

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, October 20, 2016

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 Mills presiding.

Commission Board Members Present:

Don Mills, Chair	Tommy Stoughton
Joel Butler (via phone)	Parker Overton
Rebecca Blount	Minnie J. Anderson
Toya Jacobs	

Barbara Lipscomb had an excused absence.

Commission Staff Present:

Tony Cannon, General Manager/CEO	Steve Hawley
Chris Padgett	Lou Norris
Jeff McCauley	Kristen Slocum
Phil Dixon	John Worrell
George Reel	Scott Mullis
Keith Jones	Jonathan Britt
Anthony Miller	David Springer
Randy Emory	Ken Wade
Sandy Barnes	Colleen Sicley
Richie Shreves	Scott Farmer
Amy Quinn	

Others Present:

Ginger Livingston, The Daily Reflector; Brad Hufford, Pitt County Development Commission; Michael Cowin, City of Greenville; and Rick Smiley, City Council Member.

Chair Mills called the meeting to order and Ms. Blount ascertained that a quorum was present.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Blount, seconded by Mr. Stoughton, to approve the September 15, 2016 Regular Meeting minutes as presented. The motion carried unanimously.

ACCEPTANCE OF THE AGENDA

A motion was made by Ms. Blount, seconded by Ms. Jacobs, to accept the agenda as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – SEPTEMBER 30, 2016 (Agenda Item 2)

September 30, 2016 Financial Statement:

Key financial metrics for the combined funds for the period ending September 30:

Operating Cash:	\$76,218,160	Days of Cash on Hand:	126
Less Current Liabilities:	<u>(\$22,173,140)</u>		
Fund Balance:	\$54,045,020		
Fund Balance Available for Appropriation:	21.0%	Days of Cash on Hand After Liabilities:	90
Average Investment Yield:	0.37%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$1,166,938	\$1,492,889	\$557,413	\$3,603,560	\$4,847,380	\$6,755,828
Water	\$670,283	\$363,104	\$498,827	\$1,579,535	\$826,421	\$1,046,406
Sewer	\$769,406	\$281,570	\$400,442	\$1,888,864	\$538,358	\$780,667
Gas	(\$426,148)	(\$849,294)	(\$570,746)	(\$1,368,552)	(\$2,299,229)	(\$1,312,360)
Combined	\$2,180,479	\$1,288,269	\$885,936	\$5,703,407	\$3,912,930	\$7,270,541

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$587,857	\$913,808	(\$956,873)	\$1,724,618	\$2,968,438	\$2,473,386
Water	\$553,616	\$246,437	\$361,327	\$1,229,538	\$476,424	\$633,906
Sewer	\$627,739	\$139,903	\$69,192	\$1,463,868	\$113,362	(\$213,083)
Gas	(\$434,481)	(\$857,627)	(\$1,008,246)	(\$1,393,551)	(\$2,324,228)	(\$2,624,860)
Combined	\$1,334,731	\$442,521	(\$1,534,600)	\$3,024,473	\$1,233,996	\$269,349

Mr. Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for September 2016.

The weather impact for the month of September reported that it was 18% warmer than last September. The September rainfall was approximately 13.5 inches which is 53% more than last year. The portfolio earned 0.37% for the month of September.

Overall year-to-date results through the end of September remain stable. The Electric Rate Stabilization Reserves are approximately \$15.8 million and the Gas Rate Stabilization Reserves are \$1.0 million. The Operating Reserves are 126 Days Cash on Hand, and Renewals and Replacements Reserves are approximately \$2.0 million.

A motion was made by Mr. Overton, seconded by Ms. Anderson, to accept the Financial Statement for September 30, 2016. The motion carried unanimously.

