

Joint Greenville City Council/Greenville Utilities Commission Board Meeting

Monday, April 19, 2021

6:00 p.m.

This meeting will be virtual and conducted via Zoom. See the City's website (www.greenvillenc.gov) for details.

1. Call Meeting to Order – Mayor Connelly
Call Meeting to Order – Chair Overton
2. Approval of Agenda – City Council
Approval of Agenda – Greenville Utilities Commission
 - Public Comment Period – For issues that are germane to both the City Council and the Greenville Utilities Commission Board

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

3. Approval of Minutes from the April 24, 2019 Joint City Council / Greenville Utilities Commission Board Meeting
4. Consideration of Market Adjustment/Merit Allocation for FY 2021-2022
5. Consideration of additional 457 Plan offering
6. Consideration of Approval of Bethel's Water and Wastewater Systems Ownership Transfer Agreement
7. Consideration of Adoption of Water and Sewer Capital Project Budgets and Ordinance for the transfer of Water and Wastewater Systems from Bethel to Greenville Utilities Commission
8. Adjournment – Greenville Utilities Commission
Adjournment – City Council

PROPOSED MINUTES
JOINT MEETING OF THE GREENVILLE CITY COUNCIL
AND THE GREENVILLE UTILITIES COMMISSION
BOARD OF COMMISSIONERS
WEDNESDAY, APRIL 24, 2019

Having been properly advertised, a joint session of the Greenville City Council and the Greenville Utilities Commission Board of Commissioners (GUC Board) was held on Wednesday, April 24, 2019, at 6:00 p.m. in the Council Chambers, third floor of City Hall in Greenville, NC.

Mayor Connelly called the meeting to order for the City Council and ascertained that a quorum was present.

GUC Chair Blount called the meeting to order for the GUC Board and ascertained that a quorum was present.

Those present from the City Council:

Mayor P.J. Connelly, Mayor Pro-Tem Rose H. Glover, and Council Members Will Bell, Monica Daniels, Rick Smiley, Brian V. Meyerhoeffer, Jr. and William F. Litchfield, Jr.

Also present from the City of Greenville:

Ann E. Wall, City Manager; Michael Cowin, Assistant City Manager; Emanuel McGirt, City Attorney; Carol Barwick, City Clerk; Leah Futrell, Director of Human Resources; and other City Staff including Eric Griffin, Brock Letchworth, and Mark Holtzman.

Those present from the Greenville Utilities Commission Board of Commissioners:

Chair Rebecca Blount, Chair-Elect Joel Butler, Secretary Parker Overton, and Commissioners Don Mills, Tommy Stoughton, Minnie J. Anderson, Kelly L. Darden, Jr., and Ann E. Wall

Also present from the Greenville Utilities Commission:

Tony Cannon, General Manager/CEO; Phillip R. Dixon, General Counsel; Richie Shreves, Director of Human Resources; Steve Hawley, Public Information Officer/Communications Manager; Amy Wade, Executive Assistant to the General Manager/CEO; Lou Norris, Secretary to the General Manager/CEO; and other GUC Staff including Leah Herring, Benefits Administrator.

APPROVAL OF THE AGENDA

Upon motion by Council Member Bell and second by Council Member Smiley, the Greenville City Council unanimously approved the agenda as presented.

Upon motion by Commissioner Mills and second by Commissioner Butler, the GUC Board unanimously approved the agenda as presented.

PUBLIC COMMENT PERIOD

Mayor Connelly opened the public comment period at 6:05 p.m. and explained the procedures to be followed by anyone who wished to speak.

There being no one present who wished to speak, Mayor Connelly closed the public comment period at 6:06 p.m.

APPROVAL OF PROPOSED MINUTES- SEPTEMBER 24, 2018

Upon motion by Council Member Meyerhoeffer and seconded by Mayor Pro-Tem Glover, the Greenville City Council unanimously approved the September 24, 2018 Joint Minutes as presented.

Upon motion by Commissioner Butler and seconded by Commissioner Anderson, the GUC Board unanimously approved the September 24, 2018 Joint Minutes as presented.

CONSIDERATION OF MARKET ADJUSTMENT/MERIT ALLOCATION FOR FY 2019-2020

City Manager Ann Wall called on Assistant City Manager Michael Cowin to present recommendations of the Joint Pay and Benefits Committee who recently met in March this year. Mr. Cowin stated that each year the City and GUC review the pay posture of the joint pay plan with the objective to maintain an effective pay system for employees that is internally equitable, and competitive to the external marketplace. This review is based on data obtained from salary surveys, other public sector organizations, and several local private employers.

Mr. Cowin shared the following data which was collected by the City's and GUC's Human Resources Departments.

Projected wage increases are as follows:

Market Survey	Projected Wage Increase
Aon Hewitt	3.1%
Capital Associated Industries (CAI)*	2.7%
Korn Ferry (fka Hay Group)	3.0%
Mercer	2.9%
Willis Towers Watson	3.0%
WorldAtWork	3.2%

Mr. Cowin noted that CAI includes 500 Public/Private organizations in North Carolina and the City and GUC traditionally use the CAI as the primary benchmark. Of the 26 public sector entities responding, 25 provided pay increases to employees averaging 3.1 % (market and/or merit) for FY 2018-2019. Also, 16 of the responding municipalities and utilities provided projected increases averaging 3.3% (market and/or merit) for FY 2019-2020. Eleven local private employers were contacted and 8 responded with pay increases to employees averaging 2.9% for FY 2018-2019 and projected increases averaging 3.0% for FY 2019-2020.

Below is a chart that shows actual wage increase compared to benchmark since the last true-up:

FY	City/GUC	CAI	Public Sector	Private Sector
2015-16	2.0%	2.7%	2.5%	2.0%
2016-17	2.0%	2.8%	3.2%	3.05%
2017-18	3.2%	2.7%	2.9%	2.9%
2018-19	2.7%	2.9%	3.1%	2.9%
4 Year Cumulative Difference:		-1.2%	-1.8%	-2.9%

Mr. Cowin stated the recommendation of the Joint Pay and Benefits Committee is to fund an employee pay adjustment of 2.7% for FY 2019-2020, to be applied as deemed appropriate by each entity, in order to maintain market competitiveness.

Council Member Litchfield moved to fund an employee pay adjustment of 2.7% for FY 2019-2020, to be applied as each entity deems appropriate. Council Member Meyerhoeffler seconded the motion, which passed by unanimous vote.

Commissioner Overton moved to fund an employee pay adjustment of 2.7% for FY 2019-2020, to be applied as each entity deems appropriate. Commissioner Stoughton seconded the motion, which passed by unanimous vote.

CONSIDERATION OF SALARY STRUCTURE ADJUSTMENT FOR FY 2019-2020

Mr. Cowin stated that a Five-Year Salary True-Up was conducted in 2015. Part of the recommendation of that study was to review current pay structure on an annual basis to ensure it continues to be competitive with the market.

Waters Consulting recommends using data produced by WorldAtWork because their Salary Budget Survey is the largest and most trusted resource of salary and structure adjustment data used by compensation professionals nationally and internationally. Last year the City Council and GUC Board approved a salary structure adjustment of 2.1% based on WorldAtWork's data to remain competitive with the market. WorldAtWork projects salary structures to increase by 2.1% for FY 2019-2020.

Mr. Cowin stated the recommendation from the Joint Pay and Benefits Committee is for the City and GUC to approve a 2.1% adjustment to the salary structure for FY 2019-2020, effective July 1, 2019. This recommended adjustment will have minimal financial impact on each entity.

Council Member Smiley made a motion to approve a 2.1% increase to the salary structure for FY 2019-2020, effective July 1, 2019. Council Member Litchfield seconded the motion, which passed by unanimous vote.

Commissioner Butler made a motion to approve a 2.1% increase to the salary structure for FY 2019-2020, effective July 1, 2019. Commissioner Mills seconded the motion, which passed by unanimous vote.

UPDATE ON COMPENSATION STUDY

Ms. Leah Futrell, Director of Human Resources for the City, stated that the City and GUC adopted the consultant's recommendation that a comprehensive classification and compensation study be conducted every ten years. She noted that the last comprehensive classification and compensation study was conducted in 2010 by Waters Consulting. Requests for Proposals (RFP) were released in the fall of 2018. Six proposals were received and 3 of the firms were interviewed in March to meet. Presentations are scheduled for May. The goal is to have a consultant selected so that the study can begin in July 2019. The results of the study would be shared with the Joint Pay and Benefits Committee and the joint boards in March or April of 2020. The implementation of the recommendations would be July 1, 2020.

ADJOURNMENT

There being no further discussion, Council Member Bell moved to adjourn the meeting, and Council Member Daniels seconded the motion, which passed by unanimous vote. Mayor Connelly adjourned the meeting for the City Council at 6:16 p.m.

There being no further discussion, Commissioner Mills moved to adjourn the meeting, and Commissioner Darden seconded the motion, which passed by unanimous vote. Chair Blount adjourned the meeting for the GUC Board at 6:16 p.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary

APPROVED:

Parker Overton
Secretary

MEMORANDUM

TO: Mayor and City Council
Greenville Utilities Board of Commissioners

FROM: Ann E. Wall, City Manager *AEW*
Anthony C. Cannon, General Manager/CEO *ACE*

DATE: April 14, 2021

SUBJECT: Joint City/GUC Pay and Benefits Committee Recommendations for FY 2021/22

The Joint City/GUC Pay and Benefits Committee, comprised of City Council Mayor Pro Tem Rose Glover and Council Member Rick Smiley and GUC Commissioners Kelly Darden and Peter Geiger, met on March 30, 2021. The result of this meeting was recommendations to be considered by City Council and GUC Board of Commissioners at their upcoming Joint Meeting scheduled for Monday, April 19, 2021, at 6:00 p.m. Due to continuing COVID-19 related health concerns, the meeting will be held virtually using Zoom.

