

GREENVILLE UTILITIES COMMISSION

GREENVILLE, NORTH CAROLINA

Thursday, May 20, 2021

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

Commission Board Members Present:

Parker Overton, Chair
Tommy Stoughton, Chair-Elect
Minnie J. Anderson, Secretary
Peter Geiger

Lindsey Griffin
Kelly L. Darden, Jr. (via Zoom)
Kristin S. Braswell (via Zoom)
Ann E. Wall

Commission Staff Present:

Tony Cannon, General Manager/CEO
Jeff McCauley
Chris Padgett
Phil Dixon
Amy Wade
Anthony Miller (via Zoom)
Scott Mullis (via Zoom)
John Worrell (via Zoom)
Randy Emory (via Zoom)
Keith Jones
Richie Shreves (via Zoom)
Andy Anderson (via Zoom)
Steve Hawley
David Springer (via Zoom)
Ken Wade (via Zoom)

Kevin Keyzer (via Zoom)
Lou Norris (via Zoom)
Kathy Howard (via Zoom)
Jonathan Britt (via Zoom)
Amanda Wall (via Zoom)
Molly Ortiz (via Zoom)
Tony Godwin (via Zoom)

Others Present:

Rick Smiley, City Council Liaison; Roy Jones, Electricities; and Joel Butler, former Board Chair

Chair Overton called the meeting to order. Ms. Anderson ascertained that a quorum was present.

ACCEPTANCE OF THE AGENDA

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

SAFETY BRIEF

Mr. Tony Cannon, General Manager/CEO, called upon Kevin Keyzer, Risk and Facilities Manager, to provide the safety brief. Mr. Keyzer explained the plan of action should there be an emergency at today's meeting.

Recognition of Service as Commissioner

Chair Overton thanked former Board Chair Joel Butler for his six years of service as a Commissioner and for his role serving as Chair.

Recognition of 2020 Public Power Awards of Excellence Presented to GUC by ElectriCities

Mr. Tony Cannon announced that ElectriCities awarded GUC with 5 Awards of Excellence for 2020. Mr. Roy Jones, CEO of ElectriCities, congratulated and recognized GUC for these awards in the following categories:

- Continuous Improvement
- Grid Modernization
- Value of Public Power
- Wholesale Power Cost
- Workforce Development

Mr. Jones announced that the ElectriCities Annual Conference will be held on August 16-18, 2021.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Geiger, seconded by Ms. Wall, to approve the April 15, 2021 Regular Meeting minutes as presented. The motion carried unanimously.

REVIEW OF MONTHLY FINANCIAL STATEMENT – APRIL 30, 2021 (Agenda Item 2)

April 30, 2021 Financial Statement:

Key financial metrics for the combined funds for the period ending April 30, 2021 Preliminary:

| | | | |
|--------------------------|----------------|-----------------------|-----|
| Operating Cash: | \$86,452,159 | Days of Cash on Hand: | 153 |
| Less Current Liabilities | (\$18,152,313) | | |
| Fund Balance: | \$68,299,846 | | |

| | | | |
|---|-------|---|-----|
| Fund Balance Available for Appropriation: | 25.3% | Days of Cash on Hand After Liabilities: | 121 |
| Average Investment Yield: | .57% | | |

Fund Equity/Deficit Before Transfers

| | Current Month | | | Year to Date | | |
|-----------------|--------------------|-----------------|--------------------|---------------------|--------------------|---------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | \$1,329,677 | (\$1,080,775) | \$49,423 | \$5,937,695 | (\$5,093,631) | \$382,923 |
| Water | \$736,905 | \$389,688 | \$514,681 | \$4,364,673 | \$3,670,127 | \$5,684,508 |
| Sewer | \$449,953 | \$177,703 | \$282,400 | \$3,326,532 | \$1,125,987 | \$3,832,960 |
| Gas | \$86,585 | \$572,572 | \$749,908 | \$3,922,621 | \$136,892 | \$3,110,976 |
| Combined | \$2,603,120 | \$59,188 | \$1,596,412 | \$17,551,521 | (\$160,625) | \$13,011,367 |

Fund Equity/Deficit After Transfers

| | Current Month | | | Year to Date | | |
|-----------------|----------------------|--------------------|------------------|--------------------|----------------------|--------------------|
| | Actual | Budget | Last Year | Actual | Budget | Last Year |
| Electric | (\$1,670,323) | (\$880,774) | \$49,423 | \$1,333,542 | (\$3,093,609) | (\$117,072) |
| Water | (\$263,095) | (\$31,145) | \$85,514 | \$862,973 | (\$538,203) | \$1,392,838 |
| Sewer | (\$550,047) | (\$1,464) | (\$217,600) | \$893,196 | (\$665,683) | \$1,532,681 |
| Gas | (\$1,913,415) | \$502,239 | \$729,075 | \$1,572,621 | (\$566,438) | \$2,902,378 |
| Combined | (\$4,396,880) | (\$411,144) | \$646,412 | \$4,662,332 | (\$4,863,933) | \$5,710,825 |

Jeff McCauley, Chief Financial Officer, provided a presentation on the Financial Statement for April 30, 2021.

The weather impact for the month of April 2021 indicated that the April heating degree days were less than last year. Cooling Degree Days were much higher. The April rainfall was 1.26 inches which was less than last year. The portfolio earned .57% for the month of April.

Overall year-to-date results through the end of April remain stable. The Electric Rate Stabilization Reserves are approximately \$24.5 million, and the Gas Rate Stabilization Reserves are \$2.2 million. The Operating Reserves are 153 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 \$40.4 million.

After discussion, a motion was made by Ms. Wall, seconded by Mr. Griffin, to accept the Financial Statement for April 30, 2021. The motion carried unanimously.

CONSIDERATION OF ADOPTION OF FY 2020-2021 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. Staff is proposing the fiscal year 2020-2021 budget be amended to reflect year-end projections and to amend certain capital project 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 | \$1,253,355 |
| Fees and Charges | 146,635 |
| Miscellaneous | 2,240,009 |
| Interest on Investments | (110,000) |
| FEMA/Insurance Reimbursement | 265,505 |
| Bond Proceeds | 3,879,423 |
| Transfer from Capital Projects | (706,000) |
| Transfer from Rate Stabilization | (5,750,000) |
| Total | \$1,218,927 |

Expenditures

| | |
|--------------------------------|---------------|
| Operations | (\$1,955,827) |
| Purchased Power | (5,234,038) |
| Purchased Gas | (1,211,446) |
| Capital Outlay | 1,127,339 |
| Debt Service | 658,962 |
| Retirement of Bethel Debt | 3,720,461 |
| Street Light Reimbursement | 168,454 |
| Transfer to Rate Stabilization | 1,800,000 |
| Transfer to Capital Projects | 2,150,000 |
| Operating Contingencies | (4,978) |
| Total | \$1,218,927 |

Major changes to capital projects are listed below:

Capital Projects:

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

| Revenue Description | Budget | Change | Revised |
|-------------------------------|---------------------|--------------------|---------------------|
| Proceeds from long-term debt | \$47,357,000 | (\$3,957,000) | \$43,400,000 |
| Capital projects fund balance | \$18,850,000 | \$4,441,098 | \$23,291,098 |
| Capacity Fees | \$0 | \$2,158,902 | \$2,158,902 |
| | <u>\$66,207,000</u> | <u>\$2,643,000</u> | <u>\$68,850,000</u> |

