

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, May 21, 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	Minnie J. Anderson
Ann E. Wall	

Kelly L. Darden, Jr. was absent.

Commission Staff Present:

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

Others Present:

Ginger Livingston, The Daily Reflector.

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 Mr. Griffin, to accept the agenda as presented. The motion carried unanimously.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Stoughton, seconded by Ms. Anderson, to approve the April 16, 2020 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – April 30, 2020 (Agenda Item 2)

April 30, 2020 Financial Statement:

Key financial metrics for the combined funds for the period ending April 30, 2020:

Operating Cash:	\$87,878,752
Less Current Liabilities	<u>(\$17,851,310)</u>
Fund Balance:	\$70,027,442

Days of Cash on Hand: 155

Fund Balance Available for Appropriation: 26.8%

Days of Cash on Hand After Liabilities: 123

Average Investment Yield: 1.56%

Fund Equity/Deficit Before Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$49,423	(\$716,087)	\$190,871	\$382,923	(\$1,763,376)	\$6,200,441
Water	\$608,381	\$1,135,073	\$98,487	\$6,525,821	\$5,182,856	\$2,067,137
Sewer	\$664,993	\$212,839	\$151,289	\$5,004,775	\$1,341,203	\$3,723,395
Gas	\$749,908	\$578,756	(\$34,263)	\$3,110,976	\$146,083	\$3,718,378
Combined	\$2,072,705	\$1,210,581	\$406,384	\$15,024,495	\$4,906,766	\$15,709,351

Fund Equity/Deficit After Transfers

	Current Month			Year to Date		
	Actual	Budget	Last Year	Actual	Budget	Last Year
Electric	\$49,423	\$157,316	(\$309,129)	(\$117,072)	(\$751,343)	\$3,150,441
Water	\$179,214	\$737,804	(\$51,513)	\$2,234,151	\$1,210,166	\$46,306
Sewer	\$164,993	\$143,831	(\$98,711)	\$2,704,496	\$651,123	\$990,063
Gas	\$729,075	\$591,758	(\$284,263)	\$2,902,378	\$276,103	\$1,228,378
Combined	\$1,122,705	\$1,630,709	(\$743,616)	\$7,723,953	\$1,386,049	\$5,415,188

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for April 30, 2020.

The weather impact for the month of April indicated that the heating degree days were higher than April 2019 and the cooling degree days were lower than April 2019. The April rainfall was 4.7 inches which was more than last year. The portfolio earned 1.56 % for the month of April.

Overall year-to-date results through the end of April 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 \$35.7 million.

A motion was made by Mr. Geiger, seconded by Ms. Anderson, to accept the Financial Statement for April 30, 2020. The motion carried unanimously.

CONSIDERATION OF ADOPTION OF FY 2019-20 BUDGET AMENDMENT FOR OPERATIONS AND CAPITAL PROJECTS (Agenda Item 3)

Mr. Tony Cannon, General Manager/CEO, stated that actual operating results for ten months of the fiscal year have been evaluated to derive year-end projections which include adjustments that have been made in response to COVID-19. Staff is proposing the fiscal year 2019-20 budget be amended to reflect year-end projections and to amend certain capital projects budgets.

Mr. McCauley provided a brief presentation on the budget amendments.

Major budgetary adjustments to the operating funds are listed below.

Operations:

Revenues

Rates and Charges	\$94,389
Fees and Charges	(455,042)
Miscellaneous	408,798
Interest on Investments	(290,000)
FEMA/Insurance Reimbursement	167,234
Bond Proceeds	(359,813)
Transfer from Capital Projects	(2,362,758)
Transfer from Rate Stabilization	1,063,512
Total	(\$1,733,680)

Expenditures

Operations	(\$1,770,386)
Purchased Power	1,383,261
Purchased Gas	(2,712,235)
Capital Outlay	4,211,195
Debt Service	(129,991)
Street Light Reimbursement	(44,126)
Transfer to Rate Stabilization	295,999
Transfer to Capital Projects	99,280
Operating Contingencies	(3,066,677)
Total	(\$1,733,680)

Major changes to capital projects are listed below:

Capital Projects:

	Budget	Change	Revised
Proceeds from long-term debt	\$49,480,000	\$2,409,000	\$51,889,000
Capital projects fund balance	24,600,000	(3,445,302)	21,154,698
Interest Income	0	315,490	315,490
Capacity Fees	0	1,920,812	1,920,812
EDA Grant	0	4,500,000	4,500,000
	<u>\$74,080,000</u>	<u>\$5,700,000</u>	<u>\$79,780,000</u>

The amounts appropriated for the projects are amended as follows:

Project #	Project Name	Budget	Change	Revised
ECP10187	Vidant Peaking Generators (6MW)	6,000,000	0	6,000,000
WCP117	Water Treatment Plant Upgrade Phase 1	47,500,000	7,500,000	55,000,000
SCP10222	Sewer Outfall Rehabilitation Phase 4	2,480,000	0	2,480,000
SCP10229	Greene Street Pump Station and Force Main	1,100,000	500,000	1,600,000
SCP10238	Clarifier Improvements	6,000,000	1,500,000	7,500,000
GCP10099	High-Pressure Multiple Gas Facilities Relocation Project	9,500,000	(4,300,000)	5,200,000
GCP10104	Memorial Drive Bridge Replacement (NCDOT B-4786)	1,500,000	500,000	2,000,000
Total		<u>74,080,000</u>	<u>\$5,700,000</u>	<u>79,780,000</u>

GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS

	2019-2020 Budget	2019-2020 Change	2019-2020 Revised
REVENUE:			
Rates & Charges	\$248,354,659	\$94,389	\$248,449,048
Fees & Charges	2,580,890	(475,385)	2,105,505
U. G. & Temporary Service Charges	372,614	20,343	392,957
Miscellaneous	1,574,433	408,798	1,983,231
Interest on Investments	1,790,000	(290,000)	1,500,000
FEMA/Insurance Reimbursement	-	167,234	167,234
Bond Proceeds	359,813	(359,813)	-
Transfer from Capital Projects	3,245,539	(2,362,758)	882,781
Transfer from Rate Stabilization	2,600,000	1,063,512	3,663,512
	<u>\$260,877,948</u>	<u>\$(1,733,680)</u>	<u>\$259,144,268</u>
EXPENDITURES:			
Operations	\$69,883,841	\$(1,770,386)	\$68,113,455
Purchased Power	129,385,800	1,383,261	130,769,061
Purchased Gas	19,055,300	(2,712,235)	16,343,065
Capital Outlay	11,408,801	4,211,195	15,619,996
Debt Service	12,338,160	(129,991)	12,208,169
City Turnover - General	5,769,888	-	5,769,888
Street Light Reimbursement	869,481	(44,126)	825,355
Transfer to OPEB Trust	500,000	-	500,000
Transfer to Rate Stabilization	250,000	295,999	545,999
Transfer to Capital Projects	8,250,000	99,280	8,349,280
Operating Contingencies	3,166,677	(3,066,677)	100,000
	<u>\$260,877,948</u>	<u>\$(1,733,680)</u>	<u>\$259,144,268</u>

GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ELECTRIC FUND

	2019-2020 Budget	2019-2020 Change	2019-2020 Revised
REVENUE:			
Rates & Charges	\$169,333,894	\$714,924	\$170,048,818
Fees & Charges	1,565,396	(439,169)	1,126,227
U. G. & Temporary Service Charges	358,114	20,343	378,457
Miscellaneous	1,076,711	277,518	1,354,229
Interest on Investments	1,150,000	(215,000)	935,000
FEMA/Insurance Reimbursement	-	104,469	104,469
Bond Proceeds	105,688	(105,688)	-
Transfer from Capital Projects	1,184,830	(684,830)	500,000
Transfer from Rate Stabilization	2,600,000	1,063,512	3,663,512
	\$177,374,633	\$736,079	\$178,110,712

EXPENDITURES:

Operations	\$30,083,472	\$(1,590,879)	\$28,492,593
Purchased Power	129,385,800	1,383,261	130,769,061
Capital Outlay	7,060,927	3,254,193	10,315,120
Debt Service	3,440,789	(112,206)	3,328,583
City Turnover - General	4,055,000	-	4,055,000
Street Light Reimbursement	869,481	(44,126)	825,355
Transfer to OPEB Trust	300,000	(25,000)	275,000
Transfer to Capital Projects	1,000,000	(1,000,000)	-
Operating Contingencies	1,179,164	(1,129,164)	50,000
	\$177,374,633	\$736,079	\$178,110,712

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
WATER FUND**

	2019-2020 Budget	2019-2020 Change	2019-2020 Revised
REVENUE:			
Rates & Charges	\$22,439,513	\$169,888	\$22,609,401
Fees & Charges	443,728	(30,896)	412,832
U. G. & Temporary Service Charges	14,500	-	14,500
Miscellaneous	206,074	129,105	335,179
Interest on Investments	140,000	-	140,000
FEMA/Insurance Reimbursement	-	21,676	21,676
Bond Proceeds	153,125	(153,125)	-
Transfer from Capital Projects	382,781	-	382,781
	\$23,779,721	\$136,648	\$23,916,369
EXPENDITURES:			
Operations	\$14,496,346	\$64,082	\$14,560,428
Capital Outlay	1,216,846	473,205	1,690,051
Debt Service	1,972,757	144,901	2,117,658
Transfer to OPEB Trust	100,000	(25,000)	75,000
Transfer to Capital Projects	5,150,000	308,232	5,458,232
Operating Contingencies	843,772	(828,772)	15,000
	\$23,779,721	\$136,648	\$23,916,369

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
SEWER FUND**

	2019-2020 Budget	2019-2020 Change	2019-2020 Revised
REVENUE:			
Rates & Charges	\$23,412,652	\$600,658	\$24,013,310
Fees & Charges	428,159	(25,553)	402,606
Miscellaneous	146,518	10,340	156,858
Interest on Investments	200,000	(35,000)	165,000
FEMA/Insurance Reimbursement	-	21,676	21,676
Bond Proceeds	101,000	(101,000)	-
Transfer from Capital Projects	1,271,903	(1,271,903)	-
	<u>\$25,560,232</u>	<u>\$(800,782)</u>	<u>\$24,759,450</u>

EXPENDITURES:

Operations	\$14,590,050	\$(320,991)	\$14,269,059
Capital Outlay	2,180,346	213,593	2,393,939
Debt Service	5,680,853	(161,113)	5,519,740
Transfer to OPEB Trust	100,000	(25,000)	75,000
Transfer to Capital Projects	2,100,000	386,712	2,486,712
Operating Contingencies	908,983	(893,983)	15,000
	<u>\$25,560,232</u>	<u>\$(800,782)</u>	<u>\$24,759,450</u>

**GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
GAS FUND**

	2019-2020 Budget	2019-2020 Change	2019-2020 Revised
REVENUE:			
Rates & Charges	\$33,168,600	\$(1,391,081)	\$31,777,519
Fees & Charges	143,607	20,233	163,840
Miscellaneous	145,130	(8,165)	136,965
Interest on Investments	300,000	(40,000)	260,000
FEMA/Insurance Reimbursement	-	19,413	19,413
Transfer from Capital Projects	406,025	(406,025)	-
	\$34,163,362	\$(1,805,625)	\$32,357,737
EXPENDITURES:			
Operations	\$10,713,973	\$77,402	\$10,791,375
Purchased Gas	19,055,300	(2,712,235)	16,343,065
Capital Outlay	950,682	270,204	1,220,886
Debt Service	1,243,761	(1,573)	1,242,188
City Turnover	1,714,888	-	1,714,888
Transfer to OPEB Trust	-	75,000	75,000
Transfer to Rate Stabilization	250,000	295,999	545,999
Transfer to Capital Projects	-	404,336	404,336
Operating Contingencies	234,758	(214,758)	20,000
	\$34,163,362	\$(1,805,625)	\$32,357,737

