

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, June 11, 2020

The Board of Commissioners of the Greenville Utilities Commission held a Telephonic Meeting at 12:00 noon with the following members, and others present via conference call, and Chair Butler presiding.

Commission Board Members Present:

Joel Butler, Chair	Peter Geiger
Parker Overton, Chair-Elect	Lindsey Griffin
Tommy Stoughton, Secretary	Kelly L. Darden, Jr.
Ann E. Wall	

Minnie J. Anderson was absent.

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer
Jeff McCauley	Lou Norris
Phil Dixon	Jonathan Britt
Keith Jones	Amanda Wall
George Reel	Molly Ortiz
Randy Emory	Tony Godwin
Anthony Miller	Freddie Martin
Roger Jones	Robby Bright
Richie Shreves	
Steve Hawley	
David Springer	
John Worrell	
Andy Anderson	
Amy Wade	
Scott Mullis	

Others Present:

Rick Smiley, City Council Liaison.

Chair Butler called the meeting to order. Ms. Amy Wade, Executive Secretary, called the roll and ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

A motion was made by Mr. Overton, seconded by Ms. Wall, 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 May 21, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – May 31, 2020 (Agenda Item 2)

May 31, 2020 Financial Statement:

Key financial metrics for the combined funds for the period ending May 31, 2020:

Operating Cash:	\$89,973,483
Less Current Liabilities	<u>(\$18,655,789)</u>
Fund Balance:	\$69,317,694

Days of Cash on Hand: 157

Fund Balance Available for Appropriation: 26.6%

Days of Cash on Hand After Liabilities: 124

Average Investment Yield: 1.12%

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$401,289	(\$539,035)	(\$344,304)	\$784,212	(\$2,302,411)	\$5,856,137
Water	\$483,662	\$1,215,682	\$847,371	\$7,009,483	\$5,760,578	\$2,914,508
Sewer	\$295,814	\$198,639	\$1,412,746	\$5,300,589	\$1,539,842	\$5,136,141
Gas	(\$17,100)	\$1,081	(\$334,819)	\$3,093,876	\$147,164	\$3,383,559
Combined	\$1,163,665	\$876,367	\$1,580,994	\$16,188,160	\$5,145,173	\$17,290,345

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$151,289	\$334,368	(\$344,304)	\$34,217	(\$416,975)	\$2,806,137
Water	\$54,495	\$818,413	\$601,538	\$2,288,646	\$1,390,619	\$647,844
Sewer	\$120,814	\$129,631	\$912,746	\$2,825,310	\$780,754	\$1,902,809
Gas	(\$37,933)	\$14,083	(\$334,819)	\$2,864,445	\$290,186	\$893,559
Combined	\$288,665	\$1,296,495	\$835,161	\$8,012,618	\$2,044,584	\$6,250,349

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for May 31, 2020.

The weather impact for the month of May indicated that the cooling degree days were lower than May 2019. The May rainfall was 5.36 inches which was more than last year. The portfolio earned 1.12% for the month of May.

Overall year-to-date results through the end of May remain stable. The Electric Rate Stabilization Reserves are approximately \$24.3 million, and the Gas Rate Stabilization Reserves are \$1.8 million. The Operating Reserves are 157 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 \$36.8 million.

Mr. Cannon provided additional comments on the budget impacts of COVID.

A motion was made by Mr. Stoughton, seconded by Mr. Overton, to accept the Financial Statement for May 31, 2020. The motion carried unanimously.

CONSIDERATION OF ADOPTION OF FY 2020-21 Budget (Agenda Item 3)

Mr. Tony Cannon, General Manager/CEO, stated that there have been no significant changes to the FY 2020-21 budget since the report provided in May. The budget message, ordinance, and other supplemental documentation for the proposed budget were provided.