Pay Philosophy

In order to mitigate pay compression and attract and retain high-performing employees, the City Council and Greenville Utilities Commission's Board of Commissioners have adopted an "at market" pay philosophy. As such, both organizations strive to pay at market and adjust our salary structure as needed so that it is market competitive.

In addition to the City and GUC's annual review of our joint pay plan, in late 2019 a consultant was hired to assist both entities in evaluating the Joint Pay Plan to ensure that it is in line with the market. We received the results of those efforts last year, showing that overall the current pay plan is 5% over the market. As such, we elected not to update the Joint Pay Plan as a whole; however, each organization has a handful of positions that may need to be evaluated to ensure they are competitive with the market. At some point in the future, when things have stabilized, City and GUC management will further evaluate the Joint Pay Plan to determine whether any modifications are warranted. In all of these efforts, the objective is to maintain an effective pay system for our employees that is internally equitable and compatible, and is as competitive as possible in relation to the external marketplace.

Market Adjustment/Merit Allocation

The City and GUC have traditionally used the survey from Capital Associated Industries (CAI), now known as Catapult, as the primary benchmark guide for establishing the market related to wage growth. Over the past several years, staff has received requests to include data from other reputable surveys, other public sector organizations, and local employers to ensure that CAI survey data (now Catapult) is truly representative of the market.

As depicted in the chart below, wage projections and trends for 2021 are relatively consistent among the following surveys, with the exception of Aon Hewitt.

Survey Company	Projection
Aon Hewitt	7.3%
Catapult (fka CAI)*	2.2%
Korn Ferry (fka Hay Group)	3.0%
Mercer	2.5%
Willis Towers Watson	2.7%
WorldAtWork	2.9%

**COG and GUC have traditionally used CAI (now Catapult) as the primary benchmark guide*

Staff surveyed our established public-sector benchmark organizations and several local private employers to determine their plans related to compensation decisions for FY 2021/22.

- Public-sector benchmark organizations:** The public-sector benchmark organizations are comprised of 26 municipalities and utilities. Of the 26 organizations that responded, 20 gave their employees pay increases in FY 2020/21, averaging 2.2% (market and/or merit, including those organizations giving 0%). Many of the benchmark organizations are in the process of developing their FY 2021/22 budgets and have not made a decision regarding pay increases. Of the seven organizations that responded, the average pay increase projection for FY 2021/22 is 3.9% (market and/or merit). This projection is likely high because only seven public-sector benchmark organizations have responded to date, which is fewer than in prior years.
- Local private employers:** For FY 2021/22, nineteen private-sector employers were surveyed. Of the ten employers that responded, they are projecting pay increases averaging 2.6% (market and/or merit). Those same ten employers reported actual increases averaging 2.1% last year.

GUC/COG Combined Market and Merit Benchmark History

Fiscal Year	Private Sector	Public Sector	GUC	COG
20/21	2.1%^	2.2%^	2.0%	2.0%
21/22	2.6*	3.9*	TBD	TBD

**The private & public sector data represents projections collected during the Spring of each year as part of the Pay & Benefits planning process.*

^Due to the Pandemic, no public or private sector data was collected in 2020; however, actuals for 2020 were collected in early 2021 as part of the Pay & Benefits planning process.

GUC/COG Combined Market and Merit Adjustment History

Fiscal Year	Annual		Combined
	Market	Merit	
15/16 (GUC)	.5%	1.5%	2.0%
(COG)	2.0%	0%	2.0%
16/17 (GUC)	.5%	1.5%	2.0%
(COG)	2.0%	0%	2.0%
17/18 (GUC)	1.7%	1.5%	3.2%
(COG)	2.0%	1.2%	3.2%
18/19 (GUC)	1.2%	1.5%	2.7%
(COG)	1.2%	1.5%	2.7%
19/20 (GUC)	1.2%	1.5%	2.7%
(COG)	1.2%	1.5%	2.7%
20/21 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	

Recommendation

In order to maintain market competitiveness, the Joint Committee recommends that the City and GUC fund an employee pay adjustment of 2% for FY 2021-2022, applied as deemed appropriate by each entity. The 2% employee pay adjustment is recommended because it closely aligns with Catapult's (formerly CAI) wage projection for 2021.

Salary Structure Adjustment

WorldAtWork projects salary structures to increase by 1.9% for 2021. The City and GUC have historically used WorldAtWork data because their Salary Budget Survey is the largest and most trusted resource of salary and structure adjustment data used by compensation professionals nationally and internationally.

Recommendation

Given that the Joint Pay Plan was determined to be 5% over the market when the classification and compensation study was conducted in late 2019/early 2020, City and GUC salary structures were not updated for FY 2020/21. The Joint Committee recommends that the City and GUC maintain the current salary structures for a second fiscal year to allow the Joint Pay Plan to better align with the market.

Consideration of an Additional 457 Plan

The City and GUC currently offer the NC 401(k) Plan and the ICMA-RC 457 Plan as voluntary, supplemental retirement plans for eligible employees. An additional 457 plan sponsored by the State of North Carolina is proposed to allow eligible employees to contribute voluntarily; no City/GUC contributions will be made. Having the NC 401(k) and the proposed NC 457 plans under one "umbrella" will make it easier for employees to monitor accounts and stay on track towards retirement savings goals. Additionally, the NC 457 Plan provides the potential for employees to save money through reduced fees compared to the current 457 plan.

Recommendation

The Joint Committee recommends that the City and GUC add the NC 457 Plan effective January 1, 2022.

We look forward to seeing you at the upcoming Joint Meeting on April 19th at 6:00 p.m.

cc: Michael Cowin, COG Assistant City Manager
Chris Padgett, GUC Chief Administrative Officer
Leah Futrell, COG Director of Human Resources
Richie Shreves, GUC Director of Human Resources



**Joint City Council/GUC Board
Meeting Date: April 19, 2021
Agenda Item # 6**

Item: Consideration of Approval of Bethel's Water and Wastewater Systems Ownership Transfer Agreement

Contact: Chris Padgett

Explanation: The Town of Bethel (Bethel) has historically owned and operated a water distribution system and a sanitary sewer collection system, each with approximately 750 services. Greenville Utilities Commission (GUC) currently treats Bethel's wastewater and supplies the town with water on a wholesale basis. In recent years, Bethel's enterprise systems have struggled financially resulting in extremely high rates for customers. This is primarily due to debt on the systems, inflow and infiltration on the sanitary sewer collection system and inefficiencies associated with owning and operating these types of enterprise systems on such a small scale.

Bethel and GUC have been collaborating since the Summer of 2016 on how a transfer of Bethel's systems to GUC and the City of Greenville (Greenville) might be mutually beneficial. Challenges to such an arrangement such as Bethel's systems needing capital improvements and existing debt have been addressed to ensure that such a transfer would not negatively impact GUC's current customers. Background and other detailed information regarding the proposed Water and Wastewater Systems Ownership Transfer Agreement are attached.

Highlights of the Proposed Water and Wastewater Systems Ownership Transfer Agreement include the following:

- Bethel's Water and Wastewater Systems Assets will be transferred to the "City of Greenville for the use and benefit of the Greenville Utilities Commission".

- GUC will be responsible for the operation and maintenance of the systems and former Bethel customers will become retail customers of GUC.
- All needed Capital Improvements will be managed by GUC and will be funded using grant funds awarded to Bethel.
- Bethel's existing debt will be refinanced by GUC and Greenville over a 20-year term. Customers located within the Bethel Service Area will pay 100% of the debt service via a monthly surcharge on their GUC bills. At the end of the 20-year term the monthly surcharge will be eliminated.
- GUC will develop a new Water Rate for "Municipalities Outside of Greenville" that is 15% higher than the Inside Greenville rate. This new rate will be applicable to all customers located within the Bethel corporate limits. Any customer located outside the corporate limits will pay the normal Outside Greenville water rate.
- The FY 22 proposed rate estimate for a Bethel customer (full detail attached) shows a 23% reduction in their monthly bill.
- The Bethel Service Area includes the Bethel corporate limits and up to two miles outside of the contiguous corporate limits. Any request for wastewater system extensions within two miles of Bethel's contiguous corporate limits shall request approval of the extension from Bethel and require petition for voluntary annexation to be filed with Bethel.
- The date the assets will transfer (Transfer Date) is July 1, 2021. This date was selected so the transfer will align with each party's fiscal year.

The draft Water and Wastewater Systems Ownership Transfer Agreement provided herein was developed by GUC staff with edits resulting from input from Bethel, Greenville and other third parties. It has been reviewed and deemed legally acceptable by GUC General Counsel Phil Dixon, Greenville City Attorney Emanuel McGirt, and by Cauley Pridgen, the outside counsel retained by GUC and Greenville for this specific project. Additionally, the draft Agreement has been reviewed by Bethel Town Attorney Keen Lassiter and various attorneys and staff at the UNC School of Government.

**Previous Board
Actions:**

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.

On June 13, 2019, the GUC Board of Commissioners approved a Resolution for the Town of Bethel's Asset Inventory and Assessment State Grant Application.

In May 2020, the GUC Board of Commissioners approved a Maintenance and Management Agreement with the Town of Bethel and since that time GUC's Water Resources staff have analyzed both systems.

In February 2021, staff separately provided updates on project progress to the Greenville City Council and Bethel Board of Commissioners. No action taken.

Fiscal Note:

All costs associated with the capital projects identified in Exhibit D of the Agreement will be funded with State Revolving Grant funds awarded to Bethel. Those funds include \$1,367,000 designated for water system improvements and \$3,000,000 for wastewater system improvements. If the cost to complete these projects is greater than estimated, and said cost exceed available grant funding, then GUC will recover such cost from customers within the Bethel Service Area via the monthly bill surcharge.

Bethel's existing debt will be refinanced by GUC and Greenville over a 20-year term. Customers located with the Bethel Service Area will pay 100% of the debt service via a monthly surcharge on their GUC bills.