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

Project Description

| Project # | Project Name | Current Budget | Amendment | Proposed Budget |
|------------------|--|-----------------------|--------------------|------------------------|
| FCP10072 | New Operations Center Phase 2 | \$53,300,000 | (\$750,000) | \$52,550,000 |
| FCP10160 | New Operations Center - Fleet Maintenance Building | \$7,000,000 | \$750,000 | \$7,750,000 |
| ECP133 | Sugg Parkway Transmission Line | \$1,700,000 | \$0 | \$1,700,000 |
| SCP10223 | Regional Pump Station Upgrades | \$1,800,000 | \$0 | \$1,800,000 |
| SCP10229 | Greene Street Pump Station and Force Main | \$1,600,000 | \$600,000 | \$2,200,000 |
| SCP10230 | Forlines Pump Station Expansion | \$250,000 | \$2,000,000 | \$2,250,000 |
| SCP10235 | Duplex Pump Station Improvements | \$500,000 | \$0 | \$500,000 |
| GCP10114 | 14th Street Widening (NCDOT U-5917) | \$57,000 | \$43,000 | \$100,000 |
| | | <u>\$66,207,000</u> | <u>\$2,643,000</u> | <u>\$68,850,000</u> |

GREENVILLE UTILITIES COMMISSION
REVENUE AND EXPENDITURES
ALL FUNDS

| | <u>2020-2021 Budget</u> | <u>2020-2021 Change</u> | <u>2020-2021 Revised</u> |
|-----------------------------------|------------------------------|-----------------------------|------------------------------|
| REVENUE: | | | |
| Rates & Charges | \$ 251,514,172 | \$ 1,253,355 | \$ 252,767,527 |
| Fees & Charges | 1,938,375 | 114,152 | 2,052,527 |
| U. G. & Temporary Service Charges | 425,038 | 32,483 | 457,521 |
| Miscellaneous | 2,114,192 | 2,240,009 | 4,354,201 |
| Interest on Investments | 750,000 | (110,000) | 640,000 |
| FEMA/Insurance Reimbursement | - | 265,505 | 265,505 |
| Bond Proceeds | 294,061 | 3,879,423 | 4,173,484 |
| Transfer from Capital Projects | 706,000 | (706,000) | - |
| Transfer from Rate Stabilization | 5,750,000 | (5,750,000) | - |
| Appropriated Fund Balance | 7,000,000 | - | 7,000,000 |
| | <u>\$ 270,491,838</u> | <u>\$ 1,218,927</u> | <u>\$ 271,710,765</u> |
| EXPENDITURES: | | | |
| Operations | \$ 73,471,410 | \$ (1,955,827) | \$ 71,515,583 |
| Purchased Power | 132,210,549 | (5,234,038) | 126,976,511 |
| Purchased Gas | 17,022,470 | (1,211,446) | 15,811,024 |
| Capital Outlay | 14,002,610 | 1,127,339 | 15,129,949 |
| Debt Service | 14,217,192 | 658,962 | 14,876,154 |
| Retirement of Bethel Debt | - | 3,720,461 | 3,720,461 |
| City Turnover - General | 5,542,118 | - | 5,542,118 |
| Street Light Reimbursement | 841,345 | 168,454 | 1,009,799 |
| Transfer to OPEB Trust | 500,000 | - | 500,000 |
| Transfer to Rate Stabilization | - | 1,800,000 | 1,800,000 |
| Transfer to Capital Projects | 12,100,000 | 2,150,000 | 14,250,000 |
| Operating Contingencies | 584,144 | (4,978) | 579,166 |
| | <u>\$270,491,838</u> | <u>\$ 1,218,927</u> | <u>\$ 271,710,765</u> |

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

| | <u>2020-2021 Budget</u> | <u>2020-2021 Change</u> | <u>2020-2021 Revised</u> |
|-----------------------------------|------------------------------|------------------------------|------------------------------|
| REVENUE: | | | |
| Rates & Charges | \$ 172,488,964 | \$ 1,351,220 | \$ 173,840,184 |
| Fees & Charges | 976,268 | 122,806 | 1,099,074 |
| U. G. & Temporary Service Charges | 411,038 | 32,883 | 443,921 |
| Miscellaneous | 1,640,595 | 1,979,550 | 3,620,145 |
| Interest on Investments | 470,000 | (90,000) | 380,000 |
| FEMA/Insurance Reimbursement | - | 195,117 | 195,117 |
| Bond Proceeds | 137,585 | (99,787) | 37,798 |
| Transfer from Capital Projects | 500,000 | (500,000) | - |
| Transfer from Rate Stabilization | 5,750,000 | (5,750,000) | - |
| Appropriated Fund Balance | 3,850,000 | - | 3,850,000 |
| | <u><u>\$ 186,224,450</u></u> | <u><u>\$ (2,758,211)</u></u> | <u><u>\$ 183,466,239</u></u> |
| EXPENDITURES: | | | |
| Operations | \$ 31,495,702 | \$ (308,033) | \$ 31,187,669 |
| Purchased Power | 132,210,549 | (5,234,038) | 126,976,511 |
| Capital Outlay | 8,890,926 | (153,188) | 8,737,738 |
| Debt Service | 4,524,186 | (99,787) | 4,424,399 |
| City Turnover - General | 3,876,969 | - | 3,876,969 |
| Street Light Reimbursement | 841,345 | 168,454 | 1,009,799 |
| Transfer to OPEB Trust | 275,000 | - | 275,000 |
| Transfer to Capital Projects | 3,850,000 | 2,900,000 | 6,750,000 |
| Operating Contingencies | 259,773 | (31,619) | 228,154 |
| | <u><u>\$ 186,224,450</u></u> | <u><u>\$ (2,758,211)</u></u> | <u><u>\$ 183,466,239</u></u> |

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

| | <u>2020-2021 Budget</u> | <u>2020-2021 Change</u> | <u>2020-2021 Revised</u> |
|-----------------------------------|-----------------------------|-----------------------------|------------------------------|
| REVENUE: | | | |
| Rates & Charges | \$ 22,583,645 | \$ (141,872) | \$ 22,441,773 |
| Fees & Charges | 407,409 | (6,557) | 400,852 |
| U. G. & Temporary Service Charges | 14,000 | (400) | 13,600 |
| Miscellaneous | 195,566 | 55,640 | 251,206 |
| Interest on Investments | 70,000 | (2,000) | 68,000 |
| FEMA/Insurance Reimbursement | - | 15,392 | 15,392 |
| Bond Proceeds | 15,459 | 2,309,115 | 2,324,574 |
| Appropriated Fund Balance | 1,050,000 | - | 1,050,000 |
| | <u>\$ 24,336,079</u> | <u>\$ 2,229,318</u> | <u>\$ 26,565,397</u> |

EXPENDITURES:

| | | | |
|------------------------------|----------------------|---------------------|----------------------|
| Operations | \$ 15,318,599 | \$ (190,820) | \$ 15,127,779 |
| Capital Outlay | 1,136,630 | 212,104 | 1,348,734 |
| Debt Service | 2,682,732 | 549,719 | 3,232,451 |
| Retirement of Bethel Debt | - | 2,259,396 | 2,259,396 |
| Transfer to OPEB Trust | 75,000 | - | 75,000 |
| Transfer to Capital Projects | 5,050,000 | (600,000) | 4,450,000 |
| Operating Contingencies | 73,118 | (1,081) | 72,037 |
| | <u>\$ 24,336,079</u> | <u>\$ 2,229,318</u> | <u>\$ 26,565,397</u> |

