

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, January 16, 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	Cody Cratt
Chris Padgett	Lou Norris	Blake Horton
Jeff McCauley	Kristen Jarman	Chris Wallace
Phil Dixon	Anthony Whitehead	
Keith Jones	Julius Patrick	
George Reel	Jason Manning	
Randy Emory	Durk Tyson	
Richie Shreves	Kathy Howard	
Steve Hawley	Lena Prevall	
Tony Godwin	Charlie Buck	
David Springer	Dustin Jenkins	
John Worrell	Lee Eakes	
Scott Mullis	Chris H. Rouse	
Amy Wade	Maurice Ampley	

Others Present:

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

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

GUC's new City Liaison, Rick Smiley, was welcomed to the meeting.

ACCEPTANCE OF THE AGENDA

A motion was made by Mr. Stoughton, seconded by Mr. Overton, 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 iGrow Graduates

Mr. Tony Cannon, General Manager/CEO, stated that the iGrow program was launched last year as part of GUC's succession planning to give employees an opportunity to explore different careers available within the Commission. Mr. Cannon introduced Richie Shreves, Director of Human Resources. Ms. Shreves stated that this iGrow initiative was a collaboration with Water Resources to address a recruiting challenge in finding operators for the Water Treatment Plant

and the Wastewater Treatment Plant. She noted that other utilities are facing these same issues. Interested employees completed an application and interview, and if accepted, the participants completed the training and tested for the state exam certification. There were nine employees that participated and completed this program. Ms. Shreves announced that one of the graduates recently has made a career change and is now an operator at the Wastewater Treatment Plant.

The 2019 iGrow Graduates are as follows:

Charlie Buck	WWTP Operator-Water Resources
Dustin Jenkins	Meter Technician II-Electric
Lee Eakes	Customer Contact Representative II
Chris H. Rouse	Equipment Operator III-Water Resources
Maurice Ampley	Pipe Layer III-Water Resources
Cody Cratt	Pipe Layer III-Water Resources
Blake Horton	Electric Meter Specialist
Chris Wallace	Gas Systems Technician II
Corbin Congleton (absent)	Piper Layer III-Water Resources

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Overton, seconded by Mr. Geiger, to approve the December 19, 2019 Regular Meeting minutes as presented. The motion carried unanimously.

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

**December 31, 2019 Financial Statement:**

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

Operating Cash:	\$87,917,098	Days of Cash on Hand:	149
Less Current Liabilities	<u>(\$21,431,472)</u>		
Fund Balance:	\$66,485,626		

Fund Balance Available for Appropriation: 25.5%      Days of Cash on Hand After Liabilities: 112

Average Investment Yield: 1.99%

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$82,066	\$107,897	\$744,292	\$1,799,575	\$1,905,513	\$5,532,358
Water	\$628,308	\$815,091	\$315,362	\$4,450,898	\$3,431,628	\$1,677,834
Sewer	\$394,620	\$196,011	\$441,000	\$3,611,124	\$774,135	\$2,781,917
Gas	\$769,891	\$279,533	\$899,368	\$634,777	(\$1,240,570)	\$904,904
<b>Combined</b>	<b>\$1,874,885</b>	<b>\$1,398,532</b>	<b>\$2,400,022</b>	<b>\$10,496,374</b>	<b>\$4,870,706</b>	<b>\$10,897,013</b>

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$82,066	\$123,300	\$244,292	\$1,382,913	\$1,997,934	\$4,482,358
Water	\$199,141	\$417,822	\$69,529	\$1,875,896	\$1,048,014	\$202,836
Sewer	\$144,620	\$127,003	\$141,000	\$2,160,845	\$360,087	\$1,548,585
Gas	\$686,559	\$292,535	\$399,368	\$509,511	(\$1,162,558)	\$404,904
<b>Combined</b>	<b>\$1,112,386</b>	<b>\$960,660</b>	<b>\$854,189</b>	<b>\$5,929,165</b>	<b>\$2,243,477</b>	<b>\$6,638,683</b>

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

The weather impact for the month of December indicated that the heating degree days were lower than December 2019. The December rainfall was 2.29 inches which was less than last year. The portfolio earned 1.99% for the month of December.