**Recommended
Action(s):**

GUC Board of Commissioners - Approval of the Water and Wastewater Systems Ownership Transfer Agreement

Greenville City Council - Approval of the Water and Wastewater Systems Ownership Transfer Agreement

Background and Overview of the Water and Wastewater Systems Ownership Transfer Agreement

Background

The Town of Bethel (Bethel) has historically owned and operated 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. In recent years, the town's enterprise systems have struggled financially resulting in extremely high rates for customers. This is primarily due to debt on the systems, inflow and infiltration on the sanitary sewer collection system and inefficiencies associated with owning and operating these types of enterprise systems on such a small scale. 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. In 2017, a Memorandum of Understanding (MOU) was executed between GUC and Bethel outlining both entities' commitment to working together to explore the feasibility of such an arrangement. After this MOU was executed, both parties collaborated to get a better understanding of the systems' needs and to seek funding from various state and federal agencies.

In February 2020, Bethel was awarded \$4,517,000 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; and Water System Infrastructure Improvements - \$1,367,000. The state funding agency communicated that the funding was 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 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.

GUC's Water Resources Department conducted an in-depth assessment of Bethel's water and wastewater systems from May to August 2020. Based on this assessment, GUC developed Engineering Reports for each system that outlined the capital improvements needed and the estimated costs. Based on these reports, the funds provided by the State were determined to be sufficient to cover the estimated cost of the identified capital improvements.

Raftelis, a rate modeling consultant, and GUC's Analytics Office worked from October through December 2020, to analyze Bethel's debt, customer base and rates to develop a proposed rate

plan for Bethel Customers who become GUC customers as a result of the proposed ownership transfer.

Bethel's Water and Wastewater Systems at a Glance

- Bethel's water and wastewater utility systems provide water and wastewater services to approximately 750 active customers / premises through approximately 750 water and 750 wastewater accounts.
- Bethel's water distribution system consists of approximately 12 miles of water mains, 1 elevated storage tank, and 2 groundwater supply wells. Part of Bethel's water is supplied by wholesale contract with the GUC.
- Bethel's wastewater collection system consists of approximately 12.5 miles of gravity and pressure mains and four wastewater pumping stations. Wastewater is treated by GUC via a wholesale contract.

Assessment and Findings

GUC staff conducted an in-depth assessment of Bethel's water and wastewater systems to verify the condition of the systems and identify capital improvements required to bring the systems to a level of condition comparable to GUC's systems. Based on these assessments, the following improvements / capital needs were identified:

Water

- Replace 1,500 LF of 2" galvanized pipe
- Install 5,100 LF of 6" water main on Hwy 64A to create a second water system interconnect between GUC's and Bethel's systems
- Replace 750 water meters (all water meters on Bethel's water system)
- Rehabilitate Ground Water Supply Well #3

Wastewater

- Replace the Main Wastewater Pumping Station
- Replace the Northside Pumping Station
- Perform 53 Point Repairs on the Existing Collection System Piping
- Rehabilitation Work on 118 Manholes

Financial / Rates

- It is projected that the \$4.37 M in State Revolving Grant funds approved by the State will address the capital needs associated with Bethel's systems.
- Bethel is projected to have \$3.5 M in outstanding debt on its water and wastewater systems as of 6/30/21, plus a loan from the Bethel General Fund in the amount of \$249,900. The table below details this outstanding debt.

Town of Bethel Debt Schedule

Issuance	Balance		Interest Rate	Issue Date	Maturity Date
	at 6-30-2021	Issue Amount			
NC DEQ - DWI Clean Water - E-SRF-T-99-0104	289,572.40	\$ 2,895,724.00	2.5500%	1/3/2002	5/1/2023
NC DEQ - DWI Clean Water - E-SRF-T-02-0116	62,128.50	621,285.00	2.5500%	3/2/2003	5/1/2023
General Obligation Sanitary Sewer Bond, Series 2004 USDA	1,021,000.00	1,320,000.00	4.5000%	9/20/2004	6/1/2044
Water and Sewer Revenue Bond, Series 2011 USDA	1,553,000.00	1,766,000.00	3.3750%	8/17/2011	6/1/2051
Water and Sewer Revenue Bond, Series 2012A USDA	222,000.00	256,000.00	2.1250%	9/24/2012	6/1/2052
Water and Sewer Revenue Bond, Series 2012B USDA	354,000.00	406,000.00	2.1250%	9/24/2012	6/1/2052
	<u>\$ 3,501,700.90</u>	<u>\$ 7,265,009.00</u>			

- Customers located within the Bethel Service Area will be responsible for paying the applicable GUC rates for services plus they will pay a monthly surcharge that will cover the debt service associated with Bethel's existing outstanding systems debt, retirement of Bethel's outstanding existing debt, other outstanding system liabilities, potential cost increases associated with Capital Improvement Projects, plus any other costs associated with acquiring Easements, Right-of-way or Encroachment Agreements for Bethel's existing systems.

Proposed Rate Estimate

Proposed Rate Estimate Based on New Water Rates for Municipalities Outside of Greenville	FY22	FY23	FY24	FY25	FY26	FY27
<i>Water Surcharge</i>	\$ 14.36	\$ 14.36	\$ 14.36	\$ 14.36	\$ 14.36	\$ 14.36
<i>Sewer Surcharge</i>	\$ 11.33	\$ 11.33	\$ 11.33	\$ 11.33	\$ 11.33	\$ 11.33
<i>Total Surcharge</i>	\$ 25.69	\$ 25.69	\$ 25.69	\$ 25.69	\$ 25.69	\$ 25.69
Total GUC Bill	\$ 81.66	\$ 82.50	\$ 83.15	\$ 83.15	\$ 83.15	\$ 83.15
Bethel Rates - Monthly Bill	\$ 106.20	\$ 106.20	\$ 106.20	\$ 106.20	\$ 106.20	\$ 106.20
Bethel Bill - \$ Increase / (Reduction)	\$ (24.54)	\$ (23.70)	\$ (23.05)	\$ (23.05)	\$ (23.05)	\$ (23.05)
Bethel Bill - % Increase / (Reduction)	-23.1%	-22.3%	-21.7%	-21.7%	-21.7%	-21.7%

Note 1: Proposed Rate Estimate based on a new Water Rate for Municipalities Outside of Greenville that is 15% higher than the Inside Greenville rate.

Note 2: Refunding rates calculated based on all-in true interest cost of 2.15%. Net Present Value Savings of Refunding is \$655,000 or 18%.

Background / Timeline

Summer 2016	Bethel officials and representatives of the Local Government Commission approached GUC about potentially taking over ownership and operations of Bethel's water and wastewater systems.
January 2017	GUC Board of Commissioners and Town of Bethel Commission approved a Memorandum of Understanding committing to work together to explore the feasibility of GUC taking over water and wastewater systems.
2017 - 2019	GUC and Bethel worked to better understand the systems needs and to seek funding for capital improvements.
February 2020	Bethel awarded over \$4.5M in principal forgiveness loans/grant funds by the State to inventory and assess their wastewater system and make capital improvements to their water and wastewater systems. Conditions placed on these funds: <ul style="list-style-type: none"> • GUC will manage the Wastewater System Asset Inventory and Assessment; and • A Merger Agreement must be executed prior to the funding for capital improvements can be spent.
May 2020	GUC Board of Commissioners and Town of Bethel Commission approved a Maintenance and Management Agreement wherein GUC took over the day-to-day operations of the Bethel systems (excluding meter reading, billing and collections).
May – August 2020	GUC conducted an in-depth assessment of Bethel's water and wastewater systems to verify the condition of the systems and identify capital improvements required to bring the systems to a level of condition comparable to that of GUC's systems.
September – November 2020	GUC staff developed two engineering reports, one for each of Bethel's systems, outlining the assessment finds and proposed capital improvements. These Engineering Reports were submitted to and approved by the State.
October – December 2020	GUC staff and Raftelis (consultant) worked to analyze Bethel's debt, customer base and rates to develop a proposed rate plan that would allow Bethel customers to become GUC retail customers while also continuing to pay outstanding debt on Bethel's systems.
January – April 2021	GUC staff developed an initial draft of the Agreement. The draft was reviewed by all parties, edits were made as appropriate and the final

	Agreement was submitted for approval by the Bethel Board of Commissioners, Greenville City Council and GUC Board of Commissioners.
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**Water and Wastewater Systems Ownership Transfer
Agreement**

Among

The Town of Bethel, N.C

and

The City of Greenville, N.C.

and

Greenville Utilities Commission

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Exhibit B - List of Real Property, Easements and Encroachments Agreements

Exhibit C - List of Property Retained by Bethel

Exhibit D - Schedule of Systems Upgrades and Improvements

Exhibit E - Bonded Indebtedness

STATE OF NORTH CAROLINA
COUNTY OF PITT

**WATER AND WASTEWATER SYSTEMS OWNERSHIP
TRANSFER AGREEMENT**

This Water and Wastewater Systems Ownership Transfer Agreement, hereinafter referred to as "Agreement," is made and entered into by and among the Town of Bethel, a North Carolina municipal corporation, duly organized and existing under the laws of the State of North Carolina, hereinafter referred to as "BETHEL," the Greenville Utilities Commission, a body politic duly chartered by the State of North Carolina, hereinafter referred to as "the COMMISSION," and the City of Greenville, a North Carolina municipal corporation, duly organized and existing under the laws of the State of North Carolina, hereinafter referred to as "GREENVILLE."

The purposes of this Agreement are to:

- Assure the provision of high quality, reliable, economical, and safe water and wastewater services within the corporate limits and extraterritorial jurisdiction of BETHEL; and
- Provide for the orderly and permanent transfer of responsibility for construction, operation, maintenance, management, and financing of BETHEL's water and wastewater systems, including the transfer of all existing customers, from BETHEL to the COMMISSION; and
- Provide for the orderly and permanent transfer of the ownership of BETHEL's water and wastewater systems to GREENVILLE for the use and benefit of the COMMISSION.

