



**Greenville  
Utilities**

# AGENDA

**Finance/Audit Committee Meeting**

March 9, 2022

12:00 noon - Board Room

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**Call to Order - Ascertain Quorum**

*[Committee Chair Peter Geiger]*

**Acceptance of the Agenda**

*[Committee Chair Peter Geiger]*

**Safety Brief**

*[Tony Cannon]*

1. Approval of Minutes

*[Committee Chair Peter Geiger]*

October 14, 2021

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 9, 2022

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<b>Board Committee:</b>	<b>Finance/Audit Committee</b>
<b>Item:</b>	Approval of Minutes
<b>Contact:</b>	Tony Cannon
<b>Explanation:</b>	Finance/Audit Committee Meeting: October 14, 2021
<b>Strategic Plan Elements:</b>	Strategic Themes: <ul style="list-style-type: none"><li>• Exceptional Customer Service</li><li>• Shaping Our Future</li></ul> Objectives: <ul style="list-style-type: none"><li>• Exceeding customer expectations</li><li>• Embracing change to ensure organizational alignment and efficiency</li></ul> Core Values: <ul style="list-style-type: none"><li>• Exceed customers' expectations</li><li>• Support the community</li><li>• Deliver reliable services</li></ul>
<b>Previous Board Actions:</b>	N/A
<b>Fiscal Note:</b>	N/A
<b>Recommended Action(s):</b>	Approval of minutes as presented or amended

GREENVILLE UTILITIES COMMISSION  
FINANCE/AUDIT COMMITTEE  
GREENVILLE, NORTH CAROLINA  
October 14, 2021

The Finance/Audit Committee of the Greenville Utilities Commission held a meeting on Thursday, October 14, 2021, at 12:00 p.m. with the following members and others participating, and Committee Chair Peter Geiger presiding.

Committee Members Present:

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

GUC Staff Present:

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

Committee Chair Geiger called the meeting to order at 12:00 p.m. and ascertained that a quorum was present.

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

SAFETY BRIEF:

Mr. Tony Cannon, General Manager/CEO provided a safety brief and explained the plan of action should there be an emergency at today's meeting.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Anderson, seconded by Mr. Griffin, to approve the June 1, 2021 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 provided information related to the portfolio.

Mr. McCauley announced that the policy must remain in conformance as outlined by the Association of Public Treasurers of the United States and Canada and the Association approved the updates that are highlighted in the agenda packet. These updates provide clarification.

A motion was made by Mr. Griffin, seconded by Ms. Anderson to accept the changes to the Investment Policy. In addition, staff will incorporate some additional modifications provided by the committee and bring to the Board in November for final approval.

#### ANNUAL FY 2020-2021 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 \$8.6 million in net income for fiscal year-ended June 30, 2021. Staff is on track to deliver the audited financial statements to the State Treasurer's Office by October 31, 2021, and a presentation of the full audit report will be provided in November.

#### ADJOURNMENT

With no further business to conduct, Chair Geiger adjourned the Finance/Audit Committee meeting at 12:25 p.m.

Respectfully submitted,

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Amy Carson Wade  
Executive Secretary



# Agenda Item # 2

Meeting Date: March 9, 2022

**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 9, 2022 with GUC staff to discuss the end-of-year fiscal forecast and the preliminary revenue and expenditures proposal for FY 2022-23. Attached for your review are a memorandum and supplemental materials.

The presentation will focus on end-of-year performance for FY 2021-22, and the key elements of the proposed FY 2022-23 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 2022-23 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 4, 2022

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

At the Board Finance/Audit Committee meeting on Wednesday, March 9, 2022, staff will review the end-of-year financial projections for FY 2021-22 and the proposed budget for FY 2022-23. In preparation for the meeting, supplemental information is attached for your review, which highlights the items listed below:

- End-of-year Projections for FY 2021-22 (current year)
- FY 2022-23 Forecast developed last year
- Proposed FY 2022-23 Budget
- FY 2023-27 Financial Forecasts
- FY 2023-27 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 2021-22 financial projections, and proposed revenue and expenditures for FY 2022-23.

**End-of-Year Projections**

The current budget adopted for FY 2021-22 provided appropriations of \$12.7M in capital outlay improvements, more than \$75.7M in operations, and transfers of \$5.5M to the capital project fund. The FY 2021-22 original budget was 1.8% less than the previous year's budget and provided funding for operating and capital infrastructure improvements while maintaining competitive rates.

Total adjustments of \$5.8M to the original budget are due to a \$5.8M increase in revenues as well as a \$5.8M increase in expenditures. The increased expenditures are from increased 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 slightly less than budgeted. It is anticipated the Electric Fund will end the fiscal year with \$173K in fund equity, a debt-service coverage ratio of 4.55x, and a fund balance of 19.8%, or \$36.1M.
- **End-of-Year Projection for Water Fund After Transfers**  
It is projected that the Water Fund will end the fiscal year with approximately \$176K in fund equity, a debt-service coverage ratio of 4.29x, and a fund balance of 22.5%, or \$5.5M.
- **End-of-Year Projection for Sewer Fund After Transfers**  
It is projected that the Sewer Fund will end the fiscal year with approximately \$147K in fund equity, a debt-service coverage ratio of 1.71x, and a fund balance of 26.3%, or \$6.5M.
- **End-of-Year Projection for Gas Fund After Transfers**  
It is projected that the Gas Fund will end the fiscal year with \$2K in fund equity, a debt-service coverage ratio of 1.75x, and a fund balance of 34.3%, or \$13.8M.
- **End-of-Year Projection for the Combined Enterprise Operation After Transfers**  
The combined funds are expected to realize revenues of approximately \$271M, an increase of \$5.8M, or 2.2%, from the original budget. Expenditures are projected to total approximately \$261M, a \$2.6M, or 1.0%, increase from the original budget. The combined funds' revenues, after \$9.4M in transfers, are projected to end the year \$497K higher than expenditures.



## **Proposed FY 2022-23 Budget**

Greenville Utilities Commission (GUC) is pleased to present the proposed FY 2022-23 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.

