



**Greenville
Utilities**

AGENDA

Finance/Audit Committee Meeting

March 5, 2021

9:00 a.m. - Board Room and Virtual

Call to Order - Ascertain Quorum

[Committee Chair Tommy Stoughton]

Acceptance of the Agenda

[Committee Chair Tommy Stoughton]

Safety Brief

[Tony Cannon]

1. Approval of Minutes

[Committee Chair Tommy Stoughton]

October 21, 2020

2. End-of-Year Forecast/Draft Revenue and Expenditure Proposal for Upcoming Year

[Tony Cannon]

3. Recommendation to Award Auditing Services Contract

[Jeff McCauley]

Adjournment



Agenda Item # 1

Meeting Date: March 5, 2021

Board Committee:	Finance/Audit Committee
Item:	Approval of Minutes
Contact:	Tony Cannon
Explanation:	Finance/Audit Committee Meeting: October 21, 2020
Strategic Plan Elements:	Strategic Themes: <ul style="list-style-type: none">• Exceptional Customer Service• Shaping Our Future Objectives: <ul style="list-style-type: none">• Exceeding customer expectations• Embracing change to ensure organizational alignment and efficiency Core Values: <ul style="list-style-type: none">• Exceed customers' expectations• Support the community• Deliver reliable services
Previous Board Actions:	N/A
Fiscal Note:	N/A
Recommended Action(s):	Approval of minutes as presented or amended

GREENVILLE UTILITIES COMMISSION
FINANCE/AUDIT COMMITTEE
GREENVILLE, NORTH CAROLINA
October 21, 2020

The Finance/Audit Committee of the Greenville Utilities Commission held a virtual meeting on Wednesday, October 21, 2020, at 10:00 a.m. with the following members and others participating, and Committee Chair Tommy Stoughton presiding.

Committee Members Present:

Tommy Stoughton, Committee Chair
Minnie Anderson, Committee Vice-Chair
Peter Geiger
Lindsey Griffin

Other Commissioners Present:

Parker Overton

GUC Staff Present:

Tony Cannon, General Manager/CEO
Chris Padgett
Phil Dixon
Jeff McCauley
Keith Jones
Amy Wade
Steve Hawley
Lou Norris

Committee Chair Stoughton called the meeting to order at 10:00 a.m. Ms. Amy Wade, Executive Secretary, called roll and ascertained that a quorum was present.

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

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Geiger, seconded by Mr. Griffin, to approve the July 7, 2020 Finance/Audit Committee minutes as presented. The motion carried unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY (Agenda Item 2)

Mr. Jeff McCauley, Chief Financial Officer, stated that it is the policy of GUC to invest public funds in a manner which will provide the highest return with the maximum security while meeting the daily cash flow demands of GUC and conforming to all state and local statutes

governing the investment of public funds. To that end, GUC's Investment Policy requires that a review of the investment policy be conducted on an annual basis by the Finance/Audit Committee. Mr. McCauley gave a brief update on the status of investments and Mr. Keith Jones, Director of Financial Service and Accounting, provided information related to the portfolio.

Mr. McCauley stated that staff does not recommend any changes to the existing policy at this time.

ANNUAL FY 2019-2020 AUDIT UPDATE (Agenda Item 3)

Mr. McCauley stated that the fiscal year-end audit has been progressing nicely and it is anticipated that the Commission will receive a clean audit opinion.

Based on Generally Accepted Accounting Principles (GAAP) the Commission generated \$14.5 million in net income for the fiscal year-ended June 30, 2020.

Staff is on track to deliver the audited financial statements to the State Treasurer's Office by October 31, 2020, and a presentation of the full audit report to the Board is scheduled to occur in November.

ADJOURNMENT

With no further business to conduct, a motion was made by Ms. Anderson, seconded by Mr. Geiger, to adjourn the meeting. The motion carried unanimously, and the Finance/Audit Committee meeting adjourned at 10:26 a.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary



Agenda Item # 2

Meeting Date: March 5, 2021

**Board
Committee:**

Finance/Audit Committee

Item:

End-of-Year Forecast/Draft Revenue and Expenditures Proposal for Upcoming Year

Contact:

Tony Cannon

Explanation:

The Finance/Audit Committee will meet on March 5, 2021 with GUC staff to discuss the end-of-year fiscal forecast and the preliminary revenue and expenditures proposal for FY 2021-22. Attached for your review are a memorandum and supplemental materials.

The presentation will focus on end-of-year performance for FY 2020-21, and the key elements of the proposed FY 2021-22 budget. These areas include current status, capital investment, five-year capital plans, rate models, and the long-term financial forecast.

**Strategic Plan
Elements:**

Strategic Themes:

- Exceptional Customer Service
- Safety, Reliability & Value
- Shaping Our Future

Objectives:

- Safely providing reliable and innovative utility solutions
- Exceeding customer expectations
- Providing competitive rates, while maintaining the financial stability of the utility
- Developing and enhancing strategic partnerships
- Embracing change to ensure organizational alignment and efficiency

Core Values:

- Exceed Customers' Expectations
- Act with Integrity
- Value Employees
- Deliver Reliable Services
- Prioritize Safety

- Support the Community

**Previous Board
Actions:**

N/A

Fiscal Note:

N/A


**Recommended
Action(s):**

Endorsement for the Board to move forward with appropriate actions related to the current end-of-year fiscal forecast and preparation of the proposed preliminary FY 2021-22 budget as presented.

OFFICE OF THE
GENERAL MANAGER

MEMORANDUM

TO: GUC Board of Commissioners Finance/Audit Committee

FROM: Anthony C. Cannon, General Manager/CEO 

DATE: March 1, 2021

SUBJECT: Updated End-of-Year Projections/Draft Revenue and Expenditures Proposal for Upcoming Year

At the Board Finance/Audit Committee meeting on Friday, March 5, 2021, staff will review the end-of-year financial projections for FY 2020-21 and the proposed budget for FY 2021-22. In preparation for the meeting, supplemental information is attached for your review, which highlights the items listed below:

- End-of-year Projections for FY 2020-21 (current year)
- FY 2021-22 Forecast developed last year
- Proposed FY 2021-22 Budget
- FY 2022-26 Financial Forecasts
- FY 2022-26 Capital Improvement Plan

Key metrics, such as fund balance and debt-service coverage ratios, are also included in the attached documents.

The remainder of this memorandum provides a historical reference regarding the major influences and highlights of the current budget, status of GUC's FY 2020-21 financial projections, and proposed revenue and expenditures for FY 2021-22.