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
ECP10187 Vidant Peaking Generators (6MW)			
Revenues:			
Long-Term Debt	\$ 6,000,000	\$ (611,000)	\$ 5,389,000
Capital Projects Fund Balance	\$ -	\$ 295,510	\$ 295,510
Interest Income	\$ -	\$ 315,490	\$ 315,490
Total Revenue	\$ 6,000,000	\$ -	\$ 6,000,000
Expenditures:			
Project Costs	\$ 6,000,000	\$ -	\$ 6,000,000
Total Expenditures	\$ 6,000,000	\$ -	\$ 6,000,000

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
WCP-117 Water Treatment Plant Upgrade Phase 1			
Revenues:			
Long-Term Debt	\$ 28,500,000	\$ 11,500,000	\$ 40,000,000
Capital Projects Fund Balance	\$ 19,000,000	\$ (5,920,812)	\$ 13,079,188
Capacity Fees	\$ -	\$ 1,920,812	\$ 1,920,812
Total Revenue	\$ 47,500,000	\$ 7,500,000	\$ 55,000,000
Expenditures:			
Project Costs	\$ 47,500,000	\$ 7,500,000	\$ 55,000,000
Total Expenditures	\$ 47,500,000	\$ 7,500,000	\$ 55,000,000

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
SCP10222 Sewer Outfall Rehabilitation Phase 4			
Revenues:			
Long-Term Debt	\$ 1,480,000	\$ (1,480,000)	\$ -
Capital Projects Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,480,000</u>	<u>\$ 2,480,000</u>
Total Revenue	\$ 2,480,000	\$ -	\$ 2,480,000
Expenditures:			
Project Costs	<u>\$ 2,480,000</u>	<u>\$ -</u>	<u>\$ 2,480,000</u>
Total Expenditures	\$ 2,480,000	\$ -	\$ 2,480,000

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
SCP10229 Greene Street Pump Station and Force Main			
Revenues:			
Capital Projects Fund Balance	<u>\$1,100,000</u>	<u>\$ 500,000</u>	<u>\$1,600,000</u>
Total Revenue	\$1,100,000	\$ 500,000	\$1,600,000
Expenditures:			
Project Costs	<u>\$1,100,000</u>	<u>\$ 500,000</u>	<u>\$1,600,000</u>
Total Expenditures	\$1,100,000	\$ 500,000	\$1,600,000

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
SCP10238 Clarifier Improvements			
Revenues:			
Long-Term Debt	\$ 4,000,000	\$ (1,000,000)	\$ 3,000,000
Capital Projects Fund Balance	\$ 2,000,000	\$ (2,000,000)	\$ -
EDA Grant	\$ -	\$ 4,500,000	\$ 4,500,000
Total Revenue	\$ 6,000,000	\$ 1,500,000	\$ 7,500,000
Expenditures:			
Project Costs	\$ 6,000,000	\$ 1,500,000	\$ 7,500,000
Total Expenditures	\$ 6,000,000	\$ 1,500,000	\$ 7,500,000

**Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020**

Project Name	Current Budget	Change	Revised Budget
GCP10099 High-Pressure Multiple Gas Facilities Relocation Project			
Revenues:			
Long-Term Debt	\$9,500,000	\$(6,000,000)	\$ 3,500,000
Capital Projects Fund Balance	\$ -	\$ 1,700,000	\$ 1,700,000
Total Revenue	\$9,500,000	\$(4,300,000)	\$ 5,200,000
Expenditures:			
Project Costs	\$9,500,000	\$(4,300,000)	\$ 5,200,000
Total Expenditures	\$9,500,000	\$(4,300,000)	\$ 5,200,000

Greenville Utilities Commission
Capital Project Budget
As of May 21, 2020

Project Name	Current Budget	Change	Revised Budget
GCP10104 Memorial Drive Bridge Replacement (NCDOT B-4786)			
Revenues:			
Capital Projects Fund Balance	\$1,500,000	\$ 500,000	\$2,000,000
Total Revenue	\$1,500,000	\$ 500,000	\$2,000,000
Expenditures:			
Project Costs	\$1,500,000	\$ 500,000	\$2,000,000
Total Expenditures	\$1,500,000	\$ 500,000	\$2,000,000

ORDINANCE NO. 20-
CITY OF GREENVILLE, NORTH CAROLINA
TO AMEND THE GREENVILLE UTILITIES COMMISSION 2019-20 BUDGET, AND
TO AMEND VARIOUS CAPITAL PROJECT BUDGETS

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>	<u>Change</u>	<u>Revised</u>
A. <u>Electric Fund</u>			
Rates & Charges	\$169,333,894	\$714,924	\$170,048,818
Fees & Charges	1,923,510	(418,826)	1,504,684
Miscellaneous	1,076,711	277,518	1,354,229
Interest on Investments	1,150,000	(215,000)	935,000
FEMA/Insurance Reimbursement	0	104,469	104,469
Bond Proceeds	105,688	(105,688)	0
Transfer from Capital Projects	1,184,830	(684,830)	500,000
Transfer from Rate Stabilization	2,600,000	1,063,512	3,663,512
Total Electric Fund Revenue	\$177,374,633	\$736,079	\$178,110,712
B. <u>Water Fund</u>			
Rates & Charges	\$22,439,513	\$169,888	\$22,609,401
Fees & Charges	458,228	(30,896)	427,332
Miscellaneous	206,074	129,105	335,179
Interest on Investments	140,000	0	140,000
FEMA/Insurance Reimbursement	0	21,676	21,676
Bond Proceeds	153,125	(153,125)	0
Transfer from Capital Projects	382,781	0	382,781
Total Water Fund Revenue	\$23,779,721	\$136,648	\$23,916,369

