

MINUTES
MEETING OF THE BOARD OF TRUSTEES
APPALACHIAN STATE UNIVERSITY

Friday, September 25, 2020
Via Zoom Call
10:00 a.m.

CALL TO ORDER: The Board of Trustees of Appalachian State University met via Zoom with the option to attend in-person in open session at the call of the Chair and the Chancellor on Friday, September 25, 2020; at 10:00 a.m., Chair John M. Blackburn presided and called the meeting to order.

MEMBERS PRESENT:

James M. Barnes
John M. Blackburn
Michael C. Davis
Scott K. Lampe
Charles V. Murray
Mark E. Ricks
Kimberly M. Shepherd
R. Thomas Sofield

MEMBERS PRESENT VIA ZOOM:

M. Lee Barnes, Jr.
Donald C. Beaver
James K. Reaves
E. Bonnie Schaefer
Carole P. Wilson

CONSTITUENCY REPRESENTATIVES
PRESENT VIA ZOOM:

Michael C. Behrent, Chair
Faculty Senate
Donna Fiori, President
Alumni Council
Kelli H. Wilson, Chair
Staff Senate

OTHERS PRESENT:

Sheri Everts, Chancellor
Hank Foreman
Doug Gillin
Megan Hayes
Paul Meggett

OTHERS PRESENT VIA ZOOM:

Dawn Antonucci
Jane Barghothi
JJ Brown
Paul Forte
Jason Marshburn

Heather Norris

All votes were taken by roll call (see Attachment 1).

CONFLICT OF INTEREST NOTICE: Chair Blackburn read the following statement:

"Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now."

ROLL CALL: Chair Blackburn asked Dawn Antonucci to call roll to verify all participants on the call.

RECOGNITION OF VISITORS: Chair Blackburn welcomed guests and press in attendance as confirmed during the roll call.

APPROVAL OF ABSENCES: None to report.

APPROVAL OF MINUTES: The minutes of the June 26, 2020 & July 6, 2020, meetings had been delivered to all members via BoardEffect. Upon motion duly made, seconded, and verified by roll call vote, the minutes of all meetings were approved as presented.

REMARKS FROM CHANCELLOR EVERTS: (see Attachment 2).

REPORT FORM ACADEMIC AFFAIRS: Chair Blackburn recognized Trustee M. Lee Barnes, Chair of the Academic Affairs Committee, for this report.

Chair Barnes, on behalf of Academic Affairs, recommended the approval of the *Faculty Handbook* revisions as presented.

Upon motion duly made, seconded, and verified by roll call vote, the *Faculty Handbook* revisions were approved as presented (See Exhibit A-1).

REPORT FROM THE AUDIT COMMITTEE: Chair Blackburn recognize Trustee Charles V. Murray, Chair of the Audit Committee, for this report. Trustee Murray reported the following:

The minutes from the prior Audit Committee meeting of June 26, 2020 were reviewed and approved.

The internal audits reviewed and discussed for this quarter were: A Financial Audit of New River Light and Power was completed. No findings were reported.

Annual reviews were conducted in the areas of inventory, receipt books, and cash counts. Recommendations were made to strengthen departmental receipting in compliance with

University policies.

Follow-Up Reviews monitor management's implementation of recommendations from previous audits that were performed. Two follow-up reviews were performed for this quarter and the results were summarized and discussed.

Campus-Wide Reviews: Quarterly reviews were conducted in the areas of E&T fund disbursements, fixed assets, procurement card disbursements, travel expenditures, departmental fund reconciliations and access. Recommendations were made regarding following ASU Policy and guidance concerning departmental bookkeeping, fixed asset documentation and termination of access. No other significant findings to report.

The 2020 Board of Trustees Audit Committee Certification Letter was reviewed and discussed. This certification regarding the Committee's duties and responsibilities is sent annually to the UNC System Office of Compliance and Audit Services.

An overview of the Self-Assessment of Internal Controls over Financial Reporting for the Fiscal Year 2020 was provided by University Controller David Jamison. No major deficiencies in internal controls related to financial reporting were identified. No known fraud that involves management or other employees who have a significant role in the institution's system of internal control was identified.

General Counsel Paul Meggett provided the Audit Committee with an update concerning University Enterprise Risk Management.

Trustee Murray indicated that this concluded his report from the Audit Committee (See Appendix C).

REPORT FROM BUSINESS AFFAIRS: Chair Blackburn recognized Trustee Scott K. Lampe, Chair of the Business Affairs Committee, for this report. Trustee Lampe stated there were five (5) action items to present to the Board for approval.

Integrated Priority List

In July, the Board of Governors approved the Appalachian State University allocation of Repair and Renovation funding, which is \$1,898,382.

Upon motion duly made, seconded, and verified by roll call vote, the Integrated Priority List was approved as presented (See Exhibit D-1).

Resolution to Purchase Raven Rocks Hall

The resolution for the purchase of Raven Rocks Hall which was formally called Building 200 of the P3 development. 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. The Board of Governors approval is required.

Upon motion duly made, seconded, and verified by roll call vote, the Resolution to Purchase Raven Rocks Hall was approved as presented (See Exhibit D-2).

New River Light & Power

Three capital projects for New River Light and Power, the remodeling of their warehouse, \$750K, the laydown yard renovation, \$490K, and an upgrade to the campus substation, \$3.2M. The investment in capital will be included in the new utilities rate case with an effective date of January 1, 2023 if approved by Utilities Commission.

Upon motion duly made, seconded, and verified by roll call vote, the three capital projects related to New River Light & Power were approved as presented (See Exhibit D-3).

Resolution for New River Light & Power to seek Debt Financing

The resolution for New River Light and Power 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. The internal rate to return is approximately 8% to 10%.

Upon motion duly made, seconded, and verified by roll call vote, the Resolution for New River Light & Power to Seek Debt Financing was approved as presented (See Exhibit D-4).

ATM Leases

The request for approval of two ATM Leases for a term of 3 years. 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.

Upon motion duly made, seconded, and verified by roll call vote, the ATM leases were approved as presented (See Exhibit D-5).

Trustee Lampe recognized Vice Chancellor Paul Forte for the Capital Projects update. Mr. Forte provided a brief Capital Projects update.

Trustee Lampe indicated this concluded his report for the Business Affairs Committee.

