,945	\$5,087,686	\$3,831,471	\$1,865,779
Sewer	\$342,016	\$199,879	\$437,422	\$3,953,140	\$974,014	\$3,219,339
Gas	\$671,150	\$678,673	\$1,866,854	\$1,305,927	(\$561,897)	\$2,771,758
Combined	\$1,832,252	\$1,832,418	\$3,275,387	\$12,328,626	\$6,320,348	\$14,172,400

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$98,965	\$186,650	\$283,166	\$1,481,878	\$2,184,584	\$4,765,524
Water	\$207,621	\$385,350	\$37,945	\$2,083,517	\$1,050,588	\$240,781
Sewer	\$167,016	\$130,871	\$87,422	\$2,327,861	\$490,958	\$1,636,007
Gas	\$650,317	\$691,675	\$866,854	\$1,159,828	(\$470,883)	\$1,271,758
Combined	\$1,123,919	\$1,394,546	\$1,275,387	\$7,053,084	\$3,255,247	\$7,914,070

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for January 31, 2020.

The weather impact for the month of January indicated that the heating degree days were lower than January 2019. The January rainfall was 4.73 inches which was more than last year. The portfolio earned 2.00 % for the month of January.

Overall year-to-date results through the end of January remain stable. The Electric Rate Stabilization Reserves are approximately \$24.2 million and the Gas Rate Stabilization Reserves are \$1.7 million. The Operating Reserves are 151 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 \$34.5 million.

A motion was made by Mr. Overton, seconded by Mr. Griffin, to accept the Financial Statement for January 31, 2020. The motion carried unanimously.

CONSIDERATION OF GRANTING OF EASEMENT TO RESTORATION SYSTEMS, LLC FOR THE GUC NUTRIENT BANK (Agenda Item 3)

Mr. Randy Emory, Director of Water Resources, introduced Jason Manning, Wastewater Treatment Plant Superintendent, to provide information on this project. Mr. Manning stated that the State of North Carolina allows for creation of Nutrient Banks to capture nitrogen and phosphorus from approved acreage to protect surface water quality. Trees are planted along surface water drainage features, Blue Line Streams and approved field ditches, passively capturing and mitigating targeted pollutants thereby reducing the amount of phosphorus and nitrogen being discharged into the river from land. The state has a program through the Division of Mitigation Services that allows Nutrient Banks to be permitted, created and for the calculated credits to be allocated to the Conservation Easement project for the pounds of potential nitrogen and phosphorus not discharged to the river. Staff has pursued creation of a Nutrient Bank on the Wastewater Treatment Plant (WWTP) property and has partnered with Restoration Systems, LLC to create the Nutrient Bank. Approximately 100 acres of the WWTP property will be planted in trees and shrubs to create a multistory canopy which will capture nitrogen and phosphorus in field surface water runoff. Nutrient credits will be generated and “banked”. They can be used at a future date where and when needed for Wastewater Nutrient Allocation compliance, incentives for industrial recruitment and construction projects requiring nutrient offset. Staff initiated the efforts for this project in 2017 and recently received approval to move forward with tree planting in March. The project is being implemented at no cost to GUC. In addition, GUC will retain 40% of all credits generated by the project. The project will yield aesthetically pleasing acreage that will meet GUC’s sustainability goals.

Following discussion, a motion was made by Mr. Overton, seconded by Ms. Wall, to grant a conservation easement to Restoration Systems, LLC, authorize the General Manager/CEO to execute any related documentation to consummate the transaction and recommend similar action by City Council and the Mayor. The motion carried unanimously.

CONSIDERATION OF GRANTING OF AMENDMENT TO EASEMENT TO PIEDMONT NATURAL GAS COMPANY, INC. FOR A FLARE SITE ON WASTEWATER TREATMENT PLANT (WWTP) PROPERTY (Agenda Item 4)

Mr. Jason Manning, Wastewater Treatment Plant Superintendent, stated that Piedmont Natural Gas Company, Inc. (PNG) acquired an easement, dated October 2018, to install a new section of natural gas main across the WWTP property. An amendment to that easement has been requested to allow PNG space for operating and maintaining a flare site. A flare site is used to reduce gas pressure on the system to allow for safe work during periodic maintenance. Instead of the gas being released to atmosphere and creating a potential hazard it is flared or burned off.