Highlights of the FY 2020-21 operating budget are listed below:

- Expenditures budgeted for FY 2020-21 have increased by 3.7%, or \$9.6M, when compared to the FY 2019-20 budget. Key points are:

- \$2.8M increase in purchased power
- \$2.0M decrease in purchased gas
- \$1.9M increase in debt service
- \$2.6M increase in capital outlay
- \$250K decrease in transfers to rate stabilization
- \$3.9M increase in transfers to capital projects
- \$3.6M increase in operations
- No rate adjustment for the Electric Fund, 4.1% less than projected last year
- No rate adjustment for the Water Fund, 6.9% less than projected last year
- No rate adjustment for the Sewer Fund
- No rate adjustment for the Gas Fund
- Continuation of a self-insured health insurance plan which includes a high-deductible Health Savings Account option
- Continuation of a 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
- Three part-time positions converted to permanent positions to appropriately respond to needs within the combined enterprise operation
- Seven permanent positions have been added to provide contracted professional services to the Greenville ENC Alliance
- Transfer of \$500K to the Other Post-Employment Benefits (OPEB) Trust
- Funding for the increase in Local Government Employees Retirement System (LGERS) employer contribution from 8.95% to 10.15% - \$373K
- Transfer of \$150K to the 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 \$14.0M for capital outlay to maintain system reliability and comply with regulatory requirements
- Annual turnover or transfer of \$6.4M to the City of Greenville, in accordance with the Charter issued by the North Carolina General Assembly

Highlights of the FY 2020-21 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.

GUC will be establishing capital projects totaling \$26.79M in FY 2020-21.

Project Type	Project Description	Project Amount
Finance	New Operations Center – Fleet Maintenance Building	\$7,000,000
Electric	Mt. Pleasant to Wellcome 115 kV Transmission	\$8,892,000
Electric	Peak Shaving Generator(s) Replacement	\$6,000,000
Electric	Transmission Structure Replacement(s)	\$2,000,000
Water	Water Treatment Plant Riverbank Stabilization	\$1,500,000
Gas	14 th Street Widening (NCDOT U-5917)	\$57,000
Gas	Evans Street Widening (NCDOT U-2817)	\$136,000
Gas	VOA Road Loop	\$1,200,000
	Total	\$26,785,000

**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 FINANCING(S) FOR THE EXPENDITURE OF
FUNDS FOR CERTAIN IMPROVEMENTS TO THE COMBINED ENTERPRISE
SYSTEM**

WHEREAS, in accordance with Chapter 861 of the 1991 Session Laws of North Carolina, the Greenville Utilities Commission (the "Commission") has been created for the proper management of the public utilities of the City of Greenville, North Carolina (the "City"), comprising an electric system, a natural gas system, a sanitary sewer system and a water system within and without the corporate limits of the City, (collectively the "Combined Enterprise System") with responsibility for the entire supervision and control of the management, operation, maintenance, improvement and extension of the Combined Enterprise System;

WHEREAS, Section 1.150-2 of the Treasury Regulations prescribes specific procedures which will be applicable to certain bonds, notes or other indebtedness ("Debt") issued by or on behalf of the Commission and the City including, without limitation, a requirement that the City declare official intent to reimburse certain expenditures with proceeds of Debt to be incurred prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed;

WHEREAS, the Commission has identified certain improvements (the "Additional Improvements") to the Combined Enterprise System that have been and must be funded from available funds pending reimbursement from the proceeds of Debt to be issued for such purposes;

WHEREAS, the Additional Improvements consist of operation center upgrades, electric system and transmission line upgrades, water treatment plant upgrades, gas line relocations at 14th Street and Evans Street, and gas system extension to VOA Road; now, therefore,

BE IT RESOLVED BY THE GREENVILLE UTILITIES COMMISSION as follows;

1. The City 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 one or more Debt financing(s) (estimated to be \$26,785,000) for certain expenditures for the Additional Improvements 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 Combined Enterprise 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 11th day of June, 2020.

/s/ Joel Butler, Chair

ATTEST:

/s/ Tommy Stoughton
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

RESOLUTION NO. 20-__
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 FINANCING(S) FOR
CERTAIN EXPENDITURES MADE AND TO BE MADE IN CONNECTION WITH THE
ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS

WHEREAS, in accordance with Chapter 861 of the 1991 Session Laws of North Carolina, the Greenville Utilities Commission (the "Commission") has been created for the proper management of the public utilities of the City of Greenville, North Carolina (the "City"), comprising an electric system, a natural gas system, a sanitary sewer system and a water system within and without the corporate limits of the City, (collectively the "Combined Enterprise System") with responsibility for the entire supervision and control of the management, operation, maintenance, improvement and extension of the Combined Enterprise System; and