The Commission’s budget maintains several key financial metrics including debt-service coverage ratios, fund balance (as defined by the NC Local Government Commission), and days cash on hand. These metrics are reviewed for each fund and 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. The Commission utilizes Key Performance Indicators at the corporate level on a consistent basis to monitor our effectiveness in implementing the objectives identified in the Strategic Plan. 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
- Be prepared for growth and expansion opportunities
- Preserve and/or improve bond ratings
- Support economic development in our community

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 2022-23 proposed budget are listed below:

- Expenditures budgeted for FY 2022-23 have increased by 3.1%, or \$8.1M, when compared to the FY 2021-22 budget. Key points are:
  - \$6.8M increase in operations
  - \$482K decrease in purchased power
  - \$1.9M increase in capital outlay
  - \$1.6M increase in purchased gas
  - \$584K decrease in debt service
  - \$350K decrease in transfers to capital projects
  - \$650K decrease in transfers to rate stabilization
- No rate adjustment for the Electric Fund
- 3.1% rate increase for the Water Fund, a 3.5% reduction from last year's forecast
- No rate adjustment for the Sewer Fund
- 2.7% rate increase for the Gas Fund, a 2.7% increase from last year's forecast
- Funding for a 4.5% employee merit/market adjustment
- Funding for a 5% contribution to employee 401(k) plans
- Funding for a 3% increase in salaries as the result of upcoming pay study
- 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
- Eight new permanent positions and one new part-time intern position to address workload
- Continuation of investment in the Greenville ENC Alliance to promote economic development in our region
- Transfer to Other Post-Employment Benefits (OPEB) of \$500K
- Transfer of \$150K to City's housing energy conservation program
- Investment of \$14.6M for capital outlay to maintain system reliability and comply with regulatory requirements
- Annual turnover or transfer of \$7.0M to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

## **Summary**

The FY 2022-23 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 Wednesday and presenting a more in-depth review of GUC's FY 2021-22 end-of-year projections and the FY 2022-23 proposed balanced budget. If you have questions prior to the meeting, please do not hesitate to contact us.

Attachments



**ALL FUNDS  
REVENUES & EXPENDITURES  
March 1, 2022**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
<b>REVENUE*:</b>									
1 Rates & Charges	\$ 251,303,482	\$ 257,718,774	\$ 262,203,845	\$ 260,868,661	\$ 261,129,553	\$ 264,613,552	\$ 269,917,790	\$ 276,811,172	\$ 282,193,472
2 Fees & Charges	2,462,159	2,138,534	2,524,862	2,180,250	2,518,247	2,558,083	2,609,245	2,661,428	2,714,658
3 U. G. & Temp. Ser. Chgs.	483,860	478,406	415,927	500,309	434,348	453,662	473,913	495,149	517,417
4 Miscellaneous	5,415,100	1,943,564	3,478,750	1,996,653	2,880,665	2,821,408	2,847,976	2,875,075	2,902,720
5 Interest on Investments	641,792	750,000	378,000	810,000	408,000	508,000	655,000	797,000	912,000
6 FEMA/Insurance Reimbursement	265,505	-	130,808	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-	-
8 Bond Proceeds	4,062,187	-	-	320,000	274,800	-	832,500	-	547,200
9 Installment Purchases	-	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	-	-	296,096	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	2,500,000	1,856,000	3,250,000	6,460,000	7,530,000	7,000,000	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
14	<b>\$ 264,634,085</b>	<b>\$ 265,529,278</b>	<b>\$ 271,284,288</b>	<b>\$ 269,925,873</b>	<b>\$ 274,105,613</b>	<b>\$ 278,484,705</b>	<b>\$ 284,336,424</b>	<b>\$ 283,639,824</b>	<b>\$ 289,787,467</b>
<b>EXPENDITURES*:</b>									
15 Operations	\$ 69,426,844	\$ 75,742,640	\$ 74,593,810	\$ 77,257,591	\$ 82,568,039	\$ 84,239,479	\$ 85,178,368	\$ 86,895,936	\$ 88,647,855
16 Purchased Commodities	139,441,125	150,180,079	153,575,442	151,384,442	151,313,256	152,142,557	152,709,314	145,668,599	148,766,025
17 Capital Outlay	15,968,606	12,704,156	13,294,456	13,014,120	14,598,261	15,297,209	15,487,295	15,951,914	16,270,952
18 Debt Service	14,763,511	13,122,352	12,821,803	13,084,334	12,537,929	15,452,158	18,754,246	19,559,272	21,759,931
19 Retirement of Bethel Debt	3,646,883	-	-	-	-	-	-	-	-
20 Repayment of Capacity Fees	1,557,000	-	-	-	-	-	-	-	-
21 City Turnover - General	5,542,118	5,690,643	5,690,652	5,804,455	6,059,364	6,180,552	6,304,164	6,430,248	6,558,852
22 Street Light Reimbursement	958,023	888,788	960,708	890,251	979,944	959,976	979,176	998,760	1,018,740
23 Transfer to OPEB Trust	500,000	500,000	500,000	500,000	500,000	500,000	425,000	500,000	500,000
24 Transfer to Rate Stabilization	1,800,000	650,000	-	-	-	-	150,000	1,250,000	500,000
25 Transfer to Capital Projects	10,560,022	5,500,000	9,350,000	6,900,000	5,150,000	3,400,000	3,700,000	5,900,000	5,150,000
26 Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
27 Operating Contingencies	-	550,620	-	-	-	-	-	-	-
28	<b>\$ 264,164,132</b>	<b>\$ 265,529,278</b>	<b>\$ 270,786,871</b>	<b>\$ 268,835,193</b>	<b>\$ 273,706,793</b>	<b>\$ 278,171,931</b>	<b>\$ 283,687,563</b>	<b>\$ 283,154,729</b>	<b>\$ 289,172,354</b>
29 Fund Equity / (Deficit)	\$ 469,953	\$ -	\$ 497,417	\$ 1,090,680	\$ 398,820	\$ 312,774	\$ 648,861	\$ 485,096	\$ 615,113

*\*Totals may not sum due to rounding*

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
30 <b>Projected All Debt Coverage Ratio</b>	3.29	2.79	3.13	2.92	2.85	2.21	2.13	2.59	2.42
31 <b>Projected Fund Balance</b>	23.5%	21.3%	22.8%	21.3%	22.7%	22.3%	21.9%	21.8%	21.4%
32 <b>Projected Days Cash On Hand</b>	148	126	140	127	137	136	136	140	138
33 <b>Projected Equity/Capitalization</b>	71%	75%	72%	71%	70%	70%	67%	68%	66%