C. Sewer Fund

Rates & Charges	\$23,412,652	\$600,658	\$24,013,310
Fees & Charges	428,159	(25,553)	402,606
Miscellaneous	146,518	10,340	156,858
Interest on Investments	200,000	(35,000)	165,000
FEMA/Insurance Reimbursement	0	21,676	21,676
Bond Proceeds	101,000	(101,000)	0
Transfer from Capital Projects	1,271,903	(1,271,903)	0
Total Sewer Fund Revenue	\$25,560,232	(\$800,782)	\$24,759,450

D. Gas Fund

Rates & Charges	\$33,168,600	(\$1,391,081)	\$31,777,519
Fees & Charges	143,607	20,233	163,840
Miscellaneous	145,130	(8,165)	136,965
Interest on Investments	300,000	(40,000)	260,000
FEMA/Insurance Reimbursement	0	19,413	19,413
Transfer from Capital Projects	406,025	(406,025)	0
Total Gas Fund Revenue	\$34,163,362	(\$1,805,625)	\$32,357,737
Total Revenues	\$260,877,948	(\$1,733,680)	\$259,144,268

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>	<u>Change</u>	<u>Revised</u>
Electric Fund	\$177,374,633	\$736,079	\$178,110,712
Water Fund	23,779,721	136,648	23,916,369
Sewer Fund	25,560,232	(800,782)	24,759,450
Gas Fund	34,163,362	(1,805,625)	32,357,737
Total Expenditures	\$260,877,948	(\$1,733,680)	\$259,144,268

Section III. Capital Projects. The following Capital Project Budgets previously established are hereby amended.

(a) The revenues anticipated to be available to complete the projects are amended as follows.

Proceeds from long-term debt	\$49,480,000	\$2,409,000	\$51,889,000
Capital projects fund balance	24,600,000	(3,445,302)	21,154,698
Interest Income	0	315,490	315,490
Capacity Fees	0	1,920,812	1,920,812
EDA Grant	0	4,500,000	4,500,000
	\$74,080,000	\$5,700,000	\$79,780,000

(b) The amounts appropriated for the projects are amended as follows:

ECP10187 Vidant Peaking Generators (6MW)	6,000,000	0	6,000,000
WCP117 Water Treatment Plant Upgrade Phase 1	47,500,000	7,500,000	55,000,000
SCP10222 Sewer Outfall Rehabilitation Phase 4	2,480,000	0	2,480,000
SCP10229 Greene Street Pump Station and Force Main	1,100,000	500,000	1,600,000
SCP10238 Clarifier Improvements	6,000,000	1,500,000	7,500,000

GCP10099 High-Pressure Multiple Gas Facilities Relocation Project	9,500,000	(4,300,000)	5,200,000
GCP10104 Memorial Drive Bridge Replacement (NCDOT B-4786)	1,500,000	500,000	2,000,000
	<u>\$74,080,000</u>	<u>\$5,700,000</u>	<u>\$79,780,000</u>

(c) The capital project revenues and expenditures authorizations shall extend from year to year until each project is completed.

Section IV. Amendments.

- (a) Pursuant to General Statutes 159-15, these budgets 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 the expenditure(s) is/are 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 meeting.
- (d) Capital Projects listed in section III may be amended on an individual project basis.

Section V: 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 8th day of June, 2020.

/s/ P. J. Connelly, Mayor

Attest:

/s/ Valerie Shiuwegar, City Clerk

**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 an electric generator project, water system improvements, sewer system rehabilitation and pump station upgrades and improvements, gas line relocations, and gas system bridge replacement; 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 \$79,780,000) 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 21st day of May, 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 an electric generator project, water system improvements, sewer system rehabilitation and pump station upgrades and improvements, gas line relocations, and gas system bridge replacement; 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 \$79,780,000.

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 8th 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 8th 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 8th day of June, 2020.

/s/City Clerk

[SEAL]

A motion was made by Mr. Overton, seconded by Mr. Stoughton, to adopt the FY 2019-20 budget amendment and reimbursement resolution which includes certain capital projects budget amendments as shown and recommend similar action by City Council. The motion carried unanimously.

CONSIDERATION OF THE ACQUISITION OF A SANITARY SEWER EASEMENT FOR THE NORTH STATE STEEL SEWER EXTENSION (Agenda Item 4)

Mr. Phil Dixon, General Counsel, stated that the City of Greenville and County of Pitt are joint owners of the Pitt-Greenville Airport Authority under Sections 63-4 and 63-6 of the General Statutes of North Carolina (Chapter 571 of the 1967 Session Laws of the State of North Carolina).

North State Steel, located adjacent to the Pitt-Greenville Airport, is experiencing septic tank problems and needs public sanitary sewer service to allow for an expansion. GUC and North State Steel are jointly funding a sanitary sewer extension to the North State Steel property.

An easement is needed across property owned by the City and County as joint owners of the Pitt-Greenville Airport property to extend sanitary sewer to North State Steel. Funds for this project are being provided from GUC’s Annual Budget and financial contributions from North State Steel. The appraised value of the Sanitary Sewer Service Easement is \$4,825.