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

| | <u>2020-2021 Budget</u> | <u>2020-2021 Change</u> | <u>2020-2021 Revised</u> |
|------------------------------|-----------------------------|-----------------------------|------------------------------|
| REVENUE: | | | |
| Rates & Charges | \$ 23,948,463 | \$ (551,668) | \$ 23,396,795 |
| Fees & Charges | 410,148 | (30,681) | 379,467 |
| Miscellaneous | 136,520 | 135,012 | 271,532 |
| Interest on Investments | 80,000 | (8,000) | 72,000 |
| FEMA/Insurance Reimbursement | - | 41,528 | 41,528 |
| Bond Proceeds | 141,017 | 1,661,004 | 1,802,021 |
| Appropriated Fund Balance | 1,050,000 | - | 1,050,000 |
| | <u>\$ 25,766,148</u> | <u>\$ 1,247,195</u> | <u>\$ 27,013,343</u> |

EXPENDITURES:

| | | | |
|------------------------------|----------------------|---------------------|----------------------|
| Operations | \$ 15,427,569 | \$ (991,954) | \$ 14,435,615 |
| Capital Outlay | 2,493,784 | 754,297 | 3,248,081 |
| Debt Service | 5,421,936 | 199,939 | 5,621,875 |
| Retirement of Bethel Debt | - | 1,461,065 | 1,461,065 |
| Transfer to OPEB Trust | 75,000 | - | 75,000 |
| Transfer to Capital Projects | 2,150,000 | (150,000) | 2,000,000 |
| Operating Contingencies | 197,859 | (26,152) | 171,707 |
| | <u>\$ 25,766,148</u> | <u>\$ 1,247,195</u> | <u>\$ 27,013,343</u> |

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

| | <u>2020-2021 Budget</u> | <u>2020-2021 Change</u> | <u>2020-2021 Revised</u> |
|--------------------------------|-----------------------------|-----------------------------|------------------------------|
| REVENUE: | | | |
| Rates & Charges | \$ 32,493,100 | \$ 595,675 | \$ 33,088,775 |
| Fees & Charges | 144,550 | 28,584 | 173,134 |
| Miscellaneous | 141,511 | 69,807 | 211,318 |
| Interest on Investments | 130,000 | (10,000) | 120,000 |
| FEMA/Insurance Reimbursement | - | 13,468 | 13,468 |
| Bond Proceeds | - | 9,091 | 9,091 |
| Transfer from Capital Projects | 206,000 | (206,000) | - |
| Appropriated Fund Balance | 1,050,000 | - | 1,050,000 |
| | <u>\$ 34,165,161</u> | <u>\$ 500,625</u> | <u>\$ 34,665,786</u> |

EXPENDITURES:

| | | | |
|--------------------------------|----------------------|-------------------|----------------------|
| Operations | \$ 11,229,540 | \$ (465,020) | \$ 10,764,520 |
| Purchased Gas | 17,022,470 | (1,211,446) | 15,811,024 |
| Capital Outlay | 1,481,270 | 314,126 | 1,795,396 |
| Debt Service | 1,588,338 | 9,091 | 1,597,429 |
| City Turnover | 1,665,149 | - | 1,665,149 |
| Transfer to OPEB Trust | 75,000 | - | 75,000 |
| Transfer to Rate Stabilization | - | 1,800,000 | 1,800,000 |
| Transfer to Capital Projects | 1,050,000 | - | 1,050,000 |
| Operating Contingencies | 53,394 | 53,874 | 107,268 |
| | <u>\$ 34,165,161</u> | <u>\$ 500,625</u> | <u>\$ 34,665,786</u> |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|---|---------------------------|--------------------|---------------------------|
| FCP10072 New Operations Center Phase 2 | | | |
| Revenues: | | | |
| Long-Term Debt | \$43,300,000 | \$ - | \$43,300,000 |
| Capital Projects Fund Balance | <u>\$10,000,000</u> | <u>\$(750,000)</u> | <u>\$ 9,250,000</u> |
| Total Revenue | \$53,300,000 | \$(750,000) | \$52,550,000 |
| Expenditures: | | | |
| Project Costs | <u>\$53,300,000</u> | <u>\$(750,000)</u> | <u>\$52,550,000</u> |
| Total Expenditures | \$53,300,000 | \$(750,000) | \$52,550,000 |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|--|---------------------------|-------------------|---------------------------|
| FCP10160 New Operations Center-Fleet Maintenance Building | | | |
| Revenues: | | | |
| Capital Projects Fund Balance | <u>\$7,000,000</u> | <u>\$ 750,000</u> | <u>\$7,750,000</u> |
| Total Revenue | \$7,000,000 | \$ 750,000 | \$7,750,000 |
| Expenditures: | | | |
| Project Costs | <u>\$7,000,000</u> | <u>\$ 750,000</u> | <u>\$7,750,000</u> |
| Total Expenditures | \$7,000,000 | \$ 750,000 | \$7,750,000 |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|--|--------------------|---------------|--------------------|
| ECP133 Sugg Parkway Transmission Line | | | |
| Revenues: | | | |
| Long-Term Debt | \$1,700,000 | \$(1,700,000) | \$ - |
| Capital Projects Fund Balance | \$ - | \$ 1,700,000 | \$1,700,000 |
| Total Revenue | <u>\$1,700,000</u> | <u>\$ -</u> | <u>\$1,700,000</u> |
| Expenditures: | | | |
| Project Costs | \$1,700,000 | \$ - | \$1,700,000 |
| Total Expenditures | <u>\$1,700,000</u> | <u>\$ -</u> | <u>\$1,700,000</u> |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|--|---------------------|----------------|---------------------|
| SCP10223 Regional Pump Station Upgrades | | | |
| Revenues: | | | |
| Long-Term Debt | \$ 1,800,000 | \$ (1,800,000) | \$ - |
| Capital Projects Fund Balance | \$ - | \$ 1,800,000 | \$ 1,800,000 |
| Total Revenue | <u>\$ 1,800,000</u> | <u>\$ -</u> | <u>\$ 1,800,000</u> |
| Expenditures: | | | |
| Project Costs | \$ 1,800,000 | \$ - | \$ 1,800,000 |
| Total Expenditures | <u>\$ 1,800,000</u> | <u>\$ -</u> | <u>\$ 1,800,000</u> |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|---|---------------------|-------------------|---------------------|
| SCP10229 Greene Street Pump Station and Force Main | | | |
| Revenues: | | | |
| Capital Projects Fund Balance | \$ 1,600,000 | \$ 600,000 | \$ 2,200,000 |
| Total Revenue | \$ 1,600,000 | \$ 600,000 | \$ 2,200,000 |
| Expenditures: | | | |
| Project Costs | \$ 1,600,000 | \$ 600,000 | \$ 2,200,000 |
| Total Expenditures | \$ 1,600,000 | \$ 600,000 | \$ 2,200,000 |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|---|-------------------|---------------------|---------------------|
| SCP10230 Forlines Pump Station Expansion | | | |
| Revenues: | | | |
| Capital Projects Fund Balance | \$ 250,000 | \$ (158,902) | \$ 91,098 |
| Capacity Fees | \$ - | \$ 2,158,902 | \$ 2,158,902 |
| Total Revenue | \$ 250,000 | \$ 2,000,000 | \$ 2,250,000 |
| Expenditures: | | | |
| Project Costs | \$ 250,000 | \$ 2,000,000 | \$ 2,250,000 |
| Total Expenditures | \$ 250,000 | \$ 2,000,000 | \$ 2,250,000 |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|--|-------------------|--------------|-------------------|
| SCP10235 Duplex Pump Station Improvements | | | |
| Revenues: | | | |
| Long-Term Debt | \$ 500,000 | \$ (500,000) | \$ - |
| Capital Projects Fund Balance | \$ - | \$ 500,000 | \$ 500,000 |
| Total Revenue | \$ 500,000 | \$ - | \$ 500,000 |
| Expenditures: | | | |
| Project Costs | \$ 500,000 | \$ - | \$ 500,000 |
| Total Expenditures | \$ 500,000 | \$ - | \$ 500,000 |

