MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY
Telephone Number: 1-646-558-8656
Meeting ID: 924 6127 0172
Passcode: 151179

Friday, September 25, 2020
10:00 a.m.

AGENDA

1. Call to Order
   Chair John M. Blackburn

2. Roll Call & Recognition of Visitors
   Chair John M. Blackburn

3. Approval of Absences
   Chair John M. Blackburn

4. Approval of June 26 & July 6, 2020 Meeting Minutes
   Chair John M. Blackburn

5. Remarks from Chancellor Sheri Everts
   INFORMATION

6. Report from the Academic Affairs Committee (Appendix A)
   Chair M. Lee Barnes

7. Report from the Audit Committee (Appendix C)
   Chair Charles V. Murray

8. Report from the Business Affairs Committee (Appendix D)
   Chair Scott K. Lampe

9. Report from the Governance Committee
   Chair John M. Blackburn

10. Report from the Nominating Committee – Election of Officers
    Chair Carole P. Wilson

11. Remarks from Chair Blackburn
    INFORMATION

12. Closed Session

13. Open Session

14. Adjournment
Faculty Handbook
Revisions for 2020-21

Prepared for Interim Provost and Executive Vice Chancellor
Dr. Heather Hulbert Norris by
Jacqui Bergman, Vice Provost for Faculty Affairs
Kathy Brown, Executive Assistant to the Provost, Academic Affairs

September 24, 2020
Faculty Handbook
Revisions for 2020

The following recommended Faculty Handbook revisions are the result of actions by the Faculty Senate and acknowledgement by the Provost during the academic year 2020-2021. Because of new federal regulations from the Department of Education, the university had to develop and implement new policies and procedures related to the reporting, investigating, adjudicating, and resolving of violations related to Title IX. These new policies and procedures apply to faculty, as required by the new federal regulations. Thus, information on these policies and procedures should be included in the Faculty Handbook.

The proposal is for a new section to be added to Section 3.1 Equality of Opportunity.

Item 1: Section 3.1 Equality of Opportunity

3.1 Equality of Opportunity

Appalachian State University is committed to providing equal opportunity in education and employment to all applicants, students, and employees. The University does not discriminate in access to its educational programs and activities, or with respect to hiring or the terms and conditions of employment, on the basis of race, color, national origin, religion, sex, gender identity and expression, political affiliation, age, disability, veteran status, genetic information or sexual orientation. The University actively promotes diversity among students and employees.

3.1.1 Title IX of the Education Amendments of 1972 protects individuals from discrimination based on sex in education programs or activities that receive Federal financial assistance. Appalachian State University has policies and processes specific to Title IX and sex-based misconduct, as required by federal regulations. Appalachian State University’s policy and procedures related to Title IX and other forms of sex-based misconduct can be found in the University’s online policy manual and on the Title IX website at

https://titleix.appstate.edu/grievance-procedures
Date: September 11, 2020
From: Nick Katers, Associate Vice Chancellor for Facilities Management
Re: Decision Item – Approval of Integrated Priority List for FY21 and Project Approval for Two Projects over $300,000

On July 23, 2020, the UNC Board of Governors approved the recommended allocations of UNC’s share of state funds appropriated by the General Assembly to the 2020-21 Reserve for Repairs and Allocations. S.L. 2020-81 provided for an initial transfer of funds from the State Capital and Infrastructure Fund (SCIF). Appalachian State University’s allocation for this initial distribution is $1,898,382. This initial allocation is about $100K short of what we expected. A second request for projects may be issued when the contingent funding is made available.

The requirement to validate our integrated priority list is an annual process. We published a similar list last year but there was no funding state funding for Repair and Renovations due to a failed annual budget process. This year’s list is a revalidation of a portion of last year’s list. The list has been reviewed by all relevant stakeholders and approved by the Chancellor for presentation to the Board of trustees. The first two projects on the list also require Board of Trustee approval because their cost is between $300,000 and $750,000.

The following are the prioritized recommendations for the allocation of $1,898,382 of Repair and Renovation funds based on the Integrated Priority List:

1. **Sanford Hall 5th Floor Buildout ($635,000)** – The 5th Floor completion of Sanford Hall had to be deleted from the current building renovation to keep the contract within the allocation. This project will build out the remainder of the 5th Floor to the new design and complete the whole building upgrade.

2. **Katherine Harper/Kerr Scott Roof Replacement ($750,000)** – The roof on this building is at end of life and has several water intrusion issues. This project will completely replace the existing roof with a more energy efficient roof and extend the life of the building.

3. **Broyhill Music Elevator Modernization ($200,000)** – One of our worst performing elevators that has code compliance and reliability issues. This is not a replacement but an upgrade to improve performance and meet new code compliance.
4. **Facilities Operations Roof Repairs ($200,000)** — The main Facilities Operations building roof has started to leak in several areas. A new roof overcoating will preserve the facility for another 15 years.

5. **Rankin West Chiller Modernization ($88,382)** — This chiller is overdue for a lifecycle overhaul.

