

GREENVILLE UTILITIES COMMISSION
GREENVILLE, NORTH CAROLINA

Thursday, April 18, 2024

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 Geiger presiding.

Commission Board Members Present:

| | |
|-----------------------|-------------------|
| Peter Geiger | Mark Garner |
| Lindsey Griffin | Dr. Wanda D. Carr |
| Ferrell L. Blount III | Dillon Godley |
| Tommy Stoughton | Michael Cowin |

Commission Staff Present:

| | |
|----------------------------------|----------------|
| Tony Cannon, General Manager/CEO | Lou Norris |
| Chris Padgett | Kevin Keyzer |
| Jeff McCauley | Jonathan Britt |
| Phil Dixon | Tony Godwin |
| Anthony Miller | Kathy Howard |
| John Worrell | Amanda Wall |
| David Springer | Paige Wallace |
| Richie Shreves | Ryan Hardy |
| Scott Mullis | Becky Pope |
| Andy Anderson | Molly Ortiz |
| Amy Wade | Kyle Brown |
| Ken Wade | |
| Colleen Sicley | |
| Durk Tyson | |
| Scott Farmer | |
| Steve Hawley | |

Others Attending:

Les Robinson, City of Greenville Liaison; Ginger Livingston, Daily Reflector; Trista Porter, Chris Sanders, and Vonzetta May, Chamber Leadership Institute

Chair Geiger called the meeting to order. Secretary Blount ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

A motion was made by Mr. Godley, seconded by Dr. Carr, to accept the agenda as presented. The motion carried unanimously as presented.

Chair Geiger welcomed Chamber Leadership Institute participants Trista Porter, Chris Sanders, and Vonzetta May to the meeting.

SAFETY BRIEF

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 reminding everyone the importance of being prepared and having a first aid kit handy.

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: March 21, 2024
 (Agenda Item 2) Recommended Award of Bid for 499 kW Community Solar Project (ECP-10261)

A motion was made by Mr. Garner, seconded by Mr. Stoughton, to approve the consent agenda as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – MARCH 31, 2024 (Agenda Item 3)

March 31, 2024, Financial Statement:

Key financial metrics for the combined funds for the period ending March 2024:

| | | | |
|--|----------------|--|-----|
| Operating Cash | \$80,455,062 | Days of Cash on Hand | 126 |
| Less Current Liabilities | (\$21,148,665) | | |
| Fund Balance | \$59,306,397 | Days of Cash on Hand After Liabilities | 93 |
| Fund Balance Available for Appropriation | 20.9% | | |
| Average Investment Yield | 3.59% | | |

Fund Equity/Deficit Before Transfers

| | Current Month | | | Year to Date | | |
|-----------------|------------------|------------------|------------------|--------------------|----------------------|--------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | (\$910,829) | (\$909,837) | (\$753,172) | (\$2,322,783) | (\$3,755,933) | (\$2,574,833) |
| Water | \$237,697 | \$153,223 | \$428,652 | \$1,677,952 | \$1,281,624 | \$3,982,135 |
| Sewer | \$123,197 | (\$20,515) | (\$198,916) | \$1,916,693 | \$259,322 | \$1,241,767 |
| Gas | \$1,532,486 | \$1,392,110 | \$1,057,480 | \$5,642,173 | (\$1,953,840) | \$2,344,569 |
| Combined | \$982,551 | \$614,981 | \$534,044 | \$6,914,035 | (\$4,168,827) | \$4,993,638 |

Fund Equity/Deficit After Transfers

| | Current Month | | | Year to Date | | |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | \$89,171 | (\$259,837) | \$46,828 | \$982,247 | \$2,094,067 | \$78,490 |
| Water | \$87,697 | \$19,890 | \$228,652 | \$542,962 | \$81,627 | \$1,420,599 |
| Sewer | \$73,197 | (\$70,515) | \$1,084 | \$1,081,703 | (\$190,678) | \$8,774 |
| Gas | \$1,032,486 | \$1,592,110 | \$1,057,480 | \$4,207,183 | (\$153,840) | \$2,452,166 |
| Combined | \$1,282,551 | \$1,281,648 | \$1,334,044 | \$6,814,095 | \$1,831,176 | \$3,960,029 |

Mr. McCauley provided a presentation on the Financial Statement for March 31, 2024.

The weather impact for the month of March indicated that the March Heating Degree Days were lower than last year. The March rainfall was approximately 5.5 inches which was higher than last year. The portfolio earned 3.59 % for the month of March.

