

GREENVILLE UTILITIES COMMISSION
GREENVILLE, NORTH CAROLINA

Thursday, February 16, 2023

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 Darden presiding.

Commission Board Members Present:

| | |
|----------------------|-----------------------------------------|
| Kelly L. Darden, Jr. | Ann E. Wall |
| Peter Geiger | Ferrell L. Blount III |
| Lindsey Griffin | Marcus Jones |
| Tommy Stoughton | Kristin S. Braswell via conference call |

Commission Staff Present:

| | | |
|----------------------------------|--------------------|-------------------|
| Tony Cannon, General Manager/CEO | Lou Norris | Meredith Dent |
| Chris Padgett | Kevin Keyzer | Molly Ortiz |
| Jeff McCauley | Jonathan Britt | Heather Manning |
| Phil Dixon | Kathy Howard | Caitlyn McLawhorn |
| John Worrell | Tony Godwin | Margie Taylor |
| David Springer | John Powell | |
| Andy Anderson | Jason Manning | |
| Richie Shreves | Lena Previll | |
| Steve Hawley | Amanda Wall | |
| Scott Mullis | Jessica Hardy | |
| Durk Tyson | Brandie Whitehurst | |
| Colleen Sicley | Cleve Haddock | |
| Ken Wade | Will James | |
| Amy Wade | Sandy Dail | |

Others Attending:

Ginger Livingston, The Daily Reflector; Rajendra Jagad, Greenville Citizen; and Ann Maxwell, Greenville Environmental Advisory Commission.

Chair Darden called the meeting to order. Secretary Griffin ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

General Manager/CEO recommended that an item be added before the consent agenda to allow a customer to address the Board during a Public Comment Period for 3 minutes and to remove information item # 4.

A motion was made by Mr. Geiger, seconded by Mr. Jones, to accept the agenda as amended. The motion carried unanimously.

SAFETY BRIEF AND MOMENT

Mr. Kevin Keyzer, Operations Support Manager, provided a safety brief and explained the plan of action should there be an emergency at today's meeting. Mr. Keyzer provided a safety moment about an incident where GUC staff recently had to implement the safety plan during a meeting.

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. This marks the 7th consecutive year GUC has earned the Distinguished Budget Award. The purpose of the program is to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

Certificate of Excellence in Financial Reporting

GUC received the GFOA Certificate of Excellence in Financial Reporting for the 13th consecutive year. The purpose of the program is to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

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 2021 for the 7th consecutive year. The purpose of the program is to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

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 the 12th 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.

PUBLIC COMMENT PERIOD

At 12:09 p.m. Mr. Rajendra Jagad, a GUC customer with concerns about United Healthcare utility payments for his utility service, was introduced to speak during the public comment period for 3 minutes. Mr. Jagad addressed the Board of Commissioners and explained that he and other qualified participants of the United Healthcare utility program have recently had a problem with using their voucher to pay their utility payment with the United Healthcare issued card. After some difficulty and finally getting an answer from a representative with the United Healthcare, Mr. Jagad was informed that Greenville Utilities no longer accepts payment from them. He did not understand why Greenville Utilities opted out of the automatic payment process. Mr. Jagad felt speaking to the GUC Board of Commissioners was a good opportunity to ask and to understand why GUC stopped this program. He appreciated the assistance he has received from GUC staff in investigating this matter and finding a solution.

The customer ended his comments at 12:12 p.m. and Chair Darden thanked him for his comments.

CONSENT AGENDA

Mr. Tony Cannon, General Manager/CEO, presented the following items for approval on the consent agenda:

(Agenda Item 1) Approval of Minutes - Regular Meeting: January 19, 2023

A motion was made by Ms. Wall , seconded by Mr. Jones, to approve consent agenda as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – JANUARY 31, 2023 (Agenda Item 2)

January 31, 2023, Financial Statement:

Key financial metrics for the combined funds for the period ending January 31, 2023:

| | | | |
|-------------------------------------------|----------------|-----------------------------------------|-----|
| Operating Cash: | \$82,168,824 | Days of Cash on Hand: | 125 |
| Less Current Liabilities: | (\$27,950,124) | | |
| Fund Balance: | \$54,218,700 | | |
| Fund Balance Available for Appropriation: | 18.8% | Days of Cash on Hand After Liabilities: | 82 |
| Average Investment Yield: | 2.20% | | |