**Greenville Utilities Commission
Capital Project Budget
As of May 20, 2021**

| Project Name | Current Budget | Change | Revised Budget |
|---|-------------------|------------------|-------------------|
| GCP10114 14th Street Widening (NCDOT U-5917) | | | |
| Revenues: | | | |
| Long-Term Debt | \$ 57,000 | \$ 43,000 | \$ 100,000 |
| Total Revenue | \$ 57,000 | \$ 43,000 | \$ 100,000 |
| Expenditures: | | | |
| Project Costs | \$ 57,000 | \$ 43,000 | \$ 100,000 |
| Total Expenditures | \$ 57,000 | \$ 43,000 | \$ 100,000 |

ORDINANCE NO. 21-
CITY OF GREENVILLE, NORTH CAROLINA
TO AMEND THE GREENVILLE UTILITIES COMMISSION 2020-21 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, 2020 and ending June 30, 2021 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 | \$172,488,964 | \$1,351,220 | \$173,840,184 |
| Fees & Charges | 1,387,306 | 155,689 | 1,542,995 |

| | | | |
|------------------------------------|-----------------------------|---------------------------|-----------------------------|
| Miscellaneous | 1,640,595 | 1,979,550 | 3,620,145 |
| Interest on Investment | 470,000 | (90,000) | 380,000 |
| FEMA/Insurance Reimbursement | 0 | 195,117 | 195,117 |
| Bond Proceeds | 137,585 | (99,787) | 37,798 |
| Transfer from Capital Projects | 500,000 | (500,000) | 0 |
| Transfer from Rate Stabilization | 5,750,000 | (5,750,000) | 0 |
| Appropriated Fund Balance | <u>3,850,000</u> | <u>0</u> | <u>3,850,000</u> |
| Total Electric Fund Revenue | \$186,224,450 | (\$2,758,211) | \$183,466,239 |
| B. <u>Water Fund</u> | | | |
| Rates & Charges | \$22,583,645 | (\$141,872) | \$22,441,773 |
| Fees & Charges | 421,409 | (6,957) | 414,452 |
| Miscellaneous | 195,566 | 55,640 | 251,206 |
| Interest on Investment | 70,000 | (2,000) | 68,000 |
| FEMA/Insurance Reimbursement | 0 | 15,392 | 15,392 |
| Bond Proceeds | 15,459 | 2,309,115 | 2,324,574 |
| Appropriated Fund Balance | <u>1,050,000</u> | <u>0</u> | <u>1,050,000</u> |
| Total Water Fund Revenue | \$24,336,079 | \$2,229,318 | \$26,565,397 |
| C. <u>Sewer Fund</u> | | | |
| Rates & Charges | \$23,948,463 | (\$551,668) | \$23,396,795 |
| Fees & Charges | 410,148 | (30,681) | 379,467 |
| Miscellaneous | 136,520 | 135,012 | 271,532 |
| Interest on Investment | 80,000 | (8,000) | 72,000 |
| FEMA/Insurance Reimbursement | 0 | 41,528 | 41,528 |
| Bond Proceeds | 141,017 | 1,661,004 | 1,802,021 |
| Transfer from Capital Projects | <u>1,050,000</u> | <u>0</u> | <u>1,050,000</u> |
| Total Sewer Fund Revenue | \$25,766,148 | \$1,247,195 | \$27,013,343 |
| D. <u>Gas Fund</u> | | | |
| Rates & Charges | \$32,493,100 | \$595,675 | \$33,088,775 |
| Fees & Charges | 144,550 | 28,584 | 173,134 |
| Miscellaneous | 141,511 | 69,807 | 211,318 |
| Interest on Investment | 130,000 | (10,000) | 120,000 |
| FEMA/Insurance Reimbursement | 0 | 13,468 | 13,468 |
| Bond Proceeds | 0 | 9,091 | 9,091 |
| Transfer from Capital Projects | 206,000 | (206,000) | 0 |
| Appropriated Fund Balance | <u>1,050,000</u> | <u>0</u> | <u>1,050,000</u> |
| Total Gas Fund Revenue | \$34,165,161 | \$500,625 | \$34,665,786 |
| Total Revenues | <u>\$270,491,838</u> | <u>\$1,218,927</u> | <u>\$271,710,765</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> | <u>Change</u> | <u>Revised</u> |
|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Electric Fund | \$186,224,450 | (\$2,758,211) | \$183,466,239 |
| Water Fund | 24,336,079 | 2,229,318 | \$26,565,397 |
| Sewer Fund | 25,766,148 | 1,247,195 | \$27,013,343 |
| Gas Fund | <u>34,165,161</u> | <u>500,625</u> | <u>\$34,665,786</u> |
| Total Expenditures | <u>\$270,491,838</u> | <u>\$1,218,927</u> | <u>\$271,710,765</u> |

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 | \$47,357,000 | (\$3,957,000) | \$43,400,000 |
| Capital projects fund balance | 18,850,000 | 4,441,098 | 23,291,098 |
| Capacity Fees | 0 | 2,158,902 | 2,158,902 |
| | <u>\$66,207,000</u> | <u>\$2,643,000</u> | <u>\$68,850,000</u> |

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

| | | | |
|--|---------------------|--------------------|---------------------|
| FCP10072 New Operations Center Phase 2 | \$53,300,000 | (\$750,000) | \$52,550,000 |
| FCP10160 New Operations Center - Fleet Maintenance Building | \$7,000,000 | \$750,000 | \$7,750,000 |
| ECP133 Sugg Parkway Transmission Line | 1,700,000 | 0 | 1,700,000 |
| SCP10223 Regional Pump Station Upgrades | 1,800,000 | 0 | 1,800,000 |
| SCP10229 Greene Street Pump Station and Force Main | 1,600,000 | 600,000 | 2,200,000 |
| SCP10230 Forlines Pump Station Expansion | 250,000 | 2,000,000 | 2,250,000 |
| SCP10235 Duplex Pump Station Improvements | 500,000 | 0 | 500,000 |
| GCP10114 14th Street Widening (NCDOT U-5917) | 57,000 | 43,000 | 100,000 |
| | <u>\$66,207,000</u> | <u>\$2,643,000</u> | <u>\$68,850,000</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 7th day of June, 2021.

/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 Improvement consists of a street widening project for the gas department; 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 \$100,000) 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 20th day of May, 2021.

/s/ Parker Overton, Chair

ATTEST:

/s/ Minnie Anderson, Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

RESOLUTION NO. _____
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 Improvement consists of a street widening project for the gas department; 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 \$100,000.

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 7th day of June, 2021.

/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 7th day of June, 2021 and contains the verbatim text of Resolution No. __-21 which was duly adopted by said City Council at said meeting.

WITNESS my hand and the official seal of said City, this 7th day of June, 2021.

City Clerk

[SEAL]

After discussion, a motion was made by Ms. Wall, seconded by Mr. Stoughton, to adopt the FY 2020-2021 budget amendment and reimbursement resolutions which includes certain capital projects budget amendments as shown and recommend similar action by City Council. The motion carried unanimously.