REPORT FROM THE GOVERNANCE COMMITTEE: Chair Blackburn shared on behalf of the Governance Committee that all positions on the Board of the Endowment Fund, the

Student Housing Corporation Board and the Appalachian Academy at Middlefork School Board are filled.

Chair Blackburn stated that Trustees were provided with the Governance Committee's recommendations for terms on the Appalachian Foundation Board and the Alumni Council. Chair Blackburn thanked each person who applied and acknowledged that Appalachian is very fortunate to have so many offer their volunteer service for these important boards. With today's approval of these nominations, the terms of service begin on January 1, 2021 and end on December 31, 2023.

To establish proper rotation of classes of appointees, the four nominees put forth for the Appalachian Foundation Board were appointed in March 2020 to terms ending on December 2020. It is the recommendation of the Governance Committee that these four individuals be appointed for a full term.

Likewise, three of the four nominees put forth for the Alumni Council were appointed in March 2020 to terms ending on December 2020. The Governance Committee recommends that these four individuals be appointed for a full term.

Upon motion duly made, seconded, and verified by roll call vote, the nominees were approved as presented (See Attachment 3).

REPORT FROM THE NOMINATING COMMITTEE: Chair Blackburn recognized Trustee Carole Wilson for this report.

Trustee Wilson announced the Nominating Committee presents the following slate of officers for 2020-2021:

Trustee Scott K. Lampe, Chair
Trustee Mark E. Ricks, Vice Chair
Trustee Kimberly K. Shepherd, Secretary
Dawn Antonucci, Assistant Secretary

Upon motion made, seconded and verified by roll call vote, the nominations were approved as presented.

REMARKS FROM CHAIR BLACKBURN:

Chair Blackburn made the following comments/announcements/reminders:

Thanked the Committee and their Chairs for their reports.

The next scheduled Board of Trustees meeting will be held on Friday, December 4, 2020.

Thanked Chancellor Everts and the Administration team for their great efforts leading the University during a global pandemic.

This will be the last meeting serving as Chair. Chair Blackburn stated that it has been an

honor to serve this fine Institution in the capacity as Board Chair and promised to remain involved and continue to serve.

CLOSED SESSION: Chair Blackburn announced that he would entertain a motion for the Board to convene in closed session. Chair Blackburn asked that the voting Trustees, Chancellor Everts, Governor Byers, Interim Provost, Vice Chancellors, General Counsel, Chief Communication Officer, Director of Environmental Health and Safety and Emergency Management, Athletics Director and the Assistant Secretary join the voting members in closed session.

Chair Blackburn stated the secondary telephone line would be closed to conduct closed session business. Should participants like to attend once open session is reconvened they can simply stay on the line and the host will reopen telephone line at the appropriate time.

Upon motion duly made, seconded and verified by roll call vote, the Board convened in closed session to:

prevent the disclosure of privileged or confidential information pursuant to North Carolina General Statute, Section 126-22 and 132-1.2(1) in accordance with [N.C.G.S. §143-318.1 l(a) (1)]; and

consult with our attorney to preserve the attorney-client privilege in accordance with [N.C.G.S. §143-318.1 l(a) (3)].

PUBLIC SESSION RECONVENED: Upon motion duly made, seconded and verified by roll call vote, the Board reconvened in open session at 12:43 pm.

Promotion/Full Professor

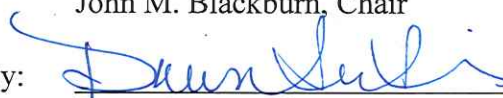
Chair Blackburn recognized Trustee Lee Barnes for this item. Trustee Barnes stated Academic Affairs has one faculty member to consider for promotion to full professor. The candidate's materials were included in the closed session exhibits for the Board's review.

Upon motion duly made, seconded, and verified by roll call vote, the promotion was approved as presented.

ADJOURNMENT: There being no further business, the meeting adjourned at 12:45 p.m.

John M. Blackburn, Chair

By:



Dawn Antonucci,
Assistant Secretary

Appalachian Board of Trustees
Roll Call Record of Votes in Open Session
September 25, 2020

Roll Call Vote to Approve Minutes:

Motion was made by: James Barnes

Seconded by: Charles Murray

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Faculty Handbook Revisions: Exhibit A-1

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve 2020-21 Integrated Priority List: Exhibit D-1

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn- Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Purchase raven Rocks Hall: Exhibit D-2

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Three Capital Projects for NRLP: Exhibit D-3

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve NRLP Loan 6.5M: Exhibit D-4

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve ATM Leases: Exhibit D-5

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Service to University Affiliated Boards:

Motion was made by: Governance Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Slate of Officers:

Motion was made by: Nominating Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Convene in Closed Session:

Motion was made by: Scott K. Lampe

Seconded by: James M. Barnes

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Yes

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Approve Recommendation for Faculty Member Promotion:

Motion was made by: From the Committee

Seconded by: Not required

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe – Not present at time of vote

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Roll Call Vote to Adjourn:

Motion was made by: Carole Wilson

Seconded by: Charles Murray

James Barnes - Yes

Lee Barnes - Yes

Don Beaver - Yes

John Blackburn - Yes

Michael Davis - Yes

Scott Lampe - Not present at time of vote

Charles Murray - Yes

James Reaves - Yes

Mark Ricks - Yes

Bonnie Schaefer - Yes

Kim Shepherd - Yes

Thomas Sofield - Yes

Carole Wilson - Yes

Board of Trustees
Friday, September 25, 2020

Remarks by Sheri Everts, Chancellor

Good morning and welcome to our board members and to Governor Byers, who are joining us in the room today as well as those who are joining via Zoom.

I'd like to begin by thanking Chair Blackburn for his exceptional leadership of this board during an extraordinary two years for App State. John, thank you for your dedication to our students, faculty and staff. I believe I can speak for everyone present when I say our appreciation of your dedication, service and leadership will continue long beyond your chairmanship of this board. Thank you.

I'd also like to recognize and thank Rob Gelber and his AppTV team for broadcasting today's meeting. Our students are gaining important, real-world experience with today's live broadcast, and I really appreciate their work, and Rob's leadership.

It is anything but a typical September in Boone, but I am very pleased to say we do have students on campus making the very best out of their extraordinary challenges.