WHEREAS, Section 1.150-2 of the Treasury Regulations (the "Regulations") prescribes specific procedures which will be applicable to certain bonds, notes or other indebtedness ("Debt") issued by or on behalf of the Commission and the City including, without limitation, a requirement that the City declare official intent to reimburse certain expenditures with proceeds of Debt to be incurred prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed;

WHEREAS, 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 "Additional Improvements") more fully described below;

WHEREAS, the Additional Improvements consist of operation center upgrades, electric system and transmission line upgrades, water treatment plant upgrades, gas line relocations at 14th Street and Evans Street, and gas system extension to VOA Road; and

WHEREAS, the City Council of the City 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 Debt;

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

Section 1. The City 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 Additional Improvements no more than 60 days prior to the date hereof and thereafter.

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 Combined Enterprise System, or (d) a grant to a party that is not related to or an agent of the Commission or 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 Debt estimated to be issued to reimburse the Commission for Expenditures for the Improvements is estimated to be not more than \$26,785,000.

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 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. This declaration of official intent is made pursuant to Section 1.150-2 of the Treasury Regulations.

Section 6. The resolution shall take effect immediately upon its passage.

Adopted this the 11th day of June, 2020.

/s/ P. J. Connelly, Mayor

ATTEST:

/s/ Valerie Shiuwegar
City Clerk

After consideration of the foregoing resolution, Council member _____ moved for the passage thereof, which motion was duly seconded by Council member _____, and the foregoing resolution was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Valerie Shiuwegar, Clerk of the City of Greenville, North Carolina DO HEREBY CERTIFY that the foregoing accurately reflects the proceedings as recorded in the minutes of the City Council of said City at a meeting held on 11th day of June, 2020 and contains the verbatim text of Resolution No. __-20 which was duly adopted by said City Council at said meeting.

WITNESS my hand and the official seal of said City, this 11th day of June 2020.

/s/ City Clerk

[SEAL]

**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
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WHEREAS, Section 1.150-2 of the Treasury Regulations prescribes specific procedures which will be applicable to certain bonds, notes or other indebtedness ("Debt") issued by or on behalf of the Commission and the City including, without limitation, a requirement that the City declare official intent to reimburse certain expenditures with proceeds of Debt to be incurred prior to, or within sixty (60) days of, payment of the expenditures to be reimbursed;

WHEREAS, the Commission has identified certain improvements (the "Additional Improvements") to the Combined Enterprise System that have been and must be funded from available funds pending reimbursement from the proceeds of Debt to be issued for such purposes;

WHEREAS, the Additional Improvements consist of light and heavy vehicles (including certain bucket, boom, dump and service trucks, backhoes and trimmers) and other related equipment; now, therefore,

BE IT RESOLVED BY THE GREENVILLE UTILITIES COMMISSION as follows;

1. The City 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 one or more Debt financing(s) (estimated to be \$2,118,000) for certain expenditures for the Additional Improvements 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 Combined Enterprise 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 11th day of June, 2020.

/s/ Joel Butler, Chair

ATTEST:

/s/ Tommy Stoughton
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

RESOLUTION NO. 20-__
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WHEREAS, the Additional Improvements consist of light and heavy vehicles (including certain bucket, boom, dump and service trucks, backhoes and trimmers) and other related equipment; and

WHEREAS, the City Council of the City 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 Debt;

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

Section 1. The City 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 Additional Improvements no more than 60 days prior to the date hereof and thereafter.

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 Combined Enterprise System, or (d) a grant to a party that is not related to or an agent of the Commission or 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 Debt estimated to be issued to reimburse the Commission for Expenditures for the Improvements is estimated to be not more than \$2,118,000.

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 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. This declaration of official intent is made pursuant to Section 1.150-2 of the Treasury Regulations.

Section 6. The resolution shall take effect immediately upon its passage.

Adopted this the 11th day of June, 2020.