WHEREAS, in accordance with Chapter 861 of the 1992 Session Laws of North Carolina, the COMMISSION has been created for the proper management of the public utilities of GREENVILLE, which shall include an electric, a natural gas, a wastewater, and a water systems (collectively, the "Combined Enterprise Systems") within the corporate limits of GREENVILLE and outside said corporate limits, with responsibility for the entire supervision and control of the management, operation, maintenance, improvement and extension of such public utilities; and

WHEREAS, GREENVILLE joins in the execution of this Agreement to indicate its acceptance of the water and wastewater system assets from BETHEL and its consent to the terms hereto; and

WHEREAS, Chapter 160A, Article 20, of the General Statutes of North Carolina, Interlocal Cooperation, authorizes and empowers any units of local government to enter into interlocal agreements for the ownership, construction, operation, maintenance, management, and financing of all or portions of water and wastewater systems within or outside the corporate limits of those units of local government; and

WHEREAS, BETHEL owns, operates, and maintains water and wastewater systems

within and outside its corporate limits; and

WHEREAS, BETHEL desires to transfer its water and wastewater systems to GREENVILLE for the use and benefit of the COMMISSION in accordance with the terms and conditions hereinafter stated; and

WHEREAS, the COMMISSION agrees to assume full responsibility for the provision of water and wastewater services in BETHEL, including responsibility for BETHEL's water and wastewater systems and related equipment and property rights; and

WHEREAS, the COMMISSION further agrees to operate, maintain, and expand said water and wastewater systems to accommodate planned growth and development within BETHEL's corporate limits and extraterritorial jurisdiction (ETJ) in accordance with the terms and conditions hereinafter stated.

NOW, THEREFORE, for the considerations hereinafter stated, the parties agree as follows:

- a) This Agreement shall be perpetual. BETHEL, the COMMISSION, and GREENVILLE hereby agree that such perpetual duration is reasonable and necessary considering the purposes of this Agreement.
- b) No joint agency is established by this Agreement.
- c) The COMMISSION shall have the sole responsibility and authority to appoint or otherwise employ the personnel necessary for the implementation of this Agreement.
- d) The responsibility for financing the construction, operation, and maintenance of the transferred water and wastewater systems and any extensions thereof shall be in accordance with the terms of this Agreement. The COMMISSION shall be entitled to the receipt of all revenues from the transferred water and wastewater systems and any extensions thereof.
- e) BETHEL agrees and grants the authority for appropriate employees of the COMMISSION to work and act in BETHEL as necessary to carry out the purposes of this Agreement as appropriate under the ordinances and regulations of the COMMISSION and BETHEL.
- f) BETHEL shall transfer to GREENVILLE, for the use and benefit of the COMMISSION, and its assignees or successors, and GREENVILLE, for use and benefit of the COMMISSION and its assignees and successors shall receive, from BETHEL, in accordance with the terms and conditions set forth in this Agreement, the following:
 - i) All pipes, water lines, hydrants, wastewater lines, pump stations, force mains, mains, meters, meter boxes, and service laterals, elevated water tanks, maintenance facilities, and all other appurtenances normally associated with, and owned by BETHEL, and presently in use within BETHEL's water and wastewater systems (See Exhibit A).
 - ii) All of BETHEL's rights, titles and interests in land, easements (express and implied and prescriptive), and encroachment agreements necessary

to own and operate BETHEL's water and wastewater systems. All of the property and rights described above shall be hereafter referred to collectively as "the Property" (See Exhibit B).

iii) All property currently used in the operation of the water and wastewater systems, but that is to be retained by BETHEL, will be identified prior to the Transfer Date as defined in this Agreement (See Exhibit C).

g) BETHEL authorizes GREENVILLE and the COMMISSION to exercise eminent domain within the current and future municipal and planning limits of BETHEL for activities necessary to fulfill the COMMISSION's water and wastewater service obligations defined in this Agreement; and

h) Transfer of ownership of the water and wastewater systems from BETHEL to GREENVILLE for the use and benefit of the COMMISSION shall be done at no cost to GREENVILLE or the COMMISSION.

1.0 **Definitions.** The following words and phrases are defined as set forth below when used in this Agreement, unless a contrary meaning is clearly required by the context in which the word or phrase is used:

1.1 **Effective Date.** The date on which this Agreement is approved and signed by all parties.

1.2 **Right to Operate.** As defined in Section 3.2.

1.3 **Transfer Date or Closing Date.** The date on which title or leasehold to the subject water and wastewater systems passes from BETHEL to GREENVILLE for the use and benefit of the COMMISSION.

1.4 **Systems.** The real and personal property comprising BETHEL's water and wastewater systems which are to be transferred to GREENVILLE for the use and benefit of the COMMISSION.

1.5 **Bethel Service Area.** Includes the BETHEL corporate limits and up to two miles outside the contiguous corporate limits.

2.0 **Transfer Date.** The COMMISSION and BETHEL, or their designees, shall be responsible for determining all implementation details related to this Agreement not specifically addressed in this Agreement. The Transfer Date for this Agreement shall be on, or before, July 1, 2021 or as soon thereafter as may be reasonably practicable. The Transfer Date shall not be delayed unreasonably by either party.

3.0 **Responsibility for Transferred Systems.** Upon the Transfer Date, the COMMISSION shall assume immediate and sole duty and responsibility for financing, operating, maintaining, improving, and expanding the water and wastewater systems serving BETHEL's existing and future corporate limits and extraterritorial jurisdiction (ETJ) and for all customer billing associated with the Systems.

3.1 Upon transfer of BETHEL'S water and wastewater systems, these Systems shall become the property of GREENVILLE for the use and benefit of the COMMISSION. BETHEL transfers all other rights and authority relating to the water and wastewater systems to the COMMISSION. BETHEL further acknowledges that after the transfer, BETHEL shall have no

authority, or rights of claims for any reason, over the operation, maintenance, and extension of said Systems. It is the intent of the transfer of the Systems that the Systems will be incorporated into the existing water and wastewater systems managed and operated by the COMMISSION and these systems shall be operated, maintained, repaired and extended at the sole discretion of the COMMISSION, except as provided for below in paragraph 6.1 regarding new land development. Following the transfer, BETHEL customers shall at all times be treated as retail customers of COMMISSION and shall receive a level of service comparable to that received by all other customers.

3.2 Right to Operate. BETHEL hereby irrevocably grants the COMMISSION the right to design, construct, operate, maintain and perform all related activities required to operate, maintain, expand, upgrade and improve BETHEL's existing water and wastewater systems in accordance with the COMMISSION's water and wastewater systems standards and policies as approved by the COMMISSION and published on the COMMISSION's website at www.guc.com for operation, performance, level of service, reliability, and redundancy ("Right to Operate"). Said Right to Operate includes the encroachment authority for the COMMISSION to operate in all public rights-of-way over which BETHEL has the sole authority or joint authority with the North Carolina Department of Transportation. Said water and wastewater systems standards and policies shall be applied in the BETHEL Service Area to the same extent and in the same manner as applied to other customers of the COMMISSION's water and wastewater systems.

In all instances, the COMMISSION, or its authorized contractor, shall be required to restore and repair any street or other property of BETHEL upon the completion of any construction, operation, maintenance, replacement, improvement, or related activity causing damage thereto. Said restoration or repair shall be performed to the COMMISSION's standards.

3.3 Upgrades and Improvements to the Systems. With respect to grant funded projects identified in Exhibit D of this Agreement, the COMMISSION shall undertake and complete all activities relating to the design, construction, startup, and operation, upgrade and improvement projects to the systems as provided therein, as expeditiously as possible. The start and completion of projects identified in Exhibit D will be at the discretion of the COMMISSION, however all improvements identified in Exhibit D are expected to be completed within thirty-six (36) months of the Transfer Date of this Agreement.

It is understood that the actual costs for the upgrade and improvement projects may vary from the estimated costs presented in Exhibit D because of changes in scope, site conditions, schedule or other factors beyond the control of the COMMISSION. Potential cost increases resulting from factors beyond the control of the COMMISSION will be recovered through the schedules of rates, fees and charges applied to customers in the BETHEL Service Area.

3.4 Notices of Violation. If fines or penalties are levied by the State of North Carolina for violation of BETHEL's water or wastewater system's permits following the Transfer Date, payment of fines for notices of violations will be paid by the COMMISSION. Any fines or penalties for actions occurring prior to the Transfer Date shall be paid by BETHEL.

3.5 Rates, Fees, Charges, and Penalties. The COMMISSION shall have the sole responsibility and authority to establish and set rates, fees, charges, and penalties necessary for the operation, maintenance, upgrade, improvement, and expansion of the water and

wastewater systems. The COMMISSION will:

- 1) Set and charge reasonable rates, based on cost of service principles, to all classes of users of the water and wastewater systems, except as set forth in Section 3.3 and subsection 3) hereof.
- 2) Operate and maintain the water and wastewater systems at the lowest reasonable rates, consistent with the COMMISSION's obligation and commitment to provide proper, efficient, and environmentally sound water and wastewater services now and in the future.
- 3) Charge customers located within the BETHEL Service Area a monthly surcharge sufficient to cover the debt service associated with BETHEL'S existing outstanding systems debt, retirement of BETHEL'S outstanding existing debt, other outstanding system liabilities, potential cost increases in accordance with Section 3.3, plus any other costs associated with acquiring Easements, Right-of-way or Encroachment Agreements for BETHEL'S existing systems. The COMMISSION's right to charge and collect the surcharge will expire once all eligible costs provided in this subsection are fully recovered and/or retired.

4.0 BETHEL's Existing Facilities and Property. BETHEL's water and wastewater utility systems provide water and wastewater services to approximately 750 customers through approximately 750 water and 750 wastewater accounts. BETHEL's water distribution system consists of approximately 12 miles of water mains, 1 elevated storage tank, and 2 groundwater supply wells. Part of BETHEL's water is supplied by wholesale contract with the COMMISSION.

BETHEL's wastewater collection system consists of approximately 12.5 miles of gravity and pressure mains and 4 wastewater-pumping stations. Wastewater is treated by wholesale contract with the COMMISSION.

