

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, September 17, 2020

The Board of Commissioners of the Greenville Utilities Commission held a Virtual Meeting at 12:00 noon with the following members and others present, and Chair Overton presiding.

Commission Board Members Present:

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

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer
Jeff McCauley	Lou Norris
Chris Padgett	Jonathan Britt
Phil Dixon	Kathy Howard
Keith Jones	Amanda Wall
George Reel	Kyle Brown
Randy Emory	
Anthony Miller	
Roger Jones	
Andy Anderson	
Richie Shreves	
Steve Hawley	
David Springer	
John Worrell	
Amy Wade	

Others Present:

Rick Smiley, City Council Liaison; Steve Graybill, Mercer Consultant; and Ginger Livingston, The Daily Reflector.

Chair Overton called the meeting to order. Ms. Amy Wade, Executive Secretary, called the roll and 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. The motion carried unanimously.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Ms. Anderson, to approve the August 20, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

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

August 31, 2020 Financial Statement Preliminary:

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

Operating Cash: \$84,288,138
 Less Current Liabilities (\$23,531,111)
 Appropriated Fun Balance (\$5,900,000)
 Fund Balance: \$54,857,027

Days of Cash on Hand: 137

Fund Balance Available for Appropriation: 20.3%

Days of Cash on Hand After Liabilities: 89

Average Investment Yield: .92%

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$814,735)	(\$53,744)	(\$372,055)	\$1,824,208	\$882,492	\$2,346,300
Water	\$258,428	\$66,619	\$320,043	\$1,247,713	\$648,491	\$1,208,529
Sewer	\$73,517	(\$207,711)	\$103,159	\$905,226	\$88,360	\$871,207
Gas	(\$574,080)	(\$720,841)	(\$622,625)	(\$702,949)	(\$1,039,996)	(\$826,565)
Combined	(\$1,056,870)	(\$915,677)	(\$571,478)	\$3,274,198	\$579,347	\$3,599,471

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$814,735)	\$146,257	(\$372,055)	\$1,503,375	\$1,282,494	\$2,262,967
Water	\$258,428	(\$354,214)	\$70,043	\$826,880	(\$193,175)	\$529,362
Sewer	\$73,517	(\$386,878)	\$53,159	\$546,892	(\$269,974)	\$646,207
Gas	(\$574,080)	(\$791,174)	(\$622,625)	(\$702,949)	(\$1,180,662)	(\$847,398)
Combined	(\$1,056,870)	(\$1,386,009)	(\$871,478)	\$2,174,198	(\$361,317)	\$2,591,138

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

The weather impact for the month of August indicated that the cooling degree days were higher than August 2019. The August rainfall was 7.67 inches which was higher than last year. The portfolio earned .92% for the month of August.

Overall year-to-date results through the end of August remain stable. The Electric Rate Stabilization Reserves are approximately \$24.4 million, and the Gas Rate Stabilization Reserves are \$2.2 million. The Operating Reserves are 137 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 \$38.1 million.

After discussion, a motion was made by Mr. Geiger, seconded by Mr. Stoughton, to accept the Preliminary Financial Statement for August 31, 2020. The motion carried unanimously.

RECOMMENDED AWARD OF BID FOR REPLACEMENT OF 1,000 KW PEAK SHAVING GENERATION SYSTEM (ECP-10219) (Agenda Item 3)

Mr. Kyle Brown, Electric Planning Engineer, provided an update on this project. Mr. Brown stated that the Capital Project ECP-10219 has a budget of \$6,000,000.00 which is designated for the replacement of existing GUC peak shaving generation systems that have reached end of useful life. This will be a multi-year project to replace +/- 10.5 megawatt (MW) of existing generation assets. Electric engineering staff selected the existing 1,000 kilowatt (kW) peak shaving generation system located at 500 Industrial Boulevard (P&G Substation) to be replaced in FY 20-21. The replacement of existing diesel units with natural gas units, where available, will decrease emissions and operating and maintenance costs. The existing generation system reduces GUC's wholesale monthly power cost by +/- \$23,410.00 per month.

GUC solicited bids for a turnkey design-build 1,000 kW generation system. The three bids listed below were received.