**Typical Residential Bills**

Electric	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$110.98	\$113.78	\$116.65
Water	\$36.62	\$36.62	\$36.62	\$39.03	\$37.77	\$39.31	\$40.53	\$40.53	\$40.53
Sewer	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$46.09	\$46.09
Gas	\$105.33	\$105.33	\$105.33	\$105.33	\$108.20	\$112.16	\$116.35	\$119.12	\$121.57
<b>Total Monthly Bill</b>	<b>\$296.06</b>	<b>\$296.06</b>	<b>\$296.06</b>	<b>\$298.47</b>	<b>\$300.08</b>	<b>\$305.58</b>	<b>\$312.66</b>	<b>\$319.52</b>	<b>\$324.84</b>

**Increase on Monthly Bill**

Electric		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.67	\$2.80	\$2.87
Water		\$0.00	\$0.00	\$2.41	\$1.15	\$1.54	\$1.22	\$0.00	\$0.00
Sewer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.29	\$0.00
Gas		\$0.00	\$0.00	\$0.00	\$2.87	\$3.96	\$4.19	\$2.77	\$2.45
<b>Total Increase on Monthly Bill</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2.41</b>	<b>\$4.02</b>	<b>\$5.50</b>	<b>\$7.08</b>	<b>\$6.86</b>	<b>\$5.32</b>

Monthly Bill % Increase

	0.8%	1.4%	1.8%	2.3%	2.2%	1.7%
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**ELECTRIC FUND  
REVENUES & EXPENDITURES  
March 1, 2022**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
<b>REVENUE*:</b>									
1 Rates & Charges	\$ 171,600,161	\$ 178,868,362	\$ 177,354,586	\$ 180,143,044	\$ 179,718,246	\$ 180,092,369	\$ 183,002,466	\$ 187,989,423	\$ 192,269,562
2 Fees & Charges	1,311,559	1,113,196	1,311,902	1,134,681	1,346,990	1,372,400	1,399,848	1,427,845	1,456,402
3 U. G. & Temp. Ser. Chgs.	467,460	464,806	395,927	486,709	414,348	433,662	453,913	475,149	497,417
4 Miscellaneous	4,572,427	1,492,616	2,751,677	1,539,960	2,293,039	2,261,762	2,280,597	2,299,809	2,319,406
5 Interest on Investments	393,533	450,000	230,000	500,000	240,000	300,000	400,000	500,000	600,000
6 FEMA/Insurance Reimbursement	195,117	-	70,637	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-	-
8 Bond Proceeds	30,077	-	-	254,059	217,683	-	372,064	-	307,948
9 Installment Purchases	-	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	-	-	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	2,500,000	-	3,250,000	5,000,000	6,850,000	7,000,000	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
14	<b>\$ 178,570,333</b>	<b>\$ 184,888,980</b>	<b>\$ 182,114,728</b>	<b>\$ 187,308,453</b>	<b>\$ 189,230,306</b>	<b>\$ 191,310,193</b>	<b>\$ 194,908,888</b>	<b>\$ 192,692,226</b>	<b>\$ 197,450,735</b>
<b>EXPENDITURES*:</b>									
15 Operations	\$ 30,384,250	\$ 32,256,728	\$ 31,841,911	\$ 32,901,884	\$ 34,884,562	\$ 35,582,143	\$ 36,118,786	\$ 36,844,661	\$ 37,585,055
16 Purchased Power	123,958,173	134,562,665	130,258,642	135,280,705	134,080,724	134,563,271	135,093,046	128,020,485	131,085,862
17 Capital Outlay	10,333,131	8,337,276	8,768,442	8,525,727	9,722,316	10,013,985	10,314,405	10,623,837	10,836,314
18 Debt Service	4,413,490	4,332,236	4,316,060	4,882,703	4,669,709	5,340,599	6,774,467	7,171,851	8,755,288
19 City Turnover - General	3,876,969	4,020,920	4,020,924	4,101,338	4,356,852	4,443,984	4,532,868	4,623,528	4,716,000
20 Street Light Reimbursement	958,023	888,788	960,708	890,251	979,944	959,976	979,176	998,760	1,018,740
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	-	-	-	-	-	-	-	750,000	-
23 Transfer to Capital Projects	4,204,153	-	1,500,000	-	-	-	700,000	3,250,000	3,000,000
24 Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
25 Operating Contingencies	-	215,367	-	-	-	-	-	-	-
26	<b>\$ 178,403,188</b>	<b>\$ 184,888,980</b>	<b>\$ 181,941,687</b>	<b>\$ 186,857,608</b>	<b>\$ 188,969,107</b>	<b>\$ 191,178,958</b>	<b>\$ 194,787,747</b>	<b>\$ 192,558,122</b>	<b>\$ 197,272,259</b>
27 Fund Equity / (Deficit)	\$ 167,146	\$ -	\$ 173,041	\$ 450,845	\$ 261,199	\$ 131,235	\$ 121,141	\$ 134,104	\$ 178,476

*\*Totals may not sum due to rounding*

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
28 <b>Projected All Debt Coverage Ratio</b>	5.25	3.53	4.55	3.32	3.78	2.63	2.51	3.84	3.34
29 <b>Projected Fund Balance</b>	20.4%	17.4%	19.8%	17.3%	19.1%	18.9%	18.5%	18.5%	17.9%
30 <b>Projected Days Cash On Hand</b>	128	110	123	110	118	118	117	122	120
31 <b>Projected Equity/Capitalization</b>	72%	75%	73%	69%	68%	67%	61%	63%	59%
32 <b>Typical Residential @ 1,000 kwh</b>	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$109.31	\$110.98	\$113.78	\$116.65
33 <b>Typical Residential Bill Increase</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.67	\$2.80	\$2.87
34 <b>Typical Residential Bill % Increase**</b>		0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	2.5%	2.5%
<i>**Includes Load Management Credits</i>									
<b>Last Year's Forecast</b>				0.0%		0.0%	0.0%	0.0%	
<b>RSF Balance</b>	\$ 24,529,099	\$ 21,854,997	\$ 24,704,445	\$ 18,604,997	\$ 19,881,045	\$ 13,173,165	\$ 6,267,334	\$ 7,062,136	\$ 7,112,619