/s/ P. J. Connelly, Mayor

ATTEST:

/s/ Valerie Shiuwegar
City Clerk

After consideration of the foregoing resolution, Council member _____ moved for the passage thereof, which motion was duly seconded by Council member _____, and the foregoing resolution was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Valerie Shiuwegar, Clerk of the City of Greenville, North Carolina DO HEREBY CERTIFY that the foregoing accurately reflects the proceedings as recorded in the minutes of the City Council of said City at a meeting held on 11th day of June, 2020 and contains the verbatim text of Resolution No. __-20 which was duly adopted by said City Council at said meeting.

WITNESS my hand and the official seal of said City, this 11th day of June, 2020.

/s/ City Clerk

[SEAL]

ORDINANCE NO. _____

CITY OF GREENVILLE, NORTH CAROLINA

2020-21 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, 2020 and ending June 30, 2021 to meet the subsequent expenditures, according to the following schedules:

<u>Revenues</u>	<u>Budget</u>
A. <u>Electric Fund</u>	
Rates & Charges	\$172,488,964
Fees & Charges	1,387,306
Miscellaneous	1,640,595
Interest on Investments	470,000
Bond Proceeds	137,585
Transfer from Capital Projects	500,000
Transfer from Rate Stabilization	5,750,000
Appropriated Fund Balance	3,850,000
 Total Electric Fund Revenue	 \$186,224,450

B. Water Fund

Rates & Charges	\$22,583,645	
Fees & Charges	421,409	
Miscellaneous	195,566	
Interest on Investments	70,000	
Bond Proceeds	15,459	
Appropriated Fund Balance	1,050,000	
Total Water Fund Revenue		\$24,336,079

C. Sewer Fund

Rates & Charges	\$23,948,463	
Fees & Charges	410,148	
Miscellaneous	136,520	
Interest on Investments	80,000	
Bond Proceeds	141,017	
Appropriated Fund Balance	1,050,000	
Total Sewer Fund Revenue		\$25,766,148

D. Gas Fund

Rates & Charges	\$32,493,100	
Fees & Charges	144,550	
Miscellaneous	141,511	
Interest on Investments	130,000	
Transfer from Capital Projects	206,000	
Appropriated Fund Balance	1,050,000	
Total Gas Fund Revenue		<u>\$34,165,161</u>
Total Revenues		<u><u>\$270,491,838</u></u>

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, 2020 and ending on June 30, 2021, according to the following schedules:

<u>Expenditures</u>		<u>Budget</u>
Electric Fund	\$186,224,450	
Water Fund	24,336,079	
Sewer Fund	25,766,148	
Gas Fund	34,165,161	
Total Expenditures		<u><u>\$270,491,838</u></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, 2020.

(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, 2020.

<u>Capital Projects Revenues</u>	<u>Budget</u>
Electric Fund - Long Term Debt Proceeds	\$16,392,000
Electric Fund - Capital Projects Fund Balance	2,250,000
Water Fund - Long Term Debt Proceeds	1,500,000
Water Fund - Capital Projects Fund Balance	1,750,000
Sewer Fund - Capital Projects Fund Balance	1,750,000
Gas Fund - Long Term Debt Proceeds	193,000
Gas Fund - Capital Projects Fund Balance	<u>2,950,000</u>
Total Revenues	<u><u>\$26,785,000</u></u>

(b) The following amounts are hereby appropriated for capital projects that will begin during the fiscal year beginning July 1, 2020.

<u>Capital Projects Expenditures</u>	<u>Budget</u>
New Operations Center - Fleet Maintenance Building	\$7,000,000
Mt. Pleasant to Wellcome 115 kV Transmission	8,892,000
Peak Shaving Generator(s) Replacement	6,000,000
Transmission Structure Replacement(s)	2,000,000
Water Treatment Plant Riverbank Stabilization	1,500,000
VOA Road Loop	1,200,000
14th Street Widening (NCDOT U-5917)	57,000
Evans Street Widening (NCDOT U-2817)	136,000
Total Capital Projects Expenditures	<u><u>\$26,785,000</u></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 11th day of June, 2020.

/s/ P. J. Connelly, Mayor

Attest:

/s/ Valerie Shiuwegar, City Clerk

A motion was made by Mr. Overton, seconded by Mr. Geiger, to adopt the proposed budget and include it in the City's overall budget as well as adopt the City Ordinance and associated Reimbursement Resolutions and to recommend similar action by City Council. The motion carried unanimously.