We are in day 248 of campus planning for COVID-19, and day 210 of formal coordinated preparedness, response and recovery efforts.

As you know, last week we announced three clusters of COVID-19 cases. Currently, we have seven total active cases in those three clusters. We are providing information on clusters on the data dashboard on our university COVID-19 website.

We also have three active cases in our football student-athletes and one active case in a volleyball student-athlete. These four students are recovering in isolation. The associated quarantines will, however, have an impact on those upcoming games. At this time, we will play tomorrow's football game without several of our student-athletes and staff, but we will not have enough available players to be able to play the upcoming volleyball matches against Georgia Southern.

Each week of the Fall 2020 semester we complete is a significant accomplishment, and the safety and well-being of our students, faculty and staff — and of the greater community — remain at the forefront of every decision. Since March, we have re-envisioned, re-imagined and re-defined the university experience at App State. In the last six months, we have had to re-create what took those who came before us more than 120 years to develop. This effort has been nothing short of superhuman.

Since last winter, we have been extremely cautious while doing our best to provide the most meaningful academic experiences possible. We began by bringing our students traveling overseas home. We continued by extending Spring Break. We purchased three face coverings for every student, faculty and staff member, and they are wearing them. We are encouraging teleworking to the greatest extent possible. We hired 50 additional staff for increased frequency of cleaning and regular sanitizing of high-use areas and residence halls. We brought GrubHub to Boone and food trucks to campus. We have tested more than 1,000 students nearly each week since bringing students back to campus. We have implemented daily health checks and we were among the first to beta-test and promote the state's contact tracing mobile app. We partnered with local public health on a community public health campaign, designing the graphics for the Show Your Love campaign for three counties. More than 100 Appalachian staff members personally called nearly 16,000 incoming and current students to see how they were doing and connect them to any needed resources.

All of these efforts combined are a fraction of the incredible efforts of our staff, in particular, who have worked around the clock since March to support and prepare for the safest possible return of our faculty and students to classrooms and labs.

Our faculty have not only continued their teaching and research, they have elevated it. Eight multidisciplinary faculty teams are exploring COVID-19 research related to the spread of the virus in nursing homes and social distancing on greenways and trails, among other topics. Whether teaching face-to-face, fully online or using some hybrid of the two, faculty have adjusted their teaching methods to ensure excellence in our students' learning experiences. Deans and Department Chairs worked tirelessly so faculty and student course delivery needs were met, and I appreciate their tremendous work to continue developing a course delivery mix that offers the right balance for our faculty and our students. This semester, 48% of our classes are being delivered fully remotely and 52% are hybrid or fully face-to-face.

We have just over 5,200 students living in campus residence halls, and they are adhering to occupancy limits in their living spaces and common areas. On and off-campus, our students have by-and-large risen to the challenge, following the 3 Ws and applying pressure on — and offering support to — one another as needed to ensure nearly universal adoption of our safety protocols. To date, we are one of the largest UNC System institutions still holding face-to-face classes, and the one with the largest undergraduate population still doing so.

Violations of our COVID safety policies, including not adhering to social distancing practices or face covering requirements, may result in disciplinary action, up to and including termination or expulsion and, indeed, we suspended one fraternity prior to the first week of classes. While we are taking every violation seriously, I want to emphasize the majority of our students are respecting one another, abiding by the rules that are in place to protect our community and protecting others by following the 3 Ws. We have had broad and comprehensive adoption of these practices with very few issues with compliance. Local and campus police reports also show few issues with large parties or group gatherings that violate Governor Cooper's executive order. Media visiting our campus have noticed; visitors have noticed. Additionally, we have had no instances of traceable COVID transmission in the classroom and no faculty with COVID-19 this semester. Our students value an Appalachian Education and the experience — no matter how changed — that comes with it. I heard one student on a recent news report speak for many of our students when he said, "I want to be here. I don't want to go home, so let's get through this." We are all weary with the effects this pandemic continues to have on our daily lives, but we cannot become complacent. It is our responsibility to remain diligent and disciplined. Doing so will keep our students and faculty in Boone and on campus, our staff and faculty employed and our local economy supported.

I have received countless emails, phone messages and even hand-written letters expressing appreciation for our diligence. From the smallest detail — and there are so many — like daily reminders to use hand sanitizer and wipe down workstations, to the massive efforts of technology implementation and coordinating new course delivery methods, our students, faculty and staff have not only risen to each challenge, they have met it head on. They are innovating at every turn and I'd like to take a moment here to thank them. I see the incredible efforts they are putting in each day, and I know you share my appreciation for them as well.

The Appalachian State University Academy at Middle Fork, our UNC System K-5 lab school, has faced equally challenging decisions related to COVID-19. Ultimately, the academy decided to hold its first nine weeks of this semester virtually, and they provided materials and devices for 250 students, allowing almost every child to connect on the first day of school. All but two teachers returned this year, and the two new teachers are both Appalachian graduates — a testament to our high-quality teacher preparation programs.

In addition to our partnerships with local law enforcement, we are very fortunate to have a strong partnership with AppHealthCare, our local public health agency, as well as support from the North Carolina Department of Health and Human Services and the UNC System. This coordinated planning accounts for a multitude of scenarios, risk assessments and mitigation strategies. Our collective efforts so far are making it possible for us to remain on campus.

AppHealthCare, our local public health agency, provides us daily updates of active cases, which means people who are currently in isolation due to a positive COVID-19 test.

We are currently using less than 20% of our available quarantine capacity. Our quarantine space is located off campus, so we are not limited by on-campus space constraints.

As of this week, between Student Health Service and our pop-up testing sites, we have tested 6,151 faculty, staff and students with an average weekly positive test rate of 3.4%, or a total of 207 people. We have had pop-up testing available at least once each week since students moved in the week of August 10, and will continue to schedule them at least once each week for the foreseeable future. These large-scale testing events augment the 70-80 tests performed by our Student Health Service staff each weekday. The number of COVID-19 tests administered on-campus and the percent of positive results have been added to the metrics we are reporting on our university coronavirus website dashboard.

I'd like to thank, in particular, Dr. Alex Howard, interim assistant vice chancellor and director of wellness and prevention services, and his entire team, which includes Student Health Services, the Student Counseling Center, University Recreation, Wellness and Prevention Services, and a team of student wellness peer educators. Their phenomenal work is helping to support our students with the resources, support and recreation they need in these incredibly challenging times.