**WATER FUND  
REVENUES & EXPENDITURES  
March 1, 2022**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
<b>REVENUE*:</b>									
1 Rates & Charges	\$ 22,845,024	\$ 23,175,014	\$ 23,481,496	\$ 24,791,812	\$ 24,399,360	\$ 25,527,105	\$ 26,461,067	\$ 26,618,578	\$ 26,757,862
2 Fees & Charges	453,734	438,393	553,784	446,886	500,538	501,549	511,580	521,811	532,248
3 U. G. & Temp. Ser. Chgs.	16,400	13,600	20,000	13,600	20,000	20,000	20,000	20,000	20,000
4 Miscellaneous	270,088	185,348	335,222	187,496	265,823	269,380	273,008	276,709	280,484
5 Interest on Investments	67,560	80,000	44,000	80,000	53,000	65,000	80,000	85,000	90,000
6 FEMA/Insurance Reimbursement	15,392	-	20,929	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-	-
8 Bond Proceeds	2,294,153	-	-	20,769	19,039	-	160,509	-	129,454
9 Installment Purchases	-	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	-	-	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
14	<b>\$ 25,962,352</b>	<b>\$ 23,892,355</b>	<b>\$ 24,455,431</b>	<b>\$ 25,540,563</b>	<b>\$ 25,257,760</b>	<b>\$ 26,383,034</b>	<b>\$ 27,506,164</b>	<b>\$ 27,522,098</b>	<b>\$ 27,810,048</b>
<b>EXPENDITURES*:</b>									
15 Operations	\$ 14,426,910	\$ 15,718,279	\$ 14,424,539	\$ 16,032,669	\$ 16,919,891	\$ 17,247,978	\$ 17,417,938	\$ 17,769,797	\$ 18,128,693
16 Capital Outlay	1,571,693	1,088,430	1,131,064	1,118,588	1,502,110	1,547,173	1,593,588	1,641,396	1,674,224
17 Debt Service	3,219,003	2,226,903	2,298,948	2,115,792	2,183,442	4,400,632	5,174,108	5,317,233	5,739,975
18 Retirement of Bethel Debt	2,316,289	-	-	-	-	-	-	-	-
19 Repayment of Capacity Fees	733,067	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
22 Transfer to Capital Projects	3,522,533	4,750,000	6,350,000	6,150,000	4,500,000	3,000,000	3,000,000	2,500,000	2,000,000
23 Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
24 Operating Contingencies	-	33,743	-	-	-	-	-	-	-
25	<b>\$ 25,864,495</b>	<b>\$ 23,892,355</b>	<b>\$ 24,279,551</b>	<b>\$ 25,492,049</b>	<b>\$ 25,180,443</b>	<b>\$ 26,270,783</b>	<b>\$ 27,260,634</b>	<b>\$ 27,303,425</b>	<b>\$ 27,617,891</b>
26 Fund Equity / (Deficit)	\$ 97,858	\$ -	\$ 175,880	\$ 48,514	\$ 77,317	\$ 112,251	\$ 245,530	\$ 218,673	\$ 192,157

*\*Totals may not sum due to rounding*



	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
27 <b>Projected All Debt Coverage Ratio</b>	2.54	3.64	4.29	4.49	3.90	2.06	1.97	1.82	1.69
28 <b>Projected Fund Balance</b>	20.9%	20.8%	22.5%	20.0%	21.7%	20.7%	20.4%	21.1%	21.5%
29 <b>Projected Days Cash On Hand</b>	165	137	206	137	177	176	180	181	181
30 <b>Projected Equity/Capitalization</b>	66%	72%	68%	68%	68%	71%	72%	75%	73%
31 <b>3/4 " Residential @ 6,000 gallons</b>	\$36.62	\$36.62	\$36.62	\$39.03	\$37.77	\$39.31	\$40.53	\$40.53	\$40.53
32 <b>Typical Residential Bill Increase</b>		\$0.00	\$0.00	\$2.41	\$1.15	\$1.54	\$1.22	\$0.00	\$0.00
33 <b>Typical Residential Bill % Increase</b>		0.0%	0.0%	6.6%	3.1%	4.1%	3.1%	0.0%	0.0%
<b>Last Year's Forecast</b>				6.6%		3.2%	0.0%	0.0%	



**SEWER FUND  
REVENUES & EXPENDITURES  
March 1, 2022**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
<b>REVENUE*:</b>									
1 Rates & Charges	\$ 23,818,227	\$ 23,389,861	\$ 23,935,872	\$ 23,569,610	\$ 24,135,503	\$ 24,274,721	\$ 24,433,884	\$ 25,300,074	\$ 25,468,061
2 Fees & Charges	501,385	422,785	474,481	431,240	485,732	495,446	505,355	515,461	525,771
3 U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4 Miscellaneous	278,119	130,963	151,558	133,543	148,207	138,715	141,441	144,221	147,059
5 Interest on Investments	66,225	80,000	38,000	80,000	45,000	55,000	65,000	77,000	87,000
6 FEMA/Insurance Reimbursement	41,528	-	20,929	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-	-
8 Bond Proceeds	1,730,723	-	-	37,906	38,078	-	151,753	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	-	-	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	-	-	-	-	-	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
14	<b>\$ 26,436,208</b>	<b>\$ 24,023,609</b>	<b>\$ 24,620,840</b>	<b>\$ 24,252,299</b>	<b>\$ 24,852,520</b>	<b>\$ 24,963,882</b>	<b>\$ 25,297,433</b>	<b>\$ 26,036,756</b>	<b>\$ 26,227,891</b>
<b>EXPENDITURES*:</b>									
15 Operations	\$ 14,320,686	\$ 16,235,945	\$ 16,494,599	\$ 16,560,697	\$ 17,780,941	\$ 18,126,250	\$ 18,313,775	\$ 18,683,551	\$ 19,060,722
16 Capital Outlay	2,577,406	1,708,730	1,716,895	1,758,912	1,767,235	1,820,252	1,874,860	1,931,105	1,969,727
17 Debt Service	5,536,217	5,039,943	4,687,415	4,889,774	4,520,146	4,480,231	5,008,457	5,120,065	4,848,015
18 Retirement of Bethel Debt	1,330,594	-	-	-	-	-	-	-	-
19 Repayment of Capacity Fees	823,933	-	-	-	-	-	-	-	-
20 Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	-	75,000	75,000
21 Transfer to Rate Stabilization	-	-	-	-	-	-	-	-	-
22 Transfer to Capital Projects	1,683,336	750,000	1,500,000	750,000	650,000	400,000	-	150,000	150,000
23 Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
24 Operating Contingencies	-	213,991	-	-	-	-	-	-	-
25	<b>\$ 26,347,173</b>	<b>\$ 24,023,609</b>	<b>\$ 24,473,909</b>	<b>\$ 24,034,383</b>	<b>\$ 24,793,322</b>	<b>\$ 24,901,733</b>	<b>\$ 25,197,091</b>	<b>\$ 25,959,720</b>	<b>\$ 26,103,464</b>
26 Fund Equity / (Deficit)	\$ 89,035	\$ -	\$ 146,931	\$ 217,916	\$ 59,197	\$ 62,149	\$ 100,342	\$ 77,036	\$ 124,427

