

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, June 13, 2019

The Board of Commissioners of the Greenville Utilities Commission met in the Greenville Utilities Board Room in regular session at 12:00 noon with the following members, and others present, and Chair Blount presiding.

Commission Board Members Present:

Rebecca Blount, Chair
Joel Butler
Parker Overton
Don Mills

Minnie J. Anderson
Ann E. Wall
Tommy Stoughton
Kelly L. Darden, Jr.

Commission Staff Present:

Tony Cannon, General Manager/CEO
Chris Padgett
Phil Dixon
Jeff McCauley
Keith Jones
George Reel
Roger Jones
Anthony Miller
Richie Shreves
Steve Hawley
Sandy Barnes
David Springer
John Worrell
Scott Mullis
Amy Wade

Tony Godwin
Lou Norris
Kristen Jarman
Dail Booth
Alan Cummings
Cleve Haddock
Ken Wade
Mike Ashley
Keith Stancil
Brian Baker
Caleb Brickhouse
Steven Briley
Matthew Craft
David Guy
Bryson Hall
Travis Ransom

Others Present:

Will Litchfield, City Council Liaison; Ginger Livingston, The Daily Reflector; Ashley Gaskins, Chris Kelly, Dennis Nwandu and Je'Mirr Douglas, City Manager's Office Interns.

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

Chair Blount welcomed the four interns from the City Manager's Office.

ACCEPTANCE OF THE AGENDA

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

SAFETY BRIEF

Tony Cannon, General Manager/CEO, called upon Jeff McCauley, Chief Financial Officer, to provide the safety brief. Mr. McCauley explained the plan of action should there be an emergency at today's meeting and provided a safety tip.

Recognition of Service as Commissioners – Don Mills and Rebecca Blount

Mr. Cannon thanked Commissioners Rebecca Blount and Don Mills each for their six years of service as Commissioner and for their roles as Chair.

Recognition of Chamber Leadership Institute Graduates – Dail Booth and Alan Cummings

Dail Booth, Water Treatment Plant Coordinator, and Alan Cummings, Gas Engineering Assistant II, were recognized for completing and graduating from the Greenville-Pitt County Chamber Leadership Institute program and for representing Greenville Utilities Commission.

Recognition of Sustained Professional Purchasing Award – Cleve Haddock

Mr. Jeff McCauley, Chief Financial Officer, announced that GUC's purchasing section of the finance department received the Carolinas Association of Governmental Purchasing (CAGP) Sustained Professional Purchasing Award for calendar year 2018 for the eighth consecutive year. GUC's Procurement Coordinator Cleve Haddock was instrumental in assisting the department with obtaining this recognition.

The award recognizes GUC for demonstrating sustained excellence in purchasing standards during the calendar year 2018 with the use of technology, minority outreach, staff certification, customer training, vendor training, and the use of recycled products.

Recognition of the American Public Power Association (APPA) Lineworkers Rodeo Team and the North Carolina Association of Municipal Electric System (NCAMES) Rodeo Team

Mr. Roger Jones, Director of Electric Systems, introduced Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer, who recognized those that participated in the rodeos. The team consisted of Overhead Lineworker First Class Brian Baker, Overhead Lineworker Third Class Caleb Brickhouse, Overhead Lineworker Second Class Steven Briley, Overhead Lineworker Third Class Matthew Craft, Overhead Lineworker Second Class David Guy, Overhead Lineworker Third Class Bryson Hall, and Underground Lineworker Second Class Travis Ransom. In addition, he recognized Overhead Electric Service Crew Leader Keith Stancil and Overhead Construction Line Crew Leader Mike Ashley who coached the teams.

Mr. Wade reported that the American Public Power Association (APPA) Lineworkers Rodeo competition was held in Colorado Springs, Colorado in March 2019. Caleb Brickhouse won fifth place Overall in the Apprentice division and GUC's Journeyman team placed seventeenth out of 78 teams.