Following discussion, a motion was made by Mr. Geiger, seconded by Mr. Griffin, to approve the easement amendment with Piedmont Natural Gas Company, Inc. for a flare site and recommend City Council take similar action and execute the easement document. The motion carried unanimously.

CAPITAL PROJECT UPDATES (Agenda Item 5)

Mr. Chris Padgett, Chief Administrative Officer, provided an update on the progress of the New Operations Center project.

- The Engineering and Operations Building, building 2, has the roof membrane installation completed and the bricking is about 50% complete. The interior walls are being framed and the mechanical, electrical, and plumbing work is in process.
- The Systems Support Building, building 3, has the roof and exterior walls complete. The windows and doors will be next.
- The steel structure has been erected for the Stores Warehouse Building, building 4. The roof and exterior walls will go in next.
- The general site work is continuing with curbing and rock in the parking lot and landscape on the berm.
- The widening on Highway NC 43 will begin with work starting on the highway on the Operations Center side and then the work will move to the other side. There will be flag workers between 9:00 a.m. and 4:00 p.m. for a period of time due to the NC DOT lane closures.

Mr. Padgett updated the Board on the change order in the amount of \$45,000 with the largest amount being contributed to landscaping and irrigation. This work was previously taken out for value engineering. Due to the budget availability, this work could move ahead. Mr. Padgett noted that the project is ahead of schedule and occupancy may be moved up a few months.

Mr. Cannon added that plans are moving along with the design of the Fleet Building. Once the design is complete, the project will be brought to the Board.

Mr. Kevin Keyzer, Risk and Facilities Manager, provided an update on the Main Office renovation project. The Phase II of the interior work is complete. Phase III is in process with the demolition complete and the mechanical, electrical, and plumbing and the dry wall work underway. Mr. Keyzer stated that this project will be complete in April 2020. The new corporate signage has been installed on the exterior of the building. The following exterior work is underway: hardscapes, site walls, steps, canopies and sunshades.

GENERAL MANAGER’S/CEO REPORT (Agenda Item 6)

1. Informational Reading

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

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

GREENVILLE UTILITIES COMMISSION
TABULATION OF BIDS RECEIVED

ITEM I (10) 15 KVA CONVENTIONAL DISTRIBUTION TRANSFORMERS 277/480.

STK # 204890

JANUARY 8, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Anixter, Inc. (Cooper)	9	\$684.00	\$1,332.90*	\$6,840.00
National Transformer Sales	10	620.00	1,364.00	6,200.00
Anixter, Inc. (GE)	7	657.00	1,437.60	6,570.00
Wesco Distribution Inc.	8	689.00	1,459.10	6,890.00

*Indicates recommended award based on lowest total ownership cost.

ITEM II (10) 100 KVA PADMOUNT TRANSFORMERS 240/120, STK # 205130
 JANUARY 8, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales	14	\$2,257.00	\$5,339.20*	\$22,570.00
Anixter, Inc. (GE)	10	2,175.00	5,467.20	21,750.00
Anixter, Inc. (Cooper)	13	3,152.00	5,987.60	31,520.00

*Indicates recommended award based on lowest total ownership cost.

ITEM III (4) 300 KVA THREE PHASE PADMOUNT TRANSFORMERS 277/480,
 STK # 208240
 JANUARY 8, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales	14	\$6,556.00	\$15,141.70*	\$26,224.00
Anixter, Inc. (GE)	8	9,694.00	16,069.60	38,776.00
WEG	30	8,210.00	17,640.20	32,840.00
Anixter, Inc. (Cooper)	23	9,318.00	17,756.10	37,272.00
Wesco Distribution Inc.	30	8,580.00	18,010.20	34,320.00

*Indicates recommended award based on lowest total ownership cost.

ITEM IV (10) 10 KVA CSP DISTRIBUTION TRANSFORMERS 120/240,
 STK # 205000
 JANUARY 8, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales	10	\$711.00	\$1,260.90*	\$7,110.00
Wesco Distribution Inc.	8	757.00	1,323.70	7,570.00

*Indicates recommended award based on lowest total ownership cost.