*\*Totals may not sum due to rounding*

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
27 <b>Projected All Debt Coverage Ratio</b>	1.52	1.53	1.71	1.56	1.59	1.51	1.41	1.42	1.46
28 <b>Projected Fund Balance</b>	24.0%	26.4%	26.3%	27.0%	26.2%	26.3%	26.3%	25.6%	25.8%
29 <b>Projected Days Cash On Hand</b>	185	160	190	162	178	175	176	174	173
30 <b>Projected Equity/Capitalization</b>	71%	74%	72%	74%	72%	72%	72%	73%	75%
31 <b>3/4 " Residential @ 5,610 gallons</b>	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$44.80	\$46.09	\$46.09
32 <b>Typical Residential Bill Increase</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.29	\$0.00
33 <b>Typical Residential Bill % Increase</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.0%
<b>Last Year's Forecast</b>				0.0%		0.0%	0.0%	2.9%	



**GAS FUND  
REVENUES & EXPENDITURES  
March 1, 2022**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
<b>REVENUE*:</b>									
1 Rates & Charges	\$ 33,040,070	\$ 32,285,537	\$ 37,431,891	\$ 32,364,195	\$ 32,876,444	\$ 34,719,357	\$ 36,020,373	\$ 36,903,097	\$ 37,697,987
2 Fees & Charges	195,481	164,160	184,695	167,443	184,987	188,688	192,462	196,311	200,237
3 U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-	-
4 Miscellaneous	294,465	134,637	240,293	135,654	173,596	151,551	152,930	154,336	155,771
5 Interest on Investments	114,473	140,000	66,000	150,000	70,000	88,000	110,000	135,000	135,000
6 FEMA/Insurance Reimbursement	13,468	-	18,313	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-	-
8 Bond Proceeds	7,234	-	-	7,266	-	-	148,174	-	109,798
9 Installment Purchases	-	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	-	-	296,096	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	-	1,856,000	-	1,460,000	680,000	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-	-
14	<b>\$ 33,665,191</b>	<b>\$ 32,724,334</b>	<b>\$ 40,093,288</b>	<b>\$ 32,824,558</b>	<b>\$ 34,765,027</b>	<b>\$ 35,827,596</b>	<b>\$ 36,623,939</b>	<b>\$ 37,388,744</b>	<b>\$ 38,298,793</b>
<b>EXPENDITURES*:</b>									
15 Operations	\$ 10,294,998	\$ 11,531,688	\$ 11,832,760	\$ 11,762,341	\$ 12,982,645	\$ 13,283,108	\$ 13,327,870	\$ 13,597,927	\$ 13,873,386
16 Purchased Gas	15,482,952	15,617,414	23,316,800	16,103,737	17,232,532	17,579,286	17,616,268	17,648,114	17,680,163
17 Capital Outlay	1,486,376	1,569,720	1,678,056	1,610,893	1,606,600	1,915,798	1,704,442	1,755,575	1,790,687
18 Debt Service	1,594,802	1,523,270	1,519,380	1,196,065	1,164,632	1,230,697	1,797,215	1,950,124	2,416,653
19 City Turnover - General	1,665,149	1,669,723	1,669,728	1,703,117	1,702,512	1,736,568	1,771,296	1,806,720	1,842,852
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	1,800,000	650,000	-	-	-	-	150,000	500,000	500,000
22 Transfer to Capital Projects	1,150,000	-	-	-	-	-	-	-	-
23 Transfer to Designated Reserve	-	-	-	-	-	-	-	-	-
24 Operating Contingencies	-	87,519	-	-	-	-	-	-	-
25	<b>\$ 33,549,277</b>	<b>\$ 32,724,334</b>	<b>\$ 40,091,723</b>	<b>\$ 32,451,153</b>	<b>\$ 34,763,921</b>	<b>\$ 35,820,457</b>	<b>\$ 36,442,091</b>	<b>\$ 37,333,461</b>	<b>\$ 38,178,741</b>
26 Fund Equity / (Deficit)	\$ 115,914	\$ -	\$ 1,565	\$ 373,405	\$ 1,106	\$ 7,139	\$ 181,848	\$ 55,283	\$ 120,052

*\*Totals may not sum due to rounding*

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Projected</b>	<b>FY 2023 Forecast</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Forecast</b>	<b>FY 2027 Forecast</b>
27 <b>Projected All Debt Coverage Ratio</b>	4.88	3.61	1.75	4.10	2.57	3.42	3.31	3.11	2.84
28 <b>Projected Fund Balance</b>	41.9%	40.6%	34.3%	41.1%	40.5%	38.9%	37.8%	36.9%	35.9%
29 <b>Projected Days Cash On Hand</b>	229	202	169	202	197	193	192	190	188
30 <b>Projected Equity/Capitalization</b>	74%	77%	73%	77%	73%	73%	65%	66%	61%
31 <b>Typical Residential @ 66 CCF*</b>	\$105.33	\$105.33	\$105.33	\$105.33	\$108.20	\$112.16	\$116.35	\$119.12	\$121.57
32 <b>Typical Residential Bill Increase</b>		\$0.00	\$0.00	\$0.00	\$2.87	\$3.96	\$4.19	\$2.77	\$2.45
33 <b>Typical Residential Bill % Increase</b>		0.0%	0.0%	0.0%	2.7%	3.7%	3.7%	2.4%	2.1%
<i>*Calculated with February 2022 PGA</i>									
<b>Last Year's Forecast</b>				0.0%		2.4%	2.4%	0.0%	
<b>RSF Balance</b>	\$ 3,970,553	\$ 4,605,372	\$ 2,142,519	\$ 4,605,372	\$ 697,610	\$ 22,523	\$ 172,682	\$ 673,898	\$ 1,178,645