Mr. Wade next stated that GUC also competed in the North Carolina Association of Municipal Electric System (NCAMES) Conference and Lineman Rodeo in Fayetteville, North Carolina, which was held on May 16, 2019. In the Apprentice division, Caleb Brickhouse placed second Overall, first in the Transformer Load Switching, third in the Hurtman Rescue and second in the Three Phase Fuse Replacement. Matthew Craft placed first in the Three Phase Fuse Replacement and second in the Transformer Load Switching. Bryson Hall placed fifth in the Three Phase Fuse Replacement. In the Journeyman Division, David Guy placed second Overall, first in Underground Residential Distribution (URD) Elbow Replacement, and third in Alley Arm Center Phase Insulator Change. Steve Briley placed third in the URD Elbow Replacement.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Ms. Wall, seconded by Mr. Stoughton, to approve the May 16, 2019 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – May 31, 2019 (Agenda Item 2)

May 31, 2019 Financial Statement:

Key financial metrics for the combined funds for the period ending May 31, 2019:

Operating Cash:	\$82,346,908	Days of Cash on Hand:	142
Less Current Liabilities	(\$21,023,589)		
Fund Balance:	\$61,323,319		
Fund Balance Available for Appropriation:	24.2%	Days of Cash on Hand After Liabilities:	106
Average Investment Yield:	2.34%		

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$344,304)	(\$611,187)	\$1,003,536	\$5,856,137	\$93,480	\$9,877,860
Water	\$847,371	\$305,752	\$135,265	\$2,914,508	\$2,796,300	\$2,368,075
Sewer	\$1,412,746	\$234,877	\$92,204	\$5,136,141	\$1,776,273	\$2,782,202
Gas	(\$334,819)	(\$406,450)	\$315,464	\$3,383,559	\$678,654	\$736,125
Combined	\$1,580,994	(\$477,008)	\$1,546,469	\$17,290,345	\$5,344,707	\$15,764,262

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$344,304)	(\$528,687)	\$653,536	\$2,806,137	\$258,480	\$6,027,860
Water	\$601,538	\$59,919	\$1,932	\$647,844	\$92,137	\$901,412
Sewer	\$912,746	\$101,544	\$8,871	\$1,902,809	\$309,610	\$2,036,454
Gas	(\$334,819)	(\$406,450)	\$315,464	\$893,559	\$678,654	\$736,125
Combined	\$835,161	(\$773,674)	\$979,803	\$6,250,349	\$1,338,881	\$9,701,851

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for May 31, 2019.

The weather impact for the month of May indicated that the cooling degree days were more than May 2018. The May rainfall was 1.44 inches which was less than last year. The portfolio earned 2.34 % for the month of May.

Overall year-to-date results through the end of May remain stable. The Electric Rate Stabilization Reserves are approximately \$23.9 million, and the Gas Rate Stabilization Reserves are \$0.88 million. The Operating Reserves are 142 Days Cash on Hand, and Renewals and Replacements Reserves are approximately \$2.6 million. The Capital Project Funds Reserved for Existing and Future Capital Projects are approximately \$24.5 million.

A motion was made by Mr. Overton, seconded by Ms. Anderson, to accept the Financial Statement for May 31, 2019. The motion carried unanimously.

CONSIDERATION OF ADOPTION OF FY 2019-20 BUDGET (Agenda Item 3)

Mr. Tony Cannon, General Manager/CEO, stated that there have been no changes to the budget since May. The public hearing was held this past Monday night and there were no concerns or comments on the GUC budget.

The budget message, ordinance and other supplemental documentation for the proposed budget were provided for review.

Key provisions of the FY 2019-20 operating budget are listed below:

- Expenditures budgeted for FY 2019-20 have increased by 2%, or \$5.5M, when compared to the FY 2018-19 budget. Key points are:
 - \$3.4M increase in purchased power
 - \$2.7M decrease in purchased gas
 - \$1.7M decrease in debt service
 - \$250K increase in transfers to rate stabilization
 - \$3.7M increase in transfers to capital projects
 - \$2.0M increase in operations
- No rate adjustment for the Electric Fund
- A 7.0% rate increase for the Water Fund, 0.6% less than projected last year
- No rate adjustment for the Sewer Fund, 3% less than projected last year
- No rate adjustment for the Gas Fund

- Funding for salary market/merit adjustments at 2.7%
- 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
- Existing positions have been reallocated and six permanent positions have been added to appropriately respond to needs within the combined enterprise operation
- Transfer of \$500K to Other Post-Employment Benefits (OPEB) Trust
- Funding for increase in LGERS employer contribution from 7.75% to 8.95% - \$350K
- Transfer of \$150K to City's housing energy conservation program
- Commitment of \$500,000 to participate as a sustaining member in the public-private economic development partnership
- Investment of \$11.4M 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

Highlights of the FY 2019-20 capital budget are listed below:

- GUC continues to make investments in capital projects to maintain reliability, meet ongoing regulatory requirements, and remain strategically positioned to facilitate growth. To that end, GUC will be establishing capital projects totaling \$10.65M.