Managing the effects of this global pandemic consumes so much of our daily bandwidth, yet it is important to celebrate the many other successes that take place at Appalachian each day.

- This fall, national publications U.S. News & World Report and The Princeton Review, and personal finance magazine Money.com, recognized Appalachian as one of the nation's top-performing schools for its academics, value, innovation and student veteran services, among other aspects.
- The National Science Foundation has awarded a nearly \$1 million grant to Drs. Jennifer Burris, Andrew Bellemer, Brooke Hester, Claudia Cartaya-Marin and Willie Fleming to help increase the representation and advancement of women and women from underrepresented populations in science, technology, engineering and mathematics.
- An August 2020 report from the American Institute of Physics ranked Appalachian second in the country for master's granting departments for the number of bachelor's degrees granted per year.
- We also made a remarkable announcement last week during this year's virtual Appalachian Energy Summit: Working together, the institutions and affiliates in the UNC System have avoided more than \$1 billion in energy costs, exceeding their goal set in 2012 by more than \$30 million. I applaud Chief Sustainability Officer Dr. Lee Ball and the Office of Sustainability for their continued leadership of this important initiative. I am sure our institution will lead the way to the next milestone: \$2 billion in avoided energy costs by 2025!

As you know, we have reached an important milestone in our enrollment growth, despite the challenges and uncertainties brought on by the global pandemic. We have continued our average 5-year growth rate of 1%–2%, and as the UNC System has reported, we continue to set enrollment records.

Our enrollment for fall stands at 20,023 students! This represents an enrollment increase from 2019 of 3% in undergraduate students, 11% in graduate students and 18% in graduate and undergraduate students who enrolled in App State Online degree programs. New online graduate students have increased by nearly 30% from last year. Overall, first-to-second-year retention rates exceed the national average by 12 percentage points.

- Our rural student enrollment stands at nearly 6,000 rural students, which is more than 300 students above the UNC System strategic plan benchmark for this year.
- 34% of the total undergraduate population, or 6,100, of our students are first-generation college students.
- A record 18% of the total student population is racially or ethnically diverse.
- We have increased our total underrepresented student population by 56% since 2014, and
- Since 2014, we have seen a 97% increase in first-year underrepresented students, nearly doubling that enrollment in the time I have been here.

We would be remiss not to be planning for budget reductions, and indeed, along with our System counterparts, we submitted some extreme budget scenarios to the UNC System upon request over the summer. While those scenarios are unlikely, we are expecting at least a 10% reduction next fiscal year. Academic Affairs is already documenting efficiencies. They recently completed a significant reorganization of the enrollment management and marketing functions across main campus undergraduate programs, graduate programs and App State Online programs. The resulting reorganization eliminates administrative level positions and makes use of the marketing platforms in University Communications, saving the university more than \$900,000 annually. Our consistent and strong enrollment will continue to ready us for the budget shortfalls that are certain to come. Moving forward, we recognize we cannot continue to grow on-campus indefinitely, yet we take seriously our educational mission and responsibility to educate the citizens of the State of North Carolina. We are looking at areas that have growth capacity and market potential for both on-campus and online programs.

We also know that financial assistance is critically important for many of our students. I am proud that from 2014 to 2019, gift aid for underrepresented students nearly doubled, now standing at more than \$18 million.

These accomplishments speak directly to the tremendous efforts of our faculty and staff, who continue to deliver top-quality educational experiences for our students, despite the incredible challenges presented by a global pandemic unlike anything our university has before encountered.

I applaud our faculty and staff and appreciate their work, which has long-lasting benefits across the State of North Carolina and beyond.

As we become a more diverse campus, we are broadening the ways we can become a more inclusive campus. Amidst a turbulent national landscape, we see our students respond to national events, and we focus on what we can do — here on our campus — to continue moving forward, building on the work done by those who came before us, and the work we have done together. It takes all of us to do

this work. I know you are just as passionate as our students, faculty, staff and alumni about moving our university forward, making it better for those who are here now and those who will follow the path forged by the many people who have stood courageously and opened doors for those who are here now, and those who will come after us.

Black Lives Matter. At this moment in our history it is more important than ever that we work through our challenges as a community. Together, we can create a stronger university for generations of Mountaineers to come.

Our Chief Diversity Officer, Dr. Willie Fleming, along with his Advisory Board, is working diligently on a campus-wide Comprehensive Diversity Plan that will encourage, on an ongoing basis, each university unit to accomplish the university's strategic goal of embracing diversity of thought, belief and community. The plan is informed by numerous campus studies, discussions and research by the Chief Diversity Officer's Advisory Board. It is currently being vetted by focus groups across campus and will be shared with the campus community before the end of the semester. I know you join me in thanking Dr. Fleming and the Chief Diversity Officer's Advisory Board for their work on this plan.

The UNC System has also released a questionnaire to support the work of its Racial Equity Task Force, a special committee of the UNC Board of Governors. We are encouraging our faculty, staff and students to complete the survey by September 30. The results, along with many other initiatives in place across the UNC System, will help advance our efforts toward diversity, equity and inclusive excellence.

You will soon hear a Business Affairs Committee presentation that provides more details about our campus construction projects, but I will say I am so pleased we were able to celebrate the openings of our newest residence halls, Raven Rocks and Thunder Hill. These buildings are tremendous milestones as we build infrastructure that supports and elevates App State's educational mission. The residence halls project is a long-overdue, innovative public-private partnership, which is allowing us to move forward without impact to our academic budgets, and which is saving more than \$73 million over the cost of developing the property on our own.

Work also continues on Sanford Hall, with classrooms and common areas on the first floor on schedule to be open in time for spring 2021 classes, and on the North End Zone facility, for which we expect partial completion of the building by the third home football game on October 7.

I'd also like to provide a quick update on the progress with the Town of Boone regarding the expansion of the university's Child Development Center, which serves App State faculty, staff and students.

Access to quality child care is critical for our university community members, and key to our ability to recruit and retain highly qualified faculty, staff and students, and to allowing students to continue their education as they raise and expand their families. It is also critical to the ability to return our students to classrooms and our faculty and staff to work.