End-of-Year Projections

The current budget adopted for FY 2020-21 provided appropriations of \$14.0M in capital outlay improvements, more than \$73.4M in operations, and transfers of \$12.1M to the capital project fund. The FY 2020-21 original budget was 3.7% higher than the previous year's budget and provided funding for operating and capital infrastructure improvements while maintaining competitive rates.

Total adjustments of (\$2.8M) to the original budget are due to a \$2.8M decrease in revenues as well as a \$2.8M decrease in expenditures. The decreased expenditures are from decreased operations and purchased gas costs, and transfers to capital projects.

In reviewing the end-of-year forecast, the financial viability of each fund is considered to ensure that GUC is positioned to meet its mission and future financial obligations. ***Key Performance Indicators such as debt-service coverage ratios, fund balances, and days cash on hand are primary components of the review.*** These factors are also monitored by the NC Local Government Commission (LGC) and credit rating agencies in determining GUC's ability to borrow funds at a favorable interest rate.

GUC's current credit ratings are Aa1 with Moody's and AA- with Fitch. These high ratings enable GUC to borrow funds at lower interest rates, thereby lowering the cost of borrowing for necessary investments in infrastructure to maintain our systems.

- **End-of-Year Projection for Electric Fund After Transfers**
Revenues for the Electric Fund are projected to end the year higher than budgeted, as higher volumes of kWh were delivered to customers due to weather and overall system growth. It is anticipated the Electric Fund will end the fiscal year with \$155K in fund equity, a debt-service coverage ratio of 3.86x, and a fund balance of 17.6%, or \$31.9M.
- **End-of-Year Projection for Water Fund After Transfers**
It is projected that the Water Fund will end the fiscal year with approximately \$146K in fund equity, a debt-service coverage ratio of 3.42x, and a fund balance of 20.5%, or \$4.0M.
- **End-of-Year Projection for Sewer Fund After Transfers**
It is projected that the Sewer Fund will end the fiscal year with approximately \$162K in fund equity, a debt-service coverage ratio of 1.85x, and a fund balance of 25.0%, or \$5.8M.
- **End-of-Year Projection for Gas Fund After Transfers**
It is projected that the Gas Fund will end the fiscal year with \$73K in fund equity, a debt-service coverage ratio of 2.85x, and a fund balance of 42.2%, or \$13.1M.
- **End-of-Year Projection for the Combined Enterprise Operation After Transfers**
The combined funds are expected to realize revenues of approximately \$268M, a decrease of \$2.8M, or 1.04%, from the original budget. Expenditures are projected to total approximately \$267M, a \$3.3M, or 1.23%, decrease from the original budget. The combined funds' revenues, after \$11.2M in transfers (including \$7 million of

appropriated fund balance), are projected to end the year \$536K higher than expenditures.

Proposed FY 2021-22 Budget

Greenville Utilities Commission (GUC) is pleased to present the proposed FY 2021-22 Budget that was developed using the values and objectives identified in our “Blueprint – GUC’s Strategic Plan.” At the core of everything we do is a focus on facilitating regional growth, safely providing reliable and innovative utility solutions, and providing exceptional customer service.

GUC’s budget maintains several key financial metrics including debt-service coverage ratios, fund balances (as defined by the LGC), and days cash on hand. These metrics are reviewed for each fund at the enterprise level. Maintaining these metrics at the fund level ensures the long-term sustainability of GUC to continue meeting its mission and future financial objectives.

Guiding all budgetary decisions is GUC’s Strategic Plan, which emphasizes our commitment to provide exceptional service while maintaining a viable financial position. Therefore, GUC’s budget goals are designed to achieve the following:

- Safely provide reliable utility solutions, at the lowest reasonable cost
- Provide exceptional customer service in an environmentally responsible manner
- Position GUC to achieve greater efficiencies
- Continue to meet regulatory requirements
- Minimize rate increases
- Avoid future rate shock
- Maintain Key Performance Indicators for each fund
- Be operationally and financially prepared for emergency situations
- Support economic development in the community
- Preserve and/or improve bond ratings

The balancing process for the proposed budget addressed several areas, including the review and analysis of the following:

- All four funds ability to be self-supporting on a sustained basis
- Continued investment in infrastructure
- Appropriate timing of expenditures for capital projects
- Revenues
- Personnel and staffing
- Cost-saving opportunities

- The updated financial models, with a focus on keeping rates as affordable as possible, while maintaining financial stability

Highlights of the FY 2021-22 proposed budget are listed below:

- Expenditures budgeted for FY 2021-22 have decreased by 1.6%, or \$4.2M, when compared to the FY 2020-21 budget. Key points are:
 - \$2.3M increase in operations
 - \$2.3M increase in purchased power
 - \$1.3M decrease in capital outlay
 - \$1.4M decrease in purchased gas
 - \$1.1M decrease in debt service
 - \$5.3M decrease in transfers to capital projects
 - \$650K increase in transfers to rate stabilization
- No rate adjustment for the Electric Fund
- Rate increase of 6.6% for the Water Fund, 0.4% less than projected last year
- No rate adjustment for the Sewer Fund
- No rate adjustment for the Gas Fund
- Funding for the employee merit program at 1.5% and market adjustment at 2.0%
- 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
- One new permanent position for succession planning purposes and one new part-time intern position
- Continuation of investment in the Greenville ENC Alliance to promote economic development in our region
- Transfer to Other Post-Employment Benefits (OPEB) of \$500K
- Funding for the increase in the Local Government Employees Retirement System (LGERS) required employer contribution from 10.15% to 11.35% - \$418K
- Transfer of \$150K to City's housing energy conservation program
- Investment of \$12.7M for capital outlay to maintain system reliability and comply with regulatory requirements
- Annual turnover or transfer of \$6.6M to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

Summary

The FY 2021-22 proposed balanced budget was developed with the staff's best effort to control costs, while continuing to provide a high level of service to GUC's customers. Not only is the proposed budget balanced for the near term, it also includes key components to position GUC for long-term sustainability. This budget supports GUC's vision to provide safe, innovative, and sustainable utility solutions that serve as the foundation of growth for the Greenville region. GUC is dedicated to enhancing the quality of life for those we serve by safely providing reliable utility solutions at the lowest reasonable cost, with exceptional customer service, in an environmentally responsible manner.

We look forward to meeting with the Board Finance/Audit Committee on Friday and presenting a more in-depth review of GUC's FY 2020-21 end-of-year projections and the FY 2021-22 proposed balanced budget. If you have questions prior to the meeting, please do not hesitate to contact us.