6. **Walker Hall Partial Envelope Repair at Main Entrance ($25,000)** — The entrance has several leaks. This project was originally part of a larger building envelope repair but was prioritized to be done this year as a separate project due to the urgency of need.

Due to the reduced amount of R&R funding and no carry forward funding, the following projects that were previously on last year’s IPL are recommended for deferral or alternative funding:

1. **Walker Hall Structural Repairs ($800,000)**
2. **First Increment - Campus Wide Electronic Door Installation ($750,000)**
3. **First Increment - Chappell Wilson Roof Repair ($300,000)**
4. **Facilities Operations Envelope Repair ($200,000)**
5. **Holmes Convocation Center HVAC modernization ($150,000)**

For additional details, the OC-25’s are attached for the two projects that exceed $300,000.

Enclosures (2)

- Proposed R&R Project for Sanford Hall 5th Floor Buildout (OC-25)
- Proposed R&R Project for Katherine Harper/Kerr Scott Roof Replacement (OC-25)
STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION  
STATE CONSTRUCTION OFFICE  
PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT  
BIENNIAL 2021-2023  

DEPARTMENT and DIVISION: Appalachian State University  
PROJECT IDENTIFICATION: Sanford Hall 5th Floor Buildout  
PROJECT CITY or LOCATION: Boone NC  

PROJECT DESCRIPTION & JUSTIFICATION: The Sanford Hall 5th Floor Buildout will complete the top floor of Sanford Hall, a 71,165 sf academic facility that will house the English Department. The original renovation (Code:41830 Item: 301) was commenced in 2019, updating a facility constructed in 1968, however funds were insufficient to accept the alternate for this floor. This project will complete the balance of this planned renovation.

(Definitions/explanations are provided on pg 2 to assist in completion of this form. Lump sums are not to be used as a unit of cost unless further substantiating breakdown is provided.)

CURRENT ESTIMATED CONSTRUCTION COST

<table>
<thead>
<tr>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

A. Land Requirement
B. Site Preparation
1. Demolition
2. Site Work
C. Construction
1. Utility Services (describe)
2. Building Construction (new space)
3. Building Construction (existing)
4. Plumbing (specify existing or new space)
5. HVAC (specify existing or new space)
6. Electrical (includes TV & Radio & Data)
7. Fire Suppression and Alarm Systems
8. Telephone, Data, Video
10. Other (Code Related & Wayfinding Signage)

D. Equipment
1. Fixed (Window Blinds)
2. Moveable (describe)

Total Cost of Work

$551,375

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field and explain.

DESIGN FEE
PRECONSTRUCTION COSTS
COMMISSIONING
SPECIAL INSPECTIONS/MATERIALS
SUSTAINABILITY

ADVANCE PLANNING
CONTINGENCIES

ESTIMATED COSTS

Escalation = percent per month multiplied by number of months
(From Estimate Date as entered above on this form to midpoint of construction) =

10 months 5.0 % annually beginning on month 1

TOTAL ESTIMATED PROJECT COSTS

$635,000

APPROVED BY:  
(Governing Board or Agency Head)  

TITLE: AVP Facilities Management  
DATE: 8/25/2020
**STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION**  
**STATE CONSTRUCTION OFFICE**  
**PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT**  
**BIENNIAL 2021-2023**

**DEFINITIONS OR EXPLANATIONS**  
(Items not listed below are presumed to be self-explanatory. Questions may be directed to the State Construction Office.)

<table>
<thead>
<tr>
<th>Item on Form</th>
<th>Definition/Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ESTIMATED CONSTRUCTION COST</strong></td>
<td>Attach basis and justification for estimate. Include description, quantities, units, special features, similar cost on recent projects, etc.</td>
</tr>
<tr>
<td><strong>A. Land Requirement</strong></td>
<td>Includes purchase and acquisition costs (title search, filing fees, other legal fees, etc.) required to obtain land.</td>
</tr>
<tr>
<td><strong>B. 1. Demolition</strong></td>
<td>Includes but may not be limited to lead and/or asbestos testing and removal, building or interior space demolition in whole or part.</td>
</tr>
<tr>
<td><strong>B. 2. Site Work</strong></td>
<td>Includes but may not be limited to grading, excavating, poor soils and/or rock removal, utilities relocation, roads, walks, parking, streambank repairs, stormwater management, retaining walls, rainwater harvesting systems, landscaping.</td>
</tr>
<tr>
<td><strong>C. 1. Utility Services</strong></td>
<td>Attach explanation of any special building, mechanical, or electrical service requirements with appropriate distance to existing buildings, water, gas, electrical or other utility service.</td>
</tr>
<tr>
<td><strong>C. 9. Associated Construction Costs</strong></td>
<td>Includes but may not be limited to construction fire alarm testing, utility shut downs, utilities, signage, security, displaced parking, staging, lock cores, keys.</td>
</tr>
<tr>
<td><strong>C. 10. Other</strong></td>
<td>List and describe other significant sources of cost not included elsewhere. Additional lines may be added if needed.</td>
</tr>
</tbody>
</table>

**PRECONSTRUCTION COSTS**  
Includes but may not be limited to land surveys, lead/asbestos surveys, environmental assessments, copying, postage, costs of print advertising, and destructive testing. For CM at Risk, preconstruction costs are consistent with the requirements of the preconstruction services agreement.