50,600' OF 750 MCM UG PRIMARY CABLE AND 30,000' OF 350 UG TRIPLEX CABLE
 JANUARY 8, 2020 @ 4:00 PM

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE 750 MCM UG TRIPLEX CABLE	TOTAL
Anixter, Inc.	Okonite	Stock-2/28/20	\$5.337	\$270,052.20*
UAI – CME	CME	14-16	5.6065	283,689.00
Shealy Electrical Wholesalers	Southwire	10	5.74	290,444.00
Wesco Distribution, Inc.	Southwire	8-10	5.905	298,793.00

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE 350 UG TRIPLEX CABLE	TOTAL
UAI – CME	CME	2	\$1.95	\$58,500.00*
Shealy Electrical Wholesalers	Southwire	2	1.96	58,800.00
Anixter, Inc.	Southwire	Stock-2	1.977	59,310.00
Wesco Distribution, Inc.	Southwire	2-3	2.023	60,690.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on January 22, 2020 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 \$1,435,875.

2. Key Performance Indicators (KPIs)

Mr. Cannon shared the new format for the Corporate KPI report.

3. Commendations

The following are compliment records:

Mr. Scott Mullis, Assistant Director of Customer Relations, received a call from customer Jim Brown. Mr. Brown called to thank GUC and specifically Jeff Oakley, Electric Engineer Assistant II, for his assistance with storm related issues at his residence. Other crew members included are David Guy, Overhead Lineworker Second Class; Joey Dash, Overhead Lineworker Frist Class; and Billy Owens, Overhead Lineworker First Class.

Facebook Thank You:

You guys did an excellent job taking care of the water line on HWY 33 today. Great Job! – Vince Kelly.

The crew included Keith Fisher, Water Resources Systems Supervisor; Tyrone Moore, Pipe Layer I; Gustavo Smith, Pipe Layer III; Alvin Davis, Pipe Layer II; Diondre Moore, Pipe Layer I; Joshua Dilda, Pipe Layer I; and Chris Rouse, Equipment Operator III.

Twitter Compliment:

We really do appreciate everything you do for our city – Matt Fromm

4. Other

Mr. Tony Cannon, General Manager/CEO, announced that the Town of Bethel received a grant from the State to help pay for improvements of the Town of Bethel's water and sewer systems. The Town of Bethel has asked GUC to move forward with an agreement to manage these systems.

The Pitt-Greenville Airport Authority has been awarded a \$750,0000 grant from the U.S. Department of Transportation to secure a second airline.

Mr. Cannon announced that GUC has a Pandemic Preparedness Plan as part of GUC's Emergency Management Plan. GUC is monitoring the Coronavirus.

Mr. Cannon stated that there is a new format for reporting the Corporate KPIs. The new report is included as part of the materials in the General Manager's Report.

Mr. Cannon added that staff is monitoring the inclement weather and GUC crews are ready and on standby. Due to the inclement weather, the GUC offices will close at 3:00 p.m. today and will open at 10:00 a.m. tomorrow.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 7)

Chair Butler congratulated and recognized Chris Padgett who was recently appointed as Chair of the Greenville-Pitt County Chamber of Commerce Board of Directors. Chair Butler also reminded the Board of the next Regular meeting on Thursday, March 19, 2020, at 12:00 noon, in the Board Room.

BOARD MEMBERS' REMARKS/REPORT (Agenda Item 8)

Mr. Tommy Stoughton congratulated Tony Cannon for his leadership and recognized him for being elected to the ElectriCities Board of Directors.

Ms. Ann Wall stated that the City of Greenville announced this morning that the City of Greenville will host the Little League Softball World Series this summer. She also announced that a groundbreaking was held on Fleming Street in Lincoln Park today with plans to build four new houses.

Tour of the New Operations Center will be rescheduled.

Without any further business to conduct and without objection, Chair Butler adjourned the Board of Commissioners meeting at 12:45 p.m.

Respectfully submitted,

Amy Carson Wade
Amy Carson Wade, Executive Secretary

APPROVED:

Tommy Stoughton
Tommy Stoughton, Secretary

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