RECOMMENDED AWARD OF BID FOR TUBULAR STEEL STRUCTURES FOR THE 230 SOUTH POD TO BELLS FORK 115 KV TRANSMISSION LINE (ECP-142) (Agenda Item 3)

Mr. John Worrell, Assistant Director of Electric Systems, stated that GUC's Capital Project ECP-142 is a \$5.6 million project designated for the construction of the new 115 kV transmission line from Bells Fork Substation to the G230 kV South Point of Delivery with Duke Energy Progress on Mills Road. The line will interconnect GUC's new G230 South Point of Delivery transmission to GUC's existing 115 kV transmission system that serves most of Pitt County. Adding the new transmission line will increase electric system capacity while improving redundancy and reliability for GUC's customers. Commissioner Overton disclosed to the Board of Commissioners that he donated an easement across his property for this project.

GUC solicited bids for the steel transmission pole structures required for the new transmission line and four bids were received. Summit Utility Structures, LLC was the lowest responsible bidder at \$1,543,252.00.

A motion was made by Mr. Blount, seconded by Mr. Stoughton, to award the bid for the tubular steel structures to Summit Utility Structures, LLC and authorize the General Manager/CEO to take appropriate action to execute the contract(s) with Summit Utility Structures, LLC. The motion carried unanimously.

RECOMMENDED AWARD OF BID FOR SUBSTATION FOUNDATIONS FOR THE 230 SOUTH POD (ECP-138) (Agenda Item 4)

Mr. Ken Wade, Substation Control Engineer, stated that GUC solicited bids for the substation foundations for the 230 South Point of Delivery (POD). Three quotations were received and reviewed for the furnishing of labor and materials.

Staff evaluated the bids for specifications and Sumter Utilities, Inc. was the lowest responsible bidder, with a base bid of \$606,740.20 with a contingency of \$45,916.00 for a total of \$652,656.20.

Mr. Wade informed the group that the grading work has been performed and the site is ready to proceed with construction. The site was built up two feet and is outside the 500 year flood zone.

A motion was made by Mr. Overton, seconded by Ms. Jacobs, to award the bid for the substation foundations for the 230 South POD to Sumter Utilities, Inc. in the amount of \$652,656.20 and authorize the General Manager/CEO to take appropriate action to execute the contract(s) with Sumter Utilities, Inc. The motion carried unanimously.

CONSIDERATION OF RESOLUTION OF TENTATIVE AWARD – WASTEWATER TREATMENT PLANT (WWTP) AIR DISTRIBUTION SYSTEM PROJECT (SCP-122) (Agenda Item 5)

Mr. Randy Emory, Director of Water Resources, introduced Water Resources Planning Engineer David Springer to update the Commissioners on this project. Mr. Springer reminded the Commissioners that the Board was advised that the air distribution system at the Wastewater Treatment Plant is nearly 20 years old and is leaking significant amounts of air. These leaks pose threats to the treatment process and also consume an estimated \$176,000 per year in energy costs. This project will rehabilitate portions of the air distribution system to alleviate these issues.

Design has been completed and bids for the construction of this project were received on September 8, 2016. The low bidder was Turner Murphy Co., Inc. in the amount of \$2,165,814.00. All bids exceeded the project construction budget of \$1,750,970.00 and staff entered into negotiations with the low bidder. Negotiations resulted in a modified scope of work and reduced the project construction cost to \$1,615,115.00.

A formal loan offer of \$1,718,086 from the Department of Environmental Quality (DEQ) at an annual interest rate of 1.66% was received and approved by the Board at the July 2016 regular board meeting. The loan offer will be adjusted to reflect the actual bids received for construction and the final loan amount will be based upon final project costs. Total project cost is now estimated to be \$1,902,417.30, which allows for 5% construction contingency.

A motion was made by Mr. Overton, seconded by Ms. Jacobs, to adopt the resolution of tentative award and authorize the General Manager/CEO to execute a construction contract with Turner Murphy Co. Inc. in the amount of \$1,615,115.00. The motion carried unanimously.