RECOMMENDED ACTIONS FOR THE WATER TREATMENT PLANT (WTP)
EXPANSION PROJECT (WCP-117) (Agenda Item 4)

- A. AWARD OF CONSTRUCTION MANAGER AT RISK (CMAR) CONTRACT TO T.A. LOVING COMPANY
- B. AMENDMENT TO THE CONSULTING ENGINEER'S AGREEMENT FOR CONSTRUCTION PHASE SERVICES

Mr. Cannon stated that since 2017, Water Resources staff engineers and Water Treatment Plant (WTP) operational staff have been working, in conjunction with the project engineering firm and Construction Manager at Risk (CMAR), through the various processes needed for the planning, design, funding, and construction preparation for the WTP Expansion Project, as recommended in the WTP Master Facilities Plan.

Mr. Randy Emory, Director of Water Resources, asked Mr. David Springer, Assistant Director of Water Resources, to present this item.

Mr. Springer reminded the Board that this WTP Upgrade will increase plant capacity from 22.5 million gallons per day (MGD) to 32 MGD and this complex project is using the Construction Manager at Risk (CMAR) delivery method.

These processes have included:

- (1) Selection of Hazen & Sawyer as the Engineering firm to perform the various engineering aspects of the work
- (2) Preliminary Engineering Study and Analysis
- (3) Selection of T.A. Loving Company as the Construction Manager at Risk (CMAR)
- (4) Final design work on the project plans, specifications, and preparation of the complete project contract documents as a coordinated effort among the Engineer, CMAR and GUC staff
- (5) Preparing and submittal of State Revolving Fund (SRF) Loan applications resulting in \$40 million of low interest loan offers from the SRF Fund
- (6) Prequalification of Bidders and receipt of Bids for Construction by the CMAR

- (7) Board acceptance of the \$40 million in SRF loans awarded by the State for the Project
- (8) Board approval of various amendments to the project budget as it progressed through the various phases

The CMAR has received bids on the project and the bids are within the established project budget for WCP-117. To proceed to the construction phase, it is now necessary to award the CMAR construction contract to T.A. Loving Company in the amount of \$42.515 million. In addition, an amendment to the Engineering Contract, in the amount of \$2,318,000, is necessary to provide for the construction phase services by the Project Engineer. It is expected for the expansion to be complete in 2023.

After discussion, a motion was made by Mr. Overton, seconded by Ms. Wall, to recommend award of the WTP Project Construction Manager at Risk (CMAR) Contract to T.A. Loving Company for the construction of the WTP Expansion Project in the amount of \$42.515 million and to recommend amendment to the Hazen & Sawyer Engineering Services Contract for construction phase services in the amount of \$2,318,000. The motion carried unanimously.

RECOMMENDED APPROVAL OF GUC REPRESENTATIVES TO SERVE ON THE GREENVILLE ENC ALLIANCE BOARD OF DIRECTORS (Agenda Item 5)

Chair Joel Butler announced that the Greenville-ENC Alliance, (the Alliance) was established to lead economic development efforts county-wide. Members of this partnership include GUC and the City of Greenville as sustaining members, other Pitt County municipalities and various other public and private sector investors. The Alliance is governed by a Board of Directors to manage the property, affairs, and business of the Alliance.

He stated that as a sustaining member, Greenville Utilities Commission shall appoint three (3) members to serve on the Board of Directors as voting members, with at least one appointee being a board member of the Commission.

Chair Joel Butler nominated the following to serve on the Alliance Board of Directors as voting members on behalf of Greenville Utilities Commission:

- Kelly Darden, GUC Commissioner
- Don Mills, Former GUC Board Chair
- John Minges, Former GUC Board Chair

A motion was made by Mr. Overton, seconded by Mr. Griffin, to recommend approval of the GUC Representatives Kelly Darden, Don Mills, and John Minges to serve on the Greenville ENC Alliance Board of Directors. The motion passed with Commissioners Overton, Stoughton, Wall, Geiger, and Griffin voting in favor. Commissioner Darden abstained due to a conflict of interest.

