

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, January 21, 2021

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

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer
Jeff McCauley	Lou Norris
Chris Padgett	Kathy Howard
Phil Dixon	Scott Farmer
Amy Wade	Jason Manning
Keith Jones	JoEllen Gay
Randy Emory	Jonathan Britt
Anthony Miller	Amanda Wall
John Worrell	
Andy Anderson	
Richie Shreves	
Steve Hawley	
David Springer	
Scott Mullis	
Ken Wade	

Others Present:

Rick Smiley, City Council Liaison; Sandy Reel, Visitor; 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 Ms. Braswell, to accept the agenda as presented. The motion carried unanimously.

RECOGNITION OF FINANCE DEPARTMENT AWARDS

Mr. Jeff McCauley, Chief Financial Officer, announced that GUC was the recipient of the following Financial Department Awards:

Distinguished Budget Presentation Award

GUC received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for Fiscal Year 2020. This marks the fourth 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.

Excellence in Financial Reporting

GUC received the GFOA Certificate of Excellence in Financial Reporting for Fiscal Year 2019 for the eleventh 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.

Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR)

GUC received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for Fiscal Year 2019 for the fifth consecutive year. The purpose of the program is to develop a readily accessible and easily understandable overview of the financial statements for the general public and other interested parties without a background in public finance.

Sustained Professional Purchasing Award

GUC received the Carolinas Association of Governmental Purchasing (CAGP) Sustained Professional Purchasing Award for demonstrating sustained excellence in purchasing standards for calendar year 2019 for the ninth consecutive year. GUC is one of 15 member agencies throughout North and South Carolina to receive the award.

Mr. McCauley recognized staff on the hours of hard work and thanked the Board for their leadership.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Geiger, seconded by Mr. Stoughton, to approve the December 17, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

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

December 31, 2020 Financial Statement:

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

Operating Cash:	\$90,834,700	Days of Cash on Hand:	160
Less Current Liabilities	(\$21,459,270)		
Appropriated Fun Balance	(\$3,441,680)		
Fund Balance:	\$65,933,750		
Fund Balance Available for Appropriation:	24.4%	Days of Cash on Hand After Liabilities:	116
Average Investment Yield:	.66%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$1,837,552	(\$243,302)	\$82,066	\$4,799,653	\$119,329	\$1,799,575
Water	\$611,071	\$324,252	\$577,494	\$2,433,479	\$2,633,405	\$3,785,193
Sewer	\$144,805	\$158,545	\$336,180	\$2,488,803	\$712,188	\$2,950,928
Gas	\$1,811,374	\$295,873	\$769,891	\$1,097,637	(\$1,428,533)	\$634,777
Combined	\$4,404,802	\$535,368	\$1,765,631	\$10,819,572	\$2,036,399	\$9,170,473

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$1,516,719	(\$43,301)	\$82,066	\$3,516,333	\$1,319,347	\$1,382,913
Water	\$190,238	(\$96,581)	\$148,327	\$873,445	\$108,407	\$1,210,191
Sewer	\$44,805	(\$20,622)	\$86,180	\$1,322,135	(\$362,814)	\$1,500,649
Gas	\$1,723,874	\$225,540	\$686,559	\$922,637	(\$1,850,531)	\$509,511
Combined	\$3,475,636	\$65,036	\$1,003,132	\$6,634,550	(\$785,591)	\$4,603,264

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

The weather impact for the month of December indicated that the December 2020 heating degree days were higher than last year. The December rainfall was 4.59 inches which was more than last year. The portfolio earned .66% for the month of December.

Overall year-to-date results through the end of December remain stable. The Electric Rate Stabilization Reserves are approximately \$24.5 million, and the Gas Rate Stabilization Reserves are \$2.2 million. The Operating Reserves are 160 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 \$32.4 million.

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

CONSIDERATION OF PROPOSED REVISIONS TO GUC'S UTILITY REGULATIONS
PART C - TERMS AND CONDITIONS OF WATER AND/OR SEWER SERVICE,
SECTION 20 - SANITARY SEWER USE REGULATIONS (Agenda Item 3)

Mr. Randy Emory, Director of Water Resources, stated that periodically there will be regulatory changes that require GUC to review and update utility regulations. Mr. Jason Manning, Wastewater Treatment Plant Superintendent, was introduced to present the recommended modifications.

The proposed revisions were shared for information at the December 2020 Board Meeting and a summary was provided in the Board materials. The recommended modifications were made available on GUC's website and notice was advertised in the local newspaper. In addition, staff reached out to industrial users and the feedback was positive.

Mr. Manning announced that GUC's Sanitary Sewer Use Regulations are heavily regulated by state and federal requirements and a significant portion of the language in this regulation is provided by the state model regulation. However, sewer systems are afforded some latitude to revise certain portions to provide for regulations that best fit the needs of the system and its customers.

Staff recommends approval of the revisions to the Part C Terms and Conditions of Water and/or Sewer Service, Section 20.0-Sanitary Sewer Use Regulations as presented.

A motion was made by Mr. Stoughton, seconded by Mr. Griffin, to approve the proposed revisions as presented, effective upon approval. The motion carried unanimously.

RECOMMENDED AWARD OF CONSTRUCTION CONTRACT FOR SCP-10222
SANITARY SEWER OUTFALL REHABILITATION PHASE IV PROJECT (Agenda Item 4)

Mr. Randy Emory, Director of Water Resources, stated that this is the next step of the Sanitary Sewer Rehabilitation Project. Scott Farmer, Water Resources Systems Engineer, is the lead on this project and he provided an update.