RECOMMENDEATION OF THE FINANCE/AUDIT COMMITTEE TO CONSIDER ADOPTION OF OTHER POST EMPLOYMENT BENEFITS (OPEB) FUNDING POLICY (Agenda Item 4)

Commissioner Stoughton announced that the Finance/Audit Committee met on Monday, May 10, 2021 with representatives from the GUC Board of Commissioners including Commissioners Peter Geiger, Minnie Anderson, Lindsey Griffin, and himself. The Committee met to review the OPEB Funding Policy and recommends adoption of the policy by the Board of Commissioners.

Mr. McCauley provided an overview of the policy. Greenville Utilities Commission (GUC) maintains a defined benefit OPEB plan that is funded through employer contributions, and the investment earnings resulting from those contributions. The level at which the employer contributes is determined by the Board of Commissioners.

The purpose of this OPEB Plan Funding Policy is to formulize a funding policy in accordance with Governmental Accounting Standards Board (GASB) statements 74 and 75 for the Greenville Utilities Commission OPEB Plan (Plan). The policy establishes benchmarks that will be used to measure progress, and the methods and assumptions that will be employed to develop the benchmarks. A copy of the OPEB Funding Policy was provided for review.

Key highlights of the policy include:

Benchmarks

- In accordance with Governmental Accounting Standards Board (GSAB), the employer's portion of the actuarially determined contribution (ADC) will be set based on the valuation results produced as of the June 30th preceding the beginning of each biennium.
- Funded ratio should increase over time, before adjustments for changes in benefits, actuarial methods, and/or adjustments.

Methods of Assumption

- The assumptions are intended to represent the best estimate of anticipated experience and are intended to be long-term in nature.
- The unfunded actuarial accrued liability (UAAL) amortization period is set at 30 years beginning fiscal year 2016. The period will be closed and will decline one year each year until a funded ratio of 100 percent is reached.
- The UAAL will be developed using the level dollar payments methodology.
- The actuarial cost method will be in accordance with GASB statements 74 and 75.
- Long term rate of return will be 7% net of investment expenses.
- Future contributions will be annual benefit payment for retirees plus a cash amount determined by the Board (currently set at \$500,000).
- Benefit payments will be paid directly by the employer.

He noted that adoption of a formal funding policy demonstrates GUC's commitment to funding OPEB, which will allow a more favorable interest rate to be applied when measuring the OPEB liability and will result in the most positive presentation in the financial statements.

After discussion, a motion was made by Mr. Griffin, seconded by Ms. Anderson, to approve the OPEB Plan Funding Policy as presented. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF SERIES RESOLUTION FOR 0% INTEREST AND PRINCIPAL FORGIVENESS LOAN IN THE AMOUNT OF \$1,367,000 (Agenda Item 5)

Mr. McCauley stated that in March of 2020, the North Carolina Department of Environmental Quality (NCDEQ) offered to provide SRF funding for capital project improvements to the Town of Bethel. The funding offer included a 0% interest and principal forgiveness loan for water system capital improvements in the amount of \$1,367,000.

At the time of this funding offer, the NCDEQ staff was participating in discussions among Bethel, Greenville and GUC regarding GUC/Greenville assuming ownership of Bethel's water and wastewater systems. Through the cooperative efforts of the NCDEQ, Bethel, Greenville and GUC over the past 13 months, the ownership transfer agreement was finalized and approved by all parties on April 19, 2021.

The agreement stipulates that GUC is responsible for performing and/or providing oversight for the capital improvements associated with this loan. Therefore, GUC requested the NCDEQ to transfer the funding offered to Bethel in March of 2020 to GUC once the ownership transfer agreement was approved and executed. The NCDEQ agreed to this request which has resulted in the 0% interest and principal forgiveness loan being transferred to GUC.

To accept the 0% interest and principal forgiveness loan the attached Series Resolution needs to be adopted by the Board. In adopting the resolution, the Board is:

- Accepting the Revolving Loan Program offer of \$1,367,000
- Approving the provisions of the Series Resolution
- Providing assurances to adhere to the “Conditions” and “Assurances” of NCDEQ’s funding offers
- Recommending to the City Council that the City Council adopt the Series Resolution in connection with the Promissory Note
- Authorizing the General Manager/CEO of the Commission, Chief Financial Officer, or an Authorized Officer of the Commission to approve the Promissory Note, furnish information requested by State Agency, execute other documents as required
- Authorizing and directing the officers, agents and employees of the Commission to do all acts and things required of them by the provisions of the Series Resolution

RESOLUTION APPROVING AND RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA THE ADOPTION OF A SERIES RESOLUTION AUTHORIZING THE INCURRENCE OF SUBORDINATE INDEBTEDNESS EVIDENCED BY AN INTEREST FREE AND FORGIVABLE PRINCIPAL DRINKING WATER STATE REVOLVING FUND PROGRAM NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,367,000 PURSUANT TO THE PROVISIONS OF SECTION 215 OF THE BOND ORDER ADOPTED BY SAID CITY COUNCIL ON AUGUST 11, 1994, AMENDED AND RESTATED AS OF APRIL 13, 2000

WHEREAS, in accordance with Chapter 861 of the 1991 Session Laws of North Carolina, the Greenville Utilities Commission, of the City of Greenville, North Carolina, a body politic duly chartered by the State of North Carolina, in Pitt County, North Carolina, (the “Commission”) has been created for the proper management of the public utilities of the City of Greenville, North Carolina (the “City”), which shall include an electric system, a natural gas system, a sanitary sewer system, and a water system (collectively, the “Combined Enterprise System”) within and without the corporate limits of the City, with responsibility for the entire supervision and control of the management, operation, maintenance, improvement and extension of the public utilities; and

WHEREAS, the City Council of the City (the “City Council”) adopted, on August 11, 1994, amended and restated as of April 13, 2000, a bond order authorizing and securing Greenville Utilities Commission Combined Enterprise System Revenue Bonds of the City (the “Order”); and

WHEREAS, the City Council of the City (the “City Council”) adopted, on August 11, 1994, a bond order, which, among other things, authorizes and secures Greenville Utilities Commission Combined Enterprise System Revenue Bonds of the City, which order was amended and restated as of April 13, 2000 (the “Order”); and

WHEREAS, Section 215 of the Order authorizes the incurrence or assumption of Subordinate Indebtedness (as defined in the Order) for any lawful purpose of the City related to the ownership or operation of the Combined Enterprise System; and

WHEREAS, the Federal Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and grants, as applicable, to aid eligible, drinking water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

WHEREAS, as more particularly described in Appendix A to this Resolution, the North Carolina Department of Environmental Quality (the “Department”) has offered the Commission an interest free and forgivable principal North Carolina Drinking Water State Revolving Fund loan in the total amount of \$1,367,000 to pay for or reimburse the Commission for the cost of certain improvements to the Combined Enterprise System, which improvements are described in Appendix A hereto and constitute Additional Improvements (as defined in the Order), said loan to be evidenced by a Drinking Water State Revolving Fund Program Note referred to herein as the “Promissory Note” and as described in Appendix A to this Resolution, which Promissory Note will constitute Subordinate Indebtedness (as defined in the Order); and

WHEREAS, the Commission intends to construct the Additional Improvements in accordance with engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section; and

WHEREAS, the Commission has complied substantially or will comply substantially with all Federal, State and local laws, rules, regulations and ordinances applicable to the Additional Improvements, and to Federal and State grants and loans pertaining thereto; and