Project Type	Project Description	Project Amount
Electric	Battery Storage Pilot Project 1MW	\$1,600,000
Water	Water Main Rehabilitation Program Phase 2	\$1,000,000
Sewer	Green Mill Run Tributary – 18-21 inch section	\$1,800,000
Sewer	WWTP Headworks Improvements	\$2,500,000
Sewer	Duplex Pump Station Improvements	\$500,000
Sewer	Harris Mill Run Outfall	\$500,000
Gas	Integrity Management Replacement Project	\$1,750,000
Gas	Allen Rd Widening (NCDOT U-5875)	\$1,000,000
	Total	\$10,650,000

**RESOLUTION RECOMMENDING TO THE CITY COUNCIL
ADOPTION OF A RESOLUTION PROVIDING FOR THE
REIMBURSEMENT TO THE GREENVILLE UTILITIES COMMISSION,
OF THE CITY OF GREENVILLE, NORTH CAROLINA, A BODY POLITIC
DULY CHARTERED BY THE STATE OF NORTH CAROLINA FROM THE
PROCEEDS OF ONE OR MORE TAX EXEMPT FINANCING FOR THE
EXPENDITURE OF FUNDS FOR CERTAIN CAPITAL IMPROVEMENTS TO THE
GREENVILLE UTILITIES SYSTEM**

WHEREAS, the Greenville Utilities Commission, of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, (the "Commission") has identified certain capital improvements to its electric, gas, sanitary sewer and water systems (collectively, the "System", all as more fully described in Exhibit A attached to the form of the resolution to be presented to the City Council of the City of Greenville, North Carolina) that have been and must be funded from available funds pending reimbursement from the proceeds of debt to be issued for such purposes (the "Debt"); now, therefore,

BE IT RESOLVED BY THE GREENVILLE UTILITIES COMMISSION as follows;

1. The City Council is hereby requested to give favorable consideration to and pass the proposed resolution, which resolution (the "Reimbursement Resolution") effectively would provide for the reimbursement to the Commission from the proceeds of Tax Exempt Financing (estimated to be \$10,650,000) for certain expenditures made not more than 60 days prior to the adoption of the Reimbursement Resolution, the Commission having determined that such adoption will be in the best interests of the System.

2. This resolution shall take effect immediately upon its passage, and a certified copy thereof shall be provided to the City Clerk for presentation to the City Council at its next regularly scheduled meeting.

Adopted this the 13th day of June, 2019.

/s/ Rebecca Blount, Chair

ATTEST:

/s/ Parker Overton
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

RESOLUTION NO. 19-__
RESOLUTION DECLARING THE INTENTION OF THE
CITY COUNCIL OF THE CITY OF GREENVILLE TO REIMBURSE THE
GREENVILLE UTILITIES COMMISSION, OF THE CITY OF GREENVILLE, NORTH
CAROLINA, A BODY POLITIC DULY CHARTERED BY THE STATE OF NORTH
CAROLINA, FROM THE PROCEEDS OF ONE OR MORE TAX EXEMPT
FINANCING FOR CERTAIN EXPENDITURES MADE AND TO BE MADE IN
CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF CERTAIN
CAPITAL IMPROVEMENTS

WHEREAS, the Greenville Utilities Commission of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, (the Commission) has determined to pay certain expenditures (the "Expenditures") incurred no more than 60 days prior to the date hereof and thereafter relating to the acquisition and construction of certain improvements (collectively, the "Project") more fully described in Exhibit A attached hereto, consisting of improvements to its electric, gas, sanitary sewer and water systems (collectively, the "System"); and

WHEREAS, the City Council of the City of Greenville, North Carolina (the "City Council") has determined that those moneys previously advanced by the Commission no more than 60 days prior to the date hereof to pay such Expenditures are available only on a temporary period and that it is necessary to reimburse the Commission for the Expenditures from the proceeds of one or more issues of tax-exempt obligations (the "Debt");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL as follows:

Section 1. The City Council hereby declares concurrence with the Commission's intent to reimburse the Commission from the proceeds of the Debt for the Expenditures made with respect to the Project no more than 60 days prior to the date hereof and thereafter. The City Council reasonably expects on the date hereof that it will reimburse the Commission for the Expenditures from the proceeds of a like amount of the Debt.