Mr. Farmer announced that the rehabilitation of the Green Mill Run, Tar River, Parker's Creek, and River Bluff concrete outfall sewers is an ongoing multi-phased effort to rehabilitate the

deteriorated and failure-prone portions of GUC's existing concrete pipe trunk sewer system. Staff has been pursuing a multi-year multi-phase approach to rehabilitate the aging concrete sewers since the completion of an engineering evaluation in December 1997.

Thus far, Phases I, II, & III of the rehabilitation program have been completed using cured in place pipe (CIPP), a trenchless rehabilitation method with a 50-year design life. To date, 39,820 linear feet of the total 89,400 linear feet of concrete sewer outfall have been rehabilitated. This project will rehabilitate an additional 6,338 linear feet, with the remaining outfall sewer being rehabilitated in future phases.

The Board approved \$2,480,000.00 for this project which is identified as SCP-10222 and has been included in the Five-Year Capital Improvement plan for the past several years. In accordance with NC General Statute 143-129(a) the project was publicly advertised for bids and seven bids for the construction contract were received at the bid opening on December 3, 2020. The engineer's recommendation for award and certified bid tabulation were provided. The low bidder was AM Liner East, Inc., of Berryville, Virginia in the amount of \$2,624,220.00.

The bid package for this type of project is structured such that GUC can pick and choose where, and how much pipe, we want to rehabilitate based on any budget constraints for a particular phase. The bids for this project exceeded the budgeted funds available. Therefore, staff reduced the amount of pipe to be rehabilitated in this phase. This reduction has resulted in a total recommended award of the construction contract in the amount of \$1,891,751.00.

A motion was made by Mr. Geiger, seconded by Mr. Darden, to award the construction contract for the Sanitary Sewer Outfall Rehabilitation Phase IV to AM Liner East, Inc. in the amount of \$1,891,751. The motion carried unanimously.

CAPITAL PROJECTS UPDATE (Agenda Item 5)

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

The two equipment shelters (Building 6 and Building 7), totaling approximately 7200 square feet each, are nearing completion. Mr. Padgett noted that since utilizing the new Operations Center for 4 months there have been needs identified that include an employee parking lot and an additional laydown yard. These items were not included in the original design. Design and cost estimates are being finalized and will be provided to the Board once available.

Building 5, Fleet Maintenance Building, is under design and will be structured using a guaranteed maximum price.

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

1. **Informational Reading**

Bids and Ranking of Proposals, 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

POLE RACKS
NOVEMBER 3, 2020 @ 3:00 PM

Vendors	Delivery Time	Price \$
CMS Utility Services, Inc.	45 Days	\$101,242.00*
APS Enterprises, LLC	120 Days	134,210.00

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

**DRIVE THROUGH EQUIPMENT
DECEMBER 16, 2020 @ 4:00 PM**

VENDORS	DELIVERY	PRICING
Ken Smith, Inc. *	90 Days on Materials	\$75,441.00

* Indicates recommended award based on vendor's submitted proposal, qualifications, and pricing.

**INSTALLATION OF SUGG PARKWAY FOUNDATIONS
DECEMBER 16, 2020 @ 2:00 PM**

VENDORS	TOTAL \$
Stocks & Taylor Construction, Inc.	\$278,000.00*
Powergrid Services, LLC	294,785.93
Lee Electrical Construction, Inc.	443,136.00
Carolina Power and Signalization	470,735.00
Trader Construction Company	551,868.00

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

RANKING OF PROPOSALS RECEIVED

**OFFSITE STORAGE
NOVEMBER 19, 2020 @ 3:00 PM**

VENDORS	DELIVERY
VRC*	5-7 Days

* Indicates recommended award based on vendor's submitted proposal and qualifications.

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on December 9, 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 \$1,564,724.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Commendations

Control Room Operator II Rob Sealey received a call from customer Valerie Hochberg. Ms. Hochberg stated that Paul Bunch, Gas Systems Crew Leader I, is the finest problem solver that she has ever dealt with from GUC. She said he is a good listener and she wanted to let GUC know how impressive he is.

4. Other

- Mr. Cannon announced that the Operating Cost Per Customer Corporate KPI has been adjusted. The Goal and Warning levels were established in 2008 and based on data from the Analytics Team, the Warning has been updated from \$360 to \$515 and the Goal from \$350 to \$464.

- Natural Gas line replacements are in progress with several of the old steel lines being replaced with polyethylene pipes along West 5th Street during the next several months.
- There have been delays in the United States Postal system that have affected GUC customers receiving their bill on time. A press release has been sent out and the local news have reported on the situation. Mr. Scott Mullis, Interim Director of Customer Relations, provided an update on the measures that have been taken to help notify customers.
- The coronavirus continues to impact the Commission. There were 29 employees quarantined last week.

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

Chair Overton thanked everyone for attending the virtual meeting and congratulated all the Finance team and staff on their awards.

VIDEO TRIBUTE TO GEORGE REEL, DIRECTOR OF CUSTOMER RELATIONS

Mr. Cannon announced that a tribute video has been created by GUC's public information office sharing special memories of George Reel, Director of Customer Relations, who passed away in December 2020.

Chair Overton reminded the Commissioners of the Regular Board meeting scheduled for Thursday, February 18, 2021 at 12:00 noon.

There being no further business to come before the Board of Commissioners, upon motion by Mr. Griffin, seconded by Dr. Braswell, the Board of Commissioners unanimously agreed to adjourn the meeting at 12:39 p.m.

Respectfully submitted,

Amy Carson Wade
Amy Carson Wade, Executive Secretary

APPROVED:

Minnie Johnson Anderson
Minnie Johnson Anderson, Secretary