Overall year-to-date results through the end of March remain stable. The Electric Rate Stabilization Reserves are approximately \$14.9 million, and the Gas Rate Stabilization Reserves are \$5.7 million. The Operating Reserves are 126 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 \$19.0 million.

After discussion, a motion was made by Mr. Godley, seconded by Dr. Carr to accept the March 31, 2024 Financial Statement. The motion carried unanimously.

CONSIDERATION OF ADOPTION OF PRELIMINARY FY 2024-2025 BUDGET (Agenda Item 4)

Mr. Cannon reminded the Board that at the March 18, 2024 Board meeting, a presentation was provided to the Board that focused on the end-of-year performance for FY 2023-24, the principal elements of the preliminary FY 2024-25 budget, GUC's five-year capital improvement plan, and long-term financial forecast. The current year projections, ending June 30, 2024, have been

updated based on actuals thru month of March with no substantial changes with the budget ending in \$290 million and KPIs remaining strong.

Proposed FY 2024-25 Budget

After careful consideration of the information that was presented and Board feedback of the March 18, 2024 meeting materials, the Board reached a consensus to move forward with the preparation of the preliminary FY 2024-25.

There have been no substantial changes in the proposed budget. The few changes did increase the budget overall and did not impact rates. A revenues and expenditures document containing the FY 2024-25 projection and the preliminary FY 2024-25 budget was provided. Overall, it is a \$302 million budget, and the main drivers are purchased power and gas.

Highlights of the FY 2024-25 proposed budget are listed below:

- Expenditures budgeted for FY 2024-25 have increased by 2.6%, or \$7.7M, when compared to the FY 2023-24 budget. Key points are:
 - \$7.9M increase in operations
 - \$3.9M increase in purchased power
 - \$300K decrease in capital outlay
 - \$7.5M decrease in purchased gas
 - \$1.5M increase in debt service
 - \$1.5M increase in City turnover
 - \$150K increase in transfers to capital projects
 - \$900K increase in transfers to rate stabilization fund
- 3.8% base rate increase for the Electric Fund, a 0.5% increase from last year's forecast
- 0.0% retail rate increase for the Water Fund, a 3.0% reduction from last year's forecast
- 7.5% firm wholesale rate increase for the Water Fund
- 5.1% rate increase for the Sewer Fund, a 1.4% increase from last year's forecast
- 0.0% rate increase for the Gas Fund, a 5.3% decrease from last year's forecast
- Funding for a 4.0% employee merit/market adjustment
- Transition 401k contribution from fixed amount to percentage of salary
- Continuation of a self-insured health insurance plan which includes a high deductible Health Savings Account option
- Continuation of self-insured dental insurance plan
- Funding to hire replacements prior to the retirement of key personnel to facilitate succession planning, leverage the knowledge and experience of long-term employees for training on critical issues and ensure smooth transitions
- Continuation of investment in the Greenville ENC Alliance to promote economic development in our region
- Transfer of \$500K to Other Post-Employment Benefits (OPEB)
- Transfer of \$150K to the City Energy Efficiency Partnership
- Investment of \$16.6M for capital outlay to maintain system reliability and comply with regulatory requirements
- Annual turnover or transfer of \$8.7M to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

Other Key Provisions in Proposed FY 2024-25 Budget:

- Electric Vehicle Charger Rate for Direct Current Fast Chargers with more than 150kW output (Level 3)
- System Development Fees for Sewer (phased in approach year 2)
- Electric Rate Design Modifications year 4 of 5
- Water Rate Design Modifications year 5 of 5

General

- Annual turnover or transfer of \$8,664,850 to the City of Greenville
- Continuing support of Greenville-ENC Alliance as a Sustaining Member - \$650,000
- Continuing support of City's Energy Efficiency Partnership - \$150,000

- Transfer of \$6M from the electric rate stabilization fund
- Transfer of \$900K to the gas rate stabilization fund
- Infrastructure maintenance and expansion
- \$16.6M investment in annual capital outlay
- Transfer of \$2.4M to capital projects fund
- \$16.3M in debt service to support investment