5.0 Representation and Warranties by BETHEL. BETHEL makes the following representations and warranties to GREENVILLE and the COMMISSION:

- 1) BETHEL is the sole owner of all water and wastewater lines, pipes, pumping stations, groundwater supply wells, meters, valves, meter boxes, laterals, and any other property transferred under the terms and conditions of this Agreement; and
- 2) Said facilities, property, land, equipment, information, and data is free and clear of all encumbrances (except as it may be included in the full, faith and credit of BETHEL as a part of existing bonded indebtedness or loans). In the event that BETHEL's bonds have provisions that do not allow the sale of the systems while bonds are outstanding, BETHEL and the COMMISSION agree to enter into a long term leasing arrangement for the portions of the systems that are affected until such time as the bonds are retired. Upon retirement of the bonds, the full ownership transfer will take place.

5.1 Property Transfer. Upon the Transfer Date of this Agreement, a Bill of Sale, Deed and Assignment shall be executed by BETHEL to transfer ownership of all facilities, property, pipelines and appurtenances, land, equipment, financial assets, information, and data subject

to this Agreement to GREENVILLE for the use and benefit of the COMMISSION. Such documents shall be sufficient to convey to GREENVILLE for the use and benefit of the COMMISSION, all of BETHEL's right, title, and interest in BETHEL's water and wastewater systems, including easements and rights-of-way, and fee simple transfer of BETHEL'S title to the property for BETHEL'S elevated water tank, two groundwater well sites and four wastewater pumping stations, whether or not recorded. Said rights-of-way shall include the right to operate and maintain the subject water and wastewater systems within any public streets within BETHEL. Any documents needed to memorialize this passage of title shall not be required to contain any warranties of condition or title, except as expressly set forth herein. A Quit-Claim Deed shall be executed by BETHEL to convey all interests in real property and improvements thereto which are subject to this Agreement. BETHEL shall also execute a lease agreement(s), if necessary, as stated in Section 5.0(2).

BETHEL shall act in good faith and use its best efforts to assist COMMISSION in establishing title to any portion of BETHEL's water and wastewater systems where ownership may be questioned.

A detailed list of real property and easements and encroachment agreements is included, but not limited to items listed in Exhibit B.

5.2 Easements and Encroachments. BETHEL has fully executed and properly recorded Easements and Encroachment Agreements for portions of BETHEL's water and wastewater systems. As a condition of this Agreement, a complete list of all recorded Easements and Encroachment Agreements will be provided to the COMMISSION. To the extent possible, all Easements for BETHEL's water and wastewater systems shall be conveyed by BETHEL, to GREENVILLE for the use and benefit of the COMMISSION by appropriate instruments suitable for recording in the Office of the Register of Deeds of Pitt County, North Carolina. As a condition of this Agreement, BETHEL will provide the COMMISSION with copies of any Encroachment Agreements, Easements, Right-of-Way Agreements and Agreements with third parties it has with the North Carolina Department of Transportation, with any other utility companies, and any other entity. (See Exhibit B).

BETHEL may have some facilities installed on the properties of others for which it does not have express Easements, Right-of-way or Encroachment Agreements, and some facilities installed in streets and rights-of-way for which it has no Encroachment Agreements. In the event a landowner on whose land such a facility exists contests the COMMISSION's right to maintain such facilities, the COMMISSION shall notify BETHEL in writing and BETHEL shall act in good faith and use its best efforts to assist COMMISSION to obtain the necessary Easements, Rights-of-Way, Prescriptive Easements, Adverse Possession Easements, Encroachment Agreements, or fee simple titles across said land either by negotiation or by eminent domain. Any reasonable and direct expense borne by the COMMISSION within ten (10) years of the Transfer Date in resolution of these disputed documents shall be calculated and recovered through the monthly surcharge paid by customers located within the BETHEL Service Area.

5.3 Financial Assets and Closeout. The financial records of BETHEL's water and wastewater enterprise funds will be closed as of the Transfer Date of this Agreement. As of this closeout, with the exception of funds necessary to complete existing capital projects that are in process, the full amount of the BETHEL capital reserve and operating fund balances will be due to the COMMISSION to be used for payments of water/wastewater transition and

other approved capital and ownership transfer costs. Payment of the fund's equity will be accomplished by a payment of 75% to be made at Transfer Date and the balance to be paid following the Special Audit, as defined below. The accounting for all other asset and liability accounts will transfer at closeout to the COMMISSION's water and wastewater enterprise funds, subject to audit verification by the COMMISSION and an independent auditor (the "Special Audit"). BETHEL shall write off all inactive accounts considered uncollectible and adjust other accounts to a current status prior to the COMMISSION's assumption of the financial accounts.

6.0 Expansion and Extension of Water and Wastewater Services. The COMMISSION shall provide, maintain, and extend the water and wastewater systems and facilities as may be required under applicable laws and regulations so as to serve present and future demands, and in particular so as not to impede the orderly growth and development of BETHEL. The COMMISSION and GREENVILLE shall not practice or permit any discrimination against BETHEL in the provision of such services based upon location of the point of service within the BETHEL corporate limits and extraterritorial jurisdiction. GREENVILLE expressly authorizes the COMMISSION to review and, as deemed appropriate by the COMMISSION, approve requests for wastewater system extensions within the BETHEL corporate limits and two miles outside BETHEL's contiguous corporate limits. Any wastewater system extensions within two miles of BETHEL'S contiguous corporate limits shall request approval of the extension from BETHEL and require petition for voluntary annexation to be filed by the property owner(s) with BETHEL.

6.1 Requests for Wastewater Service. Upon the Transfer Date, all future requests for new wastewater service connections will be made to the COMMISSION. Request for new wastewater service to existing lots or tracts that (1) do not include a subdivision of property and (2) lie within the corporate limits of BETHEL will be processed by the COMMISSION without notification to BETHEL. Request for new services for lots or tracts that will be subdivided, require zoning changes, or land use review, will be first presented to BETHEL to assure all zoning and land use requirements have been addressed and then forwarded to the COMMISSION for review and approval of wastewater plans.

Requests for Water Service. Upon the Transfer Date, all future requests for new service connections will be made to the COMMISSION.

6.2 Developer Requested Extensions to the Systems. Subject to the provisions of this Agreement, extensions of the subject water and wastewater systems that are undertaken by third-party developers shall be made under the policies published and used by the COMMISSION, and as may be amended from time to time. Said policies shall be uniform throughout the COMMISSION's water and wastewater systems, including those areas affected by this Agreement. The COMMISSION may, at its discretion, make changes to the extension policies as the COMMISSION determines to be appropriate. Said changes shall apply to all portions of the water and wastewater systems operated and maintained by the COMMISSION, including those areas located within BETHEL's Service Area.

7.0 Records Transfer. To the best of its ability BETHEL shall transfer to the COMMISSION all available reproducible and electronic copies of any and all records, data, information, and models arising from the construction, operation and maintenance of BETHEL's water and wastewater systems and any other related activity, including projects in progress, and including, but not limited to, the following:

- 1) Construction contracts, drawings, maps, and all other related documents evidencing the condition or location of any portion of the subject water and wastewater systems including such documents as may be in the possession of any engineer or other consultant of BETHEL.
- 2) Billing, collection, and payment records on all present customers of the subject water and wastewater systems.
- 3) An accurate tabulation or listing of all actual service locations in the BETHEL systems to be transferred to the COMMISSION from BETHEL, to include:
 - a) Address Number and Street.
 - b) Account Name (if active).
 - c) Billing Address for Each Account Number.
 - d) Account Numbers and all meter reading books and the history of all accounts for the past twelve (12) months.
 - e) One Year's Account History.
 - f) Meter Location Description.
- 4) Contracts or agreements for the supply of equipment, materials, supplies, and products.
- 5) Pending applications for water and wastewater services.
- 6) Contracts or agreements to provide water and or wastewater services currently in effect.
- 7) Receipts, accounts, and other records of deposits made by all present and past customers of the subject water and wastewater systems.
- 8) Any and all warranty information on any facilities, property, land, and equipment transferred to the COMMISSION pursuant to this Agreement.
- 9) Repair, maintenance, trouble, and emergency response records for all portions of BETHEL'S water and wastewater systems.
- 10) Any and all notices of violation, legal actions, and lawsuits pertaining to BETHEL's water and wastewater systems.
- 11) Plans, permits, reports, specifications, surveys, etc., for water and wastewater facilities and operations.
- 12) Number and locations of all unmetered services.
- 13) Copies of all water and wastewater systems maps.
- 14) Copies of all Easements and Right-of-Way Agreements
- 15) Copies of all Encroachment Agreements.
- 16) Identification of all inside BETHEL customers.

- 17) Identification of all outside BETHEL customers.
- 18) Record of all assessments for systems extensions.
- 19) Identification of all taps for which payment has been made.
- 20) Identification of all backflow prevention installations.
- 21) Identification of all Pretreatment Program installations.
- 22) Copies of such records as are necessary to inform the COMMISSION of the location of all facilities of BETHEL for other utility operations.
- 23) Any other information, data, and records pertaining to BETHEL's water and wastewater systems.
- 24) Accounts receivable records.
- 25) Accounts payable records.
- 26) Communication Tower Agreements.

BETHEL agrees that within a reasonable time after the Transfer Date, BETHEL shall submit to the COMMISSION such accounting, commercial, engineering, planning, and facility records pertaining to BETHEL's water and wastewater systems. Prior to the Transfer Date, the COMMISSION, or their designees, shall determine mutually satisfactory administrative details for the transfer of the above referenced records.

8.0 Customer Transfer. As of the Transfer Date, all customers and users of BETHEL's water and wastewater systems shall become subject to all rules, regulations and ordinances of the COMMISSION as the same apply to all users and customers of the water and wastewater systems of the COMMISSION, and as same are now or may hereafter be amended. Such rules, regulations and ordinances and schedule of rates, fees, charges, and penalties as approved by the COMMISSION and published on the COMMISSION's website at www.guc.com shall constitute a part of the Agreement and are incorporated herein by reference.