I expected that by now we would be announcing the opening of the center's expansion, which will increase capacity by an additional 40-50 children. While we had some setbacks in progress with the Town of Boone over zoning for the project, our Business Affairs and Student Affairs teams continued working with the town, and found a zoning solution that will allow us to move forward with the expansion project. I am pleased to report the Town Council voted to approve annexation and zoning last Thursday.

Finally, an update on the on-campus voting location. Consistent with App State's commitment to civic engagement, there will be an on-campus voting location for the upcoming election's 20-day voting period. University staff toured campus locations with the Board of Elections over the summer,

ATTACHMENT 2

and we identified Holmes Convocation Center as an alternate location for this voting cycle. This was to better ensure safety and to avoid further disruption of the teaching and learning experience. After this process, the Board of Elections selected the Blue Ridge Ballroom in Plemmons Student Union. While the process to confirm the final location is still underway, Appalachian's long-standing, nonpartisan commitment to hosting a voting site on our campus remains steadfast.

I will conclude my remarks by thanking you for your unwavering support of our students, faculty and staff. While we do everything differently now, we remain at our core, the App State Community that cares for one another, prioritizes safety and our academic mission, and, above all, prevails in the face of adversity.

We are the premier public undergraduate institution in the State of North Carolina.

Mr. Chairman, this concludes my remarks.

University Affiliated Boards and Organizations Nominations

The following nominees are put forth by the Appalachian State University Board of Trustees Governance Committee for approval by the full board. Terms for these memberships begin January 1, 2021.

Alumni Council

Shannon Adams – for a term ending December 31, 2023	Seeking reappointment
Sara D. Ambrosio – for a term ending December 31, 2023	Seeking reappointment
Ryan Satterfield – for a term ending December 31, 2023	Seeking reappointment
Evan Hager – for a term ending December 31, 2023	New Application

Foundation Board

Cantey Alexander – for a term ending December 31, 2023	Seeking reappointment
Kyler Ferguson – for a term ending December 31, 2023.	Seeking reappointment
James Tolliver – for a term ending December 31, 2023	Seeking reappointment
Stacie Walker – for a term ending December 31, 2023	Seeking reappointment

MINUTES
MEETING OF THE AUDIT COMMITTEE
APPALACHIAN STATE UNIVERSITY
BOARD OF TRUSTEES

Friday, September 24, 2020
Zoom Meeting

CALL TO ORDER: The Audit Committee of the Board of Trustees of Appalachian State University met at the call of the Chair on Friday, September 24, 2020, at 4:02 p.m. via the virtual Zoom Meeting format. Mr. Charles V. Murray, Chair, presided and called the meeting to order.

MEMBERS PRESENT VIA ZOOM:

Charles V. Murray, Chair
M. Lee Barnes
James M. Barnes

CONSTITUENCY REPRESENTATIVE
PRESENT VIA ZOOM:

Kelli Wilson, Staff Senate

OTHERS PRESENT VIA ZOOM:

Dawn Antonucci
Eloise Covalt
Sheri Everts, Chancellor
Hank Foreman
Paul Forte
David Hayler
David Jamison
Paul Meggett
Toussaint Romain
Monica Saner

CONFLICT OF INTEREST NOTICE: Chair Murray read the following: "Under the State Government Ethics Act, all voting members of the Board of Trustees have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, does anyone know that you have a conflict of interest or an interest that would give rise to the appearance of a conflict of interest? If so, please let me know now." [None reported.]

EXPECTATION OF CONDUCT NOTICE: Chair Murray also read the following: "As we begin the business portion of the meeting, I would like to remind everyone of the Committee's

expectations for conduct at our meetings. We ask that those attending today remain respectful of fellow attendees and the Committee. Those attending an official meeting may not engage in conduct that is inconsistent with our Bylaws or that interferes with the rights of others to observe and listen to the proceedings. Any individual who disrupts the meeting will be asked to leave and may be subject to arrest.”

APPROVAL OF OPEN & CLOSED MINUTES: The minutes of the June 26, 2020 Audit Committee meeting were delivered to all members of the Audit Committee prior to the meeting. There being no corrections, Chair Murray called for a motion to approve the minutes of the June 26, 2020 Audit Committee meeting. Upon motion duly made, seconded, and verified by roll call vote the minutes of the meeting were approved as presented.

SUMMARY OF 2020-2021 AUDIT PLAN AND RECENT INTERNAL AUDIT REPORTS

UPDATE: Mrs. Eloise Covalt, Chief Audit Officer, reviewed the 2020-2021 Audit Plan as of September 2020 and provided the committee with a summary of internal audits activity completed in the recent quarter. The internal audit activity update included reports for the following:

- New River Light and Power (12/31/19)
- Annual Cash Counts FYE 2020
- Receipt Books FYE 2020
- Inventory Test Count Procedures FYE 2020
- ASU Statewide Federal Compliance Audit Procedures Follow-Up
- Controls over HR Personnel Clearing Fund Follow-Up
- Quarterlies:
 - Education & Technology Funds as of June 30, 2020
 - P-Card Expenditures as of June 30, 2020
 - Fund Reconciliation as of June 30, 2020
 - Fixed Asset Control as of June 30, 2020
 - Travel Disbursements as of June 30, 2020
 - User Access Controls as of June 30, 2020

REVIEW 2020 BOARD OF TRUSTEES AUDIT COMMITTEE CERTIFICATION LETTER:

Mrs. Eloise Covalt, Chief Audit Officer, provided an overview of the 2020 Board of Trustees Audit Committee Certification Letter. All committee members received a copy of the Certification Letter before the committee meeting.

SELF-ASSESSMENT OF INTERNAL CONTROLS OVER FINANCIAL REPORTING FOR

FISCAL YEAR 2020: University Controller, Mr. David Jamison, reported to the committee that no major deficiencies in internal controls related to financial reporting were identified. Also, no known fraud that involves management or other employees who have a significant role in the

institution's system of internal control was identified. Mr. Jamison provided an overview of the contents of the self-assessment and discussed significant changes that were included in the report.

ENTERPRISE RISK MANAGEMENT UPDATE: Mr. Paul Meggett, General Counsel, reported an update to the Committee concerning insurance coverage and product fee increases due to COVID-19. Mr. Meggett also updated the committee regarding a planned future ERM committee meeting that is planned to include faculty and student representation.