## CAPITAL SPENDING PLAN

### ELECTRIC

CAPITAL PROJECTS		2023	2024	2025	2026	2027	5-Year Spending
1	ECP10168 - POD #3 to Simpson Substation 115 kV Trans. Loop		\$3,512,043	\$4,920,000			\$8,432,043
2	ECP10174 - Electric System Expansion	\$2,204,161					\$2,204,161
3	ECP10218 - Mt Pleasant to Wellcome 115 kV Transmission	\$4,346,000					\$4,346,000
4	ECP10219 - Peak Shaving Generator(s) Replacement	\$4,000,000	\$6,000,000	\$2,000,000	\$1,000,000		\$13,000,000
5	ECP10220 - Transmission Structure Replacement(s)	\$1,534,498	\$3,000,000				\$4,534,498
6	Advanced Metering Infrastructure				\$1,000,000	\$2,000,000	\$3,000,000
7	Distribution Substation Transformer Replacement(s)				\$1,000,000		\$1,000,000
8	Eastside to Simpson: 115 kV Transmission Re-Conductor				\$3,200,000		\$3,200,000
9	Hudson's Crossroads Substation		\$300,000	\$1,700,000			\$2,000,000
10	POD Transformer Replacement			\$2,500,000	\$2,500,000		\$5,000,000
<b>TOTAL CAPITAL PROJECTS</b>		<b>\$12,084,659</b>	<b>\$12,812,043</b>	<b>\$11,120,000</b>	<b>\$8,700,000</b>	<b>\$2,000,000</b>	<b>\$46,716,702</b>
<b>CAPITAL OUTLAY</b>		<b>\$9,181,926</b>	<b>\$9,457,384</b>	<b>\$9,741,105</b>	<b>\$10,033,338</b>	<b>\$10,234,005</b>	<b>\$48,647,759</b>
<b>TOTAL CAPITAL</b>		<b>\$21,266,585</b>	<b>\$22,269,427</b>	<b>\$20,861,105</b>	<b>\$18,733,338</b>	<b>\$12,234,005</b>	<b>\$95,364,461</b>

**CAPITAL SPENDING PLAN**

**ELECTRIC**

<b>FUNDING SOURCE</b>		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>5-Year Spending</b>
	<i>Pay Go</i>	\$9,181,926	\$9,457,384	\$9,741,105	\$10,033,338	\$10,234,005	\$48,647,759
	<i>Transfers</i>						
	<i>Fund Balance</i>						
	<i>Revenue Bonds</i>	\$12,084,659	\$12,812,043	\$11,120,000	\$8,700,000	\$2,000,000	\$46,716,702
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
<b>TOTAL</b>		<b>\$21,266,585</b>	<b>\$22,269,427</b>	<b>\$20,861,105</b>	<b>\$18,733,338</b>	<b>\$12,234,005</b>	<b>\$95,364,461</b>

<b>% Paid Pay Go/Operating Transfers</b>	<b>43.18%</b>	<b>42.47%</b>	<b>46.70%</b>	<b>53.56%</b>	<b>83.65%</b>	<b>51.01%</b>
<b>% Paid from Bonds and Loans</b>	<b>56.82%</b>	<b>57.53%</b>	<b>53.30%</b>	<b>46.44%</b>	<b>16.35%</b>	<b>48.99%</b>
<b>% Paid from Grants</b>						
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**CAPITAL SPENDING PLAN**

**WATER**

<b>CAPITAL PROJECTS</b>		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>5-Year Spending</b>
1	WCP10030 - Water Distribution System Improvements	\$1,500,000	\$4,250,000	\$8,000,000	\$8,000,000	\$8,000,000	\$29,750,000
2	WCP10033 - Water Treatment Plant Riverbank Stabilization	\$750,000	\$500,000				\$1,250,000
3	WCP10035 - Bethel Water System Improvements	\$714,600	\$285,400				\$1,000,000
4	WCP10036 - Elm Street Water Main Relocations	\$200,000	\$350,000				\$550,000
5	WCP-117 - Water Treatment Plant Upgrade Phase 1	\$9,000,000	\$6,374,645				\$15,374,645
6	WCP-124 - Residual Lagoon Improvement		\$500,000				\$500,000
7	B-4786 Memorial Drive Bridge		\$300,000				\$300,000
8	Water Main Rehab Phase 3			\$1,000,000	\$1,000,000		\$2,000,000
<b>TOTAL CAPITAL PROJECTS</b>		<b>\$12,164,600</b>	<b>\$12,560,045</b>	<b>\$9,000,000</b>	<b>\$9,000,000</b>	<b>\$8,000,000</b>	<b>\$50,724,645</b>
<b>CAPITAL OUTLAY</b>		<b>\$1,116,780</b>	<b>\$1,150,283</b>	<b>\$1,184,792</b>	<b>\$1,220,336</b>	<b>\$1,244,742</b>	<b>\$5,916,933</b>
<b>TOTAL CAPITAL</b>		<b>\$13,281,380</b>	<b>\$13,710,328</b>	<b>\$10,184,792</b>	<b>\$10,220,336</b>	<b>\$9,244,742</b>	<b>\$56,641,578</b>



## CAPITAL SPENDING PLAN

### WATER

FUNDING SOURCE		2023	2024	2025	2026	2027	5-Year Spending
	<i>Pay Go</i>	\$1,116,780	\$1,150,283	\$1,184,792	\$1,220,336	\$1,244,742	\$5,916,933
	<i>Transfers</i>						
	<i>Capacity Fees</i>						
	<i>Fund Balance</i>	\$6,654,543	\$6,674,645	\$500,000	\$8,000,000	\$8,000,000	\$29,829,188
	<i>Revenue Bonds</i>	\$2,450,000	\$5,600,000	\$8,500,000	\$1,000,000		\$17,550,000
	<i>SRF/Installment Loans</i>	\$2,345,457					\$2,345,457
	<i>Grants</i>	\$714,600	\$285,400				\$1,000,000
<b>TOTAL</b>		<b>\$13,281,380</b>	<b>\$13,710,328</b>	<b>\$10,184,792</b>	<b>\$10,220,336</b>	<b>\$9,244,742</b>	<b>\$56,641,578</b>