Attachments

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS
DRAFT: 2/18/2021**

Line #		2019-2020	2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
		Actual	Budget	Projected	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 245,468,334	\$ 251,514,172	\$ 251,317,930	\$ 259,222,721	\$ 259,163,372	\$ 261,360,296	\$ 262,652,228	\$ 264,177,664	\$ 266,710,764
2	Fees & Charges	2,340,012	1,938,375	2,073,054	2,485,289	2,138,534	2,180,250	2,223,580	2,267,777	2,312,858
3	U. G. & Temp. Ser. Chgs.	541,201	425,038	457,521	444,279	478,406	500,309	523,280	547,373	572,643
4	Miscellaneous	2,179,556	2,114,192	4,249,143	2,158,912	1,943,564	1,996,653	2,024,594	2,053,351	2,082,948
5	Interest on Investments	1,604,653	750,000	731,000	830,000	750,000	810,000	810,000	810,000	810,000
6	FEMA/Insurance Reimbursement	407,088	-	-	-	-	-	-	-	-
7	Contributed Capital	-	-	-	-	-	-	-	-	-
8	Bond Proceeds	-	294,061	-	-	-	320,000	-	489,999	-
9	Installment Purchases	-	-	-	-	-	-	-	-	-
10	Transfer from Cap Projects	-	706,000	-	500,000	-	-	-	-	-
11	Transfer from Rate Stabilization	-	5,750,000	1,850,000	3,300,000	2,500,000	3,250,000	5,350,000	6,750,000	1,350,000
12	Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13	Appropriated Fund Balance	-	7,000,000	7,000,000	-	-	-	-	-	-
14		\$ 252,540,844	\$ 270,491,838	\$ 267,678,648	\$ 268,941,201	\$ 266,973,876	\$ 270,417,508	\$ 273,583,682	\$ 277,096,164	\$ 273,839,213
EXPENDITURES:										
15	Operations	\$ 65,538,438	\$ 73,471,410	\$ 71,515,583	\$ 75,661,566	\$ 75,742,640	\$ 77,257,591	\$ 78,802,763	\$ 79,848,184	\$ 81,445,150
16	Purchased Power	126,492,335	132,210,549	132,278,916	132,941,897	134,562,665	135,280,705	135,968,487	136,967,912	128,304,684
17	Purchased Gas	14,816,904	17,022,470	15,162,538	17,123,192	15,617,414	16,103,737	16,604,215	17,119,070	17,648,838
18	Capital Outlay	14,523,030	14,002,610	15,129,949	13,935,711	12,704,156	13,014,120	13,373,983	13,744,029	14,018,909
19	Debt Service	11,906,170	14,217,192	14,854,131	14,260,043	13,122,352	13,084,334	15,458,386	17,598,483	17,996,893
20	City Turnover - General	5,769,888	5,542,118	5,542,118	5,883,212	5,690,643	5,804,455	5,920,545	6,038,955	6,159,735
21	Street Light Reimbursement	884,838	841,345	1,009,799	868,557	888,788	890,251	886,574	881,221	879,936
22	Transfer to OPEB Trust	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
23	Transfer to Rate Stabilization	545,999	-	-	-	650,000	-	-	-	-
24	Transfer to Capital Projects	11,729,544	12,100,000	11,150,000	6,350,000	6,750,000	7,350,000	5,150,000	3,850,000	3,800,000
25	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
26	Operating Contingencies	-	584,144	-	-	-	-	-	-	-
27		\$ 252,707,145	\$ 270,491,838	\$ 267,143,034	\$ 267,524,178	\$ 266,228,658	\$ 269,285,193	\$ 272,664,953	\$ 276,547,854	\$ 270,754,145
28	Fund Equity / (Deficit)	\$ (166,301)	\$ -	\$ 535,614	\$ 1,417,023	\$ 745,218	\$ 1,132,315	\$ 918,729	\$ 548,310	\$ 3,085,068
29	Projected All Debt Coverage Ratio	3.75	2.47	2.89	2.74	2.90	2.95	2.35	2.07	2.48
30	Projected Fund Balance	23.2%	16.3%	21.5%	20.6%	21.3%	21.4%	21.3%	21.1%	22.6%
31	Projected Days Cash On Hand	149	117	130	126	127	127	127	127	135
32	Projected Equity/Capitalization	73%	71%	74%	74%	74%	71%	70%	67%	68%

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS
DRAFT: 2/18/2021**

Line #		2019-2020 Actual	2020-2021 Budget	2020-2021 Projected	2021-2022 Forecast	2021-2022 Budget	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
	Typical Residential Bills									
33	Electric	\$109.31	\$109.31	\$109.31	\$112.57	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31
34	Water	\$36.62	\$36.62	\$36.62	\$39.17	\$39.03	\$40.26	\$40.26	\$40.26	\$40.26
35	Sewer	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$46.09
36	Gas	\$76.36	\$80.24	\$76.36	\$80.24	\$76.08	\$76.08	\$77.84	\$79.68	\$79.68
37	Total monthly bill	<u>\$267.09</u>	<u>\$270.97</u>	<u>\$267.09</u>	<u>\$276.78</u>	<u>\$269.22</u>	<u>\$270.45</u>	<u>\$272.21</u>	<u>\$274.05</u>	<u>\$275.34</u>
	Increase on monthly bill									
38	Electric		\$0.00	\$0.00	\$3.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39	Water		\$0.00	\$0.00	\$2.55	\$2.41	\$1.23	\$0.00	\$0.00	\$0.00
40	Sewer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.29
41	Gas		<u>\$3.88</u>	<u>(\$3.88)</u>	<u>\$0.00</u>	<u>(\$0.28)</u>	<u>\$0.00</u>	<u>\$1.76</u>	<u>\$1.84</u>	<u>\$0.00</u>
42	Total increase on monthly bill		<u>\$3.88</u>	<u>(\$3.88)</u>	<u>\$5.81</u>	<u>\$2.13</u>	<u>\$1.23</u>	<u>\$1.76</u>	<u>\$1.84</u>	<u>\$1.29</u>
43	Monthly Bill % Increase				2.1%	0.8%	0.5%	0.7%	0.7%	0.5%

In some places, Gas will show a 0.4% rate decrease for FY22 Budget. This decrease is not a true rate reduction, but a function of assuming equal residential monthly usage of 66 CCF with new seasonal rates. Actual bill impacts will vary by customer usage and the PGA in effect each month.