**CONTINGENCIES**  
Unanticipated or unforeseen conditions including but not limited to design error and omissions, concealed site conditions, utility conflicts, and extended overhead resulting from weather or other delay.
DEPARTMENT and DIVISION: Appalachian State University
PROJECT IDENTIFICATION: Katherine Harper/Kerr Scott Roof Replacement
PROJECT CITY or LOCATION: Boone
PROJECT DESCRIPTION & JUSTIFICATION: (Attach add'l data as necessary to indicate need, size, function of improvements as well as a master plan.)
On K. Scott, remove 18,000 sq ft of original built-up asphalt roofing. On K. Harper, remove 5,000 sq ft of modified bitumen roofing. On all low-slope roof areas install new PVC membrane roofing on new rigid insulation system. Raise existing roof curbs at HVAC equipment. Install new metal roof edges, gutters and downspouts. Install safety/security fencing and rooftop deck paver system at emergency exit from K. Scott upper floor.

(Definitions/explanations are provided on pg 2 to assist in completion of this form. Lump sums are not to be used as a unit of cost unless further substantiating breakdown is provided.)

CURRENT ESTIMATED CONSTRUCTION COST

<table>
<thead>
<tr>
<th>A. Land Requirement</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Site Preparation</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Demolition - Roofing &amp; insulation. Include asbestos remediation.</td>
<td>21000</td>
<td>SF</td>
<td>$13.49</td>
<td>$283,380</td>
</tr>
<tr>
<td>2. Site Work</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Construction</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Utility Servics (describe)</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>2. Building Construction (new space)</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>3. Building Construction (existing) - Roofing, decking repairs</td>
<td>21000</td>
<td>SF</td>
<td>$14.31</td>
<td>$300,630</td>
</tr>
<tr>
<td>4. Plumbing (specify existing or new space)</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>5. HVAC - Raise curbs and reinstall HVAC eqpt</td>
<td>15</td>
<td>Each</td>
<td>$789.61</td>
<td>$11,343</td>
</tr>
<tr>
<td>6. Electrical - Move PV Array</td>
<td>1</td>
<td>Each</td>
<td>$700.00</td>
<td>$700</td>
</tr>
<tr>
<td>7. Fire Supression and Alarm Systems</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>8. Telephone, Data, Video</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>9. Associated Construction Costs - ASU work orders</td>
<td>5</td>
<td>Each</td>
<td>$500.00</td>
<td>$2,500</td>
</tr>
<tr>
<td>10. Other - Security fencing and rooftop exit pavers</td>
<td>1</td>
<td>Each</td>
<td>$30,000.00</td>
<td>$30,000</td>
</tr>
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<tr>
<th>D. Equipment</th>
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<td>1. Fixed (describe)</td>
<td></td>
<td></td>
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<tr>
<td>2. Moveable (describe)</td>
<td></td>
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Total Cost of Work: $628,843

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field and explain.

DESIGN FEE 9 % (% of Estimated Construction Costs) $56,596
PRECONSTRUCTION COSTS 0 % (% of Estimated Construction Costs [1% for CM@Risk]) $-
COMMISSIONING 0 % (0.5% simple; 1.0% moderate; 1.5% complex) $-
SPECIAL INSPECTIONS/MATERIALS 1.1 % (1.25% estimated) $6,917
SUSTAINABILITY 0 % (3% LEED Gold, 2% LEED Silver) $-
ADVANCE PLANNING 0 % (% of Estimated Construction Costs) $-
CONTINGENCIES 5 % (% of Estimated Construction Costs [3% New or 6% R&R]) $31,442

ESTIMATED COSTS (% of Estimated Construction Costs + Contingencies + Design Fee) $723,798

Escalation = percent per month multiplied by number of months
(From Estimate Date as entered above on this form to mid-point of construction) = 50 months 5.0 % annually beginning on month 1

ESCALATION COST INCREASE (Total of Estimated Construction Costs x Escalation %) $28,202

TOTAL ESTIMATED PROJECT COSTS (Estimated Construction Costs + Escalation Cost Increase) $750,000

APPROVED BY: [Signature]
Title: AVC Facilities Management
DATE: 8/25/2020

(Governing Board or Agency Head)
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RESOLUTION CONCERNING THE ACQUISITION OF REAL PROPERTY FROM BEYOND BOONE 200 LLC

WHEREAS, Appalachian State University agreed to jointly develop Raven Rocks Hall, also referred to as Building 200, with RISE Boone, LLC, an affiliated entity of RISE Development, LLC (“RISE”), and Beyond Boone 200, LLC (“Beyond”), who is the sole member in the Beyond Owners Group, a national not-for-profit 501(c)(3) organization, in order to take advantage of tax-exempt financing available for the Project; and,