NORTH CAROLINA
PITT COUNTY

GRANT OF SANITARY SEWER EASEMENT
AND ACCESS EASEMENT FOR
INGRESS, EGRESS, AND REGRESS
DATE _____

KNOW ALL MEN BY THESE PRESENTS, that the undersigned "GRANTOR" (whether one or more), for and in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration to it in hand paid by GREENVILLE UTILITIES COMMISSION of the City of Greenville, Pitt County, North Carolina, 401 South Greene Street (PO Box 1847), Greenville, NC 27835-1847, hereinafter referred to as the "COMMISSION" and the "GRANTOR," the receipt of which is hereby acknowledged, does hereby grant the City of Greenville, a body politic and corporate in Pitt County, North Carolina, for use of the "COMMISSION," its licensees, successors and assigns, the right, privilege and easement to go in, through, under, and upon lands of the GRANTOR located in Greenville Township, Pitt County, North Carolina, and more fully described as follows:

A Permanent Sanitary Sewer Easement, forty (40") feet in width, more or less, across a portion of Tax Parcel No. 47447 (according to the records in the Office of the Tax Administration of Pitt County, North Carolina), said property described in Deed Book 194 at Page 595, Pitt County Public Registry, and located by traveling from an Iron Pipe set at NAD 83/2001 (GRID COORD.) GRID N:211111.210 meters, GRID E:755713.916 meters (A) and being in the southern right of way line of NCSR 1421 - Gum Road (Variable R/W Public) S 19°20'08" W 120.08', more or less, to a point (B); thence S 19°20'08" W 30.13', more or less (L13), to a point, the Point of Beginning; thence S 19°20'08" W 1.01', more or less (L12), to a point; thence S 09°12'34" W 173.02', more or less, to a point; thence S 19°20'08" W 267.54', more or less, to a point; cornering, thence N 70°39'52" W 100.00', more or less, to a point; cornering, thence N 19°20'08" E 40.00', more or less, to a point; thence S 70°39'52" E 60.00', more or less, to a point; cornering, thence N 19°20'08" E 224.00', more or less, to a point; thence N 09°12'34" E 173.02', more or less, to a point; thence N 19°20'08" E 8.23', more or less (L10), to a point; cornering, thence S 65°25'06" E 40.17', more or less (L11), to a point; the Point of Beginning, containing 0.4623 acres, more or less, all as is shown on that certain plat entitled "Easement Survey for Greenville Utilities Commission Across the Properties of City of Greenville and County of Pitt and Trevathan Family, LLC Deed Book 194, Page 595 Deed Book 3243, Page 219 City of Greenville Township ~ Pitt County ~ North Carolina" dated December 3, 2019 and certified March 12, 2020, File 190.26E, prepared by Stephen N. Spruill, PLS License # L-2723, Spruill & Associates Inc. 2747 East Tenth Street, Greenville, North Carolina 27858, Firm No. C-978, Telephone No. (252) 757-1200, which is marked Exhibit "A" and is attached hereto and made a part hereof, and to which reference is hereby made for a more particular and accurate description of the subject easement.

and to construct, install, operate and maintain a sanitary sewer easement in a manner suitable to the Commission upon, across, under and through said premises within an easement and right of way strip of the width, location and approximate length hereinafter defined and to be utilized by the Commission a permanent easement and a temporary construction easement for the public use with the right to do all things necessary or convenient thereto, including the following:

- (a) the right of officers, agents, and workmen of the Commission and its contractors to go to and from said right of way strip at all times over the above described land by such route or routes as shall occasion the least practicable inconvenience to Grantor, including private roads and ways then existing thereon, on foot or by conveyance, with materials, machinery, supplies and equipment as may be desirable; provided that except in emergencies, existing roads and ways thereon shall be used to the extent that they afford ingress and egress to and from the right of way strip; and to construct, reconstruct, work upon, repair, alter, inspect and in general do any other thing necessary or convenient to maintain and operate said lines for the purpose aforesaid;

- (b) the right and privilege to enter upon the land included in the construction easement hereinabove described for the purpose of constructing said utility facilities, and the right and privilege at all times to enter upon the land included in the area of the permanent easement hereinabove described for the maintenance and repair of said utility facilities;
- (c) the right to clear, and keep cleared, from said right of way strip all structures (other than ordinary fences, but when Commission desires, such fences may be opened and reclosed or temporarily removed and replaced, or Commission may provide suitable gates therein) and all vegetation which may interfere with the utility facilities herein described and to use (1) chemicals which are not injurious to human beings, domestic animals, fish or game, (2) machinery, and (3) other forms of equipment and devices in so doing;
- (d) the right to install, construct, repair, maintain and operate all utility lines, structures and appurtenant facilities of the Commission.

The structures and appurtenant facilities installed by the Commission shall be and remain the property of the Commission and may be removed by it at any time and from time to time.

Grantor reserves the right to use the lands in and over which the right of way and easement rights are hereby granted for all purposes not inconsistent with said right of way and easement rights, except that Grantor agrees that (1) no buildings or permanent structures, wells, septic tanks, absorption pits, underground or overhead storage tanks, burial plots, or any other obstruction which might interfere with the construction, maintenance and operation of said utility facilities shall be placed within the area of said strip without the express written permission of the Commission; and (2) the Commission's facilities shall in no way be interfered with or endangered by the Grantor or Grantor's licensees, successors or assigns, without the express written permission of the Commission.

The Commission agrees that it will repair, rebuild, replace or pay the actual damages sustained as mutually agreed upon by the Commission and Grantor, and pay the actual damages to actual crops inside said right of way strip on the above land caused by the construction, operation, maintenance, inspection, rebuilding and removal of said lines, and in going to and from said right of way strip, and will repair any extraordinary damage to any bridge or to any road due to heavy hauling to and from the said right of way strip if claim is made within a period of thirty (30) days after such damages are sustained by Grantor.

Any notice to be given by one party to the other party hereunder may be delivered or deposited postage prepaid addressed to the following:

Grantor: City of Greenville, North Carolina
P.O. Box 7207
Greenville, North Carolina 27835

County of Pitt
1717 West 5th Street
Greenville, North Carolina 27834

Commission: Greenville Utilities Commission
401 S. Greene Street
P.O. Box 1847
Greenville, North Carolina 27835

TO HAVE AND TO HOLD the aforesaid rights, privileges and construction easement unto the Grantee for such period of time as may be required to complete the construction of said utility facilities, and thereafter a permanent easement unto the Grantee and its successors, licensees and assigns for the uses and purposes hereinabove set forth.