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ELECTRIC FUND
DRAFT: 2/18/2021**

Line #		2019-2020	2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
		Actual	Budget	Projected	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 168,333,697	\$ 172,488,964	\$ 175,157,568	\$ 178,027,001	\$ 178,868,362	\$ 180,143,044	\$ 180,299,814	\$ 180,906,708	\$ 182,364,364
2	Fees & Charges	\$ 1,197,811	\$ 976,268	\$ 1,091,369	\$ 1,481,108	\$ 1,113,196	\$ 1,134,681	\$ 1,157,374	\$ 1,180,521	\$ 1,204,132
3	U. G. & Temp. Ser. Chgs.	529,201	411,038	443,921	430,279	464,806	486,709	509,680	533,773	559,043
4	Miscellaneous	1,154,466	1,640,595	3,552,434	1,678,989	1,492,616	1,539,960	1,562,045	1,584,826	1,608,328
5	Interest on Investments	986,260	470,000	450,000	500,000	450,000	500,000	500,000	500,000	500,000
6	FEMA/Insurance Reimbursement	293,486	-	-	-	-	-	-	-	-
7	Contributed Capital	-	-	-	-	-	-	-	-	-
8	Bond Proceeds	-	137,585	-	-	-	254,059	-	194,205	-
9	Installment Purchases	-	-	-	-	-	-	-	-	-
10	Transfer from Cap Projects	-	500,000	-	500,000	-	-	-	-	-
11	Transfer from Rate Stabilization	-	5,750,000	1,250,000	3,000,000	2,500,000	3,250,000	5,350,000	6,300,000	-
12	Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13	Appropriated Fund Balance	-	3,850,000	3,850,000	-	-	-	-	-	-
14		\$ 172,494,920	\$ 186,224,450	\$ 185,795,292	\$ 185,617,377	\$ 184,888,980	\$ 187,308,453	\$ 189,378,913	\$ 191,200,033	\$ 186,235,867
EXPENDITURES:										
15	Operations	\$ 26,626,567	\$ 31,495,702	\$ 31,187,669	\$ 32,620,546	\$ 32,256,728	\$ 32,901,884	\$ 33,559,928	\$ 33,700,527	\$ 34,374,545
16	Purchased Power	126,492,335	132,210,549	132,278,916	132,941,897	134,562,665	135,280,705	135,968,487	136,967,912	128,304,684
17	Capital Outlay	10,188,931	8,890,926	8,737,738	8,997,058	8,337,276	8,525,727	8,760,622	9,002,143	9,182,186
18	Debt Service	3,327,470	4,524,186	4,424,601	4,973,294	4,332,236	4,882,703	5,165,296	5,885,545	6,081,352
19	City Turnover - General	4,055,000	3,876,969	3,876,969	4,164,136	4,020,920	4,101,338	4,183,365	4,267,032	4,352,373
20	Street Light Reimbursement	884,838	841,345	1,009,799	868,557	888,788	890,251	886,574	881,221	879,936
21	Transfer to OPEB Trust	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
22	Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
23	Transfer to Capital Projects	499,995	3,850,000	3,850,000	-	-	-	-	-	-
24	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
25	Operating Contingencies	-	259,773	-	-	-	-	-	-	-
26		\$ 172,350,137	\$ 186,224,450	\$ 185,640,692	\$ 184,840,488	\$ 184,673,613	\$ 186,857,608	\$ 188,799,272	\$ 190,979,380	\$ 183,450,076
27	Fund Equity / (Deficit)	\$ 144,784	\$ -	\$ 154,600	\$ 776,889	\$ 215,367	\$ 450,845	\$ 579,641	\$ 220,653	\$ 2,785,791
28	Projected All Debt Coverage Ratio	5.63	2.74	3.86	3.27	3.53	3.32	2.75	2.42	3.83
29	Projected Fund Balance	19.1%	14.3%	17.6%	16.3%	17.3%	17.3%	17.4%	17.3%	19.5%
30	Projected Days Cash On Hand	127	105	111	106	109	110	110	110	121
31	Projected Equity/Capitalization	74%	67%	74%	69%	75%	69%	69%	66%	67%
32	Typical Residential @ 1,000 kwh	\$109.31	\$109.31	\$109.31	\$112.57	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31
33	Typical Residential Bill Increase		\$0.00	\$0.00	\$3.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
34	Typical Residential Bill % Increase *		0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%
35	Last Year's Forecast				3.0%		1.4%	3.2%	0.0%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
WATER FUND
DRAFT: 2/18/2021**

Line #		2019-2020	2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
		Actual	Budget	Projected	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 22,565,044	\$ 22,583,645	\$ 22,601,581	\$ 24,406,868	\$ 24,619,612	\$ 25,283,447	\$ 25,674,202	\$ 25,821,840	\$ 25,970,579
2	Fees & Charges	490,057	407,409	405,948	427,495	438,393	446,886	455,549	464,386	473,399
3	U. G. & Temp. Ser. Chgs.	12,000	14,000	13,600	14,000	13,600	13,600	13,600	13,600	13,600
4	Miscellaneous	419,210	195,566	229,257	197,998	185,348	187,496	189,685	191,919	194,197
5	Interest on Investments	155,847	70,000	74,000	80,000	80,000	80,000	80,000	80,000	80,000
6	FEMA/Insurance Reimbursement	36,504	-	-	-	-	-	-	-	-
7	Contributed Capital	-	-	-	-	-	-	-	-	-
8	Bond Proceeds	-	15,459	-	-	-	20,769	-	101,590	-
9	Installment Purchases	-	-	-	-	-	-	-	-	-
10	Transfer from Cap Projects	-	-	-	-	-	-	-	-	-
11	Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
12	Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13	Appropriated Fund Balance	-	1,050,000	1,050,000	-	-	-	-	-	-
14		\$ 23,678,662	\$ 24,336,079	\$ 24,374,386	\$ 25,126,361	\$ 25,336,953	\$ 26,032,198	\$ 26,413,036	\$ 26,673,335	\$ 26,731,775
EXPENDITURES:										
15	Operations	\$ 14,697,323	\$ 15,318,599	\$ 15,127,779	\$ 15,768,599	\$ 15,718,279	\$ 16,032,669	\$ 16,353,327	\$ 16,680,385	\$ 17,013,981
16	Capital Outlay	1,429,393	1,136,630	1,348,734	1,087,982	1,088,430	1,118,588	1,149,600	1,181,493	1,205,123
17	Debt Service	1,817,318	2,682,732	3,227,273	2,166,437	2,226,903	2,115,792	4,396,050	4,929,975	4,999,535
18	Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
19	Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
20	Transfer to Capital Projects	5,850,000	5,050,000	4,450,000	5,750,000	6,000,000	6,600,000	4,400,000	3,750,000	3,300,000
21	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
22	Operating Contingencies	-	73,118	-	-	-	-	-	-	-
23		\$ 23,869,034	\$ 24,336,079	\$ 24,228,786	\$ 24,848,018	\$ 25,108,612	\$ 25,942,049	\$ 26,373,977	\$ 26,616,853	\$ 26,593,639
24	Fund Equity / (Deficit)	\$ (190,371)	\$ -	\$ 145,600	\$ 278,343	\$ 228,341	\$ 90,149	\$ 39,059	\$ 56,482	\$ 138,136
25	Projected All Debt Coverage Ratio	4.87	3.33	3.42	4.28	4.29	4.73	2.27	2.03	1.93
26	Projected Fund Balance	23.7%	6.4%	20.5%	22.1%	21.5%	21.4%	18.9%	18.3%	18.5%
27	Projected Days Cash On Hand	171	101	145	146	144	144	142	140	140
28	Projected Equity/Capitalization	82%	73%	84%	85%	78%	74%	69%	64%	66%
29	3/4 " Residential @ 6,000 gallons	\$36.62	\$36.62	\$36.62	\$39.17	\$39.03	\$40.26	\$40.26	\$40.26	\$40.26
30	Typical Residential Bill Increase		\$0.00	\$0.00	\$2.55	\$2.41	\$1.23	\$0.00	\$0.00	\$0.00
31	Typical Residential Bill % Increase		0.0%	0.0%	7.0%	6.6%	3.2%	0.0%	0.0%	0.0%
32	Last Year's Forecast				7.0%		6.7%	3.1%	0.0%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
SEWER FUND
DRAFT: 2/18/2021**