A team comprised of representatives from the COMMISSION and BETHEL shall develop a seamless transfer of customer accounts to the COMMISSION at Transfer Date to provide continuity of account activity after the transfer of ownership. All accounting after the Transfer Date shall be made within the COMMISSION's utility enterprise funds.

8.1 Customer Deposits. Prior to the Transfer Date, BETHEL shall refund deposits to its customers or credit customer accounts for deposit balances.

8.2 Water Meter Readings.

The transition of meter readings will be coordinated by a joint BETHEL/COMMISSION implementation team.

9.0 Bonded Indebtedness. It is the intent of the COMMISSION and GREENVILLE to issue bonds to retire the existing outstanding bonded indebtedness of BETHEL for water and wastewater facilities covered under this Agreement by the Agreement's Transfer Date. In the event that the new bonds are not issued and BETHEL'S outstanding systems debt is not retired

prior to the Transfer Date, then the COMMISSION agrees to pay BETHEL all amounts necessary to enable BETHEL to make all debt service payments until such time that the new bonds are issued or the outstanding systems debt is fully retired. A statement of BETHEL's outstanding bonded indebtedness and a schedule of the debt service to be made pursuant to this provision of the Agreement shall be submitted to the COMMISSION prior to the Transfer Date of this Agreement (See Exhibit E).

BETHEL agrees to cooperate with the COMMISSION in determining opportunities for early retirement or refinancing of any of the outstanding debt, when such adjustments are permitted by the bonding agencies, and the COMMISSION retains the right to exercise an option of debt refinancing, or retirement if costs to the water and wastewater utility can be lowered as a result.

10.0 Prior Agreements. Except for the Agreement, dated March 17, 1999, among BETHEL, PITT COUNTY, GREENVILLE AND COMMISSION, which requires GREENVILLE, PITT COUNTY and the COMMISSION to pay debt service on a previous project to BETHEL, with said debt payments being concluded on May 1, 2023, all prior agreements, not in conflict with the Agreement among BETHEL, the COMMISSION, and GREENVILLE pertaining to water and wastewater services are rescinded as of the Transfer Date.

10.1 BETHEL Commitments to Private Third Parties. BETHEL warrants that BETHEL has no prior commitments or agreements with developers of residential or non-residential projects inside or outside the corporate boundaries of BETHEL. BETHEL further warrants and agrees that BETHEL shall not enter into any contract or agreement, relating to the BETHEL water and wastewater systems, with third parties between the Effective Date and the Transfer Date.

10.2 BETHEL Commitments to Public and Private Entities. BETHEL warrants that BETHEL has no existing vendor agreements, including commitments to Communication Firms for Transmission on BETHEL's water and wastewater assets, or agreements with any other public entity, except the COMMISSION, relating to water and wastewater services. BETHEL further warrants and agrees that BETHEL shall not enter into any such agreements between the Effective Date and Transfer Date.

10.3 Discriminatory Agreement Disclaimer. No existing special, discriminatory agreements with specific customers will be continued, honored, or assumed by the COMMISSION.

BETHEL represents and warrants to the COMMISSION that there are no discriminatory agreements between BETHEL and any customer or user of BETHEL's water and wastewater systems which will or may survive this Agreement and be binding upon the COMMISSION. For purposes of this Agreement, a discriminatory agreement is any agreement, contract or other understanding between BETHEL and any customer or user of BETHEL's water and wastewater systems that provides that:

1. Water and wastewater services be extended and provided in a different manner than such service is extended and provided to the remaining customers or users of BETHEL's water and wastewater systems as to quality, quantity, or any other aspect of extending and providing such service.

2. Water and wastewater services be extended and provided upon the payment of a different schedule of rates, fees, charges, or penalties than is imposed upon the remaining customers or users of BETHEL's water and wastewater systems.

3. Water and wastewater services be extended and provided at a different cost or schedule for reimbursement of costs or any other aspect of paying for the extension and provision of water and wastewater services than is imposed upon the remaining customers or users of BETHEL's water and wastewater systems.

In the event that an unlawful or discriminatory agreement exists and survives this Agreement, and is determined to be binding upon the COMMISSION and/or GREENVILLE, BETHEL shall indemnify and hold the COMMISSION and GREENVILLE harmless from any and all demands, claims, or actions (including the reasonable costs, expenses and attorney fees incurred by the COMMISSION and GREENVILLE, of such illegal or discriminatory agreement. Further, BETHEL shall indemnify and hold the COMMISSION and GREENVILLE harmless from any and all demands, claims, or actions, without regard to the relief sought or awarded and without regard to whether the claim, demand or action is raised by a party to the discriminatory agreement.

11.0 Conflict / Default Resolution. Mediation/Binding Arbitration.

In the event of a dispute between the parties which the parties are unable to resolve, the parties shall submit their dispute to non-binding mediation before a mutually agreeable mediator prior to initiating litigation. If the parties are unable to agree upon a mediator within thirty (30) days after failing to resolve the dispute, either party may petition a Court of competent jurisdiction for the designation of a qualified mediator for these purposes. Each party shall bear its own costs and expenses of participating in the mediation (including, without limitation, reasonable attorneys' fees), and each party shall bear one-half (1/2) of the costs and expenses of the mediator. Unless otherwise agreed, the parties will hold mediation in Greenville, North Carolina. The mediation shall be held and conducted pursuant to the Rules of the North Carolina Supreme Court Implementing Statewide Mediated Settlement Conferences in Superior Court Civil Actions, and matters discussed or revealed in the mediation session shall not be revealed in any subsequent litigation.

In the event the matter is not resolved in mediation, either party may request arbitration. The parties shall jointly select an Arbitrator and shall be bound by the decision of the Arbitrator with respect to any dispute between the parties with respect to this Agreement. If the parties are unable to mutually agree upon an Arbitrator, the parties shall each select an Arbitrator, and the two Arbitrators so selected shall select a third Arbitrator, and the decision of the majority of the Arbitrators shall be conclusive and binding upon the parties. The parties at all times agree to equally split the costs of any Arbitrator(s) selected in an effort to resolve the dispute between the parties. Any party desiring to resolve a dispute under the terms of this Agreement shall notify the other party in writing, and the parties shall seek to agree upon a mutually agreed-upon Arbitrator within a period of ten (10) days from the date of such written demand. If the parties are unable to agree within such ten (10) day period, the parties shall each select an Arbitrator, and the two (2) Arbitrators so selected shall select a third Arbitrator within fifteen (15) days from the date of the written demand for arbitration, and a decision shall be rendered by the Arbitrator(s) so selected within five (5) days after such Arbitrator(s) is selected.

12.0 Environmental Permit Requirements. BETHEL and the COMMISSION acknowledge that the transfer of ownership of BETHEL's water and wastewater systems to GREENVILLE, for the use and benefit of the COMMISSION, and anticipated population growth in the utility service areas served thereby, will require the COMMISSION to obtain specific State regulatory permits. These permits may be expected to include requirements for adoption of environmental conditions, requirements, and mitigation measures, including land use regulations and restrictions, at the municipal level. In the event such conditions, restrictions, and mitigation measures are imposed by State regulatory authorities as a condition of permit issuance for the operation, upgrade, or expansion of utility services contemplated hereunder, BETHEL agrees to duly adopt by ordinance, or otherwise, and to make effective within its corporate limits and extraterritorial jurisdiction area, as applicable, such conditions, restrictions and mitigation measures.

13.0 Delegation of Permitting Authority. BETHEL shall adopt a resolution or ordinance as may be required to support the delegation of water and wastewater systems permitting authority to the COMMISSION from the North Carolina Department of Environment and Natural Resources, Division of Environment Health and Division of Water Quality, within the jurisdiction of BETHEL.

14.0 Amendment to Agreement. This Agreement may be amended only by a document in writing, approved by BETHEL, the COMMISSION, and GREENVILLE, and executed by the duly authorized officials.

15.0 Customer Notification. BETHEL agrees to use all practical means, including direct mailing, to notify customers of changes associated with the transfer of ownership as stipulated in this Agreement. Such notification shall include information on schedule and mechanics of transfer and information concerning the COMMISSION's policies and procedures.

16.0 Severability. It is hereby the declared intention of BETHEL, the COMMISSION, and GREENVILLE that the paragraphs, sections, sentences, clauses, and phrases of this Agreement are severable. If one or more paragraphs, sections sentences, clauses, or phrases shall be declared void, invalid, or otherwise unenforceable for any reason by the valid, final judgment or decree of any court of competent jurisdiction, such judgment or decree shall not affect the remaining provisions of this Agreement and the same shall continue to be fully effective and enforceable on the basis that said remaining provisions would have been agreed to by BETHEL, the COMMISSION, and GREENVILLE without the incorporation of such void, invalid, or otherwise unenforceable paragraph, section, sentence, clause, or phrase.

17.0 Notices. Whenever written notice is required under this Agreement, said notice shall be sufficient when received by BETHEL, the COMMISSION, and GREENVILLE. Said notice may be mailed or hand delivered but shall not be effective unless received.

18.0 Covenant of Good Faith and Fair Dealing. BETHEL, the COMMISSION and GREENVILLE shall cooperate and act in good faith to perform their obligations under this Agreement and shall refrain from any action inconsistent with their contractual rights or obligations that would prejudice or injure the other party's rights to receive the benefits of this Agreement.

19.0 Third Party Beneficiaries. Nothing in this Agreement shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties that this Agreement shall not be construed as a third party beneficiary contract.

[SIGNATURE PAGES FOLLOW]

Approved this _____ day of _____ 202____.