Fund Equity/Deficit Before Transfers

| | Current Month | | | Year to Date | | |
|-----------------|------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | (\$1,491,527) | (\$1,126,154) | \$786,995 | (\$1,696,208) | (\$3,439,416) | \$3,818,776 |
| Water | \$543,125 | \$257,913 | \$57,067 | \$3,274,741 | \$2,469,515 | \$3,041,738 |
| Sewer | \$157,203 | (\$130,591) | (\$19,977) | \$1,455,438 | \$368,348 | \$2,326,651 |
| Gas | \$1,300,922 | \$788,142 | \$238,613 | \$52,519 | (\$3,573,132) | (\$1,435,566) |
| Combined | \$509,723 | (\$210,690) | \$1,062,698 | \$3,086,490 | (\$4,174,685) | \$7,751,599 |

Fund Equity/Deficit After Transfers

| | Current Month | | | Year to Date | | |
|-----------------|--------------------|-------------------|------------------|--------------------|----------------------|--------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | \$508,473 | (\$709,487) | \$86,995 | \$7,155 | (\$522,749) | \$368,776 |
| Water | \$43,125 | (\$117,087) | \$57,067 | \$1,163,205 | (\$155,485) | \$306,738 |
| Sewer | \$57,203 | (\$172,258) | (\$19,977) | \$22,445 | \$76,679 | \$226,651 |
| Gas | \$1,300,922 | \$914,850 | \$238,613 | \$160,116 | (\$2,686,174) | (\$1,435,566) |
| Combined | \$1,909,723 | (\$83,982) | \$362,698 | \$1,352,881 | (\$3,287,729) | (\$533,401) |

Mr. Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for January 31, 2023.

The weather impact for the month of January 2023 indicated that the January Heating degree days were lower than last year. The January rainfall was approximately 3.77 inches which was less than last year. The portfolio earned 2.20 % for the month of January.

Overall year-to-date results through the end of January remain stable. The Electric Rate Stabilization Reserves are approximately \$23.3 million, and the Gas Rate Stabilization Reserves are \$3.8 million. The Operating Reserves are 125 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 \$32.2 million.

After discussion, a motion was made by Mr. Stoughton, seconded Mr. Jones, to accept the January 31, 2023, Financial Report. The motion carried unanimously.

RECOMMENDED AWARD OF BID OF TWO (2) 20 MVA DISTRIBUTION SUBSTATION TRANSFORMERS (Agenda Item 3)

Substation Control Engineer John Powell shared that Greenville Utilities Commission recently received bids for the purchase of two (2) 20 MVA distribution substation power transformers. One of the transformers is planned to be installed at the future Hudson's Substation to be located at the corner of Fox Pen Road and Blackjack-Simpson Road. This new electric substation will

support future growth anticipated from the southeast sewer system expansion and will also provide redundancy and load support to the existing Simpson and Hollywood Substations.

The second transformer will replace stock inventory and serve as an emergency spare unit. A spare transformer ensures GUC’s ability to meet the customer load at any distribution substation in the event of an equipment failure. With the growing threat of vandalism, it is in GUC’s best interest to continue to stock a readily available spare.

Traditionally, the process from bidding to delivery of a new substation transformer has been 24 – 36 weeks. Current market conditions are pushing deliveries out to more than two years in most cases. Experts anticipate that lead times will continue to increase, which may contribute to higher prices as production slots are filled and demand increases. In response to the request for bid for the quotation of two (2) 20 MVA substation transformers, four proposals were received. After review of the vendor’s submitted proposal, references, and qualifications, Virginia Transformer Corporation is recommended to manufacture and deliver two (2) 20 MVA substation transformers.

After discussion, a motion was made by Mr. Blount, seconded Ms. Jones, to award of bid for two (2) 20 MVA substation transformers to Virginia Transformer Corporation in the amount of \$2,813,900.00 and to authorize the General Manager/CEO or designee to take appropriate action to execute the contract(s) with Virginia Transformer Corporation. The motion carried unanimously.

UPDATE ON WASTEWATER TREATMENT PLANT HEADWORKS IMPROVEMENT PROJECT (SCP-10233) (Agenda Item 4)

This item was removed from the agenda.