Line #		2019-2020 Actual	2020-2021 Budget	2020-2021 Projected	2021-2022 Forecast	2021-2022 Budget	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
REVENUE:										
1	Rates & Charges	\$ 23,369,041	\$ 23,948,463	\$ 23,547,371	\$ 24,089,852	\$ 23,389,861	\$ 23,569,610	\$ 23,726,774	\$ 23,879,879	\$ 24,721,714
2	Fees & Charges	459,081	410,148	414,795	429,246	422,785	431,240	439,865	448,662	457,635
3	U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4	Miscellaneous	196,998	136,520	241,455	139,249	130,963	133,543	136,173	138,857	141,595
5	Interest on Investments	180,071	80,000	72,000	100,000	80,000	80,000	80,000	80,000	80,000
6	FEMA/Insurance Reimbursement	37,344	-	-	-	-	-	-	-	-
7	Contributed Capital	-	-	-	-	-	-	-	-	-
8	Bond Proceeds	-	141,017	-	-	-	37,906	-	93,022	-
9	Installment Purchases	-	-	-	-	-	-	-	-	-
10	Transfer from Cap Projects	-	-	-	-	-	-	-	-	-
11	Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
12	Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13	Appropriated Fund Balance	-	1,050,000	1,050,000	-	-	-	-	-	-
14		\$ 24,242,535	\$ 25,766,148	\$ 25,325,621	\$ 24,758,347	\$ 24,023,609	\$ 24,252,299	\$ 24,382,812	\$ 24,640,420	\$ 25,400,944
EXPENDITURES:										
15	Operations	\$ 13,700,977	\$ 15,427,569	\$ 14,435,615	\$ 15,666,056	\$ 16,235,945	\$ 16,560,697	\$ 16,891,920	\$ 17,229,740	\$ 17,574,339
16	Capital Outlay	1,774,250	2,493,784	3,248,081	2,559,365	1,708,730	1,758,912	1,810,575	1,863,768	1,901,043
17	Debt Service	5,519,461	5,421,936	5,604,919	5,597,042	5,039,943	4,889,774	4,686,764	5,202,854	5,242,838
18	Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
19	Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
20	Transfer to Capital Projects	3,675,279	2,150,000	1,800,000	600,000	750,000	750,000	750,000	100,000	500,000
21	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
22	Operating Contingencies	-	197,859	-	-	-	-	-	-	-
23		\$ 24,744,968	\$ 25,766,148	\$ 25,163,615	\$ 24,497,463	\$ 23,809,618	\$ 24,034,383	\$ 24,214,259	\$ 24,471,362	\$ 25,293,220
24	Fund Equity / (Deficit)	\$ (502,433)	\$ -	\$ 162,006	\$ 260,884	\$ 213,991	\$ 217,916	\$ 168,553	\$ 169,058	\$ 107,724

25	Projected All Debt Coverage Ratio	1.88	1.74	1.85	1.63	1.53	1.56	1.58	1.42	1.48
26	Projected Fund Balance	26.1%	17.3%	25.0%	30.6%	26.3%	27.0%	27.4%	27.1%	26.9%
27	Projected Days Cash On Hand	207	147	174	196	160	162	162	162	162
28	Projected Equity/Capitalization	68%	70%	69%	72%	70%	71%	72%	69%	71%

29	3/4 " Residential @ 5,610 gallons	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$46.09
30	Typical Residential Bill Increase		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.29
31	Typical Residential Bill % Increase		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%
32	Last Year's Forecast				0.0%		3.1%	0.0%	2.9%	

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
GAS FUND
DRAFT: 2/18/2021**