Vendors	Price
Gregory Poole Power Systems	\$1,055,500.00*
Power Secure Inc.	\$1,149,119.00
Crowder Industrial Construction LLC	\$1,348,000.00
Gregory Poole Power Systems (alternate bid – **did not meet minimum specifications)	\$945,000.00**

*Gregory Poole Power Systems. was the lowest responsible bidder.

**Bid does not meet minimum specifications.

Initial funding amount of the \$6M for ECP-10219 is for replacements through FY 21-22. Total estimate for all generator replacements is +/- \$12M.

After discussion, a motion was made by Mr. Geiger, seconded by Mr. Griffin, to award the bid for a 1,000 kW Peak Shaving Generation System to Gregory Poole Power Systems in the amount of \$1,055,500.00. The motion carried unanimously.

CONSIDERATION OF AUTHORIZING CONSTRUCTION OF NEW OPERATIONS CENTER BUILDINGS 6 AND 7 (Agenda Item 4)

Mr. Chris Padgett, Chief Administrative Officer, stated the current phase of the New Operations Center is close to being completed and contains over 142,000 square feet of finished floor area located within three primary buildings (Buildings 2, 3 and 4). He reminded the Board of Commissioners that when the project was bid in December of 2018 it was determined that the two equipment shelters (identified on the site plan as Buildings 6 and 7) would not be immediately constructed to ensure that the project stayed within budget. The project has performed very well from a budget and schedule perspective, and staff recommends authorizing the Construction Manager at Risk (CMAR), Barnhill Contracting, to move forward with constructing Buildings 6 and 7.

Barnhill Contracting rebid Buildings 6 and 7 in August and the total cost is \$937,684 inclusive of a 5% owner contingency. Staff recommends funding this additional construction using funds already budgeted for the project as follows:

- Reallocate \$722,933 in unused allowances that are currently included in the Guaranteed Maximum Price (GMP); and
- Reallocate \$214,751 of unused CMAR contingency that is currently included in the GMP.

This results in no change to the approved Guaranteed Maximum Price (GMP) or the approved Capital Project Budget.

A motion was made by Mr. Stoughton, seconded by Mr. Darden, to authorize the General Manager/CEO to reallocate funds already approved as part of the New Operations Center to construct Buildings 6 and 7. The motion carried unanimously.

RECOMMENDATION FROM THE JOINT COG/GUC PAY AND BENEFITS COMMITTEE (Agenda Item 5)

Mr. Cannon announced that the Joint COG/GUC Pay and Benefits Committee, comprised of Council Members Rose Glove and Rick Smiley, and GUC Commissioners Kelly Darden and Peter Geiger, met on Monday, September 14, 2020 and reviewed staff recommendations for Plan Year 2021 Health and Dental benefits. At this meeting, the Joint COG/GUC Pay and Benefits Committee concurred with staff recommendations for 2021 Health and Dental benefits for consideration by the GUC Board of Commissioners and City Council.

To provide the GUC Board of Commissioners with an update on the recommendation, Mr. Steve Graybill with Mercer Consulting gave a brief presentation. Mr. Graybill stated that the only plan changes are the implementation of the new pharmacy programs with Cigna. They are outlined as follows.

2021 Recommended Pharmacy Programs

- **Best Start @ Accredo:** requires members newly prescribed specialty medication (SRx) to use Accredo on their first fill.
 - Current SRx members are already filling medications at Accredo
 - Members newly prescribed SRx currently have one grace fill allowed
 - No disruption to members
 - Promotes better specialty drug management and engagement which results in lower condition costs
- **SaveonSP:** maximizes drug manufacturer assistance to reduce members out of pocket costs for medications
 - No disruption to members
 - Members have a choice to opt-in to the program
 - Aims to achieve a zero-dollar cost share for the member
 - Would only apply to the Enhanced and Core PPO Plans due to first-dollar coverage restrictions on High Deductible Health Plans
 - Up to \$193,000 in annual savings for both members and COG/GUC
- **Patient Assurance Program:** makes diabetes medications more affordable for members to increase medication adherence: funded by the manufacturers
 - Caps customer cost share for eligible drugs at point-of-service
 - \$25 for 30 days' supply, pre-deductible (savings of \$5 per script)
 - Only for the Enhanced and Core PPO plans as HSA members receive these preventive drugs at no cost
 - No member disruption
 - Estimated member savings of \$3,000 annually for employees

