

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, March 19, 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	Kelly L. Darden, Jr.
Parker Overton, Chair-Elect	Peter Geiger
Tommy Stoughton, Secretary	Lindsey Griffin
Ann E. Wall	

Minnie J. Anderson was absent.

Commission Staff Present:

Tony Cannon, General Manager/CEO	Kevin Keyzer
Chris Padgett	Ken Wade
Jeff McCauley	Jonathan Britt
Phil Dixon	Amanda Wall
Keith Jones	Margie Taylor
George Reel	Charles Buck
Randy Emory	Lou Norris
Roger Jones	
Anthony Miller	
Richie Shreves	
Steve Hawley	
Tony Godwin	
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 Mr. Stoughton ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

Mr. Tony Cannon, General Manager/CEO, stated that the March 19, 2020 Telephonic Meeting Agenda was amended, and a copy was provided to the Board. A motion was made by Ms. Wall, seconded by Mr. Stoughton, to accept the agenda as amended. The motion carried unanimously.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Overton, seconded by Mr. Stoughton, to approve the February 20, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – February 29, 2020 (Agenda Item 2)

**February 29, 2020 Financial Statement:**

Key financial metrics for the combined funds for the period ending February 29, 2020:

Operating Cash: \$91,613,018  
Less Current Liabilities (\$22,131,490)  
Fund Balance: \$69,481,528

Days of Cash on Hand: 155

Fund Balance Available for Appropriation: 26.6%

Days of Cash on Hand After Liabilities: 118

Average Investment Yield: 1.84%

#### Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$1,285,011)	(\$2,955,490)	(\$199,045)	\$696,862	(\$878,730)	\$6,116,479
Water	\$342,453	\$690,277	\$111,044	\$5,430,139	\$4,075,176	\$1,976,823
Sewer	\$92,436	(\$64,630)	\$407,670	\$4,045,576	\$909,384	\$3,627,009
Gas	\$696,200	\$44,946	\$226,339	\$2,002,127	(\$516,951)	\$2,998,097
<b>Combined</b>	<b>(\$153,922)</b>	<b>(\$2,284,897)</b>	<b>\$546,008</b>	<b>\$12,174,704</b>	<b>\$3,588,879</b>	<b>\$14,718,408</b>

#### Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	(\$1,285,011)	(\$2,940,087)	(\$699,045)	\$196,867	(\$755,503)	\$4,066,479
Water	(\$86,714)	\$293,008	(\$134,789)	\$1,996,803	\$897,024	\$105,992
Sewer	\$92,436	(\$133,638)	\$7,670	\$2,420,297	\$357,320	\$1,643,677
Gas	\$675,367	\$57,948	(\$13,661)	\$1,835,195	(\$412,935)	\$1,258,097
<b>Combined</b>	<b>(\$603,922)</b>	<b>(\$2,722,769)</b>	<b>(\$839,825)</b>	<b>\$6,449,162</b>	<b>\$85,906</b>	<b>\$7,074,245</b>

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for February 29, 2020.

The weather impact for the month of February indicated that the heating degree days were higher than February 2019. The February rainfall was 4.73 inches which was more than last year. The portfolio earned 1.84 % for the month of February.

Overall year-to-date results through the end of February 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 155 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 million.

A motion was made by Mr. Overton, seconded by Mr. Stoughton, to accept the Financial Statement for February 29, 2020. The motion carried unanimously.

#### RECOMMENDATION OF THE FINANCE/AUDIT COMMITTEE TO EXTEND AUDIT ENGAGEMENT AND AWARD AUDITING SERVICES CONTRACT (Agenda Item 3)

Mr. Parker Overton, Finance/Audit Committee Chair, stated that the Finance/Audit Committee met on March 9, 2020 and announced that 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.

The City and Commission staff are in concurrence that Cherry Bekaert, LLP has provided exceptional professional services during the previous five years of their engagement. Consequently, both parties recommend 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 \$39,500. Cherry Bekaert, LLP is proposing an audit fee for fiscal year ending 2020 of \$40,250 under the three-year plan, which is approximately a 2% increase from the previous year. The fee proposal for fiscal year ending 2021 is \$41,000, and for fiscal year ending 2022 is \$41,750.

A motion was made by Mr. Overton, seconded by Ms. Wall, to concur with the Finance/Audit Committee's recommendation to approve the proposed three year extension of Cherry Bekaert's audit engagement and to approve the execution of the 2020 auditing services contract with Cherry Bekaert, LLP in the amount of \$40,250. The motion carried unanimously.

#### RECOMMENDED AWARD OF BID FOR TWO BUCKET TRUCKS (Agenda Item 4)

Mr. Cannon stated that GUC solicited bids for two 60' aerial tower units mounted with utility line body. Two bids were received and reviewed. One from Altec Industries, Inc. in the amount of \$505,698.00 and one from Terex Utilities Inc. in the amount of \$517,110.00.

