

Memo

To: Mayor & Council
From: Nathan Ingram
CC: Billy Peppers, City Manager
Date: June 2, 2016
Re: Utility Audit

Mayor & Council,

Please recall that in January 2015, the City of Canton engaged Utility Reduction Specialists, Inc. (URS) to conduct an energy audit on the electric services provided to the City (original agreement attached); specifically, on the Georgia Power accounts as this vendor is the predominant supplier of electricity to the City.

The audit was substantially completed as of the end of 2015 and the City is now starting to realize some of the 'savings' as a result. To summarize so far, the audit has saved the City approximately \$2,000 per month. The savings come as a result of mostly changes in the rate structure that the City is charged, but also in discontinuing a few accounts that were deemed inactive. Please see the analysis attached.

I wanted to take this opportunity to present the initial findings of the audit but to also present one issue that needs to be resolved. Attached to this memo, you will find an "Assignment of Rights". I was notified approximately one month ago that URS had effectively assigned its rights (assets and liabilities) to David B. Johnson; a contractor for URS. Upon learning of this assignment, I immediately contacted the principal at URS, Mr. Ken Burkel to confirm this change. Please be mindful that Mr. Johnson was not "New" to this relationship. He had worked continuously on this project since day one. Ultimately, Mr. Burkel did confirm this transfer but also provided to me the attached signed assignment for our records.

I am asking that Council, in order to compensate Mr. Johnson for his services conducted with regard to this audit and his assignment of the rights, accept the attached assignment as an addendum to the original agreement.

I appreciate your attention to this and your input.

Respectfully,

Nathan Ingram

UTILITIES REDUCTION SPECIALISTS, INC.

PO Box 1810, Clemmons, NC 27012

UTILITIES REDUCTION SPECIALISTS, INC. agrees to conduct a Utility audit by analyzing Client's telecommunications, cellular, electric and gas billings and records. UTILITIES REDUCTION SPECIALISTS, INC. agrees to seek refunds and/or credits for billing errors; UTILITIES REDUCTION SPECIALISTS, INC. will, in a Cost Reduction Program, identify and assist Client in implementing actions and changes which are designed to achieve reduction in these expenses. Client agrees to provide UTILITIES REDUCTION SPECIALISTS, INC. with copies of one month of Client's current bills for these services at the time the audit commences, as well as any additional billing records or information as needed during the course of the audit. Client will designate an employee who will provide UTILITIES REDUCTION SPECIALISTS, INC. with the information needed to complete our audit. UTILITIES REDUCTION SPECIALISTS, INC. will perform the work (analysis/audit) off site at UTILITIES REDUCTION SPECIALISTS, INC. facilities in North Carolina.

CLIENT AGREES TO COMPENSATE UTILITIES REDUCTION SPECIALISTS, INC. AS FOLLOWS:

For refunds or credits, from the Utility Companies, Vendors, or Carriers, the fee is 50% of the refunds and or credits that result from the UTILITIES REDUCTION SPECIALISTS, INC. audit. This fee is payable after Client receives the refund or credit. The fee for the Cost Reduction Program is 50% of the savings demonstrated over the 24-month period following the implementation of the cost reduction program. Client will be invoiced monthly as Client experiences the savings. All savings must be quantifiable. The Cost Reduction Program fee is due and payable within thirty (30) days of UTILITIES REDUCTION SPECIALISTS, INC. invoice each month.

The following actions have been considered by the client and should be excluded as a fee item under the Cost Reduction Program:

If Client does not receive a refund/credit or expense reduction, there will be no fee for the Audit. UTILITIES REDUCTION SPECIALISTS, INC. retains the exclusive right to conduct any utility bill analysis/audit from the date of this agreement until receipt of final report. The term of this agreement is from contract date until receipt of final report. During this period, should any in-house review or any utility vendor, business or entity conduct any analysis or audit, UTILITIES REDUCTION SPECIALISTS, INC. is still entitled to the 50% fee produced by the UTILITIES REDUCTION SPECIALISTS, INC. Cost Reduction Program, credits or refunds. Client reserves the right to accept or reject any recommendations that are contained in our final audit report. This agreement constitutes the entire and complete agreement between UTILITIES REDUCTION SPECIALISTS, INC. and Client and replaces all previous written or verbal agreements.

This agreement is subject to acceptance at our corporate office at 2554 Lewisville-Clemmons Road, Suite 305J, Clemmons, NC 27012 and must be signed by an officer of the company.