And Grantor, for the Grantor and for the Grantor's heirs, executors, administrators, licensees, successors and assigns, covenants to and with the Commission, its licensees, successors and assigns, that Grantor is lawfully seized of the above described land in fee and has the right to convey the said rights, easements and privileges herein described; that the same is free and clear from any and all encumbrances not satisfactory to the Commission; that the Commission shall have quiet and peaceful possession, use and enjoyment of the aforescribed easement of right of way, rights and privileges; that the Grantor shall execute such further assurances thereof as may be required by the Commission; and Grantor will forever warrant and defend the title to the said easement of right of way, rights and privileges against the lawful claims of all persons whomsoever.

The singular shall include the plural and reference to gender shall include masculine, feminine and neuter.

IN WITNESS WHEREOF, Grantor has caused these presents to be signed in its corporate name by its duly authorized corporate officers, duly attested and its corporate seal hereunto affixed, all by authority of its Board of Directors duly given, this the day and year first above written.

CITY OF GREENVILLE, NORTH CAROLINA

By: _____
/s/ P.J. Connelly, Mayor

Attest:

/s/ Valerie Shiuwegar, Clerk

[SEAL]

PITT COUNTY BOARD OF COMMISSIONERS

By: _____
/s/ Melvin C. McLawhorn, Chair

Attest:

/s/ Kimberly W. Hines, Clerk

[SEAL]

NORTH CAROLINA
PITT COUNTY

I, _____, a Notary Public of the aforesaid County and State, certify that Valerie Shiuwegar personally came before me this day and acknowledged that she is the Clerk of the City of Greenville, North Carolina, and that by authority duly given and as the act of the City of Greenville, North Carolina, the foregoing instrument was signed in its name by its Mayor, P.J. Connelly, sealed with its seal and attested by her as its Clerk.

WITNESS my hand and seal, this the ____ day of _____, 2020.

NOTARY PUBLIC

My Commission Expires: _____

NORTH CAROLINA
PITT COUNTY

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that KIMBERLY W. HINES personally came before me this day and acknowledged that she is Clerk to the Board of Commissioners of the County of Pitt, North Carolina, and that by authority duly given and as the act of the Board of Commissioners of the County of Pitt, North Carolina, the foregoing instrument was signed in its name by Melvin C. McLawhorn, its Chair, sealed with its official seal, and attested by herself as its Clerk.

WITNESS my hand and seal, this the ____ day of _____, 2020.

My Commission Expires: _____

GUC SANITARY SEWER EASEMENT RESOLUTION

A motion was made by _____, Authority Member, and seconded by _____, Authority Member, for the adoption of the following Resolution, and upon being put to a vote was duly accepted:

WHEREAS, the Greenville Utilities Commission desires a Permanent Sanitary Sewer Easement and a Temporary Construction Easement along the Pitt-Greenville Airport Authority's property identified as Tax Parcel No. 47447; and

WHEREAS, the Pitt-Greenville Airport Authority has the authority to convey the rights, easements, and privileges as requested by the Greenville Utilities Commission.

NOW THEREFORE, BE IT RESOLVED THAT the Pitt-Greenville Airport Authority hereby grants the requested Sanitary Sewer Easement.

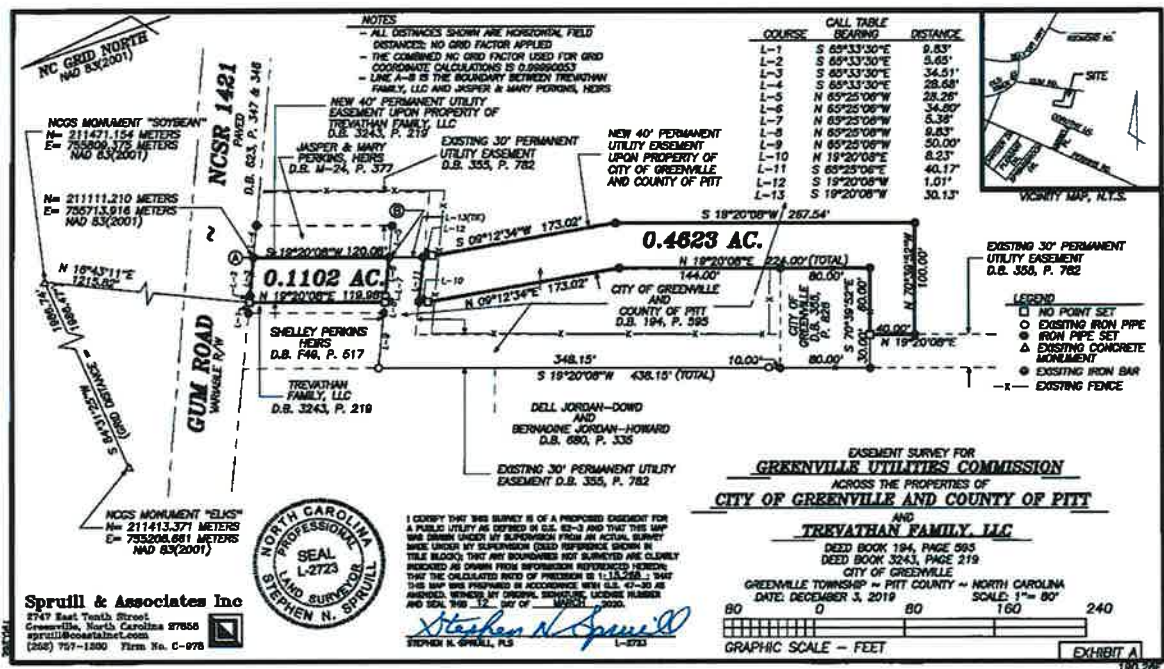
This the _____ day of _____, 2020.