Section 2. Each Expenditure was or will be either (a) of a type chargeable to capital account under general federal income tax principles (determined as of the date of the Expenditures), (b) the cost of issuance with respect to the Debt, (c) a non-recurring item that is

not customarily payable from current revenues of the System, or (d) a grant to a party that is not related to or an agent of the Commission or City of Greenville, North Carolina (the “City”) so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Commission or City.

Section 3. The principal amount of the Tax Exempt Financing estimated to be issued to reimburse the Commission for Expenditures for the Improvements is estimated to be not more than \$10,650,000.

Section 4. The Commission and the City will make a reimbursement allocation, which is a written allocation by the Commission and the City that evidences the Commission’s use of proceeds of the Debt to reimburse an Expenditure no later than 18 months after the later of the date on which such Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City Council recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, (expenditures by "small issuers" based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least 5 years.

Section 5. The resolution shall take effect immediately upon its passage.

Adopted this the 13th day of June, 2019.

/s/ P. J. Connelly, Mayor

ATTEST:

/s/ Carol L. Barwick, City Clerk

EXHIBIT A

THE IMPROVEMENTS

The Improvements referenced in the resolution include, but are not limited to, all operating and capital expenditures associated with the purchase, design and construction of:

Battery Storage Pilot Project 1MW	\$1,600,000
Water Main Rehabilitation Program Phase 2	1,000,000
Green Mill Run Tributary – 18-21 inch section	1,800,000
WasteWater Treatment Plant Headworks Improvements	2,500,000
Duplex Pump Station Improvements	500,000
Harris Mill Run Outfall	500,000
Integrity Management Replacement Project	1,750,000
Allen Road Widening (NCDOT U-5875)	1,000,000
	<u>\$10,650,000</u>

**RESOLUTION RECOMMENDING TO THE CITY COUNCIL
ADOPTION OF A RESOLUTION PROVIDING FOR THE
REIMBURSEMENT TO THE GREENVILLE UTILITIES COMMISSION,
OF THE CITY OF GREENVILLE, NORTH CAROLINA, A BODY POLITIC
DULY CHARTERED BY THE STATE OF NORTH CAROLINA FROM THE
PROCEEDS OF ONE OR MORE TAX EXEMPT FINANCING FOR THE
EXPENDITURE OF FUNDS FOR CERTAIN CAPITAL IMPROVEMENTS TO THE
GREENVILLE UTILITIES SYSTEM**

WHEREAS, the Greenville Utilities Commission, of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, (the "Commission") has identified certain capital improvements to its electric, gas, sanitary sewer and water systems (collectively, the "System", all as more fully described in Exhibit A attached to the form of the resolution to be presented to the City Council of the City of Greenville, North Carolina) that have been and must be funded from available funds pending reimbursement from the proceeds of debt to be issued for such purposes (the "Debt"); now, therefore,

BE IT RESOLVED BY THE GREENVILLE UTILITIES COMMISSION as follows;

1. The City Council is hereby requested to give favorable consideration to and pass the proposed resolution, which resolution (the "Reimbursement Resolution") effectively would provide for the reimbursement to the Commission from the proceeds of Tax Exempt Financing (estimated to be \$1,473,000) for certain expenditures made not more than 60 days prior to the adoption of the Reimbursement Resolution, the Commission having determined that such adoption will be in the best interests of the System.

2. This resolution shall take effect immediately upon its passage, and a certified copy thereof shall be provided to the City Clerk for presentation to the City Council at its next regularly scheduled meeting.

Adopted this the 13th day of June, 2019.