<b>% Paid Pay Go/Operating Transfers</b>	<b>58.51%</b>	<b>57.07%</b>	<b>16.54%</b>	<b>90.22%</b>	<b>100.00%</b>	<b>63.11%</b>
<b>% Paid from Bonds and Loans</b>	<b>36.11%</b>	<b>40.85%</b>	<b>83.46%</b>	<b>9.78%</b>		<b>35.13%</b>
<b>% Paid from Grants</b>	<b>5.38%</b>	<b>2.08%</b>				<b>1.77%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## CAPITAL SPENDING PLAN

### WASTEWATER

CAPITAL PROJECTS		2023	2024	2025	2026	2027	5-Year Spending
1	SCP10221 - Southeast Area Sewer Extensions	\$2,544,898					\$2,544,898
2	SCP10229 - Greene Street Pump Station and Force Main					\$1,921,627	\$1,921,627
3	SCP10230 - Forlines Pump Station Expansion	\$1,593,403					\$1,593,403
4	SCP10233 - WWTP Headworks Improvements	\$2,580,660					\$2,580,660
5	SCP10238 - WWTP Clarifier Replacement Project	\$4,000,000	\$3,000,000				\$7,000,000
6	SCP10241 - Bethel Wastewater System Improvements	\$2,576,000					\$2,576,000
7	SCP10242 - Sewer System Improvements for Industry and Comm.	\$209,000					\$209,000
8	SCP10243 - Elm Street Sewer Pipeline Relocations	\$175,000	\$350,000				\$525,000
9	SCP10244 - Sewer System Extensions Phase I	\$2,244,000	\$1,000,000				\$3,244,000
10	Frog Level Pump Station Improvements	\$500,000	\$1,000,000				\$1,500,000
<b>TOTAL CAPITAL PROJECTS</b>		<b>\$16,422,961</b>	<b>\$5,350,000</b>			<b>\$1,921,627</b>	<b>\$23,694,588</b>
<b>CAPITAL OUTLAY</b>		<b>\$1,406,845</b>	<b>\$1,449,050</b>	<b>\$1,492,522</b>	<b>\$1,537,298</b>	<b>\$1,568,043</b>	<b>\$7,453,758</b>
<b>TOTAL CAPITAL</b>		<b>\$17,829,806</b>	<b>\$6,799,050</b>	<b>\$1,492,522</b>	<b>\$1,537,298</b>	<b>\$3,489,670</b>	<b>\$31,148,346</b>

## CAPITAL SPENDING PLAN

### WASTEWATER

FUNDING SOURCE		2023	2024	2025	2026	2027	5-Year Spending
	<i>Pay Go</i>	\$1,406,845	\$1,449,050	\$1,492,522	\$1,537,298	\$1,568,043	\$7,453,758
	<i>Transfers</i>						
	<i>Acreage or Capacity Fees</i>	\$805,136					\$805,136
	<i>Fund Balance</i>	\$5,791,825	\$850,000				\$6,641,825
	<i>Revenue Bonds</i>	\$3,250,000	\$4,500,000			\$1,921,627	\$9,671,627
	<i>SRF/Installment Loans</i>						
	<i>Grants or Contributions</i>	\$6,576,000					\$6,576,000
<b>TOTAL</b>		<b>\$17,829,806</b>	<b>\$6,799,050</b>	<b>\$1,492,522</b>	<b>\$1,537,298</b>	<b>\$3,489,670</b>	<b>\$31,148,346</b>

% Paid Pay Go/Operating Transfers	44.89%	33.81%	100.00%	100.00%	44.93%	47.84%
% Paid from Bonds and Loans	18.23%	66.19%			55.07%	31.05%
% Paid from Grants	36.88%					21.11%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## CAPITAL SPENDING PLAN

GAS

CAPITAL PROJECTS		2023	2024	2025	2026	2027	5-Year Spending
1	GCP10099 - High-Pressure Multiple Gas Facilities Relocation Project	\$1,304,248				\$2,500,000	\$3,804,248
2	GCP10101 - Firetower Road Widening	\$60,000	\$240,000	\$500,000	\$500,000		\$1,300,000
3	GCP10108 - Allen Road Widening (NCDOT U-5875)			\$600,000	\$372,277		\$972,277
4	GCP10109 - Integrity Management Replacement Project	\$600,000	\$212,366				\$812,366
5	GCP10112 - VOA Road Loop	\$550,000					\$550,000
6	GCP10113 - Evans Street Widening (NCDOT U-2817)			\$412,000	\$3,944,000	\$3,944,000	\$8,300,000
7	GCP10114 - 14th Street Widening (NCDOT U-5917)		\$70,000	\$315,000	\$315,000		\$700,000
8	GCP-92 - LNG Liquefaction Additions	\$3,500,000	\$4,000,000				\$7,500,000
9	Mobley's Bridge Rd Interconnect		\$700,000				\$700,000
10	NC102 Interconnect				\$320,000	\$1,280,000	\$1,600,000
11	NC-43 Gas Main Relocation (NCDOT U-5991)			\$125,000		\$300,000	\$425,000
<b>TOTAL CAPITAL PROJECTS</b>		<b>\$6,014,248</b>	<b>\$5,222,366</b>	<b>\$1,952,000</b>	<b>\$5,451,277</b>	<b>\$8,024,000</b>	<b>\$26,663,891</b>
<b>CAPITAL OUTLAY</b>		<b>\$1,305,710</b>	<b>\$1,605,881</b>	<b>\$1,385,228</b>	<b>\$1,426,785</b>	<b>\$1,455,320</b>	<b>\$7,178,924</b>
<b>TOTAL CAPITAL</b>		<b>\$7,319,958</b>	<b>\$6,828,247</b>	<b>\$3,337,228</b>	<b>\$6,878,062</b>	<b>\$9,479,320</b>	<b>\$33,842,815</b>

## CAPITAL SPENDING PLAN

GAS

FUNDING SOURCE		2023	2024	2025	2026	2027	5-Year Spending
	<i>Pay Go</i>	\$1,305,710	\$1,605,881	\$1,385,228	\$1,426,785	\$1,455,320	\$7,178,924
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$2,454,248	\$1,712,366	\$600,000	\$372,277	\$1,091,505	\$6,230,396
	<i>Revenue Bonds</i>	\$3,560,000	\$3,510,000	\$1,352,000	\$5,079,000	\$6,932,495	\$20,433,495
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
<b>TOTAL</b>		<b>\$7,319,958</b>	<b>\$6,828,247</b>	<b>\$3,337,228</b>	<b>\$6,878,062</b>	<b>\$9,479,320</b>	<b>\$33,842,815</b>