WHEREAS, the UNC Board of Governors, on September 14, 2018, authorized Appalachian State University to: (1) ground lease the project site to Beyond Boone 200 LLC; and (2) authorize certain Appalachian officials to enter into those agreements anticipated by the ground lease that were necessary to bring the Project to completion; and,

WHEREAS, Appalachian State University has unapplied proceeds of General Revenue Bonds, Series 2016C, that were previously issued to finance the construction of the replacement of a residence hall commonly referred to as Winkler Hall, a project which failed to achieve a financeable construction budget and was not constructed at the time the bonds were issued; and,

WHEREAS, Raven Rocks Hall received its Certificate of Beneficial Occupancy from the North Carolina State Construction Office (the “SCO”) on August 6, 2020 and is expected to receive a Final Inspection for Owner Occupancy document approved by the SCO prior to November 1, 2020; and,

WHEREAS, Beyond Boone 200, LLC entered into a Loan Agreement with PNC Bank (“Loan Agreement”) dated as of February 1, 2019 to provide interim financing to Beyond Boone 200, LLC and lend the proceeds of the Loan to Beyond Boone 200, LLC for the purpose of financing the costs of designing, acquiring, constructing, furnishing, and equipping Raven Rocks Hall and the associated offsite improvements along with associated infrastructure, site development and various related amenities and improvements under and pursuant to the terms of the Loan Agreement; and,

WHEREAS, Appalachian State University entered into a Ground Lease Agreement on February 1, 2019 with Beyond Boone 200, LLC that provides an option for Appalachian State University to acquire Raven Rocks Hall pursuant to Section 30 of the Ground Lease Agreement and prepay the Loan with the proceeds of the Series 2016C Bonds together with additional funds required to prepay the outstanding principal and interest on the Loan; and,

WHEREAS, Appalachian State University desires to execute its option to acquire Raven Rocks Hall using the proceeds of the Series 2016C Bonds together with funds from University Housing Reserves.

NOW, THEREFORE, be it

RESOLVED, that the Board of Trustees approves the acquisition of Raven Rocks Hall by prepaying the Loan with the proceeds of the Series 2016C Bonds together with additional funds
required to prepay the outstanding principal and interest on the Loan from University Housing Reserves; and,

RESOLVED, that the Board of Trustees approves the submission of a request to acquire Raven Rocks Hall to the UNC Board of Governors; and,

RESOLVED, that the Board of Trustees authorizes the Chancellor to sign and submit the Acquisition of Real Property (PO-1) Form to the State Property Office upon approval from the UNC Board of Governors.

APPROVED this 25th day of September, 2020.

John M. Blackburn
Chair
Date: September 10, 2020
From: Nick Katers, Associate Vice Chancellor for Facilities Management
Re: Action Item – Approval of Three Capital Projects for New River Light and Power (NRLP)

This request is a series of capital improvements to address reliability, safety, efficiency, and future growth forecasted for both NRLP and Appalachian State. As a regulated utility, investments in capital are critical to NRLP’s ability to provide future funding to the University. There are a number of changes that will occur over the next two years that will impact NRLP; new transmission rate with Blue Ridge Energy, new wholesale agreement with Carolina Power Partners (formally NTE), additional O&M expenditures, and a continued trend of lower retail energy sales. As a result of these changes, NRLP will be submitting a rate case to the North Carolina Utilities Commission (NCUC) in 2022 with a recommended effective date of January 1, 2023. For the new capital value to be included in NRLP’s 2023 rate base, all capital improvements must be placed into service prior to the end of 2021. The current rate that was approved in 2017 is a 6.525% rate of return.

To further the explanation of why it is important to continuously improve our system, it is important to understand how the rate of return is determined. The formula used is \( R = E + (V - D)r \). \( R \) stands for the Rate Level which is the total amount a utility is allowed to recover in its base rates. \( E \) is the overall operating expenses. \( V \) is the gross value of the plant and \( D \) is the amount of accumulated depreciation. The small “\( r \)” defines the amount the utility can earn on its rate base (currently at 6.525%). This is determined by the NCUC based on current risks of the industry and current market indices such as interest. Without continuous investments and improvements, the accumulated depreciation cancels out the plant value and reduces our overall rate level.