Accepted and approved

UTILITIES REDUCTION SPECIALISTS, INC.	Title	Date
Client Name: <u>City of Canton</u>		
(Print)		
By: <u>Gane Hobgood</u>	Title: <u>Mayor</u>	
(Print)	(Print)	
Signature: <u>[Signature]</u>	Date: <u>1/26/15</u>	
Address: <u>151 Elizabeth Street</u>		
City, State, Zip: <u>Canton, GA 30114</u>	Phone: <u>770-704-1523</u>	

Approved as to Form:
Publ. N. Nyr, City Attorney

Approved by Canton City Council
on Jan. 22, 2015

Rev 06/14

City of Canton GA
Electric Audit Savings Summary

City of Canton GA
Electric Audit Savings Summary

	CLOSED ACCOUNTS									OLD Rate GS - NEW Rate PLS							OLD Rate PLM - NEW Rate TOU-EO					
Georgia Power account number	01439-61022	02029-21006	03693-29019	09796-41024	13311-38018	16517-03008	43533-27003	74889-28013	75309-28018	00052-48019	03116-37117	06963-41036	08467-62016	30009-22004	08493-12018	13291-00059	01110-66016	23009-31008	28119-22006	28329-22006	78879-27001	
Description									Score-board Bball Fld			Bldg Dodge ODL - Beg of St										
Service Address	70 Riverstone Pkwy	Waleska Hwy	70 Riverstone Pkwy	70 Riverstone Pkwy	70 Riverstone Pkwy	200 Brown Ind Pkwy	Boiling Park		Boiling Park	305 Jesse McCollum Dr	657 Laurel Xing	200 Liberty Blvd	1810 Cummings Hwy	Hwy 5	680 E Main St	1260 E Main St	99 River CV Lot 99A	1080 Marietta Hwy	161 Harmon Cir	161 Harmon Cir	Hwy 5	
SAVINGS MONTH																					Cumulative	
1	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$4.39	\$25.74	\$142.16	\$36.27	\$142.63						\$555.49		
2	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$16.22	\$49.33	\$170.33	\$69.71	\$164.79	\$139.68	\$118.46	\$426.23	\$65.18	(\$174.48)	\$389.18	\$617.45	\$2,256.37
3	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$59.67	\$77.29	\$190.75	\$82.14	\$68.52	\$151.01	\$128.21	\$432.80	(\$966.37)	(\$244.00)	\$373.95	\$482.54	\$1,040.82
4	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$123.62	\$53.49	\$155.64	\$52.42	\$20.33	\$136.74	\$111.75	\$432.84	\$508.80	(\$21.37)	\$397.31	\$624.76	\$2,800.64
5	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$115.82	\$29.68	\$132.48	\$39.99	\$59.17	\$100.02	\$89.72	\$443.74	\$492.27	(\$269.46)	\$419.95	\$667.69	\$2,525.37
6	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$22.70	\$109.47	\$0.00	\$142.60	\$24.00	(\$9.04)	\$83.33	\$82.97	\$456.61	\$625.15	(\$241.31)	\$528.29	\$698.36	\$2,704.72
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Account Summary	\$136.20	\$136.20	\$136.20	\$136.20	\$136.20	\$136.20	\$136.20	\$136.20	\$136.20	\$429.19	\$235.52	\$933.95	\$304.53	\$446.41	\$610.78	\$531.11	\$2,192.22	\$725.04	(\$950.62)	\$2,108.67	\$3,090.81	\$11,883.41
	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	3.61%	1.98%	7.86%	2.56%	3.76%	5.14%	4.47%	18.45%	6.10%	-8.00%	17.74%	26.01%	

April 8, 2016

TO: Mr. Nathan Ingram
City of Canton, GA
151 Elizabeth Street
Canton, GA 30114

FROM: Mr. Ken Burkel
Utilities Reduction Specialists, Inc.
P O Box 1810
Clemmons, NC 27012

David B. Johnson
P O Box 18565
Asheville, NC 28814

Please allow this letter to serve notice that Utilities Reduction Specialists, Inc.(URS) has sold the rights, responsibilities, liabilities and account receivables to David B. Johnson as they relate to the electric utility portion of the URS contract with the City of Canton, GA dated January 30, 2015 (copy attached) and David B. Johnson has purchased same and agrees to manage the account and accept responsibility for the execution of said agreement.

David B. Johnson has made electric account change recommendations and the City of Canton, GA has approved those changes. Further David B. Johnson has managed those changes and identified the resultant expense savings and will continue to identify the results of these changes through the term of the agreement.

Signed by: Ken Burkel
Utilities Reduction Specialists, Inc.

Signature Kenneth Burkel
(Clerk)

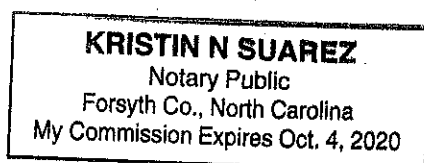
Signed and sealed in the presence of:

Notary Public Kristin N. Suarez

Signature Kristin N. Suarez

My Commission Expires: 10/4/2020

Affix Notary Seal



Signed by: David B. Johnson

Signature D. Johnson

Signed and sealed in the presence of:

Notary Public Rebecca N. Brigman-Holmes

Signature Rebecca N. Brigman-Holmes

My Commission Expires: 12/6/2020

Affix Notary Seal