Overall year-to-date results through the end of November 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 149 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 \$35.5 million.

A motion was made by Ms. Wall, seconded by Ms. Anderson, to accept the Financial Statement for December 31, 2019. The motion carried unanimously.

AUTHORIZATION FOR THE GENERAL MANAGER/CEO TO EXECUTE A CONTRACT AMENDMENT TO THE ARCHITECTURAL/ENGINEERING CONTRACT FOR THE NEW OPERATIONS CENTER CAMPUS WITH CT CONSULTANTS (Agenda Item 3)

Mr. Tony Cannon, General Manager/CEO, stated that the New Operations Center plans originally included construction of Building 5 (Fleet Maintenance Building) and Building 1 (Human Resources, Risk Management, Information Technology, Training Center, Wellness Center). Construction plans of these two buildings were removed due to cost. With contingency funding available, GUC recommends moving forward with the design of Building 5 (Fleet Maintenance Building) which will determine the cost for budget planning. Mr. Cannon asked Chris Padgett, Chief Administrative Officer, to provide the details of this project. Mr. Padgett reminded the Commissioners that Barnhill Contracting Company, the Construction Manager at Risk (CMAR) for the New Operations Center Project, provided GUC with an initial cost estimate in late December 2017. This cost estimate exceeded the project budget and was based on the schematic design for the full build-out of the 82-acre campus which included all site improvements and the construction of five primary buildings. Based on this initial cost estimate, GUC's Project Team worked with the designer (CT Consultants) and CMAR to value engineer the project and to identify which components could be delayed until a future phase. The result of this effort was the removal of Building 1 (Human Resources, Risk Management, Information Technology, Training Center, Wellness Center); the removal of Building 5 (Fleet Maintenance Building); reductions in the size of Buildings 2, 3 and 4; and the removal of various smaller elements from the current phase of work.

Of the elements that were removed from the current phase of the project, the Fleet Maintenance Building will have the most impact on operations as it is less efficient to have such services provided at a remote location. Additionally, the longer Fleet Maintenance stays at the current Mumford Road location, the risk of flooding remains. As such, the top priority for any future phase of the New Operations Center is to design and construct this building as soon as funding is available.

In order to determine when the Fleet Maintenance Building can be funded by the capital plan, its cost must first be determined. The preliminary schematic design of Building 5 is not been fully detailed, or value engineered like the other components currently being constructed. Given these circumstances, staff recommends that the current scope of work with CT Consultants be expanded to include additional services related to the Fleet Maintenance Building to generally include:

- Provide value engineering of Schematic Design;
- Develop building plans, sections and elevations, and mechanical, electrical, and plumbing plans and schedules;
- Issue preliminary specifications that reflect the products, materials, and equipment to be used as the basis of design;
- Provide a detailed cost estimate; and
- Develop Design Criteria Documents consistent with Criteria Architect Services associated with the Design-Bid-Bridging construction method.

The total cost for these additional services will not exceed \$187,500 with such funds currently available within the project budget as Owners Contingency.

Following discussion, a motion was made by Mr. Overton, seconded by Mr. Griffin, to authorize the General Manager/CEO to execute a contract amendment to the Architectural/Engineering Contract for the New Operations Center Campus with CT Consultants for the additional scope of work in the amount of \$187,500. The motion carried unanimously.

GENERAL MANAGER’S/CEO REPORT (Agenda Item 4)

1. Informational Reading

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

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

**GREENVILLE UTILITIES COMMISSION**

**RECOMMENDATION FOR VENDOR NEGOTIATIONS BASED ON PROPOSALS/DEMO RECEIVED FOR UTILITY LOCATING SECTION (ULS) TICKET MANAGEMENT**

November 13, 2019 @ 3:00 PM

<b>RECOMMENDATION FOR NEGOTIATIONS</b>
UtiliSphere, IrthSolutions*
Boss
Think Hats
HiperWeb

\*Indicates recommended vendor to negotiate agreement based on their proposals/demos.

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on December 20, 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 \$1,324,469.