The following are the recommendations for capital improvements to enhance the plant value of NRLP before the 2022 evaluation period:

1. **New River Light and Power Warehouse Renovation ($750,000)** – The project will completely renovate the interior and refurbish portions of the exterior of New River Light and Power’s existing warehouse. The total square footage of the building is about 5800 sq. ft. and was constructed around 1955. One of the main cost drivers will be to bring the building up to current fire and life/health/safety codes. This renovation will modernize and realign the interior space while making the building more energy efficient. The current condition of the building is as follows:
2. **New River Light and Power Laydown Yard Renovation ($490,000)** – Refurbish the New River Light and Power Laydown yard. This includes milling failing asphalt, resurfacing the entire yard with new pavement, re-grading specific areas to fix drainage issues, and reworking the power transformer loading dock and storage to better meet current needs. The current condition of the Laydown yard is in the picture below:

![Laydown Yard Image]

3. **Replacement of the Appalachian State University Substation ($3,200,000)** – The campus substation is 27 years old with a typical lifespan of 30 years. The current controls, relays and monitoring equipment are in immediate need of upgrade. The NRLP Campus substation is the last
NRLP or Blue Ridge Energy station that is served by 44kv. Blue Ridge Energy has elected to convert to 100kv and will no longer provide service to NRLP at 44kv. With the growth of campus, service from 100kv will allow for some expansion to address additional electric load in the future and will become the standard at all delivery points. This is an equipment replacement and not specifically a capital project. Because this is a replacement it falls within the authority of the Board of Trustees to approve. The current substation is shown below.

These three projects totaling $4.44M are part of a larger NRLP loan request for $6.39M to address NRLP long term capital needs. The loan request will be the next agenda topic.

For additional details, the OC-25’s and CI-1’s are attached for the two projects that that are specifically capital improvements. A previously stated, the substation replacement is equipment only and does not require a project planning package. This is a request for project authority and all three items are within the authority level of the Board of Trustees.

Enclosures (2)

Proposed Capital Project for NRLP Warehouse Renovation (OC-25 and CI-1)

Proposed Capital Project for NRLP Laydown Yard Renovation (OC-25 and CI-1)
STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION
STATE CONSTRUCTION OFFICE
PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT
BIENNIAL 2021-2023

DEPARTMENT and DIVISION: Appalachian State University
PROJECT IDENTIFICATION: New River Light and Power Warehouse Renovation
PROJECT CITY or LOCATION: Boone, NC, Appalachian State University
PROJECT DESCRIPTION & JUSTIFICATION: (Attach additional data as necessary to indicate need, size, function of improvements as well as a master plan.)

Completely gut and renovate interior and refurbish portions of the exterior of New River Light and Power's existing warehouse. The total square footage of the building is ~5800 sq. ft. constructed around 1955. This renovation will modernize and realign the interior space while making the building more energy efficient.

(Definitions/explanations are provided on pg 2 to assist in completion of this form. Lump sums are not to be used as a unit of cost unless further substantiating breakdown is provided.)

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</table>

A. Land Requirement
   - $0

B. Site Preparation
   1. Demolition
      - 2330 SQ FT
      - $15.00
      - $34,950
   2. Site Work
      - $0

C. Construction
   1. Utility Services (describe)
      - $0
   2. Building Construction (new space)
      - $0
   3. Building Construction (existing)
      - 5832 SQ FT
      - $37.50
      - $218,700
   4. Plumbing (specify existing or new space)
      - 2634 SQ FT
      - $18.00
      - $47,412
   5. HVAC (specify existing or new space)
      - 5832 SQ FT
      - $26.00
      - $151,832
   6. Electrical (includes TV & Radio Studio work)
      - 2634 SQ FT
      - $18.00
      - $47,412
   7. Fire Suppression and Alarm Systems
      - 5832 SQ FT
      - $15.00
      - $87,480
   8. Telephone, Data, Video
      - 2634 SQ FT
      - $15.00
      - $39,510
   9. Associated Construction Costs (describe)
      - $0
   10. Other (describe and insert additional lines as needed)
      - $0

D. Equipment
   1. Fixed (describe)
      - $0
   2. Moveable (describe)
      - $0

Total Cost of Work

- $627,096

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field and explain.

<table>
<thead>
<tr>
<th>DESIGN FEE</th>
<th>9.4%</th>
<th>$59,150</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRECONSTRUCTION COSTS</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>COMMISSIONING</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>SPECIAL INSPECTIONS/MATERIALS</td>
<td>1%</td>
<td>$6,271</td>
</tr>
<tr>
<td>SUSTAINABILITY</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>ADVANCE PLANNING</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>CONTINGENCIES</td>
<td>5%</td>
<td>$31,355</td>
</tr>
<tr>
<td>ESTIMATED COSTS</td>
<td>(9.4% + 0% + 0% + 1% + 0% + 0% + 0% + 0% + 5%)</td>
<td></td>
</tr>
<tr>
<td>ESCALATION = percent per month multiplied by number of months (From Estimate Date as entered above on this form to mid-point of construction)</td>
<td>10 months</td>
<td>5.0% annually beginning on month 1</td>
</tr>
<tr>
<td>ESCALATION COST INCREASE</td>
<td>(Total Estimated Construction Costs x Escalation %)</td>
<td>$26,129</td>
</tr>
<tr>
<td>TOTAL ESTIMATED PROJECT COSTS</td>
<td>(Estimated Construction Costs + Escalation Cost Increase)</td>
<td>$750,000</td>
</tr>
</tbody>
</table>

APPROVED BY: [Signature]
(Governing Board or Agency Head)
TITLE: AVC Facilities Management
DATE: 9/10/2020
The University of North Carolina System
Request for Advance Planning, New, or Increase in Capital Improvement Project

Institution: APPSTATE  □ Advance Planning Request  □ New Capital Project  □ Increase in Authorization  Code ___ Item ___ *

*If this project has previously had advance planning authority, please identify relevant code/item number.