CLOSED SESSION: Chair Murray called for a motion to enter into closed session at 4:21 p.m. Upon motion duly made, seconded, and verified by roll call vote, all voting members present of the Audit Committee convened in closed session to "hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. [N.C.G.S § 143-318.11(a)(6)]".

Chair Murray asked that Chancellor Sheri Everts, Mr. Hank Foreman, Mr. Paul Meggett, Mrs. Eloise Covalt, Mr. Toussaint Romain, and Ms. Monica Saner, the recording secretary, join the voting members in closed session.

RECONVENE IN OPEN SESSION: Upon motion duly made, seconded, and verified by roll call vote, the Audit Committee reconvened in open session.

ADJOURNMENT: There being no further business, the meeting adjourned at 4:33 p.m.

CHARLES V. MURRAY, Chair

By: _____
Monica Saner
Recording Secretary

Appalachian State University Audit Committee Meeting
September 24, 2020
4:00 pm

Roll Call to Approve the June 26, 2020, Audit Committee Minutes:

Thank you, the motion was made by: James Barnes

Seconded by: Lee Barnes

James Barnes
Lee Barnes
Charles Murray

Roll Call Vote to Convene in Closed Session:

Thank you, the motion was made by: James Barnes

Seconded by: Lee Barnes

James Barnes
Lee Barnes
Charles Murray

Roll Call Vote to Reconvene in Open Session:

Thank you, the motion was made by: James Barnes

Seconded by: Lee Barnes

James Barnes
Lee Barnes
Charles Murray

Roll Call Vote to Adjourn:

Thank you, the motion was made by: James Barnes

Seconded by: Lee Barnes

James Barnes
Lee Barnes
Charles Murray

Faculty Handbook
Revisions for 2020-21

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

September 24, 2020

Black = Existing *Handbook* language

Red = Proposed new *Handbook* language

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>

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Facilities Management

Dougherty Administration
438 Academy Street
ASU Box 32003
Boone, NC 28608-2003
(828) 262-6432

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 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
 BIENNIUM 2021-2023

Form OC-25
 (Rev 8/2020)

DEPARTMENT and DIVISION: Appalachian State University DATE: 08/19/20
 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

	QTY	UNIT	COST PER UNIT	TOTAL
A. Land Requirement				\$0
B. Site Preparation				\$0
1. Demolition				\$0
2. Site Work				\$0
C. Construction				\$0
1. Utility Services (describe)				\$0
2. Building Construction (new space)				\$0
3. Building Construction (existing)	7910	SF	\$ 45.00	\$355,950
4. Plumbing (specify existing or new space)	3	Fixtures	\$ 700.00	\$2,100
5. HVAC (specify existing or new space)	7910	SF	\$ 8.00	\$63,280
6. Electrical (includes TV & Radio & Data)	7910	SF	\$ 11.00	\$87,010
7. Fire Supression and Alarm Systems	7910	SF	\$ 2.28	\$18,035
8. Telephone, Data, Video				\$0
9. Associated Construction Costs (Re-T&B Water & Air Systems)	1	LS		\$9,000
10. Other (Code Related & Wayfinding Signage)	1	LS		\$8,440
D. Equipment				\$0
1. Fixed (Window Blinds)	84	each	\$ 90.00	\$7,560
2. Moveable (describe)				\$0
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	8 %	(% of Estimated Construction Costs)	\$ 44,110
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	0 %	(1.25% estimated)	\$ -
SUSTAINABILITY	0 %	(3% LEED Gold, 2% LEED Silver)	\$ -
ADVANCE PLANNING	0 %	Includes programming, feasibility, analysis (% of Estimated Construction Costs)	\$ -
CONTINGENCIES	3 %	(% of Estimated Construction Costs [3% New or 5% R&R])	\$ 16,541
ESTIMATED COSTS		(% of Estimated Construction Costs + Contingencies + Design Fee)	\$ 612,026

Escalation = percent per month multiplied by number of months

(From Estimate Date as entered above on this form to mid-point of construction) = 10 months 5.0 % annually beginning on month 1

10 \$22,974

TOTAL ESTIMATED PROJECT COSTS (Estimated Construction Costs + Escalation Cost Increase) **\$ 635,000**

APPROVED BY: [Signature]
 (Governing Board or Agency Head)

TITLE: AUC Facilities Management

DATE: 8/25/2020

STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION
STATE CONSTRUCTION OFFICE
PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT
BIENNIUM 2021-2023

Form OC-25
(Rev 8/2020)

DEFINITIONS OR EXPLANATIONS

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

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

STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION
 STATE CONSTRUCTION OFFICE
 PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT
 BIENNIUM 2021-2023

Form OC-25
 (Rev 8/2020)

DEPARTMENT and DIVISION: Appalachian State University DATE: 08/20/20
 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 16,000 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

	QTY	UNIT	COST PER UNIT	TOTAL
A. Land Requirement				\$0
B. Site Preparation				
1. Demolition - Roofing & insulation. Include asbestos remediation.	21000	SF	\$ 13.49	\$283,290
2. Site Work				\$0
C. Construction				
1. Utility Services (describe)				\$0
2. Building Construction (new space)				\$0
3. Building Construction (existing) - Roofing, decking repairs	21000	SF	\$ 14.31	\$300,510
4. Plumbing (specify existing or new space)				\$0
5. HVAC - Raise curbs and reinstall HVAC eqpt	15	Each	\$ 789.51	\$11,843
6. Electrical - Move PV Array	1	Each	\$ 700.00	\$700
7. Fire Supression and Alarm Systems				\$0
8. Telephone, Data, Video				\$0
9. Associated Construction Costs - ASU work orders	5	Each	\$ 500.00	\$2,500
10. Other - Security fencing and rooftop exit pavers	1	Each	\$ 30,000.00	\$30,000
D. Equipment				
1. Fixed (describe)				\$0
2. Moveable (describe)				\$0
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 %	Includes programming, feasibility, analysis (% of Estimated Construction Costs)	\$ -
CONTINGENCIES	5 %	(% of Estimated Construction Costs [3% New or 5% 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) = 10 months 5.0 % annually beginning on month 1

ESCALATION COST INCREASE (Total of Estimated Construction Costs x Escalation %) \$26,202

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

APPROVED BY: [Signature]
 (Governing Board or Agency Head)

TITLE: AVC Facilities Management

DATE: 8/25/2020

STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION
STATE CONSTRUCTION OFFICE
PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT
BIENNIUM 2021-2023

Form OC-25
(Rev 8/2020)

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

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C. 1. Utility Services	Attach explanation of any special building, mechanical, or electrical service requirements with appropriate distance to existing buildings, water, gas, electrical or other utility service.
C. 9. Associated Construction Costs	Includes but may not be limited to construction fire alarm testing, utility shut downs, utilities, signage, security, displaced parking, staging, lock cores, keys.
C. 10. Other	List and describe other significant sources of cost not included elsewhere. Additional lines may be added if needed.
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.