WHEREAS, the Promissory Note shall be secured by a pledge, charge and lien upon the Net Receipts (as defined in the Order) subordinate to the pledge, charge and lien upon the Net Receipts which secures Parity Indebtedness (as defined in the Order) and, accordingly, is payable from the Net Receipts subordinate and junior in right of payment to the payment of Parity Indebtedness from the Net Receipts as provided in the Order; and

WHEREAS, pursuant to Section 215 of the Order, the Promissory Note is to have such terms and provisions as are determined by the General Manager/CEO of the Commission or any officer of the Commission authorized by the General Manager/CEO of the Commission (an "Authorized Officer of the Commission"), subject to the limitations set forth in a series resolution to be adopted by the City Council, and the City Council is considering the adoption of such resolution substantially in the form presented to the Commission entitled:

SERIES RESOLUTION AUTHORIZING THE INCURRENCE OF SUBORDINATE INDEBTEDNESS EVIDENCED BY AN INTEREST FREE AND FORGIVABLE PRINCIPAL DRINKING WATER STATE REVOLVING FUND PROGRAM NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,367,000 PURSUANT TO THE PROVISIONS OF SECTION 215 OF THE BOND ORDER ADOPTED BY THE CITY COUNCIL ON AUGUST 11, 1994, AMENDED AND RESTATED AS OF APRIL 13, 2000

WHEREAS, the City Council has requested the Commission to advise the City Council as to whether the Commission approves of the provisions of the Series Resolution, whether the Commission agrees to undertake its responsibilities there under and whether the Commission recommends to the City Council that the City Council adopt the Series Resolution;

NOW, THEREFORE, THE GREENVILLE UTILITIES COMMISSION DOES HEREBY DETERMINE AND RESOLVE, as follows:

The Commission hereby accepts the offer of an interest free and forgivable principal Drinking Water State Revolving Fund in the amount of \$1,367,000 and approves the provisions of the Series Resolution in the form presented to it.

The Commission hereby agrees to undertake and be responsible for those matters with respect to which it is given responsibility or to be done by it pursuant to the provisions of the Series Resolution and such other documents as may be required in connection with the incurrence of Subordinate Indebtedness evidenced by the Promissory Note and to take all actions necessary to ensure the timely disbursement of the proceeds of Promissory Note. The Commission will adhere to all programmatic requirements of the Department relating to the Revolving Loan Program, including the provisions of the Department's funding offer letters. The Commission does hereby give assurance to the Department that it will adhere to all applicable items specified in the standard "Conditions" and "Assurances" of the Department's funding offers.

The Commission hereby recommends to the City Council that the City Council adopt the Series Resolution in connection with the authorization of the Promissory Note.

The General Manager/CEO of the Commission, Chief Financial Officer, or an Authorized Officer of the Commission is hereby authorized to (a) approve the Promissory Note, such execution of a certificate to such effect to be conclusive evidence of the approval thereof by the Commission, (b) furnish such information, as the appropriate State agency may request, in connection with the Additional Improvements and (c) execute such other application documents required by the Department.

The officers, agents and employees of the Commission are hereby authorized and directed to do all acts and things required of them by the provisions of Order and the Series Resolution for

the full, punctual and complete performance of the terms, covenants, provisions and agreements therein.

This resolution shall take effect immediately upon its adoption.

Adopted this the ___ day of May, 2021.

/s/ Parker Overton
Chair

ATTEST:

/s/ Minnie Anderson
Secretary

APPROVED AS TO FORM:

/s/ Phillip R. Dixon
General Counsel

APPENDIX A

THE ADDITIONAL IMPROVEMENTS

The Additional Improvements referenced in the resolution to which this is Appendix A include but are not limited to improvements to the Bethel System to be acquired by GUC, including replace 2-inch waterline with 6-inch line; replace residential water meters to align with GUC; replace Well No. 2, rehabilitate Well No. 3; and develop water system model to allow Bethel System to consolidate with GUC.

A remote electronic meeting of the City Council of the City of Greenville, North Carolina was held by use of simultaneous communication pursuant to Section 166A-19.24 of the North Carolina General Statutes at 6:00 p.m. on _____. All Council Members participated by use of simultaneous communication.

Present: Mayor P.J. Connelly, presiding, and Councilmembers

Absent: _____

* * * * *

_____ introduced the following resolution, a copy of which had been provided to each Councilmember and which was read by its title:

RESOLUTION NO. __ - 21

SERIES RESOLUTION AUTHORIZING THE INCURRENCE OF SUBORDINATE INDEBTEDNESS EVIDENCED BY AN INTEREST FREE AND FORGIVABLE PRINCIPAL DRINKING WATER STATE REVOLVING FUND PROGRAM NOTE IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,367,000 PURSUANT TO THE PROVISIONS OF SECTION 215 OF THE BOND ORDER ADOPTED BY THE CITY COUNCIL ON AUGUST 11, 1994, AMENDED AND RESTATED AS OF APRIL 13, 2000

WHEREAS, the City of Greenville, North Carolina (the "City"), a municipal corporation in Pitt County, North Carolina, owns certain public utility or public service enterprise facilities

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”), and

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, within and without the corporate limits of the City, with responsibility for the entire supervision and control of the management, operation, maintenance, improvement and extension of the public utilities of the City, including the Combined Enterprise System; and

WHEREAS, the City Council of the City (the “City Council”) adopted, on August 11, 1994, a bond order, which, among other things, authorizes and secures Greenville Utilities Commission Combined Enterprise System Revenue Bonds of the City, which order was amended and restated as of April 13, 2000 (the “Order”); and

WHEREAS, Section 215 of the Order authorizes the incurrence or assumption of Subordinate Indebtedness (as defined in the Order) for any lawful purpose of the City related to the ownership or operation of the Combined Enterprise System (as defined in the Order); and

WHEREAS, the Federal Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and grants, as applicable, to aid eligible, drinking water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

WHEREAS, as more particularly described in Appendix A to this Resolution, the North Carolina Department of Environmental Quality (the “Department”) has offered the Commission an interest free and forgivable principal North Carolina Drinking Water State Revolving Fund loan in the total amount of \$1,367,000 to pay for or reimburse the cost of certain improvements to the Combined Enterprise System, which improvements are described in Appendix A hereto and constitute Additional Improvements (as defined in the Order), said loan to be evidenced by a Drinking Water State Revolving Fund Program Note referred to herein as the “Promissory Note” and as described in Appendix A to this Resolution, which Promissory Note will constitute Subordinate Indebtedness (as defined in the Order); and

WHEREAS, the Commission and the City intend to construct the Additional Improvements in accordance with engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section; and

WHEREAS, the Commission and the City have complied substantially or will comply substantially with all Federal, State and local laws, rules, regulations and ordinances applicable to the Additional Improvements, and to Federal and State grants and loans pertaining thereto; and

WHEREAS, the Promissory Note shall be secured by a pledge, charge and lien upon the Net Receipts (as defined in the Order) subordinate to the pledge, charge and lien upon the Net Receipts which secures Parity Indebtedness (as defined in the Order) and, accordingly, is payable from the Net Receipts subordinate and junior in right of payment to the payment of Parity Indebtedness from the Net Receipts as provided in the Order; and

WHEREAS, the City Council has received information to the effect that the City will be able to satisfy the requirements of Section 215 of the Order with respect to the State Revolving Fund Promissory Note; and

WHEREAS, pursuant to Section 215 of the Order, the State Revolving Fund Promissory Note are to have such terms and provisions as may be provided by a series resolution to be adopted by the City Council prior to the incurrence of said Subordinate Indebtedness; and

WHEREAS, the Commission has adopted a resolution to the effect that it approves the provisions of this resolution and recommends to the City Council that the City Council adopt this series resolution authorizing and setting forth the terms and provisions of the State Revolving Fund Promissory Note; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this series resolution (this “Resolution”) and not otherwise defined herein shall have the meanings given to them in the Order.