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

1. **Informational Reading**

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

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

GREENVILLE UTILITIES COMMISSION
TABULATION OF BIDS RECEIVED

FIBERGLASS AND CONCRETE PADS, PEDESTAL SECTIONALIZERS AND PEDESTALS
MARCH 10, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME	TOTAL
Wesco Distribution, Inc.	Stock – 3 Weeks	\$194,078.35*
Anixter, Inc.	3-24 Weeks	218,711.25

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

DISPOSAL OF SCRAP METALS FOR RECYCLING
MARCH 11, 2020 at 4:00 PM (EDST)

VENDORS	AMM PRICE EFFECTIVE DATE	EXTENSION TOTAL \$
Regional Materials Recovery, Inc.	3/1/2020	\$34,706.97*
Wise Recycling, LLC	3/1/2020	29,141.90
Foss Recycling, Inc.	3/1/2020	28,288.13

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

ITEM I (50) 15 KVA CSP 7200V TRANSFORMERS, STK # 205010
APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Richardson Associates	14	\$745.00	\$1,480.90*	\$37,250.00
Wesco Distribution, Inc.	8	770.00	1,552.70	38,500.00
National Transformer Sales, Inc.	10	834.00	1,580.10	41,700.00
Shealy	14	1,037.00	1,706.90	51,850.00

* Indicates recommended award based on lowest total ownership cost.

ITEM II (50) 25 KVA CSP 7200V TRANSFORMERS, STK # 205020
APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Wesco Distribution, Inc.	8	\$885.00*	\$2,049.60	\$44,250.00
Richardson Associates	14	945.00	2,013.60	47,250.00
National Transformer Sales, Inc.	10	994.00	2,076.10	49,700.00
Shealy	14	1,219.00	2,196.40	60,950.00

* Indicates recommended award based on lowest total unit cost and 3% evaluation.

ITEM III (10) 25 KVA CONV. TRANSFORMERS 277/480, STK # 208140
APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Anixter, Inc. (Cooper)	10	\$730.00	\$1,815.10*	\$7,300.00
National Transformer Sales, Inc.	10	774.00	1,817.10	7,740.00
Anixter, Inc. (GE)	7	877.00	1,834.60	8,770.00
Wesco Distribution Inc.	8	772.00	1,906.30	7,720.00
Shealy	14	1,016.00	1,930.40	10,160.00
Richardson Associates	20	1,420.00	2,452.90	14,200.00

* Indicates recommended award based on lowest total ownership cost.

ITEM IV (30) 25 KVA PADMOUNT TRANSFORMERS, STK # 207860
APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
Wesco Distribution, Inc.	18	1,340.00	2,298.80*	\$40,200.00
National Transformer Sales, Inc.	14	1,241.00	2,299.70	37,230.00
Anixter, Inc. (GE)	13	1,273.00	2,455.90	38,190.00
Anixter, Inc. (Cooper)	9	1,395.00	2,511.90	41,850.00
Shealy	12	1,662.00	2,617.20	49,860.00
Richardson Associates	20	1,420.00	2,152.30 ⁽¹⁾	42,600.00

* Indicates recommended award based on lowest total ownership cost.

⁽¹⁾ Indicates that the vendor quoted incorrect specifications

ITEM V (5) 75 KVA PADMOUNT TRANSFORMERS 120/208, STK # 205160
 APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales, Inc.	14	\$4,597.00	\$7,689.40*	\$22,985.00
Richardson Associates	18	5,035.00	8,058.70	25,175.00
Anixter, Inc. (GE)	10	6,012.00	8,401.80	30,060.00
WEG	44	5,762.00	8,894.00	28,810.00
Wesco Distribution, Inc.	44	5,990.00	9,122.00	29,950.00
Anixter, Inc. (Cooper)	25	7,603.00	9,809.80	38,015.00
Shealy	12	7,987.00	10,957.60	39,935.00

* Indicates recommended award based on lowest total ownership cost.

ITEM VI (3) 300 KVA PADMOUNT TRANSFORMERS 120/208, STK # 205150
 APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales, Inc.	14	\$7,302.00*	\$16,650.60	\$21,906.00
Anixter, Inc. (GE)	10	9,810.00	16,444.80	29,430.00
Richardson Associates	18	8,529.00	17,368.20	25,587.00
Anixter, Inc. (Cooper)	25	10,964.00	17,436.20	32,892.00
WEG	44	9,350.00	18,732.50	28,050.00
Wesco Distribution Inc.	44	9,730.00	19,112.50	29,190.00
Shealy	12	11,656.00	19,834.60	34,968.00

* Indicates recommended award based on lowest total unit cost and 3% evaluation.