Project Title: New River Light and Power Warehouse Renovation
Project Cost: $750,000
Source of Funds: NRLP Bond / Debt Paid by UTF

Fund Type: □ Appropriated/  □ Carry-Forward  □ Student Fees  □ Trust Funds  □ Debt Service Fees
Category: R&R  □ including gifts/ donations

(If multiple funding sources are used, identify source and % distribution across sources, refer to list of fund sources below. Sum of all sources should equal 100%.)

For each advance planning project or capital construction project, please provide the following:
1. A detailed project description and justification. Completely gut and renovate interior and refurbish portions of the exterior of New River Light and Power's existing warehouse. The total square footage of the building is ~5800 sq. ft. constructed around 1955. This renovation will modernize and realign the interior space while making the building more energy efficient.
2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (attach a completed OC-25 form).
3. An estimated schedule for the completion of the project (enter dates mm/dd/yr).
   Designer start: 10/15/2020  Construction start: 03/15/2021  Construction complete: 12/15/2021
4. An estimated schedule of cash flow requirements over the life of the project by FY quarters (omitting advance planning requests).

<table>
<thead>
<tr>
<th>FY/Qtr</th>
<th>20-21 Q2</th>
<th>20-21-Q3</th>
<th>20-21-Q4</th>
<th>21-22-Q1</th>
<th>21-22-Q2</th>
<th>21-22-Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ Amount</td>
<td>$20,000</td>
<td>$50,000</td>
<td>$200,000</td>
<td>$300,000</td>
<td>$150,000</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

5. An estimate of maintenance and operating costs and source of funding to support these costs, including personnel, covering the first five years of operation (omitting advance planning and non-general fund requests, required for general fund requests).

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<tr>
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<th>Year 5</th>
</tr>
</thead>
<tbody>
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<td>Source/ $ Amount</td>
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<td></td>
<td></td>
<td></td>
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6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (omitting advance planning and non-general fund requests, required for general fund requests).

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7. An explanation of the means of financing (i.e. cash reserves using the fund sources identified above, campus debt financing to be retired with the identified fund source, etc.). UTF - Bond debt to be repaid by New River Light and Power Trust Fund.

8. This is to certify that this capital improvement request was duly authorized on 9/10/2020.

[Signature]  Nick Katers  AVC Facilities Mgmt

(printed name/title)

Revised 10/2019
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<th>Fund Type Category</th>
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<td>Funds appropriated by the legislature for campus repairs and renovations in 13 statutorily prescribed categories.</td>
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<td>TR</td>
<td>Receipts from operations, cash reserves.</td>
</tr>
<tr>
<td></td>
<td>Utility Trust Funds</td>
<td>UTF</td>
<td>Receipts from operations, cash reserves from operation/management of all/any campus utilities (steam, chilled water, etc.).</td>
</tr>
<tr>
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</table>
DEPARTMENT and DIVISION: Appalachian State University
PROJECT IDENTIFICATION: New River Light and Power Laydown Yard Renovation
PROJECT CITY or LOCATION: Boone, NC, Appalachian State University
PROJECT DESCRIPTION & JUSTIFICATION: (Attach add’t data as necessary to indicate need, size, function of improvements as well as a master plan.)

Refurbish the New River Light and Power Laydown yard. This includes milling falling asphalt, resurfacing the entire yard with new pavement, re-grading specific areas to fix drainage issues, and reworking the power transformer loading dock and storage to better meet current needs.

(Definitions/explanations are provided on pg 2 to assist in completion of this form. Lump sums are not to be used as a unit of cost unless further substantiating breakdown is provided.)

CURRENT ESTIMATED CONSTRUCTION COST

<table>
<thead>
<tr>
<th>Qty</th>
<th>Unit</th>
<th>Cost per Unit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>34212.8</td>
<td>SQ FT</td>
<td>$3.50</td>
<td>$119,745</td>
</tr>
<tr>
<td>10000</td>
<td>SQ FT</td>
<td>$3.00</td>
<td>$30,000</td>
</tr>
<tr>
<td>2600</td>
<td>SQ FT</td>
<td>$16.00</td>
<td>$41,600</td>
</tr>
<tr>
<td>34212.8</td>
<td>SQ FT</td>
<td>$6.00</td>
<td>$205,277</td>
</tr>
<tr>
<td>1000</td>
<td>LN FT</td>
<td>$4.00</td>
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</tr>
<tr>
<td>1</td>
<td>LS</td>
<td>$10,000.00</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

Total Cost of Work

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field and explain.