TOWN OF BETHEL

By: _____
Gloristine Brown, Mayor

Attest:

Jessica Britt, Town Clerk

[SEAL]

PREAUDIT CERTIFICATION:

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

GREENVILLE UTILITIES COMMISSION OF
THE CITY OF GREENVILLE, NC

By: _____
V. Parker Overton, Chair

Attest:

Minnie J. Anderson, Secretary

[SEAL]

PREAUDIT CERTIFICATION:

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

CITY OF GREENVILLE

By: _____
P.J. Connelly, Mayor

Attest:

Valerie Shiuwegar, City Clerk

[SEAL]

PREAUDIT CERTIFICATION:

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

NORTH CAROLINA
PITT COUNTY

I, _____, a Notary Public for the aforesaid County and State, do hereby certify that JESSICA BRITT personally appeared before me this day and acknowledged that she is the Town Clerk of the Town of Bethel, and that by authority duly given and as an act of the Town of Bethel, the foregoing instrument was signed in its name by GLORISTINE BROWN, its Mayor, sealed with its official seal and attested by her as its Town Clerk.

WITNESS my hand and official stamp or seal, this the _____ day of _____, 20____.

NOTARY PUBLIC

My Commission Expires: _____

NORTH CAROLINA
PITT COUNTY

I, _____, a Notary Public for the aforesaid County and State, do hereby certify that MINNIE J. ANDERSON personally appeared before me this day and acknowledged that she is the Secretary of Greenville Utilities Commission, and that by authority duly given and as an act of Greenville Utilities Commission, the foregoing instrument was signed in its name by V. PARKER OVERTON, its Chair, sealed with its official seal, and attested by herself as the Secretary, all pursuant to the authority of the Board of Commissioners of Greenville Utilities Commission.

WITNESS my hand and official stamp or seal, this the ____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires: _____

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 City 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 P.J. CONNELLY, its Mayor, sealed with its official seal and attested by her as its City Clerk.

WITNESS my hand and official stamp or seal, this the ____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires: _____

EXHIBIT A
TOWN OF BETHEL
FIXED ASSETS TO BE TRANSFERRED

The list of Fixed Assets ownership to be transferred by Bethel under this Agreement is as follows:

A. Water System

- (1) All water distribution system pipelines, services, valves, hydrants, meter boxes, meters, buildings, and all other appurtenances associated with the Bethel water distribution system.
- (2) One 500,000-gallon elevated water storage tank and all appurtenances associated with the tank's operation.
- (3) 2 groundwater supply wells and all buildings and appurtenances associated with the operation of the wells.

B. Wastewater System

- (1) All wastewater system pipelines, services, manholes and all other appurtenances associated with the wastewater system's operation.
- (2) Four (4) wastewater pumping stations, typically identified as the North Side PS, East Side PS, West Side PS and Main PS and all buildings and appurtenances associated with the pumping stations' operation.

Exhibit B - List of Real Property, Easements and Encroachments Agreements

ID#	Parcel No.	Street Address - Location	Recordation Info - Date	Property Owner	Site Type - PS - Well - Esmt	Notes
1	12242	Cherry & Ives	A34 pg 71	Jo Burt Johnson	20' sewer easement-centered	pump station on same parcel
2	18334	Cherry & Ives	A34 pg 69	Floyd Thomas	20' sewer easement-centered	
3	29605	Whitehurst & Williams	A34 pg 85	Jesse White	pump station 0.60 ac.	
4	26267	Barnhill	K42 pg 10	Pitt Co. Bd. Of Ed	10' sewer easement	Old Bethel Union High
5	3827/81855	Lewis	K42 pg 15	Frances Carson	20' sewer easement-centered	
6	1501/21094/69651	Smith-Spier	042 pg 613/ P42 pg 403	Margaret Hodges	well, access and water easement	MB 22 pg 190 & 190A
7	14264/77074/20672/	Railroad, Washington and	S42 pg 402	Smith/Manning/Blount	15' /50' construction and 20' permanent easement	MP 22 pg 191
8	776999/79304/80021/06572	Norfolk	E35 pg 346	Daisy Etheridge	33.685 ac	wastewater- MB 33 page 106 tract 2
9	1655/1611/1614/6569	Price & Creek Bank	319 pg 246	Ferrell Blount	20' utility -water & sewer	
10	1686/6574/25990/25991/27693	Chatham and Church	341 pg 219 & 224	M.O. Blount & Eastern Realty	pump station and 20'/30' easement	
11	1650/1604	E. Railroad & E. Washington	1574 pg 845 & 1798 pg 377	Judson and Marion Blount	20' sewer & water easement	MB 59 pg 78
12	27675	Washington Street	1574 pg 851	County of Pitt	20' sewer & water easement	MB 59 pg 78
13	35654	Washington Street	1574 pg 860	Mid East Regional Housing Authority	20' sewer & water easement	MB 59 pg 78
14	3033	US 264A/CSX RR	1574 pg 857	Living Water FWB	20' sewer & water easement	MB 59 pg 83
15	1861	US 264A/CSX RR	1574 pg 848	J.R. Bunting	20' sewer & water easement	MB 59 pg 83
16	1649	US 264A/CSX RR	1574 pg 854	Margaret Harvey	20' sewer & water easement	MB 59 pg 83
17	1501	US 264A/CSX RR	1574 pg 863	David Speir	20' sewer & water easement	MB 59 pg 83
18	6577	US 264A/CSX RR	1574 pg 611	Eastern Realty	20' sewer & water easement	MB59 pg 83
19	24040/24042/24051	RR/Washington/Whitfield	1574 pg 867	Almyra Watson	20' sewer & water easement	MB 59 pg 84
20	27675	East & Qual Ridge	unrecorded	Pitt Co. Bd. Of Ed.	10' sewer easement	9/4/1979
21	21092	Washington Street/	2010 pg 231	Fredric Whitehurst	15' utility easement	
22	79227	Bypass & NC30	2640 pg 228	Isabelle Gurganus	pump station	MB 72 pg 61
23	44007	NC11 (near Alpine & Futrell)	2883 pg 498	Wm. Hemingway	20 utility easement	
24	13417	Main & Washington	3012 pg 733	Ramon Latham	12 utility easement	
25	9330/82401/82941	NC 11 & NC30	3290 pg 83	Girganus	30' access to 79227	MB 78 pg 53
26	0016,0020,08172,17634,073			Whitehurst, Blount, Mayo, Bunting, Thompson, Grimes, Roberson & Beasley	sewer line-no dimensions	N/A (1967 ca.)
27	1612,1610,3244 & 24526	US 64- Washington	unrecorded	Nelson, Whitehurst, Brown, Carson	10' water easement	6/29/1967
28	24041	South railroad St. Ext	Y49 pg 241	Watson	lift station	
29	5882,1676,10751, 10752 & 75987	McWhorter & Hammond	unrecorded(3-31-1953)	W.C. Whitehurst	no dimensions	
30	various	US 64 & side St(645' east of west City Limits 2,724' (40'r/w)	unrecorded/ 10-03-1959	NC Dept. of Transportation	encroachment	Municipal Agreement W.O 6.221142 Code 9.80211

Exhibit B - List of Real Property, Easements and Encroachments Agreements

ID#	Parcel No.	Street Address - Location	Recordation Info - Date	Property Owner	Site Type - PS - Well - Esmt	Notes
31 51275		US 264A/W Washington St	41 pg 69		West Lift Station	A tract or parcel of land containing approximately 1 acre of land surrounding the Town of Bethel's West Lift Station together with an Access Easement for Ingress, Egress, and Regress

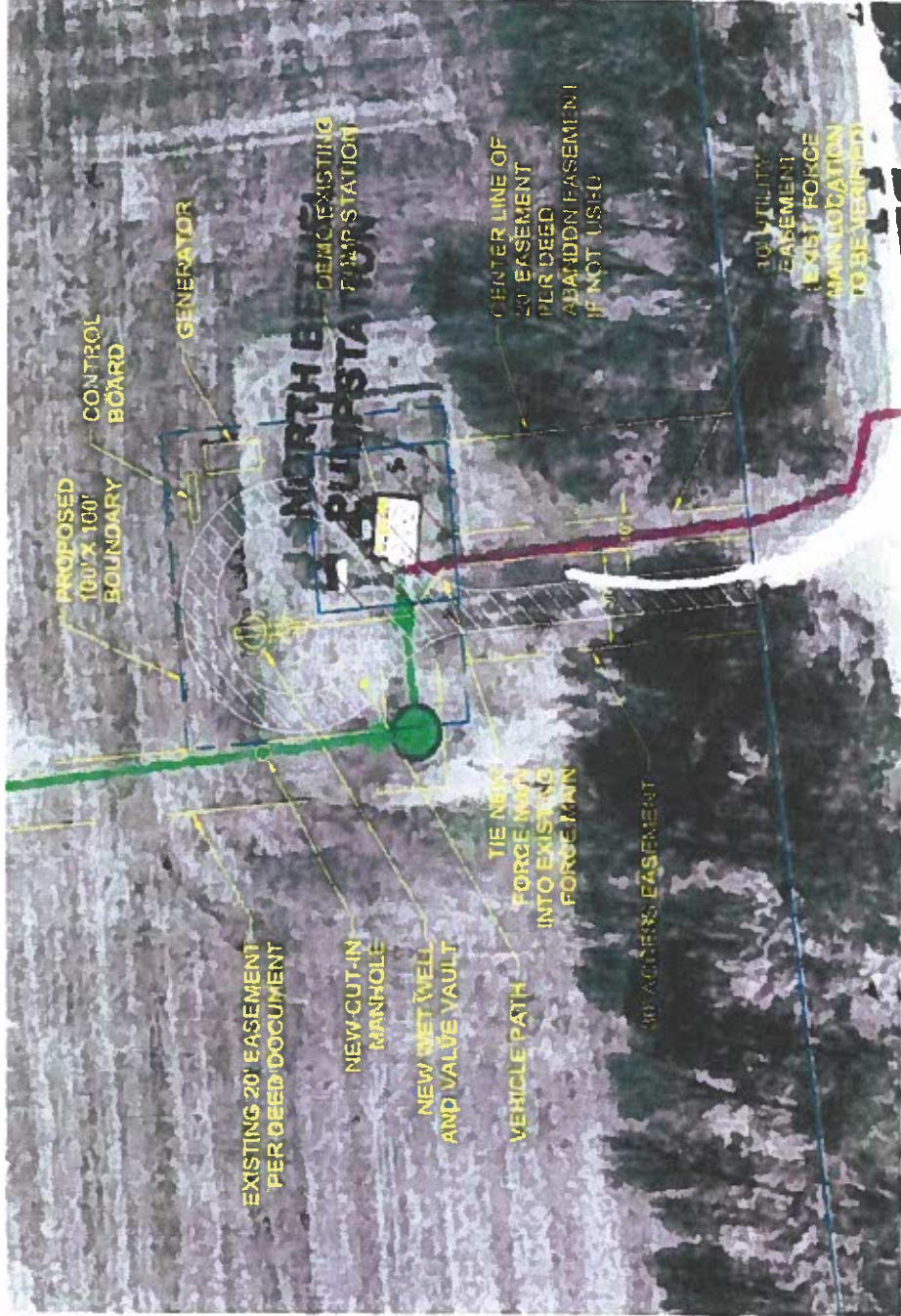


Exhibit C - List of Property Retained by Bethel

FYE 6/30/2020

Group: 004 Vehicles										
Asset No.	Description	Date in Service	Cost	Prior Depreciation	Current Depreciation	End Depreciation	Net Book Value	Depr. Method	Depr. Period	
111	Jet Vac Truck	1/22/2003	85,266	85,266	0	85,266	0	S/L	7.0	
004 Vehicles			85,266	85,266	0	85,266	0			
Grand Total			85,266	85,266	0	85,266	0			

