

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, September 15, 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	Barbara Lipscomb
Toya Jacobs	Minnie J. Anderson

Commission Staff Present:

Tony Cannon, General Manager/CEO	Lou Norris
Chris Padgett	Kristen Slocum
Jeff McCauley	John Worrell
Phil Dixon	Scott Mullis
George Reel	Jonathan Britt
Keith Jones	Tony Godwin
Anthony Miller	Kyle Brown
Randy Emory	Kevin Keyzer
Sandy Barnes	Carl Smith
Amy Quinn	
Steve Hawley	

Others Present:

Shannon Keith, The Daily Reflector; Deborah Dunbar and Claire Boyd, Chamber Leadership Institute participants; Roger Johnson, City of Greenville and Rick Smiley, City Council Member.

Chair Mills called the meeting to order and Mr. Overton ascertained that a quorum was present.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Overton, seconded by Ms. Lipscomb, to approve the August 18, 2016 Regular Meeting minutes as presented. The motion carried unanimously.

Introduction of New Commissioner – Minnie Johnson Anderson

Chair Don Mills welcomed Minnie Anderson to the GUC Board of Commissioners. Ms. Anderson is a retired educator. She has served on several commissions in the Greenville area and also serves as a volunteer in the community.

Recognition of American Public Gas Association (APGA) Safety Award

Mr. Cannon stated that safety is a part of our culture here at GUC and he introduced Anthony Miller, Director of Gas Systems, to talk about the safety award that the GUC Gas department received from the APGA. Mr. Miller stated that the APGA gives its membership the opportunity to participate in a safety contest. There were 700 members overall divided into five groups. GUC won this award for 2015 and it is the 7th time since 2001 that GUC has received this award. Mr. Miller recognized Carl Smith, Gas Distribution Engineer, who is one of the managers in the gas department. He thanked him and his team for doing a great job in minimizing work injuries and creating a safe work environment.

Chair Mills welcomed two Chamber Leadership Institute participants to the meeting, Deborah Dunbar and Claire Boyd.

ACCEPTANCE OF THE AGENDA

A motion was made by Ms. Lipscomb, seconded by Mr. Overton, to accept the agenda. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – AUGUST 31, 2016 (Agenda Item 2)

August 31, 2016 Financial Statement:

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

Operating Cash:	\$74,830,261	Days of Cash on Hand:	122
Less Current Liabilities:	(\$24,087,771)		
Fund Balance:	\$50,742,490		

Fund Balance Available for Appropriation:	19.7%	Days of Cash on Hand After Liabilities:	83
Average Investment Yield:	0.35%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$653,464	\$1,468,610	\$2,245,527	\$2,436,622	\$3,354,491	\$6,198,415
Water	\$438,957	\$215,969	\$289,668	\$909,252	\$463,317	\$547,579
Sewer	\$442,935	\$38,036	\$164,762	\$1,119,458	\$123,454	\$380,225
Gas	(\$545,827)	(\$721,034)	(\$375,407)	(\$942,404)	(\$1,449,935)	(\$741,614)
Combined	\$989,529	\$1,001,581	\$2,324,550	\$3,522,928	\$2,491,327	\$6,384,605

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$10,533	\$825,679	\$995,527	\$1,136,761	\$2,054,630	\$3,430,259
Water	\$322,290	\$99,302	\$152,168	\$675,922	\$229,987	\$272,579
Sewer	\$301,268	(\$103,631)	(\$166,488)	\$836,129	(\$159,875)	(\$282,275)
Gas	(\$554,160)	(\$729,367)	(\$812,907)	(\$959,070)	(\$1,466,601)	(\$1,616,614)
Combined	\$79,931	\$91,983	\$168,300	\$1,689,742	\$658,141	\$1,803,949

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

The weather impact for the month of August reported that it was 34% warmer than last August. The August rainfall was approximately 3 inches which is 42% less than last year. The portfolio earned 0.35% for the month of August.

Overall year-to-date results through the end of August remain stable. The Electric Rate Stabilization Reserves are approximately \$15.5 million and the Gas Rate Stabilization Reserves are \$1.0 million. The Operating Reserves are 122 Days Cash on Hand, and Renewals and Replacements Reserves are \$1.9 million.

A motion was made by Mr. Stoughton, seconded by Mr. Overton, to accept the Financial Statement for August 31, 2016. The motion carried unanimously.