2. Key Performance Indicators (KPIs)

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

- Connections Per Employee
- System Losses-Gas
- Disruption of Service-Water
- Billing Process Accuracy

3. Commendations

The following are compliment records:

Mr. Russ Carson, Load Management and Dispatch Supervisor, received a call from customer Michael Luck. Mr. Luck called to thank the tree crew that came out and trimmed vines and trees near his restaurant. The crew included Connie McGowan, Tree Trimmer Crew Leader; Nathan Peele, Tree Trimmer I; Oscar Meeks Vasquez, Tree Trimmer I; Ray Baker, Tree Trimmer II; and Bobby Lewis, Tree Trimmer I.

Ms. Nikia Best Manuel, Water Resources Customer Records Clerk, received a call from Mrs. Witherington who called and said, “the crew were very professional and did an awesome

job.” The crew included Linwood Smith, Pipe Crew Leader I; Derek Averill, Equipment Operator IV; Gustavo Smith, Pipe Layer II; Jason Owens, Equipment Operator III; and Kyle Venski, Pipe Layer III.

4. Semi-Annual Report on Disposal of Surplus Property

**Greenville Utilities Commission, NC**  
**Semi-Annual Report on Disposal of Surplus Property**  
**Date range: 07/01/2019-12/31/2019**

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, 2019 and December 31, 2019 is listed below. No action is required by the Board.

Description	Sold Amount
Desks, Chairs, Filing Cabinet, Office Supplies	\$115.00
Ammonia/Monochloramine Analyzer, Oscilloscope, Turbid meter and Misc. Items	\$50.00
Misc. Laptops, Computers, Printers, Monitors	\$1,226.00
Canon Image Runner 1025 Copier	\$30.00
Misc. Office Chairs, Desk, Teller Cabinet Drawers	\$250.00
150W Black Decorative Lights	\$231.00
Westinghouse 3 Phase 500KVA Transformer	\$393.00
Wood Wire Reels	\$60.00
Landscaping Power Equipment	\$120.00
Safety Vests and Flashlights	\$255.00
Toolboxes	\$455.00
2007 Ford Ranger	\$2,867.50
2002 Ford F-150	\$1,942.50
1995 Sundance Boat	\$277.50
1995 Load Rite Trailer	\$185.00
2005 Argo ATV	\$1,942.50
2000 Ford F-250	\$3,607.50
2010 Ford Ranger	\$5,735.00
2007 Case Backhoe	\$13,181.25
2009 New Holland Tractor	\$13,181.25
2008 Ford Ranger	\$3,330.00
2009 Ford F-350	\$7,030.00
<b>Total</b>	<b>\$56,465.00</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
Year 2019	\$130,812.14
<b>TOTAL</b>	<b>\$ 1,113,756.24</b>

5. Other

Mr. Tony Cannon, General Manager/CEO, pointed out a cornerstone and plaque from Greenville Utilities' original building built in 1918. This cornerstone has been temporarily placed in the Board Room while renovations are being completed.

Mr. Cannon asked George Reel, Director of Customer Relations, to display an Energy Efficiency award where GUC was awarded and recognized for the E300 program that was created by the Energy Services Section in 1980. The award was signed by President Jimmy Carter.

Mr. Cannon reported that he has been working with GUC's lobbyist and with the American Public Power Association (APPA) on legislation related to FEMA hazard mitigation projects. Senator Thom Tillis and Senator Richard Burr from North Carolina are leading this effort and if the bill is passed, the changes would allow mitigation projects to commence prior to FEMA approval.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 5)

Chair Butler congratulated the iGrow graduates on their accomplishments and reminded the Commissioners of the following meeting:

- GUC Regular Meeting, Thursday, February 20, 2020, 12:00 noon, 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)(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. Overton, seconded by Mr. Darden, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:32 p.m. for such purposes.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Stoughton, seconded by Mr. Geiger, the Board of Commissioners unanimously agreed to return to Open Session at 1:00 p.m.

It was announced that the tour of the New Operations Center will be rescheduled due to the recent rain.

Without any further business to conduct in Open Session and without objection, Chair Butler declared the meeting of the Board of Commissioners adjourned at 1:00 p.m.

Respectfully submitted,

  
Amy Carson Wade, Executive Secretary

APPROVED:

  
Tommy Stoughton, Secretary