Line #		2019-2020	2020-2021	2020-2021	2021-2022	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
		Actual	Budget	Projected	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:										
1	Rates & Charges	\$ 31,200,552	\$ 32,493,100	\$ 30,011,410	\$ 32,699,000	\$ 32,285,537	\$ 32,364,195	\$ 32,951,438	\$ 33,569,237	\$ 33,654,107
2	Fees & Charges	193,063	144,550	160,942	147,440	164,160	167,443	170,792	174,208	177,692
3	U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4	Miscellaneous	408,882	141,511	225,997	142,676	134,637	135,654	136,691	137,749	138,828
5	Interest on Investments	282,475	130,000	135,000	150,000	140,000	150,000	150,000	150,000	150,000
6	FEMA/Insurance Reimbursement	39,754	-	-	-	-	-	-	-	-
7	Contributed Capital	-	-	-	-	-	-	-	-	-
8	Bond Proceeds	-	-	-	-	-	7,266	-	101,182	-
9	Installment Purchases	-	-	-	-	-	-	-	-	-
10	Transfer from Cap Projects	-	206,000	-	-	-	-	-	-	-
11	Transfer from Rate Stabilization	-	-	600,000	300,000	-	-	-	450,000	1,350,000
12	Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13	Appropriated Fund Balance	-	1,050,000	1,050,000	-	-	-	-	-	-
14		\$ 32,124,727	\$ 34,165,161	\$ 32,183,349	\$ 33,439,116	\$ 32,724,334	\$ 32,824,558	\$ 33,408,921	\$ 34,582,376	\$ 35,470,627
EXPENDITURES:										
15	Operations	\$ 10,513,571	\$ 11,229,540	\$ 10,764,520	\$ 11,606,365	\$ 11,531,688	\$ 11,762,341	\$ 11,997,588	\$ 12,237,532	\$ 12,482,285
16	Purchased Gas	14,816,904	17,022,470	15,162,538	17,123,192	15,617,414	16,103,737	16,604,215	17,119,070	17,648,838
17	Capital Outlay	1,130,456	1,481,270	1,795,396	1,291,306	1,569,720	1,610,893	1,653,186	1,696,625	1,730,557
18	Debt Service	1,241,921	1,588,338	1,597,338	1,523,270	1,523,270	1,196,065	1,210,276	1,580,109	1,673,168
19	City Turnover - General	1,714,888	1,665,149	1,665,149	1,719,076	1,669,723	1,703,117	1,737,180	1,771,923	1,807,362
20	Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
21	Transfer to Rate Stabilization	545,999	-	-	-	650,000	-	-	-	-
22	Transfer to Capital Projects	1,704,269	1,050,000	1,050,000	-	-	-	-	-	-
23	Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
24	Operating Contingencies	-	53,394	-	-	-	-	-	-	-
25		\$ 31,743,007	\$ 34,165,161	\$ 32,109,941	\$ 33,338,209	\$ 32,636,815	\$ 32,451,153	\$ 33,277,445	\$ 34,480,259	\$ 35,417,210
26	Fund Equity / (Deficit)	\$ 381,719	\$ -	\$ 73,408	\$ 100,907	\$ 87,519	\$ 373,405	\$ 131,476	\$ 102,117	\$ 53,417
27	Projected All Debt Coverage Ratio	5.35	2.93	2.85	2.90	3.61	4.10	3.91	3.11	2.34
28	Projected Fund Balance	44.7%	32.6%	42.2%	36.6%	40.8%	41.3%	40.6%	39.4%	38.5%
29	Projected Days Cash On Hand	231	180	212	195	203	203	199	196	191
30	Projected Equity/Capitalization	71%	80%	72%	81%	73%	74%	74%	69%	69%
31	Typical Residential @ 66 CCF	\$76.36	\$80.24	\$76.36	\$80.24	\$76.08	\$76.08	\$77.84	\$79.68	\$79.68
32	Typical Residential Bill Increase		\$3.88	-\$3.88	\$0.00	-\$0.28	\$0.00	\$1.76	\$1.84	\$0.00
33	Typical Residential Bill % Increase		5.1%	-4.8%	0.0%	-0.4%	0.0%	2.3%	2.4%	0.0%
34	Last Year's Forecast				0.0%		2.9%	1.1%	0.0%	

In some places, Gas will show a 0.4% rate decrease for FY22 Budget. This decrease is not a true rate reduction, but a function of assuming equal residential monthly usage of 66 CCF with new seasonal rates. Actual bill impacts will vary by customer usage and the PGA in effect each month.

CAPITAL SPENDING PLAN

ELECTRIC

CAPITAL PROJECTS		2022	2023	2024	2025	2026	5-Year Spending
1	Distribution Substation Transformer Replacement(s)					\$1,000,000	\$1,000,000
2	Eastside to Simpson: 115 kV Transmission Re-Conductor					\$3,200,000	\$3,200,000
3	ECP10168 : POD #3 to Simpson Substation 1	\$100,000		\$3,512,043	\$4,920,000		\$8,532,043
4	ECP10218 : Mt. Pleasant to Wellcome 115 kV Transformer	\$4,346,000	\$4,346,000				\$8,692,000
5	ECP10219 : Peak Shaving Generator(s) Replacement	\$4,000,000	\$3,000,000	\$2,000,000	\$2,000,000		\$11,000,000
6	ECP10220 : Transmission Structure Replacement		\$1,656,000		\$1,764,000		\$3,420,000
7	ECP133 : Sugg Parkway Transmission Line	\$653,674					\$653,674
8	ECP134 : Sugg Parkway Substation	\$1,120,000					\$1,120,000
9	G230 #2 Transformer Replacement				\$2,500,000	\$2,500,000	\$5,000,000
10	Hudson's Crossroads			\$300,000	\$1,700,000		\$2,000,000
TOTAL CAPITAL PROJECTS		\$10,219,674	\$9,002,000	\$5,812,043	\$12,884,000	\$6,700,000	\$44,617,717
CAPITAL OUTLAY		\$7,545,026	\$7,709,707	\$7,920,120	\$8,136,426	\$8,299,155	\$39,610,434
TOTAL CAPITAL		\$17,764,700	\$16,711,707	\$13,732,163	\$21,020,426	\$14,999,155	\$84,228,151

CAPITAL SPENDING PLAN

ELECTRIC

FUNDING SOURCE		2022	2023	2024	2025	2026	5-Year Spending
	<i>Pay Go</i>	\$7,545,026	\$7,709,707	\$7,920,120	\$8,136,426	\$8,299,155	\$39,610,434
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$653,674	\$500,000				\$1,153,674
	<i>Revenue Bonds</i>	\$9,566,000	\$8,502,000	\$5,812,043	\$12,884,000	\$6,700,000	\$43,464,043
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$17,764,700	\$16,711,707	\$13,732,163	\$21,020,426	\$14,999,155	\$84,228,151

% Paid Pay Go/Operating Transfers	46.15%	49.13%	57.68%	38.71%	55.33%	48.40%
% Paid from Bonds and Loans	53.85%	50.87%	42.32%	61.29%	44.67%	51.60%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WATER

CAPITAL PROJECTS		2022	2023	2024	2025	2026	5-Year Spending
1	Elevated Tank Overcoat		\$450,000	\$450,000			\$900,000
2	WCP10033 : Water Treatment Plant Riverbank Stabilization		\$750,000	\$750,000			\$1,500,000
3	WCP117 : Water Treatment Plant Upgrade Phase 1	\$16,000,000	\$15,000,000	\$12,400,000			\$43,400,000
4	WCP124 : Residual Lagoon Improvement	\$314,878		\$500,000			\$814,878
5	B-4786 Memorial Drive Bridge Replacement		\$500,000				\$500,000
6	Bethel Water System Improvements	\$367,000	\$1,000,000				\$1,367,000
7	Elm Street Water Main Relocations	\$25,000	\$250,000	\$100,000			\$375,000
8	Water Main Rehabilitation Program Phase 3				\$1,000,000	\$1,000,000	\$2,000,000
9	WCP10030 : Water Distribution System Improvements	\$500,000	\$1,000,000	\$3,000,000	\$4,000,000	\$6,000,000	\$14,500,000
TOTAL CAPITAL PROJECTS		\$17,206,878	\$18,950,000	\$17,200,000	\$5,000,000	\$7,000,000	\$65,356,878
CAPITAL OUTLAY		\$928,280	\$953,631	\$979,693	\$1,006,486	\$1,026,616	\$4,894,706
TOTAL CAPITAL		\$18,135,158	\$19,903,631	\$18,179,693	\$6,006,486	\$8,026,616	\$70,251,584