RECOMMENDATION FOR THE PURCHASE OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF NC 43 NORTH AND US 264 BYPASS FOR THE DEVELOPMENT OF A NEW OPERATIONS CENTER (Agenda Item 3)

Mr. Chris Padgett, Chief Administrative Officer, reminded the Board of Commissioners that after a multiyear site identification and evaluation process, Greenville Utilities Commission (GUC) has selected the property most suitable for the development of a new Operations Center.

The recommended property is located at the southwest corner of the intersection of NC 43 North and US 264 Bypass and consists of 82+ acres. The purchase price is \$3,750,000; the appraised value of the property. The GUC Board of Commissioners approved a contract to purchase the property on April 21, 2016. The contract contained a 180 day inspection period during which due diligence was to be performed including ingress/egress evaluation, phase 1 environmental assessment, rezoning, and City Council approval of property purchase. To date, all due diligence activities have been completed with the exception of City Council approval which is tentatively scheduled for October 10, 2016. Upon approval to purchase the real property by the GUC Board of Commissioners and City Council, it is intended that closing of the property will be in the first quarter of 2017.

A motion was made by Mr. Overton, seconded by Ms. Lipscomb, to authorize the General Manager/CEO to purchase the real property located at the southwest corner of the intersection of NC 43 North and US 264 Bypass for the development of a new Operations Center, including the execution of other related closing documentations, and to recommend that City Council do the same. The motion carried unanimously.

ADVANCED METERING INFRASTRUCTURE (AMI) PILOT PROJECT (Agenda Item 4)

Mr. John Worrell, Assistant Director of Electric Systems, stated that GUC has been following Advanced Metering Infrastructure (AMI) for the past five years waiting for the market to catch up with the needs of the utility. He introduced Kyle Brown, Electric Planning Engineer, to provide some detail information on the project. Mr. Brown added that AMI provides real-time 2 way communications for Electric, Gas and Water meters and would replace aging technology including the load management system. AMI integrates with existing software and will increase operational efficiency. Some of the benefits include remote capabilities, meter tampering detection, reduction in outage response/restoration time, voltage optimization /line loss, leak detection/pressure monitoring and enhanced customer service.

The Electric Department budgeted \$200K in fiscal year 2016-17 to conduct an AMI pilot project. Electric Staff evaluated current AMI technology and developed a list of requirements for a successful AMI implementation. Electric Staff determined the pilot project area and solicited proposals from several AMI vendors. Nexgrid was selected as the successful vendor with an estimated pilot project cost of \$118,539. The pilot project is scheduled to begin late 2016 to early 2017. Upon successful competition of the pilot project, GUC will transition to full deployment. Estimated total system cost is \$20M, which will be implemented in phases as part of a multi-year rollout plan.

UPDATE FROM JOINT PAY AND BENEFITS COMMITTEE (Agenda Item 5)

Chair Mills asked Mr. Chris Padgett to provide a brief update on the meeting. Mr. Padgett informed the Board that the Joint Pay and Benefits Committee met on August 23, 2016. Commissioner Butler and Jacobs serve on the Committee and represent GUC and Councilmembers Glover and Smiley serve on the Committee representing the City Council.

Two items were discussed including health and dental benefits for 2017 and the new three-year strategy. The three-year strategy is generally focused on providing market competitive benefits for employees, controlling costs, and moving towards an 80/20 cost share. Currently the cost share is 84/16.

It is recommend for plan year 2017 to maintain current health plan offerings including Enhanced, Core and HSA (The Enhanced plan did not get eliminated as originally planned since the excise tax penalty has been delayed until 2020 which allows us to keep this option for now). It is recommended for an 11.2% premium increase for the dependent tiers and employee only costs increases will vary depending on the health plan option and the pay category. It is recommended to continue with the seed money for those that move to the HSA next year. It is also recommended to offer a dual option dental plan which will allow employees to select a basic plan or buy up with a higher maximum coverage and orthodontia coverage.

Mr. Padgett reminded the Board that there will be a Joint Meeting with the City Council on Monday, September 19, to vote on the recommendations.

GENERAL MANAGER'S REPORT (Agenda Item 6)

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
ITEM I (6) 167 KVA PADMOUNT TRANSFORMERS 240/120, STK # 201130
JULY 26, 2016 @ 2:00 PM**

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Richardson Associates, (Amorph)	10-12	\$3,836.00	\$6,965.60*	\$23,016.00
Wesco Distribution, Inc.	10	4,170.00	7,206.60	25,020.00
National Transformer Sales, Inc.	10	2,728.00	7,408.00	16,368.00
Anixter, Inc., (GE)	7	3,161.05	7,513.15	18,966.30
Richardson Associates	10	3,329.00	7,535.60	19,974.00
Anixter, Inc., (Cooper)	9	3,109.80	7,643.70	18,658.80

* Indicates recommended award based on lowest total ownership cost.