% Paid Pay Go/Operating Transfers	51.37%	48.60%	59.49%	26.16%	26.87%	39.62%
% Paid from Bonds and Loans	48.63%	51.40%	40.51%	73.84%	73.13%	60.38%
% Paid from Grants						
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## CAPITAL SPENDING PLAN

### FACILITIES & OTHER SUPPORT GROUPS

CAPITAL PROJECTS		2023	2024	2025	2026	2027	5-Year Spending
1	FCP10072 - New Operations Center Phase 2	\$1,434,759					\$1,434,759
2	ICP10189 - Asset Management Software	\$775,000	\$2,325,000				\$3,100,000
3	Customer Information System - Customer Care and Billing Upgrade (CCB)	\$3,375,000	\$1,125,000				\$4,500,000
4	ESRI - Next Generation Network Upgrade (Utility Network)		\$700,000	\$1,500,000			\$2,200,000
5	GUC Training Center - Building 1	\$2,000,000	\$12,000,000	\$4,000,000			\$18,000,000
<b>TOTAL CAPITAL PROJECTS</b>		<b>\$7,584,759</b>	<b>\$16,150,000</b>	<b>\$5,500,000</b>			<b>\$29,234,759</b>
<b>CAPITAL OUTLAY</b>		<b>\$1,587,000</b>	<b>\$1,634,610</b>	<b>\$1,683,648</b>	<b>\$1,734,158</b>	<b>\$1,768,841</b>	<b>\$8,408,257</b>
<b>TOTAL CAPITAL</b>		<b>\$9,171,759</b>	<b>\$17,784,610</b>	<b>\$7,183,648</b>	<b>\$1,734,158</b>	<b>\$1,768,841</b>	<b>\$37,643,016</b>

FUNDING SOURCE		2023	2024	2025	2026	2027	5-Year Spending
	<i>Pay Go</i>	\$1,587,000	\$1,634,610	\$1,683,648	\$1,734,158	\$1,768,841	\$8,408,257
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$1,434,759					\$1,434,759
	<i>Revenue Bonds</i>	\$6,150,000	\$16,150,000	\$5,500,000			\$27,800,000
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
<b>TOTAL</b>		<b>\$9,171,759</b>	<b>\$17,784,610</b>	<b>\$7,183,648</b>	<b>\$1,734,158</b>	<b>\$1,768,841</b>	<b>\$37,643,016</b>

% Paid Pay Go/Operating Transfers	32.95%	9.19%	23.44%	100.00%	100.00%	26.15%
% Paid from Bonds and Loans	67.05%	90.81%	76.56%			73.85%
% Paid from Grants						
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**CAPITAL SPENDING PLAN**

**Capital Improvements Funding Plan**

<b>GUC TOTAL</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>5-Year Total</b>
Capital Projects	\$54,271,227	\$52,094,454	\$27,572,000	\$23,151,277	\$19,945,627	\$177,034,585
Capital Outlays	14,598,261	15,297,209	15,487,295	15,951,914	16,270,952	77,605,631
	<u>\$68,869,488</u>	<u>\$67,391,663</u>	<u>\$43,059,295</u>	<u>\$39,103,191</u>	<u>\$36,216,579</u>	<u>\$254,640,216</u>
<b><u>Funding - Debt Financing</u></b>						
Revenue Bonds	\$27,494,659	\$42,572,043	\$26,472,000	\$14,779,000	\$10,854,122	\$122,171,824
SRF/Installment Loans	2,345,457	-	-	-	-	2,345,457
	<u>\$29,840,116</u>	<u>\$42,572,043</u>	<u>\$26,472,000</u>	<u>\$14,779,000</u>	<u>\$10,854,122</u>	<u>\$124,517,281</u>
<b>% to Total Capital</b>	<b>43.3%</b>	<b>63.2%</b>	<b>61.5%</b>	<b>37.8%</b>	<b>30.0%</b>	<b>48.9%</b>
<b><u>Funding - Cash</u></b>						
Pay Go	\$14,598,261	\$15,297,209	\$15,487,295	\$15,951,914	\$16,270,952	\$77,605,631
Capital Project Transfer	-	-	-	-	-	-
Acreage & Capacity Fees	805,136	-	-	-	-	805,136
Fund Balance	16,335,375	9,237,011	1,100,000	8,372,277	9,091,505	44,136,168
Grants and Contributions	7,290,600	285,400	-	-	-	7,576,000
	<u>\$39,029,372</u>	<u>\$24,819,620</u>	<u>\$16,587,295</u>	<u>\$24,324,191</u>	<u>\$25,362,457</u>	<u>\$130,122,935</u>
<b>% to Total Capital</b>	<b>56.7%</b>	<b>36.8%</b>	<b>38.5%</b>	<b>62.2%</b>	<b>70.0%</b>	<b>51.1%</b>
<b>Total Funding</b>	<u>\$68,869,488</u>	<u>\$67,391,663</u>	<u>\$43,059,295</u>	<u>\$39,103,191</u>	<u>\$36,216,579</u>	<u>\$254,640,216</u>



# Agenda Item # 3

Meeting Date: March 9, 2022

**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.

In 2020, 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 \$41,000. The proposed audit fee for fiscal year ending 2022 is \$52,000, which is approximately a 27% increase from the previous year. The fee increase reflects the hourly rate increasing from approximately \$100 hour to \$130 hour to enable the firm to retain professional staffing associated with the audit engagement. Refer to the approved fee schedule listed below:

Audit Services	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Proposed
Annual Fee	\$39,500	\$40,250	\$41,000	\$52,000
Amount of Increase	N/A	\$750	\$750	\$11,000
Percentage Increase	N/A	1.90%	1.86%	27.00%



**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.

March 2021 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

**Fiscal Note:**

N/A

**Recommended  
Action(s):**

It is recommended by the Finance/Audit Committee that the Board proceed with executing the fiscal year 2022 auditing services contract with Cherry Bekaert, LLP in the amount of \$52,000.