- DESIGN FEE: 9.1% (% of Estimated Construction Costs) $37,221
- PRECONSTRUCTION COSTS: 0% (% of Estimated Construction Costs [1% for CM@Risk])
- COMMISSIONING: 0% (0.5% simple; 1.0% moderate; 1.5% complex)
- SPECIAL INSPECTIONS/MATERIALS: 1.1% (1.25% estimated)
- SUSTAINABILITY: 0% (3% LEED Gold, 2% LEED Silver)
- ADVANCE PLANNING: 0% (% of Estimated Construction Costs)
- CONTINGENCIES: 5% (% of Estimated Construction Costs [3% New or 5% R&R]) $20,531
- ESTIMATED COSTS: 19% (% of Estimated Construction Costs + Contingencies + Design Fee) $472,890

Escalation = percent per month multiplied by number of months
(From Estimate Date as entered above on this form to midpoint of construction) = 10 months 5.0% annually beginning on month 1

ESCALATION COST INCREASE: (Total of Estimated Construction Costs x Escalation %) $17,109

TOTAL ESTIMATED PROJECT COSTS: (Estimated Construction Costs + Escalation Cost Increase) $490,000

APPROVED BY: [Signature]
TITLE: AVC Facilities Management
DATE: 09/10/2020
The University of North Carolina System
Request for Advance Planning, New, or Increase in Capital Improvement Project

Institution: ASU ☐ Advance Planning Request ☒ New Capital Project Code: Item: *
☐ Increase in Authorization from $________ to $________ Code: Item: *

Interscope Project Number: ________

*If this project has previously had advance planning authority, please identify relevant code/item number.

Project Title: New River Light and Power Warehouse Renovation

Project Cost: $490,000

Source of Funds: NRLP Bond / Debt Paid by UTF

Fund Type: ☐ Appropriated/ ☐ Carry-Forward ☐ Student Fees ☐ Trust Funds ☒ Debt Service Fees
Category: R&R

Including gifts/ donations

(If multiple funding sources are used, identify source and % distribution across sources, refer to list of fund sources below. Sum of all sources should equal 100%)

For each advance planning project or capital construction project, please provide the following:

1. A detailed project description and justification. Refurbish the New River Light and Power Laydown yard. This includes milling falling asphalt, resurfacing the entire yard with new pavement, re-grading specific areas to fix drainage issues, and reworking the power transformer loading dock and storage to better meet current needs.

2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (attach a completed OC-25 form).

3. An estimated schedule for the completion of the project (enter dates mm/dd/yr).
   Designer start: 10/15/2020  Construction start: 03/15/2021  Construction complete: 12/15/2021

4. An estimated schedule of cash flow requirements over the life of the project by FY quarters (omit for advance planning requests).

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5. An estimate of maintenance and operating costs and source of funding to support these costs, including personnel, covering the first five years of operation (omit for advance planning and non-general fund requests, required for general fund requests).

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8. This is to certify that this capital improvement request was duly authorized on ___9/10/2020___ (date)

   ___________________________  ___________________________
   (signature)  Nick Katers  AVE Facilities Mgmt
   (printed name/title)

Revised 10/2019
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</table>
Date: September 11, 2020

From: Nick Katers, Associate Vice Chancellor for Facilities Management

Re: Decision Item – Approval of New River Light and Power (NRLP) to Seek Debt Financing in the amount not to exceed $6.5M for Large Capital Expenditures

NRLP is proposing to seek debt financing in the amount not to exceed $6.5M for large capital expenditures related to the long term infrastructure needs. This loan would address reliability, safety, efficiency, and future growth forecasted for both NRLP and Appalachian State. As a regulated utility, investments in capital are critical to NRLP’s ability to provide future funding to the University. There are a number of changes that will occur over the next two years that will impact NRLP; new transmission rate with Blue Ridge Energy, new wholesale agreement with Carolina Power Partners (formally NTE), additional O&M expenditures, and a continued trend of lower retail energy sales. As a result of these changes, NRLP will be submitting a rate case to the North Carolina Utilities Commission (NCUC) in 2022 with a recommended effective date of January 1, 2023. For the new capital value to be included in NRLP’s 2023 rate base, all capital improvements must be placed into service prior to the end of 2021. The current rate that was approved in 2017 is a 6.525% rate of return.

The proposed loan would be for 15 years with the assumed interest rate of 3%. Our current rate of return for new plant value is 6.525%. The loan would be used to finance the following items:

1. **Appalachian State University Substation Replacement** ($3,200,000) – This is an equipment replacement for our aging substation and was presented in the previous exhibit.
2. **NRLP Warehouse Renovation** ($750,000) – Presented as a capital project in the previous exhibit.
3. **NRLP Laydown Yard Renovation** ($490,000) – Presented as a capital project in the previous exhibit.
4. **Conversion of High Maintenance Overhead Lines to Underground** ($1,200,000) – This is part of an ongoing process to move all overhead lines in the NRLP service area to underground and improve safety and reliability.
5. **Replacement of Two Bucket Trucks and Outdoor Stock Facility Replenishment** ($450,000) – The two trucks in question are 15 and 19 years old. The old trucks would be repurposed to Facilities.
6. **Automatic Metering Infrastructure Upgrade** ($75,000)
7. **Dark Fiber Installation** ($100,000)
8. **System Study and Arc Flash Safety Study** ($50,000)
9. **Outage Management System** ($75,000)
With NRLP’s fiscal year running from January to December, you will see from the attached table, the impact of obtaining this loan and thus an increase in equity. For the equity investments of this loan to be included in NRLP’s 2023 rate base, all capital improvements must be placed into service prior to the end of 2021. The same rate that was approved in 2017 of 6.525% rate of return was used for this comparison.