RESOLUTION OF TENTATIVE AWARD

WHEREAS, The Greenville Utilities Commission of the City of Greenville, North Carolina a body politic duly chartered by the State of North Carolina, (the "Commission") has received bids, pursuant to duly advertisement notice therefore, for construction of the WWTP Air Distribution System Project, and

WHEREAS, the Commission Consulting Engineers have reviewed the bids; and

WHEREAS, Turner Murphy Co., Inc. was the lowest bidder for the construction of the WWTP Air Distribution Project, in the total bid amount of \$1,615,115.00, and

WHEREAS, the consulting Engineers recommend **TENTATIVE AWARD** to the lowest bidder(s)

NOW, THEREFORE, BE IT RESOLVED THAT TENTATIVE AWARD is made to the lowest bidder(s) in the Total Bid Amount of \$1,615,115.00.

Name of Contractor	Amount
1. <u>Turner Murphy Co., Inc.</u>	<u>\$1,615,115.00</u>

BE IT FURTHER RESOLVED that such **TENTATIVE AWARD** be contingent upon the approval of North Carolina Department of Environmental Quality.

Adopted this the 20th day of October, 2016 at Greenville, North Carolina.

/s/ Don Mills
Chair

ATTEST:

/s/ Joel Butler
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Council

CONSIDERATION OF CONSULTING SERVICES CONTRACT WITH THE FERGUSON GROUP (Agenda Item 6)

Mr. Tony Cannon, General Manager/CEO, stated that from time to time Greenville Utilities Commission has engaged the services of The Ferguson Group (TFG) to aid and provide funding opportunities for utility infrastructure projects. Given the current events with respect to Hurricane Matthew, there may be some opportunities for Greenville Utilities Commission to apply for federal funding and /or grant opportunities. Staff recommends the Board authorize the General Manager/CEO to execute a contract with The Ferguson Group in the amount of \$5,000 per month.

A motion was made by Ms. Blount, seconded by Ms. Anderson, to authorize the General Manager/CEO to execute a contract with The Ferguson Group in the amount of \$5,000 per month. The motion carried unanimously.

GENERAL MANAGER'S REPORT (Agenda Item 7)

1. Informational Reading

Bids, Statistical Data Report, Sewer Spill Tracking Report, and Load Management 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 FOR TRUCK TOOLS
AUGUST 17, 2016**

VENDORS	DELIVERY TIME	EXTENSION
Fastenal	7 Days	\$9,854.08*

Anixter, Inc.	3 Weeks	10,204.92
Dillon Supply Co.	2 Weeks	10,418.95
Cee-US, Line Equipment Sales Co., Inc.	3-4 Weeks	10,450.98
American Safety	25 Days	11,528.98

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

**TABULATION OF BIDS RECEIVED FOR
GCP87 OLD RIVER ROAD GAS MAIN REPLACEMENT
AUGUST 30, 2016 at 11:00 AM**

VENDORS	TOTAL BID
Classic City Mechanical, Inc.	\$303,573.50*
MasTec North America, Inc.	479,863.00
Mears Construction, LLC	625,494.84

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

**TABULATION OF BIDS RECEIVED FOR
GAS MATERIALS
SEPTEMBER 13, 2016**

VENDORS	DELIVERY TIME	EXTENSION
Consolidated Pipe & Supply	Stock -10 Weeks	\$71,878.30*
Arapaho Pipe & Supply	14-30 Days	74,864.80

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

**TABULATION OF BIDS RECEIVED FOR
FENCING AND INSTALLATION
SEPTEMBER 26, 2016 @ 2:00 PM**

VENDORS	MATERIALS	INSTALLATION	TOTAL
Frye Fence Co., Inc.	\$21,097.17	\$10,000.00	\$31,097.17*
Whitehurst & Sons Fence Co.	29,843.00	6,440.00	36,283.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on September 8, 2016 for the hour ending at 5:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,158,523.00.