ITEM VII (2) 150 KVA PADMOUNT TRANSFORMERS 277/480, STK # 208260
 APRIL 15, 2020 @ 3:00 PM

VENDORS	DELIVERY TIME (WKS)	UNIT PRICE	OWNERSHIP COST/UNIT	TOTAL
National Transformer Sales, Inc.	14	\$5,215.00	\$10,509.70*	\$10,430.00
Anixter, Inc. (GE)	10	7,651.00	11,646.70	15,302.00
Richardson Associates	18	6,721.00	11,968.60	13,442.00
WEG	44	6,654.00	12,082.80	13,308.00
Anixter, Inc. (Cooper)	25	8,803.00	12,277.00	17,606.00
Wesco Distribution, Inc.	44	6,924.00	12,352.80	13,848.00
Shealy	12	10,724.00	15,534.50	21,448.00

* Indicates recommended award based on lowest total ownership cost.

DIRECTIONAL BORING SERVICES
 APRIL 30, 2020 @ 4:00 PM

VENDORS	TOTAL
River City Construction, Inc.	\$90,450.00*
ElectricCom, LLC	119,500.00
Vision Directional Drilling	136,800.00
Directional Services, Inc.	150,600.00
Lee Electrical Constructional, Inc.	153,000.00
Infratech Corp.	157,797.80
MasTec North America, Inc.	178,868.20

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on May 30, 2020 for the hour ending at 6:00 p.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,353,622.

2. Commendations

Ms. Karen Wilson, Gas Customer Records Clerk, received a call from Mr. Chris Swartz regarding his residence. He said he worked with Robin Wyrick, Customer Contact Representative I, and that she was "super-duper nice" and got him all set up and explained everything to him.

Mr. Parham Stanley, Gas Systems Supervisor, received a text message from Mr. Tim Corley. Mr. Corley complimented Joey Breeden, Gas Serviceworker, for providing outstanding customer service during a courtesy pilot light appointment. He stated that Joey did a great job and described him as "first-class."

3. Other

Mr. Cannon announced that today is Chair Joel Butler's last meeting and thanked Chair Butler for his service.

Mr. Cannon announced that a Finance/Audit Committee meeting will be scheduled prior to the July Board meeting to review an opportunity for a potential gas supply.

Mr. Cannon introduced Kevin Keyzer, Risk and Facilities Manager, to share some of the recent facility damage on May 31, 2020. There were multiple windows broken and some interior damage. Mr. Keyzer stated that no GUC employees or contractors were injured as a result and there was no unauthorized access to the building. Staff have taken measures to board up and secure the broken windows and doors. Mr. Cannon wanted to publicly thank the Greenville Police for their professionalism when securing our facility.

Mr. Cannon announced that Roger Jones, Director of Electric Systems, has announced his retirement. Mr. Jones helped to establish a succession plan which will be executed at the end of year.

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

Chair Butler thanked Roger Jones for his service. He also thanked General Manager/CEO Tony Cannon for his leadership and reported that Mr. Cannon was elected as Vice-Chair of the American Public Power Association (APPA) Board of Directors during its recent virtual meeting. It was the consensus of the Board for Mr. Cannon to serve in his new capacity as Vice-Chair of the APPA Board.

Chair Butler reminded the Board of the next Regular meeting on Thursday, July 16, 2020, at 12:00 noon.

BOARD MEMBERS' REMARKS (Agenda Item 8)

Several of the Commissioners thanked Chair Butler for his service. In addition, they thanked Roger Jones for his service and congratulated Tony Cannon for representing GUC on the APPA Board of Directors and his recent election as Vice-Chair.

Without any further business to conduct and without objection, Chair Butler adjourned the Board of Commissioners meeting at 12:42 p.m.

Respectfully submitted,

Amy Carson Wade
Amy Carson Wade, Executive Secretary

APPROVED:

Minnie Anderson
Minnie Anderson, Secretary

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