/s/ Rebecca Blount, Chair

ATTEST:

/s/ Parker Overton
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

RESOLUTION NO. 19-__
RESOLUTION DECLARING THE INTENTION OF THE
CITY COUNCIL OF THE CITY OF GREENVILLE TO REIMBURSE THE
GREENVILLE UTILITIES COMMISSION, OF THE CITY OF GREENVILLE, NORTH
CAROLINA, A BODY POLITIC DULY CHARTERED BY THE STATE OF NORTH
CAROLINA, FROM THE PROCEEDS OF ONE OR MORE TAX EXEMPT
FINANCING FOR CERTAIN EXPENDITURES MADE AND TO BE MADE IN
CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF CERTAIN
CAPITAL IMPROVEMENTS

WHEREAS, the Greenville Utilities Commission of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, (the Commission) has determined to pay certain expenditures (the "Expenditures") incurred no more than 60 days prior to the date hereof and thereafter relating to the acquisition and construction of certain improvements (collectively, the "Project") more fully described in Exhibit A attached hereto, consisting of improvements to its electric, gas, sanitary sewer and water systems (collectively, the "System"); and

WHEREAS, the City Council of the City of Greenville, North Carolina (the "City Council") has determined that those moneys previously advanced by the Commission no more than 60 days prior to the date hereof to pay such Expenditures are available only on a temporary period and that it is necessary to reimburse the Commission for the Expenditures from the proceeds of one or more issues of tax-exempt obligations (the "Debt");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL as follows:

Section 1. The City Council hereby declares concurrence with the Commission’s intent to reimburse the Commission from the proceeds of the Debt for the Expenditures made with respect to the Project no more than 60 days prior to the date hereof and thereafter. The City Council reasonably expects on the date hereof that it will reimburse the Commission for the Expenditures from the proceeds of a like amount of the Debt.

Section 2. Each Expenditure was or will be either (a) of a type chargeable to capital account under general federal income tax principles (determined as of the date of the Expenditures), (b) the cost of issuance with respect to the Debt, (c) a non-recurring item that is not customarily payable from current revenues of the System, or (d) a grant to a party that is not related to or an agent of the Commission or City of Greenville, North Carolina (the “City”) so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Commission or City.

Section 3. The principal amount of the Tax Exempt Financing estimated to be issued to reimburse the Commission for Expenditures for the Improvements is estimated to be not more than \$1,473,000.

Section 4. The Commission and the City will make a reimbursement allocation, which is a written allocation by the Commission and the City that evidences the Commission’s use of proceeds of the Debt to reimburse an Expenditure no later than 18 months after the later of the date on which such Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City Council recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, (expenditures by "small issuers" based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least 5 years.

Section 5. The resolution shall take effect immediately upon its passage.

Adopted this the 13th day of June, 2019.

/s/ P. J. Connelly, Mayor

ATTEST:

/s/ Carol L. Barwick, City Clerk

EXHIBIT A

THE IMPROVEMENTS

The Improvements referenced in the resolution include, but are not limited to, all operating and capital expenditures associated with the purchase of:

2 – 2 Ton Bucket Truck	\$520,000
3 – F550 Truck	204,000
5 – ½ Ton 4 Wheel Drive Truck	170,000
1 – Dump Truck	125,000
1 – Backhoe	120,000
1 – Trencher	100,000
2 – F250 Truck	82,000
1 – F550 Valve Truck	77,000
1 – 1 Ton Flatbed Truck	50,000
1 – Courier Transit Van	25,000
<u>Total</u>	<u>\$1,473,000</u>

ORDINANCE NO. _____

CITY OF GREENVILLE, NORTH CAROLINA

2019-20 GREENVILLE UTILITIES COMMISSION BUDGET ORDINANCE

The CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section I. Estimated Net Revenues and Fund Balances. It is estimated that the following non-tax revenues and fund balances will be available during the fiscal year beginning July 1, 2019 and ending June 30, 2020 to meet the subsequent expenditures, according to the following schedules:

	<u>Revenues</u>	<u>Budget</u>
A.	<u>Electric Fund</u>	
	Rates & Charges	\$169,333,894
	Fees & Charges	1,923,510
	Miscellaneous	1,076,711
	Interest on Investments	1,150,000
	Bond Proceeds	105,688
	Transfer from Capital Projects	1,184,830
	Transfer from Rate Stabilization	<u>2,600,000</u>
	Total Electric Fund Revenue	\$177,374,633
B.	<u>Water Fund</u>	
	Rates & Charges	\$22,439,513
	Fees & Charges	458,228
	Miscellaneous	206,074
	Interest on Investments	140,000
	Bond Proceeds	153,125
	Transfer from Capital Projects	<u>382,781</u>
	Total Water Fund Revenue	\$23,779,721
C.	<u>Sewer Fund</u>	
	Rates & Charges	\$23,412,652
	Fees & Charges	428,159
	Miscellaneous	146,518
	Interest on Investments	200,000
	Bond Proceeds	101,000
	Transfer from Capital Projects	<u>1,271,903</u>
	Total Sewer Fund Revenue	\$25,560,232
D.	<u>Gas Fund</u>	
	Rates & Charges	\$33,168,600
	Fees & Charges	143,607
	Miscellaneous	145,130
	Interest on Investments	300,000
	Transfer from Capital Projects	<u>406,025</u>
	Total Gas Fund Revenue	<u>\$34,163,362</u>

Total Revenues	<u>\$260,877,948</u>
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Section II. Expenditures. The following amounts are hereby estimated for the Greenville Utilities Commission to be expended for managing, operating, improving, maintaining, and extending electric, water, sewer and gas utilities during the fiscal year beginning July 1, 2019 and ending on June 30, 2020, according to the following schedules:

<u>Expenditures</u>	<u>Budget</u>
Electric Fund	\$177,374,633
Water Fund	23,779,721
Sewer Fund	25,560,232
Gas Fund	<u>34,163,362</u>
Total Expenditures	<u>\$260,877,948</u>

Section III. Capital Improvements. The following Capital Improvements anticipated revenues and project appropriations as listed below in this section are hereby adopted in the fiscal year beginning July 1, 2019.

(a) It is estimated that the following non-tax revenues and long term debt proceeds will be available to fund capital project expenditures that will begin in the fiscal year beginning July 1, 2019.

<u>Capital Projects Revenues</u>	<u>Budget</u>
Electric Fund - Capital Projects Fund Balance	\$1,475,000
Electric Fund - Grant	125,000
Water Fund -Long Term Debt Proceeds	1,000,000
Sewer Fund - Long Term Debt Proceeds	4,800,000
Sewer Fund - Capital Projects Fund Balance	500,000
Gas Fund - Capital Projects Fund Balance	<u>2,750,000</u>
Total Revenues	<u>\$10,650,000</u>

(b) The following amounts are hereby appropriated for capital projects that will begin during the fiscal year beginning July 1, 2019.

<u>Capital Projects Expenditures</u>	<u>Budget</u>
Battery Storage Pilot Project 1MW	\$1,600,000
Integrity Management Replacement Project	1,750,000
Allen Road Widening (NCDOT U-5875)	1,000,000
Water Main Rehabilitation Program Phase 2	1,000,000
Green Mill Run Tributary - 18-21 inch section	1,800,000
WWTP Headworks Improvements	2,500,000
Duplex Pump Station Improvements	500,000
Harris Mill Run Outfall	500,000
Total Capital Projects Expenditures	<u>\$10,650,000</u>

Section IV: Amendments.

(a) Pursuant to General Statutes 159-15, this budget may be amended by submission of proposed changes to the City Council.

(b) Notwithstanding Subsection (a) above, the General Manager/CEO of Greenville Utilities Commission is authorized to transfer funds from one appropriation to another in an amount not to exceed \$100,000. Any such transfers shall be reported to the Greenville Utilities Commission and the City Council at their next regular meeting and shall be entered in the minutes.

(c) In case of emergency which threatens the lives, health, or safety of the public, the General Manager/CEO may authorize expenditures in an amount necessary to meet the emergency so long as such amount does not exceed the amount in contingency accounts and the expenditure is reported to the Greenville Utilities Commission as soon as possible, and appropriate budget amendments are submitted to the City Council, if necessary, at its next regular meeting.

(d) Capital Projects listed in section III may be amended on an individual project basis.

Section V: Appropriation. The capital project revenue and expenditure authorizations shall extend from year to year until each project is completed.

Section VI: Distribution. Copies of this ordinance shall be furnished to the General Manager/CEO and the Chief Financial Officer of the Greenville Utilities Commission, and the Director of Financial Services of the City of Greenville to be kept on file by them for their direction in the disbursement of funds.