Section 2. Authorization of the State Revolving Fund Promissory Note. (A) The State Revolving Fund Promissory Note. Pursuant to the Enabling Act and Section 215 of the Order, the City Council hereby authorizes the incurrence of Subordinate Indebtedness evidenced by a State Revolving Fund Program Note (as defined in the Order) designated “Greenville Utilities Commission Combined Enterprise System Drinking Water State Revolving Loan Fund Program Note” (the “Promissory Note”) in an aggregate principal amount of up to \$1,367,000 for the purpose of providing funds, together with any other available funds, for (1) paying, or reimbursing the Commission for paying, a portion of the Cost of the Additional Improvements described in Appendix A hereto and (2) paying expenses incidental and necessary or convenient thereto.

(B) Note Provisions. The Promissory Note shall be executed on such date, be effective as of such date, shall bear interest at a zero rate of interest and shall be subject to forgiveness of principal pursuant to the Department of Environmental Quality (DEQ) Program terms for such loans.

(C) Interest Payment Dates. The Promissory Note shall bear interest at a zero interest rate.

(D) Principal Payment Dates. Principal on the Promissory Note shall be subject to forgiveness of principal pursuant to the DEQ Program terms for such loans.

(E) Prepayment of the Promissory Note. The Promissory Note shall be pre-payable in accordance with its terms.

Section 3. Delegation and Standards. The City Council hereby delegates to any Authorized Officer of the Commission, subject to the limitations contained herein, the power to determine and carry out the following with respect to the Promissory Note:

(A) Principal Amount. The aggregate principal amount of the Promissory Note, not to exceed \$1,367,000, to be sufficient for the purposes described in Section 2(A) of this Resolution;

(B) Execution Date and Effective Date. To determine the date of execution of the Promissory Note and the effective date of the Promissory Note;

(C) Other Provisions. To determine any other provisions deemed advisable and not in conflict with the provisions of this Resolution or the Order.

Section 4. Ratification of Previous Actions. City Council hereby ratifies and approves any previous actions taken by the General Manager of the Commission or any other Authorized Officer of the Commission relating to any Promissory Note and related documents including the execution of such Promissory Note and related documents so long as such actions were not inconsistent with this Resolution.

Section 5. Series Certificate. The General Manager/CEO of the Commission or an Authorized Officer of the Commission shall execute a certificate or certificates evidencing determinations or other actions taken pursuant to the authority granted in this Resolution, and any such certificate or certificates shall be conclusive evidence of the action taken.

Section 6. Form of the Promissory Note. The Promissory Note shall be substantially the form required by the Drinking Water State Revolving Program, with such variations, omissions and insertions as are required or permitted by this Resolution or the Order.

Section 7. LGC Approval of the Promissory Note; Execution of the Promissory Note. The City Council recognizes that the North Carolina Local Government Commission (the “LGC”) must approve the incurrence of Subordinate Indebtedness evidenced by the Promissory Note in accordance with the terms and provisions of this Resolution. Based upon the LGC approval of the incurrence of such Subordinate Indebtedness evidenced by the Promissory Note as hereinabove requested, a Promissory Note in the form required by the Drinking Water State Revolving Fund Program is hereby approved in all respects, and the General Manager of the Commission or an Authorized Officer of the Commission are hereby authorized to signify such approval by the execution of the Promissory Note in substantially such form, taking into account among other

items any changes made pursuant to the delegation set forth in Section 3 of this Resolution, such execution to be conclusive evidence of the approval thereof by the City.

Section 8. Authorization to City and Commission Officials. The officers, agents and employees of the City and the Commission are hereby authorized and directed to do all acts and things required of them by the Drinking Water State Revolving Fund Loan Program and the provisions of the Promissory Note, the Order and this Resolution for the full, punctual and complete performance of the terms, covenants, provisions and agreements therein.

Section 9. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this the ____ day of _____, 2021.

/s/ P. J. Connelly, Mayor

ATTEST:

/s/ Valerie Shiuwegar, City Clerk

[SEAL]

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 _____ and contains the verbatim text of Resolution No. __-21 which was duly adopted by said City Council at said meeting.

WITNESS my hand and the official seal of said City, this ____ day of _____, 2021.

City Clerk

[SEAL]

APPENDIX A

THE ADDITIONAL IMPROVEMENTS

The Additional Improvements referenced in the resolution to which this is Appendix A include but are not limited to improvements to the Bethel System to be acquired by GUC, including replace 2-inch waterline with 6-inch line; replace residential water meters to align with GUC; replace Well No. 2, rehabilitate Well No. 3; and develop water system model to allow Bethel System to consolidate with GUC.

A motion was made by Ms. Wall, seconded by Mr. Geiger, to adopt the Series Resolution and recommend that the City Council take similar action and adopt a Series Resolution. The motion carried unanimously.

CONSIDERATION OF APPROVAL OF RESOLUTION FOR \$3,000,000 WASTEWATER GRANT (Agenda Item 6)

Mr. McCauley stated that in March of 2020, the North Carolina Department of Environmental Quality (NCDEQ) offered to provide SRF funding for capital project improvements to the Town of Bethel. The funding offer included a grant for wastewater system capital improvements in the amount of \$3,000,000.

At the time of this funding offer, the NCDEQ staff was participating in discussions among Bethel, Greenville and GUC regarding GUC/Greenville assuming ownership of Bethel's water and wastewater systems. Through the cooperative efforts of the NCDEQ, Bethel, Greenville and GUC over the past 13 months, the ownership transfer agreement was finalized and approved by all parties on April 19, 2021.

The agreement stipulates that GUC is responsible for performing and/or providing oversight for the capital improvements associated with this grant. Therefore, GUC requested the NCDEQ to transfer the funding offered to Bethel in March of 2020 to GUC once the ownership transfer agreement was approved and executed. The NCDEQ agreed to this request which has resulted in the grant being transferred to GUC.

To accept the grant the attached Resolution needs to be adopted by the Board. In adopting the resolution, the Board is:

- Accepting the grant offer in the amount of \$3,00,000
- Approving the provisions of the Resolution
- Providing assurances to adhere to the "Conditions" and "Assurances" of NCDEQ's funding offer
- Authorizing the General Manager/CEO of the Commission to furnish information requested by State Agency, execute other documents as required

After discussion, a motion was made by Mr. Geiger, seconded by Mr. Stoughton, to adopt the resolution. The motion carried unanimously.

CAPITAL PROJECT UPDATE (Agenda Item 7)

Mr. Chris Padgett, Assistant General Manager/Chief Administrative Officer, provided an update on the New Operations Center capital project status and announced that this project is ending with \$2M remaining in the capital project budget. Plans are to transfer \$750,000 to the Fleet Maintenance Facility capital project budget, which is included in the budget amendment, to add an employee parking area and laydown yard that is needed.

Board approval to move forward with the construction of this Fleet Maintenance Facility will be in June.