Personnel

- Funding for a 4.0% employee merit/market adjustment, \$1.5M
- Transition 401k contribution from fixed amount to percentage of salary
- Continuation of health and dental plans
- \$500k transfer to OPEB Trust
- Funding to bring replacements on board prior to the retirement of key personnel
 - Facilitate succession planning
 - Leverage knowledge and experience of long-term employees for training on critical issues
 - Ensure smooth transitions
- 1 New Permanent Position Allocation for a Water Resources Plants Engineer

Highlights of the FY 2024-25 capital budget are listed below:

- GUC continues to make investments in capital projects to maintain reliability, meet ongoing regulatory requirements, and remain strategically positioned to facilitate growth. To that end, in FY 2024-25, GUC will be establishing capital projects totaling \$22.5M.

| Project Type | Project Description | Project Amount |
|---------------------|--|----------------------------|
| Finance | Admin HVAC Upgrades | \$1,700,000 |
| Electric | Radial Substation Conversion | 1,100,000 |
| Electric | 10 MW Peak Shaving Generator Plant | 13,375,000 |
| Water | COG BUILD Grant – 5 th Street | 2,650,000 |
| Water | NCDOT 14 th Street | 45,000 |
| Water | NCDOT Allen Road | 10,000 |
| Water | NCDOT Corey and Worthington | 150,000 |
| Water | NCDOT Firetower/Portertown | 65,000 |
| Water | Lagoon and Impoundment Improvements | 1,500,000 |
| Sewer | NCDOT Allen Road | 10,000 |
| Sewer | NCDOT Firetower/Portertown | 125,000 |
| Sewer | NCDOT 14 th Street | 25,000 |
| Sewer | NCDOT Corey and Worthington | 10,000 |
| Sewer | COG BUILD Grant – 5 th Street | 1,750,000 |
| | <u>Total</u> | <u>\$22,515,000</u> |

Long-term Financial Forecast

Mr. Cannon reviewed the long-term financial forecast that included the five-year plan through FY 2028-29.

Mr. Cannon noted that pending the Board’s approval of adoption and the approval of employee benefits at the Joint Meeting on April 22, the preliminary balanced budget will be presented to the City Council on May 9. Final adoption of the FY 2024-25 budget will be considered at the Board’s June 13 meeting, with final consideration by the City Council also scheduled for June 13.

After discussion, a motion was made by Mr. Godley, seconded by Mr. Griffin, to adopt the preliminary FY 2024-25 Budget and to recommend similar action by City Council. The motion carried unanimously.

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

Chair Geiger announced that the Joint Pay and Benefits Committee met on March 18, 2024, with representatives from both GUC and the City of Greenville. Members of the Committee are himself and GUC Commissioner Lindsey Griffin; and City Council Members Marion Blackburn and Portia Willis.

The Joint Committee approved three recommendations for consideration by the GUC Board and City Council.

1. 4% pay adjustment to fund both market and merit increases
2. 2.6% salary structure adjustment
3. 401(k) employer contribution change from \$40 per pay period to 3% of salary per pay period

Commissioner Geiger announced that the Joint Meeting with the City of Greenville is scheduled for Monday, April 22, 2024, at 6:00 p.m. in the City Council Chambers.

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

1. Informational Reading

Bids, Statistical Data Report, Sewer Spill Tracking Report, Load Management Report, and PGA Report were provided.

The Bid awarded by the General Manager/CEO during the past month was reported for information:

GREENVILLE UTILITIES COMMISSION
BIDS RECEIVED

UNIFORMS
FEBRUARY 28, 2024 @ 3:00 PM

| VENDORS | TOTAL |
|---------------------------|---------------------------|
| Perfect Fit Image Apparel | \$279,612.75* |
| J & E Uniforms, Inc. | 238,653.34 ⁽¹⁾ |

* Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor had issues with delivery.

The Duke Energy Progress (DEP) monthly peak occurred on March 25, 2024, 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 \$1,492,839.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Commendations

Joey Breeden, Gas Engineering Assistant II, received a call from Mr. Corbett. Mr. Corbett called to compliment GUC’s gas crew for providing excellent customer service while installing a two-inch natural gas main in his neighborhood. He stated that he was very impressed with the professionalism, customer service, and knowledge of our construction crew. **Employees’ Names:** Gas Systems Crew Leader II Chris Rouse; Gas Systems Technician III Blake Beddard and Joshua Harrell; Gas Systems Technician II Carson Knight; and Gas Systems Technician I Allen Brooks.