Adopted this the 13th day of June, 2019.

/S/ P. J. Connelly, Mayor

Attest:

/S/ Carol L. Barwick, City Clerk

A motion was made by Mr. Overton, seconded by Mr. Darden, to adopt the recommendations listed below. The motion carried unanimously.

- GUC's proposed FY 2019-2020 Operating and Capital Projects Budgets
- Rate adjustments, fee adjustments, revisions to terms and conditions associated with proposed FY 2019-2020 Operating and Capital Projects Budgets
- Reimbursement Resolution - Capital Projects
- Reimbursement Resolution - Heavy Equipment and Vehicle Purchases
- Recommend the City Council take similar action

CONSIDERATION OF RESOLUTION FOR THE TOWN OF BETHEL'S ASSET INVENTORY AND ASSESSMENT STATE GRANT APPLICATION (Agenda Item 4)

Mr. Cannon reminded the Board of Commissioners that GUC and Bethel have been discussing consolidation of our water and wastewater systems. From these discussions, GUC has advised Bethel that GUC must know the physical conditions of both their water and wastewater systems.

In response to this GUC requirement, the Town of Bethel plans to apply for a \$250,000 Asset and Inventory Assessment grant from the State. The purpose of this grant is to fund a detailed engineering assessment of Bethel's water and wastewater systems.

Since consolidation is being considered, State funding officials have advised Bethel that their application would receive more priority points, and most likely be funded, if they included

information about GUC’s management in their grant application. State officials also advise that the GUC management information cannot be included in the grant application unless a resolution, stating that consolidation is being considered, is provided from the GUC Board of Commissioners.

The Town of Bethel has requested GUC execute a resolution stating that GUC is considering consolidation with Bethel’s water and wastewater systems. This resolution does not constitute any commitment on the part of GUC.

After discussion, a motion was made by Mr. Butler, seconded by Mr. Mills, to adopt the Resolution. The motion carried unanimously.

RESOLUTION

ACKNOWLEDGING GREENVILLE UTILITIES CONSIDERATION OF CONSOLIDATION WITH THE TOWN OF BETHEL’S WATER AND WASTEWATER SYSTEMS

- WHEREAS, The North Carolina Department of Environmental Quality is authorized to make Asset Inventory and Assessment grants to assist eligible units of government with meeting their water infrastructure needs, and;
- WHEREAS, The Town of Bethel has need for and intends to request state grant assistance for an Asset Inventory and Assessment project, and;
- WHEREAS, The system management information from the Greenville Utilities Commission system may be used by the Bethel system to address the applicable narrative questions in the application when consolidation is being considered, and;

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Greenville Utilities Commission:

That consolidation of the Town of Bethel’s water and wastewater systems into the Greenville Utilities water and wastewater systems is being considered by the Greenville Utilities Commission.

RESOLVED this the 13th day of June, 2019 at Greenville, North Carolina.

/s/ Rebecca Blount, Chair

CAPITAL PROJECT UPDATES (Agenda Item 5)

Mr. Padgett provided an update on the new Operations Center. He showed a few aerial photos of the property and noted that the building pads are taking shape. Installation of the rebar and pouring of the concrete will begin soon.

GENERAL MANAGER’S REPORT (Agenda Item 6)

1. Informational Reading

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

The following Bids and Ranking of Proposals awarded by the General Manager/CEO during the past month were reported for information:

TABULATION OF BIDS RECEIVED

DARLING HYDRANT EXTENSIONS
APRIL 24, 2019 @ 3:00 PM

VENDORS	DELIVERY TIME	TOTALS
Ferguson Waterworks, Inc.	2-4 Weeks	\$5,002.14*
Fortiline Waterworks	1-5 Weeks	3,490.98(1)
Core & Main	1 Week	4,876.00(1)

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

(1) Indicates that the vendor quoted an unapproved brand.