PITT-GREENVILLE AIRPORT AUTHORITY

By: _____, Chairman

[SEAL]

Exhibit A



After discussion, a motion was made by Mr. Overton, seconded by Mr. Geiger, to recommend approval of grant of sanitary sewer easement for the North State Steel Sewer Extension and recommend similar actions by the City Council of the City of Greenville and the County Commissioners of the County of Pitt. The motion carried unanimously.

CONSIDERATION OF AGREEMENT WITH THE TOWN OF BETHEL REGARDING THE MANAGEMENT AND MAINTENANCE OF WATER AND SANITARY SEWER SYSTEM (Agenda Item 5)

Mr. Cannon stated that the Town of Bethel (Bethel) owns and operates a water distribution system and a sanitary sewer collection system, each with approximately 750 services. Greenville Utilities currently treats the town's wastewater and supplies the town with water on a wholesale basis. The town's enterprise systems have struggled financially resulting in extremely high rates for customers. This is in part due to inflow and infiltration on their sanitary sewer collection system and in part due to the inefficiencies associated with owning and operating these types of enterprise systems on such a small scale.

Mr. Chris Padgett, Chief Administrative Officer, added that in 2016 Bethel officials and representatives of the Local Government Commission separately approached GUC about potentially taking over the ownership and operations of Bethel's water and sanitary sewer systems. On January 18, 2017, the GUC Board of Commissioners approved a Memorandum of Understanding (MOU) with Bethel outlining both entities' commitment to working together to explore the feasibility of such an arrangement. Since this MOU was executed, both parties have collaborated to get a better understanding of the systems' needs and to seek funding from elected officials and various state and federal agencies. These efforts resulted in Bethel being awarded \$4,517,900 in grant funds by the North Carolina Department of Environmental Quality – Division of Water Infrastructure for the following:

- Wastewater System Asset Inventory and Assessment - \$150,000
- Wastewater System Infrastructure Improvements - \$3,000,000
- Water System Infrastructure Improvements - \$1,367,900

The state funding agency has communicated that this funding is being provided to facilitate the successful merger of Bethel's water and sanitary sewer systems with GUC's, resulting in a transfer in ownership, GUC managing the systems, and Bethel customers becoming retail customers of GUC. Further, the state has stipulated that GUC should manage the Wastewater System Asset Inventory and Assessment and that a Merger Agreement be executed prior to the System Infrastructure Improvements funding being spent.

In an effort to meet the state's requirements, move forward with the Wastewater System Asset Inventory and Assessment, and continue additional due diligence that is needed before potentially executing a Merger Agreement in the future, staff proposes that GUC enter into a Management and Maintenance Agreement with Bethel. The Executive Summary for such an Agreement and Draft Agreement were provided for review. The Town of Bethel Commission approved the Draft Agreement at their May 5, 2020 meeting.

A motion was made by Mr. Overton, seconded by Ms. Anderson, to approve the management and maintenance agreement with the Town of Bethel for their water and sanitary sewer systems as provided and to authorize the General Manager/CEO to execute the same. The motion carried unanimously.

RECOMMENDATION FOR THE PURCHASE OF REAL PROPERTY FOR THE TULL ROAD GATE STATION AS PART OF THE HIGH-PRESSURE MULTIPLE GAS FACILITIES PROJECT (GCP10099) (Agenda Item 6)

Mr. Cannon stated that Greenville Utilities Commission has identified a property suitable for the location of the Tull Road Gate Station to be constructed as part of the High-Pressure Multiple Gas Facilities Project (GCP10099).

Mr. Durk Tyson, Gas Systems Engineer, shared that the recommended property is located on the north side of Tull Road, approximately 1,439' northwest of the intersection with Worthington Road. The parcel has access to Piedmont Natural Gas' easement for their Transmission Line 439 that was recently put into service. The property is owned by James G. Faulkner. The owner has agreed to sell the property for \$25,000 which is slightly less than the appraised value for the site.

The real property purchase is to be funded with gas capital project budget proceeds for GCP10099:

Land and Easement Acquisition	\$100,000
Gate Station (2) Construction	\$3,600,000
Pipeline Improvements	<u>\$1,500,000</u>
Total Project Budget	\$5,200,000

The project budget was originally established at \$9.5 million in 2017 and a recommended reduction to \$5.2 million is included in May 2020 budget amendment.

A motion was made by Mr. Overton, second Mr. Griffin, to approve the purchase of the proposed property on Tull Road for the gate station and recommend similar action by City Council of the City of Greenville. The motion carried unanimously.

UPDATE ON FY 2020-21 BUDGET FOR OPERATIONS AND CAPITAL PROJECTS (Agenda Item 7)

Mr. Cannon stated that at the April 16, 2020 Board meeting, a presentation was provided to the Board that focused on the end-of-year performance for FY 2019-20 and the principal elements of the preliminary FY 2020-21 budget, GUC's five-year capital improvement plan, and long-term financial forecast. After careful consideration of the information that was presented during the meeting, the Board adopted the preliminary FY 2020-21 budget.

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

In addition, a proposed fee change is recommended to the GUC Utility Regulations Part D - Customer Service Policy. This change will reflect a fee increase for restoring electric, water, and/or sewer services from \$55 to \$65 during nights, holidays, and weekends effective July 1, 2020.

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

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

Final adoption of the FY 2020-21 budget will be considered at the Board’s June 11 meeting, with final consideration by the City Council scheduled for June 11. A public hearing has been scheduled by the City Council for June 8.

CAPITAL PROJECT UPDATES (Agenda Item 8)

Mr. Chris Padgett, Chief Administrative Officer, provided an update on the progress of the construction on Buildings 2, 3, and 4 of the New Operations Center Project. He added that the Project is on schedule and within budget.