EXHIBIT D
TOWN OF BETHEL
WATER AND WASTEWATER SYSTEMS'
UPGRADES AND IMPROVEMENTS

The Upgrades and Improvements to be done to Bethel's water and wastewater systems under this Agreement are as follows:

WATER SYSTEM PROJECTS

2-inch Galvanized Iron Water Main Replacement

This portion of the project includes 1,500 LF of galvanized water main replacement with PVC water main. The following items are included in this portion of the project:

260 LF of 6-inch PVC water main from Gray St. to Redwood St.
375 LF of 6-inch PVC water main along Redwood St.
640 LF of 2-inch PVC water main from Redwood St. to service at end of line.
225 LF of 2-inch PVC water main along Martin St. to service at end of line.
Hydrants, Fittings, Valves and Associated Appurtenances

6-inch Water Main Extension Interconnect

This portion of the project connects an existing GUC 6-inch water main with an existing Town of Bethel 6-inch water main on the western side of the system. The following items are included in his portion of the project:

Approx. 5,100 LF of 6-inch PVC water main
Hydrants, Fittings, Valves and Associated Appurtenances

Replacement of Water Meters

This portion of the project replaces all existing Town of Bethel water meters with meters that match the existing kind used in the GUC system. The following items are included in this portion of the project:

750 water meters

Well #3 Rehabilitation

This portion of the project rehabilitates the existing well #3 and improves it to meet GUC and industry standards. The following items are included in this portion of the project:

Exhibit D
Page 2

Well condition assessment
Well rehabilitation work (screen repair, new pump, and motor, well control panel and hardware)
Demo existing pump building and valve vault
New above ground piping
Flow meter
New 12x40 precast building
Static Mixer
Chemical feed pumps
Chemical feed piping
Chemscan analyzer
PH analyzer
Emergency shower and eyewash station
Leak detector
Site electrical improvements
Instrumentation

Miscellaneous Distribution System and Existing Elevated Tank Improvements

This portion of the project includes miscellaneous improvements throughout the existing Town of Bethel distribution system and at the elevated tank. The following items are included in this portion of the project:

Pressure points
Sampling stations
Auto flushers
Multiparameter Portable Colorimeter
Bidirectional flow meter
Replace existing chemical booster pump and feedlines at interconnect
Elevated tank assessment
Elevated tank overflow pipe repair
Elevated tank mixer
Elevated tank painting

WASTEWATER SYSTEM PROJECTS

Wastewater Pumping Stations Replacements

The North Side Pump Station will be replaced with a new 125-gpm duplex Pumping station. The proposed station will incorporate the latest requirements of the NCDEQ Minimum Design

Exhibit D

Page 3

Criteria for best practices, redundancy, and safety, as well as SCADA compatible with the existing Greenville Utilities SCADA system.

The Main Pump Station will be replaced with a new 960-gpm duplex station and constructed on a new parcel out of the 100-year flood plain. The proposed station will incorporate the latest requirements of the NCDEQ Minimum Design Criteria for best practices, redundancy, and safety, as well as SCADA compatible with the existing Greenville Utilities SCADA system.

Collection System Repairs

The point repairs identified by the CCTV work and included in this project are those that are deemed a priority due to the risk of potential SSO posed by the observed defect. The manholes identified with severe defects will be lined or grouted as necessary to prevent infiltration.

Exhibit E - Town of Bethel Debt Schedule

Issuance	Balance at 6-30-2020	Issue Amount	Interest Rate	Issue Date	Maturity Date
Jet Vac Sewer Truck Installment Purchase ¹	\$ 46,318.00	N/A	4.5000%	N/A	2024
NC DEQ - DWI Clean Water - E-SRF-T-99-0104	434,358.60	\$ 2,895,724.00	2.5500%	1/3/2002	5/1/2023
NC DEQ - DWI Clean Water - E-SRF-T-02-0116	93,192.75	621,285.00	2.5500%	3/2/2003	5/1/2023
General Obligation Sanitary Sewer Bond, Series 2004 USDA	1,048,000.00	1,320,000.00	4.5000%	9/20/2004	6/1/2044
Water and Sewer Revenue Bond, Series 2011 USDA	1,583,000.00	1,766,000.00	3.3750%	8/17/2011	6/1/2051
Water and Sewer Revenue Bond, Series 2012A USDA	227,000.00	256,000.00	2.1250%	9/24/2012	6/1/2052
Water and Sewer Revenue Bond, Series 2012B USDA	362,000.00	406,000.00	2.1250%	9/24/2012	6/1/2052
	<u>\$ 3,793,869.35</u>	<u>\$ 7,265,009.00</u>			

¹ The Town of Bethel plans to sell the Jet Vac Truck; proceeds from the sale will be remitted back to the enterprise fund.



Joint City Council/GUC Board

Meeting Date: April 19, 2021

Agenda Item # 7

Item:	Consideration of Adoption of Water and Sewer Capital Project Budgets and Ordinance for the transfer of Water and Wastewater Systems from Bethel to Greenville Utilities Commission
Contact:	Chris Padgett
Explanation:	<p>The Town of Bethel's water and wastewater utility systems provide services to approximately 750 customers. The transfer review process included a due diligence assessment of repairs and improvements needed to maintain Bethel's water and wastewater systems. In addition to providing safe and reliable life sustaining services, it is anticipated that the transfer will provide the typical residential customer for the Town of Bethel a 23% reduction in their monthly water and wastewater utility bill.</p> <p>The water system assessment recommended pipe replacement, water meter replacement, rehabilitation of ground water supply wells, and installation of a secondary main interconnect between Bethel's and GUC's systems to enhance reliability of the system. The estimated cost of water system improvements is \$1,367,000. The funding source for the improvements is a State Revolving Fund (SRF) grant from the State Department of Environmental Quality (DEQ) Water Infrastructure Division.</p> <p>The wastewater system assessment recommended replacement of pump stations, point repairs on existing collection system piping, and rehabilitation of manholes. The estimated cost of the wastewater systems improvements is \$3,000,000. The funding source for the improvements is a DEQ Water Infrastructure Division SRF grant.</p>
Previous Board Actions:	N/A

Fiscal Note:

Funding from State DEQ Water Infrastructure Division SRF Grants in the amount of \$1,367,000 for water system improvements and \$3,000,000 for wastewater system improvements.

**Recommended
Action(s):**

GUC Board of Commissioners - Adopt the attached Capital Project Budgets associated with the transfer of the Bethel Water and Wastewater Systems from Bethel to Greenville Utilities Commission and recommend similar action by the City Council.

Greenville City Council: Adopt the attached Budget Ordinance associated with the transfer of the Bethel Water and Wastewater Systems from Bethel to Greenville Utilities Commission.

**Greenville Utilities Commission
Proposed Capital Project Budget
As of April 19, 2021**

Project Name	Proposed Budget
Bethel Water System Improvements	
Revenues:	
State DEQ SRF Grant	\$1,367,000
Total Revenue	<u>\$1,367,000</u>
Expenditures:	
Project Costs	\$1,367,000
Total Expenditures	<u>\$1,367,000</u>

**Greenville Utilities Commission
Proposed Capital Project Budget
As of April 19, 2021**

Project Name	Proposed Budget
Bethel Wastewater System Improvements	
Revenues:	
State DEQ SRF Grant	<u>\$3,000,000</u>
Total Revenue	\$3,000,000
Expenditures:	
Project Costs	<u>\$3,000,000</u>
Total Expenditures	\$3,000,000

ORDINANCE NO. 21-
CITY OF GREENVILLE, NORTH CAROLINA
BETHEL SYSTEM IMPROVEMENTS BUDGET ORDINANCE

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

Section I: Capital Improvements. The following Capital Improvements anticipated revenues and project appropriations as listed below in this section are hereby adopted on April 19, 2021.

(a) It is estimated that the following non-tax revenues and long term debt proceeds will be available to fund capital project expenditures that will begin April 19, 2021.

<u>Capital Projects Revenues</u>		<u>Budget</u>
Water Fund - State DEQ SRF Grant	1,367,000	
Sewer Fund - State DEQ SRF Grant	3,000,000	
Total Revenues		<u>\$4,367,000</u>

(b) The following amounts are hereby appropriated for capital projects that will begin April 19, 2021.

<u>Capital Projects Expenditures</u>		<u>Budget</u>
Bethel Water System Improvements	\$1,367,000	
Bethel Wastewater System Improvements	3,000,000	
Total Capital Projects Expenditures		<u>\$4,367,000</u>

Section II: Amendments.

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

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

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

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

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

Section IV: 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 19th day of April, 2021.

Attest:

P. J. Connelly, Mayor

Valerie Shiuwegar, City Clerk