2021 Recommendations from the Joint COG/GUC Pay and Benefits Committee for Medical and Dental:

- No change in Employee Contributions for medical or dental
- Recommend 1.5% increase in medical plan premiums and a 2% increase in dental plan premiums funded by employers
- Continue the “first-year incentive” of \$250 for individual coverage and \$500 for family coverage for employees electing to enroll in the health savings account (HSA) for the first time to encourage migration to the HSA; this is in addition to the regular, annual funding of \$500 individual and \$1,000 family
- Recommended Rx program enhancements for specialty and diabetes medication
- Cancellation of the Joint COG/GUC Board Meeting scheduled for September 21, 2020

After discussion, a motion was made by Mr. Griffin, seconded by Dr. Braswell, to accept the recommendation from the Joint COG/GUC Pay and Benefits Committee on the medical and dental plans and to cancel the Joint COG/GUC meeting that was previously scheduled for September 21, 2020. The motion carried unanimously.

CAPITAL PROJECT UPDATES (Agenda Item 6)

Mr. Chris Padgett, Chief Administrative Officer, provided an update on the progress at the New Operations Center. It is expected to have occupancy permits next week with a move in beginning the last week of September.

Mr. Padgett next provided an update on the Fleet Maintenance Building #5. T.A. Loving has been selected as the leader of the design build team with design by Intrepid Architecture and civil work by Rivers and Associates. The design is expected to be completed January 2021 and bids are to be received February 2021. Construction should begin in spring of 2021 and substantial completion of this building by April 2022.

GENERAL MANAGER’S/CEO REPORT (Agenda Item 7)

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 were reported for information:

GREENVILLE UTILITIES COMMISSION
TABULATION OF BIDS RECEIVED

ITEM I (30) 50 KVA PAD MOUNT TRANSFORMER, STK # 205140
JULY 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales	14	\$1,349.00	3,195.80*	\$74,195.00 ⁽¹⁾
Richardson Associates	18	1,489.00	3,213.40	44,670.00
Wesco Distribution, Inc.	14	1,491.00	3,386.10	44,730.00
Anixter, Inc. (GE)	13	1,680.00	3,450.30	50,400.00
Anixter, Inc. (Cooper)	11	2,031.00	3,555.60	60,930.00
Border States	16	2,041.00	3,709.00	61,230.00

* Indicates recommended award based on lowest total ownership cost.

(1) Indicates that we are ordering an additional 25 units of the 50 KVA Pad Mount over the requested bid amount.

ITEM II (25) 75 KVA PAD MOUNT TRANSFORMER, STK # 205040
JULY 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales	14	\$1,699.00	\$4,219.00*	\$42,475.00
Anixter, Inc. (GE)	13	1,800.00	4,367.40	45,000.00
Richardson Associates	18	2,109.00	4,425.00	52,725.00
Wesco Distribution Inc.	14	1,858.00	4,426.60	46,450.00
Border States	16	2,450.00	4,600.70	61,250.00
Anixter, Inc. (Cooper)	11	2,087.00	4,625.30	52,175.00

* Indicates recommended award based on lowest total ownership cost.

ONE 75' MECHANICAL TRIMMER
AUGUST 12, 2020 @ 3:00 PM

VENDORS	TOTAL
Jarraff Industries, Inc.	\$226,977.00*
Anixter, Inc.	263,049.00

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

15.5 KV POWER CIRCUIT BREAKERS
AUGUST 13, 2020 @ 3:00 PM

VENDORS	TOTAL
ABB, Inc.	\$257,660.00*
Siemens Industry, Inc.	311,454.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on August 27, 2020 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 \$1,704,368.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Commendations

Mr. Cannon received an email from customer Julie B. Cole complimenting J.C. Haddock, Electric Engineer Assistant II. Ms. Cole wrote: "Hello. Just wanted to let you know that one of your engineers, JC, came to my house this week to look over the possibilities of putting a security light in my backyard. He was incredibly knowledgeable, explored all options, and offered alternative suggestions. Just a very nice discussion and very, very helpful. Thanks, JC!"