Pursuant to NC General Statute 143-129, award will be to the lowest responsible, responsive bidder. Altec Industries, Inc. was the lowest responsible bidder.

A motion was made by Ms. Wall, seconded by Mr. Stoughton, to award the bid for the purchase of two bucket trucks to Altec Industries, Inc. in the amount of \$505,698.00. The motion carried unanimously.

#### CONSIDERATION OF RESOLUTION AUTHORIZING APPLICATION FOR STATE REVOLVING FUND (SRF) FUNDING FOR SCP-10238 WASTEWATER TREATMENT PLANT (WWTP) CLARIFIER REPLACEMENT PROJECT (Agenda Item 5)

Mr. Cannon stated that at the August 2019 Board meeting, the Board approved the Capital Project budget for the WWTP Clarifier project.

As reminder, the construction of the new clarifiers on the Southside of the WWTP will (1) allow GUC to restore the lost treatment capacity due to the failure of the existing clarifier on the Northside of the WWTP, (2) allow GUC to provide more efficient wastewater treatment as the Southside of the WWTP uses more up to date treatment technology than the Northside of the WWTP, and (3) satisfy the recommendation from the WWTP Master Plan to construct additional clarification capacity on the Southside of the WWTP.

Since the Board approval in August 2019, staff has applied to the U.S. Economic Development Association (EDA) for a grant in the amount of \$6.0 million.

As an alternate funding source in the event GUC is not awarded the USED A grant, staff has begun preparation of an application for additional project funding from the NC State Revolving Fund (SRF) program.

In order to proceed with submittal of the application, a resolution must be adopted that authorizes the General Manager/CEO to act as the designated agent for Greenville Utilities Commission.

The proposed authorizing Resolution must be included with each respective application.

### **GREENVILLE UTILITIES COMMISSION**

#### **STATE REVOLVING LOAN FUND – RESOLUTION OF ASSURANCES, AGREEMENTS AND AUTHORIZED REPRESENTATIVE**

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water treatment works, and

WHEREAS, The Greenville Utilities Commission of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, has

need for and intends to construct a wastewater treatment works project described as Greenville Utilities Commission Wastewater Treatment Plant Clarifier Project, necessary to restore lost treatment capacity and provide more efficient wastewater treatment, and

WHEREAS, The Commission, on behalf of the City of Greenville intends to request state loan assistance for the project,

**NOW THEREFORE BE IT RESOLVED, BY THE GREENVILLE UTILITIES COMMISSION:**

That the Greenville Utilities Commission of the City of Greenville, North Carolina, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Greenville Utilities Commission of the City of Greenville, North Carolina to make scheduled repayment of the loan, to withhold from the Greenville Utilities Commission of the City of Greenville, North Carolina any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Mr. Anthony C. Cannon, General Manager/CEO, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan to aid in the construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 19<sup>th</sup> day of March, 2020.

\_\_\_\_\_  
/s/ Joel Butler  
Chair

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
/s/ Tommy Stoughton  
Secretary

\_\_\_\_\_  
/s/ Phillip R. Dixon  
General Counsel

### **CERTIFICATION BY RECORDING OFFICER**

The undersigned duly qualified and acting Executive Secretary of the Greenville Utilities Commission of the City of Greenville does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Greenville Utilities Commission of the City of Greenville duly held on the 19<sup>th</sup> day of March, 2020; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of March, 2020.

\_\_\_\_\_  
/s/ Amy Carson Wade, Executive Secretary

A motion was made by Ms. Wall, seconded by Mr. Overton, to adopt the resolution authorizing the General Manager/CEO to act as designated agent for Greenville Utilities Commission in connection with State Revolving Fund (SRF) funding application for the WWTP Clarifier Replacement Project. The motion carried unanimously.

Mr. Cannon provided a brief update and stated that GUC has received additional funding of \$20 million (bringing the total to \$40 million) for the Water Treatment Plant update project with a maximum interest rate of 1.38%.

Due to the Coronavirus (COVID-19) pandemic, GUC is taking steps in planning. Effective March 18, 2020 GUC offices closed to the public, and the drive thru will be available at the Greenville Boulevard location to receive customer payments. It is anticipated that contractors will complete the Main Office drive thru lanes by next week. This completion will provide 4 additional lanes.

Mr. Cannon has asked staff to run models to defer any proposed water rate increases in the upcoming budget. Another Finance/Audit Committee will be scheduled to review any changes to the budget prior to the April Board Meeting.

Without any further business to conduct and without objection, Chair Butler adjourned the Board of Commissioners meeting at 12:30 p.m.

Respectfully submitted,

Amy Carson Wade  
Amy Carson Wade, Executive Secretary

APPROVED:

Tommy Stoughton  
Tommy Stoughton, Secretary

--This page is intentionally left blank--