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”) 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

Facilities Management

Dougherty Administration
 438 Academy Street
 ASU Box 32003
 Boone, NC 28608-2003
 (828) 262-6432

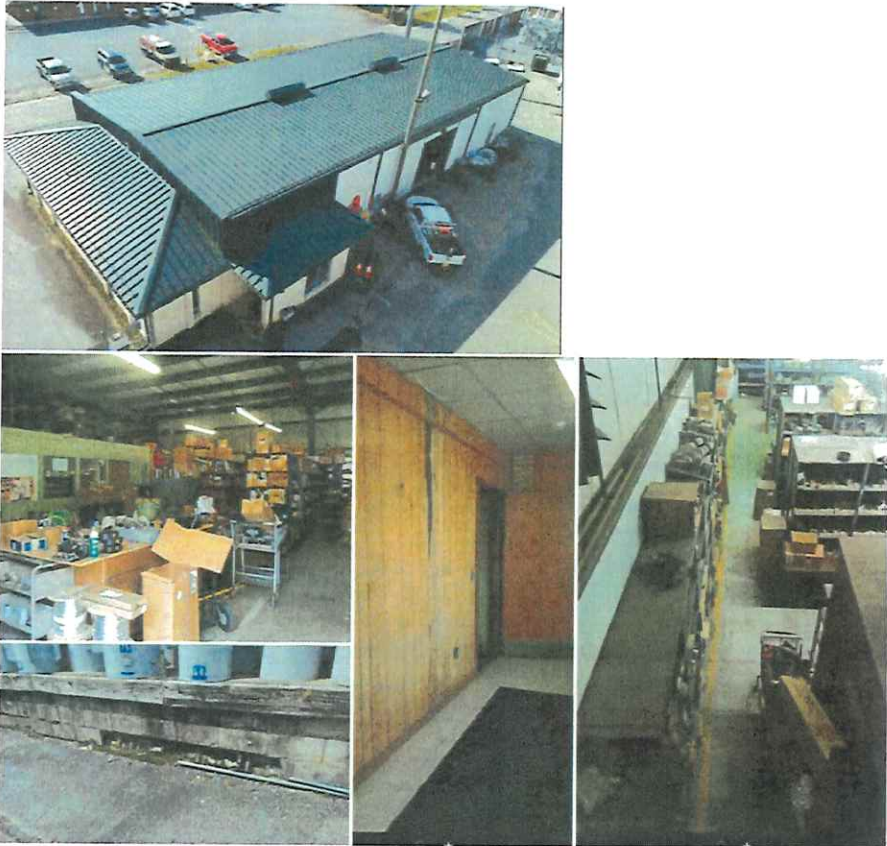
Date: September 10, 2020
 From: Nick Katers, Associate Vice Chancellor for Facilities Management
 Re: Action Item – Approval of Three Capital Projects for New River Light and Power (NRLP)

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 ~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:



- 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
 BIENNIUM 2021-2023

Form OC-25
 (Rev 8/2020)

DEPARTMENT and DIVISION: Appalachian State University DATE: 09/03/20
 PROJECT IDENTIFICATION: New River Light and Power Warehouse Renovation
 PROJECT CITY or LOCATION: Boone, NC, Appalachian State University
 PROJECT DESCRIPTION & JUSTIFICATION: (Attach add'l 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

(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

	QTY	UNIT	COST PER UNIT	TOTAL
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	\$151,632
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.

DESIGN FEE	9.4 %	(% of Estimated Construction Costs)	\$ 59,150
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 %	(1.25% estimated)	\$ 6,271
SUSTAINABILITY	0 %	(3% LEED Gold, 2% LEED Silver)	\$ -
ADVANCE PLANNING	0 %	Includes programming, feasibility, analysis (% of Estimated Construction Costs)	\$ -
CONTINGENCIES	5 %	(% of Estimated Construction Costs [3% New or 5% R&R])	\$ 31,355
ESTIMATED COSTS		(% of Estimated Construction Costs + Contingencies + Design Fee)	\$ 723,871

Escalation = percent per month multiplied by number of months

(From Estimate Date as entered above on this form to mid-point of construction) = 10 months 5.0 % annually beginning on month 1

ESCALATION COST INCREASE (Total of Estimated Construction Costs x Escalation %) \$26,129

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

APPROVED BY: *TW Kates*
 (Governing Board or Agency Head)