Mrs. Chatham called Karyn Wilson, Staff Support Specialist II, to compliment Gas Service Specialist I Adam Wilson and Carlos Crespo for providing excellent customer service while reconnecting her natural gas service. She stated that the two gentlemen were pleasant, very personable, professional, and deserved to be recognized for their great customer service.

Ms. Herrin wrote a letter to Glenn Crumpler, Gas Systems Supervisor, to compliment Gas Systems Technician III Justin Oakes for providing excellent customer service while work was being performed on her natural gas service. She stated that he was very professional and patient in answering her questions. She also expressed how he exceeded her expectations when he shared helpful information about her gas logs. In addition, Ms. Herrin stated she was very grateful for Justin's help and how fortunate she was to have such great service in the City of Greenville.

General Manager/CEO Tony Cannon received an email from customer Emmet Floyd. Mr. Floyd wrote to compliment Meter Field Tech II Mike Kelly and Meter Field Tech I Jarred Williams for providing great customer service when investigating a water leak at his home. He stated that they were excellent representatives of GUC, professional, knowledgeable, and courteous.

Ms. Bebellis stopped by the Greenville Blvd. Express location and spoke to Customer Contact Representative II Nicholas Corsaro. She complimented the tree crew that responded to a report of tree on lines at her home. She stated that the crew was very kind and professional.

Employees' Names: Line Clearing Coordinator Robbie Mooring; Tree Trimmer Crew Leader Matt McLawhorn; Tree Trimmer I Lance Smith, Chase Hudson Taylor Braxton, and Jordan Clymer.

Lineworker First Class David Guy contacted Chief Utility Locator Will Prescott to compliment Damage Prevention Technician I Dell Laster for performing excellent customer service. Dell was dispatched on March 31, 2024, to assist the Electric Department in finding a bad underground service. David said that Dell was a tremendous help in finding the service wire and the fault.

4. Other

- Mr. Cannon announced that the EPA issued their PFAS rulings. He noted this will likely impact operating cost at GUC's water treatment plant. GUC staff will follow the progress of this ruling and provide any updates.
- Mr. Cannon announced there are two employees that he would like to recognize, and he called on Director of Electric Systems John Worrell. Mr. Worrell invited Underground Electric Distribution Supervisor Ryan Hardee to the podium. Mr. Worrell shared a few things about Ryan and noted his retirement will begin tomorrow. Ryan began work at GUC in August 1990 as a tree trimmer. He moved up over the years as a line worker, crew leader and is currently Underground Electric Distribution Supervisor. Mr. Worrell thanked Ryan for his many years of service and wished him well as he retires from GUC. Next, Director of Information Technology Mr. Andy Anderson invited IT Applications Manager Becky Pope to the podium and announced her retirement will be at the end of this month. She began work at GUC in April 1997. He shared that Becky has a superhuman work ethic and she was asked to lead the Navigate project. In 2021 it was time for an upgrade or replacement of three systems that she implemented many years ago. These projects were successful due to Becky and her team. One of the projects, Oracle Customer Cloud Service (CCS) was awarded the 2024 OUUG Customer Excellence Award for outstanding implementation. He thanked Becky for all her hard work and dedication to GUC.

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

Chair Geiger stated that he appreciated having the retiring employees attend the Board meeting today and hearing about their accomplishments.

He reminded the Board of Commissioners that today was the third time that the budget information has been presented and therefore it went pretty smoothly today. He noted there are a lot of good things in the budget including balancing the increase in cost in a manageable way for customers and supporting employees with competitive benefits.

Chair Geiger shared the approved minutes dated August 24, 2023, from the Joint Pay and Benefits Committee. He announced the Joint City and GUC meeting is scheduled for April 22, 2024 and the GUC Regular Board meeting is scheduled for Thursday, May 16, 2024.

BOARD MEMBERS' REMARKS

Commissioner Stoughton appreciated the work that went into the budget process.

Closed Sessions:

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

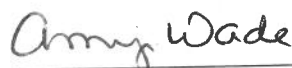
N.C.G.S. 143-318.11(a)(1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.

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.

Upon motion by Mr. Stoughton, seconded by Mr. Garner, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:28 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 Dr. Carr, the Board of Commissioners unanimously agreed to return to Open Session at 1:02 p.m. Upon motion to adjourn by Mr. Blount, seconded by Mr. Garner, the Board unanimously adjourned the meeting at 1:02 p.m.

Respectfully submitted,



Amy Wade, Executive Secretary

APPROVED:


Ferrell L. Blount III, Secretary