CAPITAL SPENDING PLAN

WATER

FUNDING SOURCE		2022	2023	2024	2025	2026	5-Year Spending
	<i>Pay Go</i>	\$928,280	\$953,631	\$979,693	\$1,006,486	\$1,026,616	\$4,894,706
	<i>Transfers</i>			\$2,250,000	\$4,000,000	\$6,000,000	\$12,250,000
	<i>Capacity Fees</i>			\$1,920,812			\$1,920,812
	<i>Fund Balance</i>			\$10,979,188			\$10,979,188
	<i>Revenue Bonds</i>	\$839,878	\$2,950,000	\$2,050,000	\$1,000,000	\$1,000,000	\$7,839,878
	<i>SRF/Installment Loans</i>	\$16,000,000	\$15,000,000				\$31,000,000
	<i>Grants</i>	\$367,000	\$1,000,000				\$1,367,000
TOTAL		\$18,135,158	\$19,903,631	\$18,179,693	\$6,006,486	\$8,026,616	\$70,251,584

% Paid Pay Go/Operating Transfers	5.12%	4.79%	88.72%	83.35%	87.54%	42.77%
% Paid from Bonds and Loans	92.86%	90.18%	11.28%	16.65%	12.46%	55.29%
% Paid from Grants	2.02%	5.02%				1.95%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WASTEWATER

CAPITAL PROJECTS		2022	2023	2024	2025	2026	5-Year Spending
1	SCP10223 : Regional Pumpstation Upgrades		\$645,199				\$645,199
2	SCP10229 : Greene Street Pump Station and Force Main	\$1,429,171					\$1,429,171
3	SCP10230 : Forlines Pump Station Expansion	\$2,000,000					\$2,000,000
4	SCP10233 : WWTP Headworks Improvements	\$1,750,000	\$500,000				\$2,250,000
5	SCP10238 : WWTP Clarifier Replacement	\$500,000	\$4,000,000	\$2,850,000			\$7,350,000
6	Bethel Wastewater System Improvements	\$424,000	\$3,000,000				\$3,424,000
7	Elm Street Sewer Pipeline Relocations	\$25,000	\$150,000	\$150,000			\$325,000
8	SCP10221 : Southeast Area Sewer Extension	\$2,000,000	\$693,891				\$2,693,891
9	SCP10222 : Sewer Outfall Rehabilitation Phase 4	\$1,500,000					\$1,500,000
10	Sewer System Extensions Phase I	\$2,000,000	\$1,844,000				\$3,844,000
11	Sewer System Improvements for Industry and Commercial	\$426,000	\$230,000				\$656,000
TOTAL CAPITAL PROJECTS		\$12,054,171	\$11,063,090	\$3,000,000			\$26,117,261
CAPITAL OUTLAY		\$1,552,330	\$1,597,817	\$1,644,646	\$1,692,859	\$1,726,716	\$8,214,368
TOTAL CAPITAL		\$13,606,501	\$12,660,907	\$4,644,646	\$1,692,859	\$1,726,716	\$34,331,629

CAPITAL SPENDING PLAN

WASTEWATER

FUNDING SOURCE		2022	2023	2024	2025	2026	5-Year Spending
	<i>Pay Go</i>	\$1,552,330	\$1,597,817	\$1,644,646	\$1,692,859	\$1,726,716	\$8,214,368
	<i>Transfers</i>						
	<i>Acreage or Capacity Fees</i>	\$3,055,136					\$3,055,136
	<i>Fund Balance</i>	\$4,300,035	\$2,413,090				\$6,713,125
	<i>Revenue Bonds</i>	\$3,775,000	\$1,800,000	\$3,000,000			\$8,575,000
	<i>SRF/Installment Loans</i>						
	<i>Grants or Contributions</i>	\$924,000	\$6,850,000				\$7,774,000
TOTAL		\$13,606,501	\$12,660,907	\$4,644,646	\$1,692,859	\$1,726,716	\$34,331,629

% Paid Pay Go/Operating Transfers	65.47%	31.68%	35.41%	100.00%	100.00%	52.38%
% Paid from Bonds and Loans	27.74%	14.22%	64.59%			24.98%
% Paid from Grants	6.79%	54.10%				22.64%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

GAS

CAPITAL PROJECTS		2022	2023	2024	2025	2026	5-Year Spending
1	GCP10099 : High-pressure Multiple Gas Facilities	\$2,500,000	\$2,500,000				\$5,000,000
2	GCP10101 : Firetower Road Widening (NCDOT U-5870 & U-5785)			\$240,000	\$500,000	\$500,000	\$1,240,000
3	GCP10108 : Allen Road Widening (NCDOT U-58)			\$600,000	\$344,500		\$944,500
4	GCP10109 : Integrity Management Replacement	\$750,000	\$500,000				\$1,250,000
5	GCP10112 : VOA Road Loop	\$550,000	\$550,000				\$1,100,000
6	GCP10113 : Evans Street Widening (NCDOT U-28)			\$412,000	\$732,000	\$732,000	\$1,876,000
7	GCP10114 : 14TH Street Widening (NCDOT U-591)			\$70,000	\$315,000	\$315,000	\$700,000
8	Mobley's Bridge Rd Interconnect			\$700,000			\$700,000
9	NC102 Interconnect			\$320,000	\$1,280,000		\$1,600,000
10	NC43 (NCDOT U-5991)		\$125,000		\$300,000	\$687,500	\$1,112,500
11	GCP92 : LNG Liquefaction Additions			\$971,572			\$971,572
TOTAL CAPITAL PROJECTS		\$3,800,000	\$3,675,000	\$3,313,572	\$3,471,500	\$2,234,500	\$16,494,572
CAPITAL OUTLAY		\$1,400,520	\$1,436,615	\$1,473,678	\$1,511,730	\$1,541,965	\$7,364,508
TOTAL CAPITAL		\$5,200,520	\$5,111,615	\$4,787,250	\$4,983,230	\$3,776,465	\$23,859,080

CAPITAL SPENDING PLAN

GAS

FUNDING SOURCE		2022	2023	2024	2025	2026	5-Year Spending
	<i>Pay Go</i>	\$1,400,520	\$1,436,615	\$1,473,678	\$1,511,730	\$1,541,965	\$7,364,508
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$1,300,000	\$2,550,000	\$600,000	\$344,500		\$4,794,500
	<i>Revenue Bonds</i>	\$2,500,000	\$1,125,000	\$2,713,572	\$3,127,000	\$2,234,500	\$11,700,072
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$5,200,520	\$5,111,615	\$4,787,250	\$4,983,230	\$3,776,465	\$23,859,080