**ITEM II (2) 150 KVA THREE-PHASE PADMOUNT TRANSFORMERS 277/480, STK # 208260
JULY 26, 2016 @ 2:00 PM**

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales, Inc.	8-10	\$4,691.00	\$9,948.20*	\$9,382.00
Wesco Distribution, Inc.	10	7,160.00	10,167.50	14,320.00
Richardson Associates, (Amorph)	10	6,904.00	10,636.90	13,808.00
Anixter, Inc., (Cooper)	10	6,014.03	11,050.13	12,028.06
Richardson Associates	8	6,177.00	11,564.40	12,354.00
Anixter, Inc., (GE)	16	7,953.68	12,630.68	15,907.36

* Indicates recommended award based on lowest total ownership cost.

**ITEM III (1) 300 KVA THREE-PHASE PADMOUNT TRANSFORMERS 120/208, STK # 205150
JULY 26, 2016 @ 2:00 PM**

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales, Inc.	8-10	\$6,727.00	\$15,890.60	\$6,767.00*
Wesco Distribution, Inc.	10	9,135.00	15,513.90	9,135.00
Anixter, Inc., (GE)	16	9,422.10	15,949.80	9,422.10
Anixter, Inc., (Cooper)	10	7,823.39	16,703.39	7,823.39
Richardson Associates, (Amorph)	10	10,147.00	16,821.10	10,147.00
Richardson Associates	8	8,846.00	18,234.50	8,846.00

* Indicates recommended award based on 3% evaluation.

**TREE REMOVAL SERVICES
JULY 28, 2016**

VENDOR PROPOSAL RANKING	VENDOR PROPOSAL SCORING	VENDOR PROPOSAL COST
Pittman's Tree & Landscaping, Inc.	50 of possible 50 points*	\$94,098.01
ABC Professional Tree Services	46 of possible 50 points	248,050.00

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

**FOR 29,900' 750 MCM UG PRIMARY CABLE (GUC STK # 201350)
AUGUST 2, 2016**

VENDORS	MFG.	DELIVERY	UNIT PRICE	TOTAL
Anixter, Inc.	Okonite	4-5 weeks	\$4.778	\$142,862.20
Wesco Distribution, Inc.	CME	12 weeks	5.257	157,710.00
Stuart C. Irby	Prysmian	16-18 weeks	5.388	161,640.00

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

**ITEM I (3) 2500 KVA THREE-PHASE PADMOUNT TRANSFORMERS 277/480, STK # 205210
AUGUST 10, 2016 @ 2:00 PM**

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Richardson Associates (Amorph)	12	\$38,112.00	\$77,872.20*	\$114,336.00
National Transformer Sales, Inc.	10	26,063.00	75,769.40 ⁽¹⁾	78,189.00
Wesco Distribution, Inc.	20	37,800.00	80,144.70	113,400.00
Anixter, Inc. (Cooper)	14	34,076.00	82,465.70	102,228.00
Richardson Associates (3%)	10	36,542.00	85,511.30	109,626.00

* Indicates recommended award based on lowest total ownership cost.
(1) Indicates that the bid did not meet minimum specifications.

**(10) 15.5 KV POWER CIRCUIT BREAKERS
AUGUST 11, 2016 @ 2:00 PM**

VENDORS	MFG	DELIVERY TIME (WEEKS)	TOTAL
ABB, Inc.	ABB, Inc.	15-20	\$185,680.00*
Anixter Inc.	Eaton	13	191,490.00
Siemens Industry, Inc.	Siemens	16	194,690.00
Schneider Electric	Square D Company	14-17	218,500.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on August 15, 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 \$1,120,227.

2. Key Performance Indicators (KPIs)

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

- Overtime Cost
- Typical Monthly Bill Comparison - Gas
- Installation of New Services - Water/Sewer
- Duration of Electric Interruptions - CAIDI

3. Commendations

The following are compliment records from customers:

Mr. Kent Hobart with Carolinas Public Gas Association sent an email to General Manager Tony Cannon. Mr. Hobart thanked Carl Smith, Gas Systems Engineer, for the work he has done this year leading the Operations Committee.

Customer Donald Matthews called the Electric Department Support Staff Specialist II Tracy Hodges and complimented the crews that were working on Memorial Drive August 17 and 18. He said that he knew it was hot and the guys did an excellent job. The crews are:

Crew 10 Casey Jones, Overhead Lineworker First Class; Jason Gaskins, Overhead Lineworker First Class; and David Bunch, Overhead Lineworker Second Class.