TWO SWITCHGEARS
MAY 1, 2019 @ 2:00 PM

VENDORS	MFG	DELIVERY (WEEKS)	UNIT COST	TOTAL
Chapman Company	S&C Electric Co.	18	\$15,370.00	\$30,740.00*
Shealy Electric, Alt. 1	Federal Pacific	10	17,137.00	34,274.00 ⁽¹⁾
Wesco Distribution	Hubbell	16-20	17,884.00	35,768.00
Shealy Electric	Federal Pacific	10	18,067.00	36,134.00 ⁽¹⁾
Anixter, Inc.	Hubbell	16-19	18,154.00	36,308.00

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

⁽¹⁾ Indicates incomplete quote, required addition of net adders.

ARMOR RODS, SIDE DIST TIES, DOUBLE SIDE DIST TIES,
DOUBLE SUPPORT DIST TIES, STRAIGHT DIST TIES, DIST GRIPS, SPOOL TIES,
GUY GRIPS, SLACK SPAN DEAD-ENDS AND DOUBLE SIDE TIES
MAY 1, 2019 @ 3:00 PM

VENDORS	DELIVERY TIME	TOTAL
Wesco Distribution, Inc.	Stock - 2 Weeks	\$14,737.75*
Anixter, Inc.	Stock - 4 Weeks	16,038.75
Shealy Electrical Wholesalers	3 Weeks	21,185.75

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

99,000' OF 1/0 UG PRIMARY CABLE STK# 201360
MAY 8, 2019 @ 2:00 PM

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE	TOTAL
CME Wire & Cable	CME	10	\$1.7901313	\$177,223.00*
Anixter, Inc.	Okonite	6/7 Stk. Run	1.881	186,219.00
Mayer Electric	CME	12	2.19	216,810.00
Wesco Distribution, Inc.	Prysmian	22-24	2.236	221,364.00
Shealy Electrical Wholesalers	Southwire	8-10	2.29	226,710.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on May 29, 2019 for the hour ending at 5:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,554,420.

2. Key Performance Indicators (KPIs)

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

- Response Time to Water Leaks/Breaks
- Return on Assets
- Return on Equity
- Connections per Employee

3. Commendations

The following are compliment records:

Rob Sealey, Systems Dispatcher I, received a call from customer Rebecca Hamill. Ms. Hamill had a customer side gas leak at her water heater and John Sheppard, Gas Service Worker Senior, performed a gas leak investigation. She was very impressed by John and requested him to provide a follow-up after her repairs had been made.

Shirley Peel, Staff Support Specialist III, received a call from customer Linda Sanders. Ms. Sanders called to compliment Justin Oakes, Gas Service Worker, for providing excellent customer service when he changed out her meter.

Roger Jones, Director of Electric Systems, received a letter from Sue Kelly, President and CEO of American Public Power Association (APPA). Ms. Kelly wrote to present an APPA Mutual Aid Commendation to Greenville Utilities Commission. One Mutual Aid Commendation was in recognition of GUC's support in electric power restoration efforts to the Town of Edenton and one was in recognition of GUC's support for electric power restoration efforts for the City of New Bern.

4. Other

- A copy of the official statement book for the Series 2019 Revenue Bond issue was made available for each Board member.
- Mr. Cannon stated that staff from Energy Services delivered fans to the Council on Aging and the Department of Social Services.
- Letters and a news release have been mailed to notify the community of the annual conversion to chlorine.
- Preliminary results were received yesterday on the customer service survey. A full report will be provided once complete.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 8)

Chair Blount shared the approved minutes from the Executive Committee Meeting dated November 12, 2015, and reminded the Commissioners of the following meeting:

- GUC Regular Meeting, Thursday, July 18, 2019, 12:00 p.m., Board Room

BOARD MEMBERS' REMARKS

The commissioners all commented and thanked Commissioners Blount and Mills for their service and leadership to the Board.

CLOSED SESSIONS:

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

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

N.C.G.S. 143-318(a)(3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure

Upon motion by Mr. Butler, seconded by Mr. Darden, the Greenville Utilities Board of Commissioners unanimously agreed to enter Closed Session at 12:55 p.m. for such purposes.

There being no further business to come before the Board of Commissioners in Closed Session, upon motion by Mr. Overton, seconded by Mr. Mills, the Board of Commissioners unanimously agreed to return to Open Session at 1:22 p.m., whereupon, with no further business, Chair Blount announced that the meeting would stand adjourned at 1:22 p.m.

Respectfully submitted,


Amy Carson Wade, Executive Secretary

APPROVED:


Parker Overton, Secretary

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