TITLE: AVC Facilities Management

DATE: 9/10/2020

FUND SOURCES

Fund Type Category	Title	Reporting Abbreviation	Description
Appropriations	Appropriations	SA	Funds appropriated by the legislature for capital projects.
R&R	R&R	RR	Funds appropriated by the legislature for campus repairs and renovations in 13 statutorily prescribed categories.
Carry Forward	Carry Forward	CF	State appropriations carried forward under the 2.5% permitted by legislation. By Session Law, carry forward is considered non-general fund when it is carried forward.
Student Fees	Athletics Fee	SAF	Fees collected specifically for support of campus student athletics and recreation services.
	Campus Safety Fee	SSF	Fees collected specifically for support of campus safety items such as emergency phones and cameras.
	Education and Technology Fee	ETSF	Fees collected specifically for support of education and technology items.
	Health Services Fee	HSF	Fees collected specifically for support of campus student health services.
	Other Student Fees	OSF	Any other student fees authorized and collected for other purposes, but not listed in above categories.
Trust Funds (including gifts and donations)	Athletics	AR	Receipts from ticket sales, gifts, donations, cash reserves, including Athletics Foundation reserves.
	Dining	DR	Receipts from operations, cash reserves.
	Housing	HR	Receipts from operations, cash reserves.
	Transportation and Parking	TR	Receipts from operations, cash reserves.
	Utility Trust Funds	UTF	Receipts from operations, cash reserves from operation/management of all/any campus utilities (steam, chilled water, etc.).
	Other Auxiliary Trust Funds	OTF	Receipts from operations, cash reserves from other campus auxiliaries not specified above.
	Centennial/Millennial Campus Funds	CMF	Receipts from operations, cash reserves under the Millennial Campus financing act.
	Clinical Receipts	CR	Receipts from operations, cash reserves.
	Facilities and Administrative	FA	Overhead receipts (facilities and administrative overhead) generated from campus research.
	Donations and Gifts	DG	Contributions made by gift, donation, bequest, or other private sources.
	Endowment	ENDF	Funds from the endowment fund of the University.
Debt Service	Debt Service Fees	DSF	Debt service fees authorized for specific projects.

STATE OF NORTH CAROLINA - DEPARTMENT OF ADMINISTRATION
 STATE CONSTRUCTION OFFICE
 PROPOSED REPAIR & RENOVATION OR CAPITAL IMPROVEMENT PROJECT
 BIENNIUM 2021-2023

Form OC-25
 (Rev 8/2020)

DEPARTMENT and DIVISION: Appalachian State University DATE: 09/03/20
 PROJECT IDENTIFICATION: New River Light and Power Laydown Yard Renovation
 PROJECT CITY or LOCATION: Boone, NC, Appalachian State University
 PROJECT DESCRIPTION & JUSTIFICATION: (Attach add'l 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 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.

(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

	QTY	UNIT	COST PER UNIT	TOTAL
A. Land Requirement				\$0
B. Site Preparation				
1. Demolition (Asphalt Milling)	34212.8	SQ FT	\$ 3.50	\$119,745
2. Site Work				\$0
C. Construction				
1. Utility Services (rework storm drainage and grading)	10000	SQ FT	\$ 3.00	\$30,000
2. Building Construction (rework transformer loading dock)	2600	SQ FT	\$ 16.00	\$41,600
3. Building Construction (new pavement)	34212.8	SQ FT	\$ 6.00	\$205,277
4. Plumbing (specify existing or new space)			\$ -	\$0
5. HVAC (specify existing or new space)			\$ -	\$0
6. Electrical (includes TV & Radio Studio work)			\$ -	\$0
7. Fire Suppression and Alarm Systems			\$ -	\$0
8. Telephone, Data, Video			\$ -	\$0
9. Associated Construction Costs (Pavement Stripping)	1000	LN FT	\$ 4.00	\$4,000
10. Other (Survey)	1	LS	\$ 10,000.00	\$10,000
D. Equipment				
1. Fixed (describe)				\$0
2. Moveable (describe)				\$0
Total Cost of Work				\$ 410,622

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)	\$ 4,517
SUSTAINABILITY	0 %	(3% LEED Gold, 2% LEED Silver)	\$ -
ADVANCE PLANNING	0 %	Includes programming, feasibility, analysis (% of Estimated Construction Costs)	\$ -
CONTINGENCIES	5 %	(% of Estimated Construction Costs [3% New or 5% R&R])	\$ 20,531
ESTIMATED COSTS		(% 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 mid-point 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: NW Kates
 (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 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 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.
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).

FY/Qtr	20-21 Q2	20-21-Q3	20-21-Q4	21-22-Q1	21-22-Q2	21-22-Q3
\$ Amount	\$20,000	\$40,000	\$200,000	\$150,000	\$70,000	\$10,000

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).

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Source/ \$ Amount					

6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (omit for advance planning and non-general fund requests, required for general fund requests).

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Source/ \$ Amount					

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
 (date)

Nick Katers
 (signature)

NICK KATERS AUC Facilities Mgmt
 (printed name/title)

FUND SOURCES

Fund Type Category	Title	Reporting Abbreviation	Description
Appropriations	Appropriations	SA	Funds appropriated by the legislature for capital projects.
R&R	R&R	RR	Funds appropriated by the legislature for campus repairs and renovations in 13 statutorily prescribed categories.
Carry Forward	Carry Forward	CF	State appropriations carried forward under the 2.5% permitted by legislation. By Session Law, carry forward is considered non-general fund when it is carried forward.
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	Campus Safety Fee	SSF	Fees collected specifically for support of campus safety items such as emergency phones and cameras.
	Education and Technology Fee	ETSF	Fees collected specifically for support of education and technology items.
	Health Services Fee	HSF	Fees collected specifically for support of campus student health services.
	Other Student Fees	OSF	Any other student fees authorized and collected for other purposes, but not listed in above categories.
Trust Funds (including gifts and donations)	Athletics	AR	Receipts from ticket sales, gifts, donations, cash reserves, including Athletics Foundation reserves.
	Dining	DR	Receipts from operations, cash reserves.
	Housing	HR	Receipts from operations, cash reserves.
	Transportation and Parking	TR	Receipts from operations, cash reserves.
	Utility Trust Funds	UTF	Receipts from operations, cash reserves from operation/management of all/any campus utilities (steam, chilled water, etc.).
	Other Auxiliary Trust Funds	OTF	Receipts from operations, cash reserves from other campus auxiliaries not specified above.
	Centennial/Millennial Campus Funds	CMF	Receipts from operations, cash reserves under the Millennial Campus financing act.
	Clinical Receipts	CR	Receipts from operations, cash reserves.
	Facilities and Administrative	FA	Overhead receipts (facilities and administrative overhead) generated from campus research.
	Donations and Gifts	DG	Contributions made by gift, donation, bequest, or other private sources.
	Endowment	ENDF	Funds from the endowment fund of the University.
Debt Service	Debt Service Fees	DSF	Debt service fees authorized for specific projects.

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.

EXHIBIT D-4

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

Facilities Management

Dougherty Administration
438 Academy Street
ASU Box 32003
Boone, NC 28608-2003
(828) 262-6432

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

Facilities Management

Dougherty Administration
438 Academy Street
ASU Box 32003
Boone, NC 28608-2003
(828) 262-6432

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

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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

**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