Enclosures (1)

Resolution to Authorize Loan
APPALACHIAN STATE UNIVERSITY

Resolution Giving Preliminary Approval to a Financing for New River Light & Power Company and Declaring Official Intent to Reimburse Expenditures with Proceeds of Financing

WHEREAS, Appalachian State University (the “University”), d/b/a New River Light & Power Company (“NRLP”), intends to undertake improvements to NRLP’s building and electric system, including (1) replacement of the University substation; (2) warehouse renovation; (3) laydown yard renovation; (4) conversion of high maintenance overhead lines to underground lines; (5) replacement of two bucket trucks and replenishment of outdoor stock; (6) upgrade of automatic metering infrastructure; (7) dark fiber installation; (8) study of system and arc flash safety, and (9) outage management system (collectively, the “Project”); and

WHEREAS, the Project is expected to cost approximately $6,390,000; and

WHEREAS, the University intends to borrow up to $6,500,000 to finance the Project and pay certain costs incurred in connection with the loan (the “Obligations”); and

WHEREAS, the University expects to issue the Obligations as utility system revenue bonds under the University’s General Trust Indenture dated as of December 1, 2011 (the “NRLP Indenture”) between Appalachian State University d/b/a New River Light & Power Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) which are supported by revenues from the NRLP system; and

WHEREAS, plans for the Project have advanced, and the University expects to advance its own funds to pay certain expenditures related to the Project (the “Expenditures”) prior to incurring indebtedness related to the Project and receiving reimbursement for such Expenditures from such indebtedness; and

WHEREAS, in order to comply with the requirements of U.S. Treasury Regulation Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended, and thereby assure the eligibility of the Expenditures for reimbursement from the proceeds of tax-exempt obligations or other debt, the University desires to declare its official intent to reimburse the costs of the Project with the proceeds of tax-exempt obligations or other debt;

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF APPALACHIAN STATE UNIVERSITY as follows:

1. The Board of Trustees of the University authorizes and directs the Chancellor and the Vice Chancellor for Business Affairs to take all appropriate further action to complete the proposed financing for NRLP by issuing tax exempt obligations or incurring other debt, including seeking competitive financing proposals and proceeding to negotiate the financing documents on the University’s behalf.

2. The University intends to utilize proceeds of the Obligations to pay some or all of the costs of the Project in an amount currently estimated to be $6,500,000.
3. The University intends that the proceeds of the Obligations be used to reimburse the University for Expenditures with respect to the Project made on or after the date that is no more than sixty (60) days prior to the date of this Resolution. The University reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Obligations or other debt.

4. The University intends to make a reimbursement allocation (which is a written allocation by the University that evidences the University’s use of proceeds of the Obligations to reimburse an Expenditure) no later than eighteen (18) months after the later of the date on which an 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 University recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts, and expenditures for construction of at least five years.

5. The University intends that the adoption of this resolution confirms the University’s “official intent” within the meaning of U.S. Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. This resolution shall take effect immediately upon its passage.

The undersigned secretary of the Board of Trustees of Appalachian State University does hereby certify that the foregoing is a true and correct extract from minutes of the Board of Trustees’ meeting duly called and held on September 25, 2020.

Mark E. Ricks, Secretary
Leases for Approval at Appalachian State University
Board of Trustees
Meeting September 25, 2020

(1) Bank of America – ATM Lease
Address: 402 Rivers Street, Boone, NC

Purpose: Appalachian State leases space to banks for a total of two ATM’s to provide services to students, faculty and staff. Rental proceeds from these leases are shared with the state, with the university retaining approximately 40% of total rents.

Term: 3 years

Rental Amount: $23,650 annual rents; received in monthly installments of $1,970.83

(2) Wells Fargo – ATM Lease
Address: 402 Rivers Street, Boone, NC

Purpose: As above.

Term: 3 years

Rental Amount: $21,961.90 annual rents; received in monthly installments of $1,830.15
MEETING OF THE AUDIT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Thursday, September 24, 2020
4:00 – 4:30pm
Zoom Format

AGENDA

1. Call to Order ACTION
2. Review and Approval of Minutes ACTION
3. Summary of 2020-21 Audit Plan and Recent Internal Audit Reports INFORMATION
4. Other:
   a. Review 2020 Board of Trustees Audit Committee Certification Letter INFORMATION
   b. Self-Assessment of Internal Controls over Financial Reporting for Fiscal Year 2020 INFORMATION
   c. Enterprise Risk Management Update INFORMATION
5. Closed Session INFORMATION
6. Open Session and Adjournment ACTION