GENERAL MANAGER’S/CEO REPORT (Agenda Item 5)

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
RANKING OF BIDS RECEIVED

ONE (1) 2022 FORD F-450 DRW XL W SERVICE BODY & CRANE
JANUARY 5, 2023 @ 2:00 PM

| VENDORS | DELIVERY TIME (DAYS) | TOTAL |
|-----------------------------|----------------------|---------------|
| Capital Ford Wilmington | 7 | \$113,951.00* |
| Piedmont Truck Center, Inc. | 210 | 97,740.00(1) |

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

(1) Indicates vendor did not meet minimum specifications.

SUPPORT CLAMPS, SERVICE TEES, STAB COUPLINGS & REPAIR COUPLINGS
JANUARY 12, 2023 @ 3:00 PM

| VENDORS | DELIVERY TIME (WEEKS) | TOTAL |
|----------------------------------|-----------------------|--------------|
| Consolidated Pipe & Supply, Inc. | 1-16 | \$61,459.00* |
| Irby Utilities | TBD | 51,168.09(1) |

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

(1) Indicates vendor did not meet minimum specifications.

WOOD DISTRIBUTION POLES
JANUARY 12, 2023 @ 2:00 PM

| VENDORS | TOTAL |
|---------------------------------------|---------------|
| Koppers Utility & Industrial Products | \$315,509.35* |

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

CAST IRON WATER METER BOXES
JANUARY 24, 2023 @ 4:00 PM

| VENDORS | DELIVERY TIME (WEEKS) | TOTAL |
|----------------------------|-----------------------------|--------------------------|
| Water Works, Inc. | 3-4 | \$11,680.00* |
| Core & Main, LP | 1 | 12,130.00 |
| Consolidated Pipe & Supply | 1 | 13,170.00 |
| Ferguson Waterworks | 1-3 | 11,556.00 ⁽¹⁾ |
| Tec Utilities Supply, Inc. | 1-2 | 11,580.00 ⁽¹⁾ |

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

⁽¹⁾ Indicates vendor did not meet minimum specifications.

The Duke Energy Progress (DEP) monthly peak occurred on January 24, 2023, 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 \$1,454,294.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Commendations

Control Room Operator I Sharon Camacho received a call from customer Julia Crippen. Ms. Crippen called to compliment the crew for getting power back on so quickly to Avon Road on Monday morning. She was very appreciative of the speedy arrival and work that was done. The crew included Overhead Line Worker First Class David Bunch and Overhead Line Worker Third Class Carter Gaskins

4. Other

- There was a gas PGA adjustment this month.
- Mr. Cannon shared that in January 2023 United Healthcare began providing a utility benefit to eligible customers in North Carolina where the customer had to utilize the credit for a utility payment and customers were either directed to a Walmart Money Center or asked to contact United Healthcare and to direct a check to their utility provider. In the past week, and after numerous customer complaints regarding the delays caused by paper checks, United Healthcare decided to stop the paper check process causing GUC customers to be inconvenienced with having to go to Walmart. Staff has taken a step to work with the vendor and as of today GUC has been added back on the list for direct pay. This process may take 3-4 weeks to be finalized in their system. This is a statewide problem, and it is not unique to GUC. Mr. Jagad has been notified that GUC has been added to the United Healthcare utility program list.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 6)

Chair Darden announced that Commissioner Kristin Braswell has resigned from the GUC Board of Commissioners as she has accepted a new position in Johnston County. Chair Darden thanked Commissioner Braswell for her service and wished her well.

He reminded the Board of the GUC Regular Board meeting scheduled for Thursday, March 16, 2023, at 12:00 noon.

BOARD MEMBER REMARKS:

Commissioners congratulated the Finance team on their annual awards.

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.

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. Jones, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:29 p.m. for such purposes.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Blount, seconded by Mr. Jones, the Board of Commissioners unanimously agreed to return to Open Session at 12:46 p.m.

There being no further business to come before the Board of Commissioners in Regular Session, upon motion by Mr. Jones, seconded by Mr. Stoughton, the Board of Commissioners unanimously agreed to adjourn the Board of Commissioners meeting at 12:46 p.m.

Respectfully submitted,


Amy Wade, Executive Secretary

APPROVED:


Lindsey Griffin, Secretary