% Paid Pay Go/Operating Transfers	51.93%	77.99%	43.32%	37.25%	40.83%	50.96%
% Paid from Bonds and Loans	48.07%	22.01%	56.68%	62.75%	59.17%	49.04%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

FACILITIES & OTHER SUPPORT GROUPS

CAPITAL PROJECTS		2022	2023	2024	2025	2026	5-Year Spending
1	FCP10160 : NOC- Fleet Maintenance Building	\$5,000,000					\$5,000,000
2	NOC Building 1		\$2,000,000	\$12,000,000	\$4,000,000		\$18,000,000
3	GIS Utility Network Upgrade	\$700,000	\$1,000,000	\$500,000			\$2,200,000
4	Asset Management Software	\$2,325,000	\$775,000				\$3,100,000
TOTAL CAPITAL PROJECTS		\$8,025,000	\$3,775,000	\$12,500,000	\$4,000,000		\$28,300,000
CAPITAL OUTLAY		\$1,278,000	\$1,316,350	\$1,355,846	\$1,396,528	\$1,424,457	\$6,771,181
TOTAL CAPITAL		\$9,303,000	\$5,091,350	\$13,855,846	\$5,396,528	\$1,424,457	\$35,071,181

FUNDING SOURCE		2022	2023	2024	2025	2026	5-Year Spending
	<i>Pay Go</i>	\$1,278,000	\$1,316,350	\$1,355,846	\$1,396,528	\$1,424,457	\$6,771,181
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$5,000,000					\$5,000,000
	<i>Revenue Bonds</i>	\$3,025,000	\$3,775,000	\$12,500,000	\$4,000,000		\$23,300,000
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$9,303,000	\$5,091,350	\$13,855,846	\$5,396,528	\$1,424,457	\$35,071,181

% Paid Pay Go/Operating Transfers	67.48%	25.85%	9.79%	25.88%	100.00%	33.56%
% Paid from Bonds and Loans	32.52%	74.15%	90.21%	74.12%		66.44%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Improvements Funding Plan

GUC TOTAL	2022	2023	2024	2025	2026	5-Year Total
Capital Projects	\$51,305,723	\$46,465,090	\$41,825,615	\$25,355,500	\$15,934,500	\$180,886,428
Capital Outlays	12,704,156	13,014,120	13,373,983	13,744,029	14,018,909	66,855,197
	<u>\$64,009,879</u>	<u>\$59,479,210</u>	<u>\$55,199,598</u>	<u>\$39,099,529</u>	<u>\$29,953,409</u>	<u>\$247,741,625</u>
Funding - Debt Financing						
Revenue Bonds	\$19,705,878	\$18,152,000	\$26,075,615	\$21,011,000	\$9,934,500	\$94,878,993
SRF/Installment Loans	16,000,000	15,000,000	-	-	-	31,000,000
	<u>\$35,705,878</u>	<u>\$33,152,000</u>	<u>\$26,075,615</u>	<u>\$21,011,000</u>	<u>\$9,934,500</u>	<u>\$125,878,993</u>
% to Total Capital	55.8%	55.7%	47.2%	53.7%	33.2%	50.8%
Funding - Cash						
Pay Go	\$12,704,156	\$13,014,120	\$13,373,983	\$13,744,029	\$14,018,909	\$66,855,197
Capital Project Transfer	-	-	2,250,000	4,000,000	6,000,000	12,250,000
Acreage & Capacity Fees	3,055,136	-	1,920,812	-	-	4,975,948
Fund Balance	11,253,709	5,463,090	11,579,188	344,500	-	28,640,487
Grants and Contributions	1,291,000	7,850,000	-	-	-	9,141,000
	<u>\$28,304,001</u>	<u>\$26,327,210</u>	<u>\$29,123,983</u>	<u>\$18,088,529</u>	<u>\$20,018,909</u>	<u>\$121,862,632</u>
% to Total Capital	44.2%	44.3%	52.8%	46.3%	66.8%	49.2%
Total Funding	<u>\$64,009,879</u>	<u>\$59,479,210</u>	<u>\$55,199,598</u>	<u>\$39,099,529</u>	<u>\$29,953,409</u>	<u>\$247,741,625</u>



Agenda Item # 3

Meeting Date: March 5, 2021

Board Committee:

Finance/Audit Committee

Item:

Recommendation to Award Auditing Services Contract

Contact:

Jeff McCauley

Explanation:

In accordance with GUC's Charter, a single auditing firm is used to perform the City's and GUC's audit. The costs associated with the audit are based on hours expended for each organization. In 2015, a five-year engagement contract for auditing services was awarded to Cherry Bekaert, LLP, but subject to approval of a contract on an annual basis.

Last year, the City and Commission staff recommended extending the audit engagement with Cherry Bekaert, LLP for an additional three-year term; fiscal years ending June 30, 2020, 2021, and 2022.

Last year's audit fee for the Commission was \$40,250. The audit fee for fiscal year ending 2021 is \$41,000 under the three-year plan, which is approximately a 2% increase from the previous year. The fee proposal for fiscal year ending 2022 is \$41,750. Refer to the approved fee schedule listed below:

Audit Services	FY19 Actual	FY20 Actual	FY21 Proposed	FY22 Proposed
Annual Fee	\$39,500	\$40,250	\$41,000	\$41,750
Amount of Increase	N/A	\$750	\$750	\$750
Percentage Increase	N/A	1.90%	1.86%	1.83%

Strategic Plan Elements:

Strategic Themes:

- Exceptional Customer Service
- Safety, Reliability & Value
- Shaping Our Future

Objectives:

- Safely providing reliable and innovative utility solutions
- Exceeding customer expectations
- Providing competitive rates, while maintaining the financial stability of the utility
- Developing and enhancing strategic partnerships
- Embracing change to ensure organizational alignment and efficiency

Core Values:

- Exceed Customers' Expectations
- Act with Integrity
- Value Employees
- Deliver Reliable Services
- Support the Community

**Previous Board
Actions:**

February 2015 - Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

March 2016 - Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

March 2017 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

March 2018 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

March 2019 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

March 2020 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

Fiscal Note:

N/A

**Recommended
Action(s):**

Staff recommends that the Finance/Audit Committee award the fiscal year 2021 auditing services contract with Cherry Bekaert, LLP in the amount of \$41,000 and recommend similar action and the execution of same be taken by the full Board.