GENERAL MANAGER/CEO'S REPORT (Agenda Item 8)

1. Informational Reading

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

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

GREENVILLE UTILITIES COMMISSION

RANKING OF PROPOSALS RECEIVED

BUDGET SOFTWARE
AUGUST 10, 2020 @ 3:00 PM

| VENDOR PROPOSAL RANKING |
|--------------------------------|
| A3 Solutions* |
| Anaplan* |
| Budgyt* |
| CherryRoad Oracle EPM Cloud |
| CNC Oracle EPM Cloud |
| Innofin Oracle EPM Cloud |
| Neubrain (Board) |
| Delbridge CCH Tagetik |
| Quanam IBM Okanning Analytics |
| Adaptive Insights |

RECOMMENDATION FOR VENDOR NEGOTIATION BASED ON PROPOSAL RECEIVED

DESIGNS AND SPECIFICATIONS FOR KV TRANSMISSION LINE PROJECTS
MARCH 16, 2021 @ 3:00 PM (EDST)
RANKING ORDER

| |
|------------------------|
| Stanley Consultants* |
| Booth & Associates |
| Pickett and Associates |
| Ampirical |
| Timmons Group |
| McGill Associates |

*Indicates recommended vendor to negotiate contract based on their submitted proposal, qualifications, and interview.

TABULATION OF BIDS RECEIVED

ITEM I (4) 300 KVA THREE-PHASE PADMOUNT TRANSFORMER, STK # 205150
MARCH 11, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | OWNERSHIP COST/UNIT | TOTAL |
|----------------------------|----------------------------|-------------------|----------------------------|--------------|
| National Transformer Sales | 20 | \$8,850.00 | \$17,964.00* | \$35,400.00 |
| Border States | 19 | 11,785.00 | 18,265.00 | 47,140.00 |
| Wesco Distribution, Inc. | 20 | 9,610.00 | 18,657.70 | 38,440.00 |
| WEG | 20 | 9,428.00 | 18,731.30 | 37,712.00 |
| Richardson Associates | 20 | 10,357.00 | 19,196.20 | 41,428.00 |

* Indicates recommended award based on lowest total ownership cost.

ITEM II (25) 25KVA CSP 7200V, STK # 205020
MARCH 11, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | OWNERSHIP COST/UNIT | TOTAL |
|----------------------------|----------------------------|-------------------|----------------------------|--------------|
| National Transformer Sales | 16 | \$926.00 | \$2,037.80* | \$23,150.00 |
| Wesco Distribution, Inc. | 14 | 958.00 | 2,054.20 | 23,950.00 |
| Richardson Associates | 20 | 1,066.00 | 2,154.70 | 26,650.00 |
| Border States | 17 | 1,037.00 | 2,195.60 | 25,925.00 |

* Indicates recommended award based on lowest total ownership cost.

**VALVE BOX BOTTOMS, TOPS AND EXTENSIONS
MARCH 24, 2021 @ 3:00 PM**

| VENDORS | TOTAL |
|----------------------------|--------------------------|
| EJ USA, Inc. | \$15,776.50* |
| Fortiline Waterworks | 15,805.00 |
| Ferguson Waterworks | 16,583.75 |
| Water Works, Inc. | 17,365.00 |
| Tec Utilities Supply, Inc. | 13,795.00 ⁽¹⁾ |

* Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendors quote was incomplete.

**BOLTS, NUTS, WASHERS AND CLAMPS
MARCH 31, 2021 @ 3:00 PM**

| VENDORS | TOTAL |
|--------------------------|--------------|
| Wesco Distribution, Inc. | \$25,201.75* |

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

**(1) ONE TANDEM AXLE SEWER RODDER VACUUM COMBINATION TRUCK
APRIL 6, 2021 @ 3:00 PM**

| VENDOR NAME | BRAND | DELIVERY TIME | \$ TOTAL |
|-------------------------------|----------------|----------------------|---------------------------|
| Southern Vac | Vac Con | 12 weeks | \$455,250.00* |
| Atlantic Machinery Inc. | Vac Con | 120 days | 459,780.00 |
| Adams Equipment Co. | Vac Con | 17 weeks | 464,371.00 |
| Carolina Industrial Equipment | Super Products | 25 weeks | 396,917.22 ⁽¹⁾ |

* Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the bid took exceptions/variations to the required specifications.

**ITEM I 14,640 LBS of 795 37 STR. ALUMINUM (ARBUTUS) STK #206410
APRIL 13, 2021 @ 3:00 PM**

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|----------------|----------------------------|-------------------|--------------------------|
| Wesco | 10-12 | \$1.96 | \$28,694.40* |
| Border States | 8 | 2.05 | 30,340.00 ⁽¹⁾ |

*Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor's price lapsed.

**ITEM II 16,200' OF #2 TRIPLEX CABLE (OH) (CONCH 1800' REELS) STK# 204630
APRIL 13, 2021 @ 3:00 PM**

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|----------------|----------------------------|-------------------|--------------------------|
| Wesco | 8-10 | \$0.66 | \$10,692.00* |
| Border States | 8 | 0.68 | 11,016.00 ⁽¹⁾ |

*Indicates recommended award based on the lowest responsible, responsive bid.
(1) Indicates that the vendor's price lapsed.

ITEM III 40,000' OF 350-600V UG TRIPLEX STK# 201330

APRIL 13, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|---------------|---------------------|------------|--------------|
| Wesco | 8-10 | \$2.445 | \$97,800.00* |
| Border States | 8 | 2.410 | 96,400.00(1) |

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

(1) Indicates that the vendor's price lapsed.

ITEM IV 50,000' OF 2/0-600V UG TRIPLEX STK# 201250

APRIL 13, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|---------------|---------------------|------------|--------------|
| Wesco | 8-10 | 1.193 | \$59,650.00* |
| Border States | 14 | 1.180 | 59,000.00(1) |

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

(1) Indicates that the vendor's price lapsed.

ITEM V 40,000' OF 4/0-600V UG TRIPLEX STK# 201260

APRIL 13, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|---------------|---------------------|------------|--------------|
| Wesco | 4-6 | \$1.514 | \$60,560.00* |
| Border States | 8 | 1.500 | 60,000.00(1) |

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

(1) Indicates that the vendor's price lapsed.

ITEM VI #6 UG TRIPLEX STK# 205950

APRIL 13, 2021 @ 3:00 PM

| VENDORS | DELIVERY TIME (WKS) | UNIT PRICE | TOTAL |
|---------------|---------------------|------------|-------------|
| Wesco | Stock | \$0.498 | \$7,470.00* |
| Border States | 14 | 0.520 | 7,800.00(1) |

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

(1) Indicates that the vendor's price lapsed.

Load Management Report

The Duke Energy Progress (DEP) monthly peak occurred on April 3, 2021 for the hour ending at 8:00 a.m. GUC's load management system was in full operation during this period. As a result, the estimated avoided demand costs amount to \$1,390,086.

2. Key Performance Indicators (KPIs)

The Corporate KPI report was provided.

3. Other

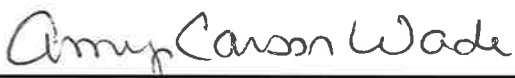
- GUC's budget was presented to the City Council on May 13, 2021.
- A Finance/Audit Committee meeting has been scheduled for June 1, 2021.
- Last week Congressman Murphy toured the new Operations Center, and another tour has been scheduled with Senator Tillis in early June.
- All GUC offices will be re-opening on Monday with regular operational hours.

BOARD CHAIR'S REMARKS/REPORT (Agenda Item 9)

Chair Overton reminded the Commissioners of the GUC Regular Board meeting scheduled for Thursday, June 10, 2021 at 12:00 noon.


There being no further business to come before the Board of Commissioners, upon motion by Ms. Wall, seconded by Mr. Stoughton, the Board of Commissioners unanimously agreed to adjourn the meeting at 12:46 p.m.

Respectfully submitted,



Amy Carson Wade, Executive Secretary

APPROVED:



Minnie Johnson Anderson, Secretary

--This page is intentionally left blank--