Ms. Mittelsteadt wrote a message on the GUC Website. She said, "I just wanted to let you know that the two gentlemen who responded to the gas leak were extremely pleasant, polite, and professional. They politely notified me that they were turning off my gas to fix a line that my fence contractor had nicked. They quickly repaired the problem and then ensured that my gas was working properly. They were very friendly and polite while fixing the problem." The employees include Paul Bunch, Gas Systems Crew Leader I, and Chris Wallace, Gas Systems Technician II.

Ms. Shirley G. Peele, Gas Systems Staff Support Specialist III, received a call from customer Ernest Marshburn. Mr. Marshburn called to compliment David Moore, Gas Utility Locator II, for providing excellent customer service while locating his underground utilities. He said that David was articulate in explaining the task, very professional in doing his work, and fabulous to talk to about the job. In his opinion, David was top notch.

Facebook Thank you:

"It was amazing. We saw the trucks come into the big transformer on Greenville Blvd. Service restored quickly. Extremely impressive. Thank you all!" - Sherri Randell

The employees include Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer; Lee Ausbon, Substation/Communications Supervisor; Casey Jones, Troubleshooter Crew Leader; Justin Morris, Protective Relay Technician II; Josh Owens, Control Technician II; and Brian Stallings, Overhead Lineworker Third Class.

Mr. Nick Klapp, IT Support Specialist Supervisor, sent a complimentary email to the IT Help Team sharing recent feedback for the Help Desk. He wrote: "Team, I want to thank you for all that you do every day to keep GUC running. I am very pleased to share some of the feedback that has come in from GUC staff. It is my hope that this will help motivate you to continue providing exceptional customer service, and to continue thinking outside of the box when helping others. Great job, and high fives to you"! The email included a long list of feedback messages provided from users. The Help Desk Team includes IT Support Specialists II Eban Kea, Jason White, and David Garris.

Mr. Tony Cannon received an email message from Tim Randall to compliment the GUC workers during the power outage on 14th Street. He said within 10 minutes, the GUC guys were at the substation and within 20 minutes, the power was back on. GREAT JOB!!! The employees include Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer; Lee Ausbon, Substation/Communications Supervisor; Casey Jones, Troubleshooter Crew Leader; Justin Morris, Protective Relay Technician II; Josh Owens, Control Technician II; and Brian Stallings, Overhead Lineworker Third Class.

4. Other

- A video presentation was provided on the events of Hurricane /Tropical Storm Isaias. Isaias caused the third highest storm related outage total for GUC in the past decade.
- Mr. Cannon announced that on this day in 1999 Hurricane Floyd made landfall.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 8)

Chair Overton reminded the Commissioners of the next Regular Board meeting on Thursday, October 15, 2020, at 12:00 noon.

CLOSED SESSION:

Mr. Phillip Dixon, General Counsel, stated that the Board of Commissioners should consider entering Closed Session pursuant to the following statute:

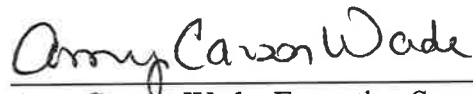
N.C.G.S. 143-318.11(a)(6) To consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee.

Upon motion by Ms. Wall, seconded by Mr. Geiger, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:47 p.m. for such purpose.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Griffin, seconded by Mr. Darden, the Board of Commissioners unanimously agreed to return to Open Session at 12:57 p.m.

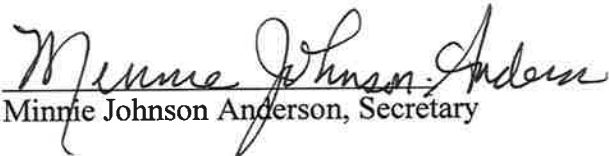
Without any further business to conduct in Open Session, upon Motion by Ms. Anderson, seconded by Mr. Darden, the Board of Commissioners unanimously agreed to adjourn the meeting at 12:58 p.m.

Respectfully submitted,



Amy Carson Wade, Executive Secretary

APPROVED:


Minnie Johnson Anderson, Secretary

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