Crew 34 Daniel McLawhorn, Overhead Electric Service Crew Leader; Gavin Smith, Overhead Lineworker First Class; Jason Smith, Overhead Lineworker Third Class; Nick Gibson, Overhead Lineworker First Class; and Jeremy Wallace, Overhead Lineworker Third Class.

Crew 56 Shawn Adams, Overhead Construction Line Crew Leader; Timmy Pollard, Overhead Lineworker First Class; Tracy Elks, Overhead Lineworker First Class; Brantley Lawrence, Overhead Lineworker Third Class; and Richard Gould, Overhead Lineworker First Class.

Mark Howery, Troubleshooter Crew Leader and Brian Baker, Overhead Lineworker Second Class, were complimented by Mr. Don Harvey. Mr. Harvey is the facilities manager at St. James United Methodist Church and he witnessed Mark and Brian doing work on a light pole near the facility. He stated they were extremely professional and were very polite in performing their work. In addition, they moved some vines and branches that were affecting the pole.

Customer Eddie Godley called to commend GUC staff on doing a great job and being polite and professional. The crew included Mike Ashley, Troubleshooter Crew Leader; Steve Briley, Overhead Lineworker Third Class; and Mike Dunn, Electric Engineer Assistant I.

William and Janice Boyce wrote a letter to General Manager Tony Cannon. They wanted to thank Ray Baker, Tree Trimmer II and Connie McGowan, Tree Trimmer Crew Leader, for their assistance during a time of need. They are in their 70's and were on their way to a doctor's appointment in Greenville. Mr. and Mrs. Boyce were stranded on a country road during a very hot day with a heat index of 105. They are so thankful that Mr. Baker and Mr. McGowan stopped to assist them and wanted to express their appreciation and stated that we should be proud to have them working and representing GUC.

Customer Andre Weston completed a Customer Service card. He wrote that Mark Williams, Chief Credit Officer, was very professional and handled all concerns within a timely manner.

Customer Jaqueline Rueff sent a message to GUC's webmaster. She wrote to thank GUC for outstanding service during Tropical Storm Hermine. Power was lost at 2:00 a.m. and a crew had responded and had the power back on within 20 minutes of reporting the outage. The crew included Stacy McCarter, Troubleshooter Crew Leader and Earl Harris, Overhead Lineworker Second Class.

4. Other

- Mr. Cannon announced that the recent Tropical Storm Hermine was a good test on GUC's recently implemented systems. This was a small-scale storm with about 250 outages. Social media was used for communications as well as local media outlets. This storm offered a great opportunity to see the GUC succession plan at work as well. Kyle Brown, an example of GUC's succession plan, managed Station 1 during the storm. He

did a great job. Mr. Brown was hired as an ECU intern and has now earned his professional engineer's license and moved up with increasing responsibility as GUC's Electric Planning Engineer.

- A video was shown to the Board that included the crews and staff working during the storm.

BOARD CHAIR'S REPORT (Agenda Item 7)

Chair Mills congratulated the Gas Department on their safety award and for being featured in The Daily Reflector on August 25 regarding natural gas purchasing.

Chair Mills shared with the Board the approved Joint Pay and Benefits Committee meeting minutes dated March 16, 2016.

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

- Joint GUC Board of Commissioners/Greenville City Council Meeting, Monday, September 19, 2016, 6:00 p.m., Board Room
- GUC Regular Meeting, Thursday, October 20, 2016, 12:00 noon, Board Room

BOARD MEMBERS' REMARKS

There were several warm remarks welcoming Commissioner Anderson to the Board. In addition, Ms. Lipscomb recognized Steve Hawley, GUC's Public Information Officer / Communications Manager on taking second place at a national conference for the bond referendum video. He created this presentation package when he was working at the City of Greenville. This was a great accomplishment as there were over 700 entries. Congratulations to Mr. Hawley.

CLOSED SESSION:

Upon motion by Ms. Blount, seconded by Ms. Jacobs, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:55 p.m. pursuant to:

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. Jacobs, seconded by Mr. Stoughton, the Board of Commissioners unanimously agreed to return to Open Session at 1:14 p.m.

Upon motion by Ms. Jacobs, seconded by Ms. Blount, the Board unanimously agreed to adjourn at 1:15 p.m.

Respectfully submitted,


Amy Carson Quinn, Executive Secretary

APPROVED:


Joel Butler, Secretary

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