2. Key Performance Indicators (KPIs)

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

- Return on Assets
- Return on Equity
- System Losses - Gas
- Typical Monthly Bill Comparisons – Residential Sewer

3. Commendations

The following are compliment records from customers:

Gas Systems Supervisor Parham Stanley received a call from customer Nora Parker. Ms. Parker called to express her appreciation for assistance from Bobby Green, Gas Systems Crew Leader I, and Justin Oakes, Gas Systems Technician I. Bobby and Justin stopped by her shop in Winterville when they saw she was trying to install a flag pole on the building with difficulty. They went above and beyond to provide help and were extremely courteous while doing so.

Customer Contact Representative I Allisyn Sanchez received an email from customer Anita Smith. Ms. Smith wrote "You are the best. Your customer service skills exceed perfection. Have a great day and thanks so much for helping me."

A customer service card was completed by customer Bonita Spain on Keshia Pierce, Customer Contact Representative I. She wrote "Keshia was very pleasant and so efficient. She knows her stuff."

4. Other

Hurricane Matthew updates: Mr. Cannon distributed photos that were taken of the Operations Center on Mumford Road during the flood, the new Operations Center property on Highway 43 as well as the 230 East and 230 West POD Substations. The photos were taken on Thursday, October 18, 2016, about 20 minutes apart and it was clear that the Operations Center relocation site and the 230 West POD Substation are not in flood zones.

Steve Hawley, Public Information Officer/Communications Manager, played a video of happenings over the last two weeks during the Hurricane. Afterwards, Mr. Cannon stated that he was amazed at how well the team performed by being prepared and having to evacuate the Operations Center.

Mr. Cannon stated that it is challenging to operate out of multiple locations and that these lessons learned throughout Hurricane Matthew will impact the Strategic Plan process that slated to begin next year.

Chair Mills thanked Tony Cannon and all of GUC employees for a job well done during Hurricane Matthew. The Commissioners stood and applauded.

Parking at 5th and Pitt Street: The new parking lot should be ready soon.

Insurance Open Enrollment: Mr. Cannon informed the Board that any changes related to their health or dental coverage for the 2017 plan year are due to Human Resources by November 30, 2016.

BOARD CHAIR'S REPORT (Agenda Item 8)

Chair Mills stated that copies of a GUC Advertisement have been provided. This advertisement is on behalf on the GUC Board of Commissioners to thank all of GUC customers and the community for standing with us during the flood and to the employees for their efforts throughout the disaster.

Chair Mills reminded the group of the following upcoming meetings and conferences:

- Economic Development, Marketing and Public Relations Committee Meeting, Thursday, October 27, 2016, 11:30 a.m., Board Room
- GUC Regular Meeting, Thursday, November 17, 2016, 12:00 noon, Board Room

BOARD MEMBERS' REMARKS

There were several remarks congratulating all of GUC staff for their efforts during Hurricane Matthew.

CLOSED SESSION:

Upon motion by Mr. Overton, seconded by Ms. Blount, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:58 p.m. pursuant to:

N.C.G.S. Section 143-318.11(a)(7) To plan, conduct, or hear reports concerning investigations of alleged criminal conduct.

N.C.G.S. Section 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.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Ms. Anderson, seconded by Ms. Jacobs, the Board of Commissioners unanimously agreed to return to Open Session.

Upon Motion by Commissioner Overton, seconded by Commissioner Stoughton, the Board of Commissioners unanimously agreed that effective December 1, 2016, the salary range for the General Manager/CEO would be between \$250,000.00 and \$400,000.00 and that the General Manager/CEO Cannon would receive a salary increase (raise) of 5%, and a bonus of 10% of his current salary of \$235,029.00. The Motion passed unanimously.


Upon motion by Ms. Anderson, seconded by Ms. Jacobs, the Board unanimously agreed to adjourn at 1:55 p.m.

Respectfully submitted,



Amy Carson Quinn, Executive Secretary

APPROVED:



Joel Butler, Secretary

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