GENERAL MANAGER’S/CEO REPORT (Agenda Item 9)

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 was reported for information:

GREENVILLE UTILITIES COMMISSION **TABULATION OF BIDS RECEIVED**

AUDIO/VIDEO, OPERATOR CONSOLE, VIDEO WALL SYSTEM AND INSTALLATION FOR THE NEW EMERGENCY OPERATIONS CENTER

MARCH 4, 2020 @ 2:00 PM

VENDORS	TOTAL
Mauell Corp.	\$448,700.00*
AVI SPL	497,057.47
Tressco	773,106.89

* Indicates recommended award based on lowest responsible, responsive bidder.

TWO (2) ELECTRIC FORKLIFTS

MARCH 19, 2020 @ 2:00 PM

VENDORS	BRAND	DELIVERY	UNIT PRICE	TOTAL
Gregory Poole Equipment Co.	Yale	154 Days	\$39,414.60	\$78,829.20*
Octane Forklifts	Octane	150 Days	37,538.00	75,076.00(1)
Carolina Industrial Trucks	Hyundai	140 Days	39,888.00	79,776.00(1)

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

(1) Indicates that the vendor did not meet minimum specifications.

**PALLET RACKS, SHELVING AND INSTALLATION
MARCH 25, 2020 @ 3:00 PM**

VENDORS	BASE BID	OPTIONS	TOTAL
Dillon Supply Company	\$171,287.79*	\$14,572.88	\$185,860.67
Andrews & Hamilton Co., Inc.	183,000.00	-	183,000.00 (1)
Advance	236,307.09	-	236,307.09

* Indicates recommended award based on lowest responsible, responsive bid.
(1) Indicates that the vendor did not meet minimum bid requirements/specifications.

**99,000' OF 1/0 UG PRIMARY CABLE STK# 201360
APRIL 1, 2020 @ 4:00 PM**

VENDORS	MFG.	DELIVERY WEEKS	UNIT PRICE	TOTAL
Anixter, Inc.	Okonite	5/28/20 Stk. Run	\$1.698	\$168,102.00*
CME Wire & Cable	CME	14-15 weeks	1.79	177,210.00
Shealy Electrical Wholesalers	Kerite	8 weeks	2.12	209,880.00
Wesco Distribution, Inc.	Prysmian	24-26 weeks	2.124	210,276.00

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

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on April 8, 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 \$1,329,033.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Commendations

Mr. Ken Wade, Substation Control Engineer and Interim Electric Distribution Engineer, received an email from Keith Fisher, Water and Sewer Systems Supervisor. Mr. Fisher reported that a customer called him to report a tree on an electric line. Mr. Fisher had forwarded the request to Robbie Mooring, Line Clearing Coordinator, and the crew was able to work that day to clear the line. The customer was very impressed with the crew and wanted to pass it along. The crew included Robbie Mooring, Line Clearing Coordinator; Connie McGowan, Tree Trimmer Crew Leader; Ray Baker, Tree Trimmer II; Oscar Meeks Vasquez, Tree Trimmer I; Nathan Peele, Tree Trimmer I; and Gustavo Smith, Tree Trimmer I.

4. Other

Mr. Cannon announced that GUC has a new member of the management team. Mr. Padgett introduced GUC's new Information Technology Director Andy Anderson. Mr. Anderson has over 30 years of experience of IT management in areas of higher education, health care, and telecommunications. Mr. Anderson recently worked as the Director of Network Service Systems and Support for East Carolina University.

Mr. Cannon introduced Kevin Keyzer, Risk and Facilities Manager, to share that GUC has surpassed the goal of working 300,000 hours without an OSHA recordable incident. This is the second time GUC has achieved this goal.

Mr. Cannon introduced Scott Mullis, Assistant Director of Customer Relations, to provide an update on GUC's Neighbor to Neighbor program. Mr. Mullis reminded everyone that this program provides funding for heating assistance for low income households and has partnered since 2001 with Department of Social Services of Pitt County to administer up to \$200 per year to approved families. Mr. Mullis thanked Elizabeth Haggerty and Linda Kean with The First

Presbyterian Women for their fundraising efforts supporting GUC's Neighbor to Neighbor program again this year. The First Presbyterian Women's campaign raised \$9,358 this year in their one-day event. Since the beginning of the GUC's Neighbor to Neighbor program in 2001, fundraising efforts, along with GUC's matching funds have totaled more than \$600,000 for the program.

Mr. Cannon recognized GUC's purchasing section of the Finance Department for receiving the Carolinas Association of Governmental Purchasing (CAGP) Sustained Professional Purchasing Award for 2019. GUC's Procurement Coordinator Cleve Haddock was instrumental in assisting the department with obtaining this recognition for the ninth year. In addition, Cleve Haddock was presented with the prestigious Hall-Wicker Award from the Carolinas Association Government Purchasing (CAGP) for his contributions and service to the cause and advancement of the purchasing profession.

Mr. Cannon announced that GUC's Natural Gas Department earned a Safety Achievement Award in 2019 for excellence by achieving the lowest incident rate for the number of days away from work, restricted or transferred (DART) among companies of their size and type from the American Gas Association (AGA).

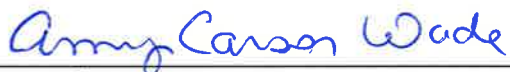
Due to the pandemic, the American Public Power Association (APPA) and the American Public Gas Association (APGA) will hold a virtual annual conference this year. ElectriCities of North Carolina has decided not to hold their annual conference.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 10)

Chair Butler congratulated all on the recognitions and awards. He reminded the Board of the next Regular meeting on Thursday, June 11, 2020, at 12:00 noon.

Without any further business to conduct and without objection, Chair Butler adjourned the Board of Commissioners meeting at 1:08 p.m.

Respectfully submitted,


Amy Carson Wade, Executive Secretary

APPROVED:


Tommy Stoughton, Secretary