



TOWN COUNCIL AGENDA ITEM

MEETING DATE: April 14, 2026

Agenda Title/Category:	Electricities Contract Amendment – Leased Vehicles			
Staff Contact/Presenter:	Christopher Tucker, Asst. Town Manager			
Meets Strategic Initiative or Approved Plan:	Yes	No	If yes, list:	N/A
Background:	In our relationship with Electricites, the current dynamic for vehicles is that the Town owns all vehicles but Electricities insures them because they are the ones who use them. Electricities’ insurance would prefer the dynamic be more official, and defined as a nominal value leasing of the vehicles.			
Discussion:	The Town and the Town’s insurance (NCLM) support the request.			
Fiscal impact:	None			
Attachments:	Amendment to Electricities Contract adding lease language Vehicle Lease Agreement with Exhibits			
Recommended Motion to be made by Council:	Approve as presented			

**AMENDMENT
TO
OPERATING AGREEMENT**

THIS AMENDMENT TO OPERATING AGREEMENT, dated [REDACTED], 2026 (“**Amendment**”), is entered into between ElectriCities of North Carolina, Inc. (“**ElectriCities**”), a joint municipal assistance agency organized under Article 3, Chapter 159B of the General Statutes of North Carolina (the “**General Statutes**”), and the Town of Pineville (the “**Town**”), which is a municipal corporation organized and existing under Chapter 160A of the General Statutes.

WHEREAS, ElectriCities and the City have entered into an Operating Agreement, March 9, 2016 (the “**Operating Agreement**”), pursuant to which ElectriCities has agreed to operate and maintain the Town’s electric systems in an economical, efficient, safe, adequate and reliable fashion; and

WHEREAS, ElectriCities and the Town desire to amend the Operating Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual undertakings set forth herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, IT IS AGREED:

1. Amendments to Operating Agreement.

- (a) The paragraph in Section 10.1 of the Operating Agreement which currently reads “The Automobile Policy shall cover all vehicles used by ElectriCities in the performance of its services under this Agreement (including owned, hired and non-owned vehicles). The Automobile Policy also shall cover all vehicles owned by the City and operated by ElectriCities in the performance of its services under this Agreement and shall cover the City as a Named Insured as respects operation of such vehicles,” is hereby amended and restated in its entirety to read as follows:

“The Automobile Policy shall cover vehicles owned by ElectriCities and used in connection with its provision of services under this Agreement, along with any vehicles owned by the Town and leased to ElectriCities for its use in connection with its provision of services under this Agreement and listed in Exhibits A and B to the Vehicle Lease Agreement between ElectriCities and the Town (the “Leased Vehicles”). The Town shall be shown as an Additional Insured under the Automobile Policy with respect to any such Leased Vehicles.”

2. Capitalized Terms. Capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings ascribed to them in the Operating Agreement.

3. No Other Amendments. Except to the extent expressly modified herein, all of the terms and conditions of the Operating Agreement shall remain in full force and effect.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first set forth above, in each case by authority of their respective governing bodies duly given.

ELECTRICITIES OF NORTH CAROLINA, INC.

By: _____
Chief Executive Officer

Attest:

(Asst.) Secretary

Approved as to form:

TOWN OF PINEVILLE

By: _____
Town Attorney

By: _____
Mayor

Attest:

Town Clerk
(SEAL)

This instrument has been pre-audited in the manner required by the Local Government and Fiscal Control Act.

Town Finance Officer

VEHICLE LEASE AGREEMENT

THIS VEHICLE LEASE AGREEMENT (this “**Agreement**”), dated as of _____, 2026 (the “**Effective Date**”), is entered into by and between Electricities of North Carolina, Inc. (“**Lessee**”), a joint municipal assistance agency organized under Article 3, Chapter 159B of the General Statutes of North Carolina (the “**General Statutes**”), and the Town of Pineville, a municipal corporation organized and existing under Chapter 160A of the General Statutes (“**Lessor**”, and together with Lessor, the “**Parties**,” and each, a “**Party**”).

WHEREAS, Lessor and Lessee are parties to an Operating Agreement, dated March 9, 2016 (as amended to date, the “**Operating Agreement**”), pursuant to which Lessee has agreed to operate and maintain Lessor’s electric systems in an economical, efficient, safe, adequate and reliable fashion; and

WHEREAS, in connection with Lessee’s provision of its services under the Operating Agreement, Lessor desires to lease certain of its motor vehicles to Lessee on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Leased Vehicles. Lessor hereby leases the motor vehicles described in **Exhibit A** attached hereto from time to time and the equipment described in Exhibit B attached hereto from time to time (the “**Leased Vehicles**,” and each, a “**Leased Vehicle**”) to Lessee and Lessee hereby leases the Leased Vehicles from Lessor subject to the terms and conditions of this Agreement. The Parties acknowledge that the Leased Vehicles may change from time to time as they are placed in and out of service and that Lessee shall, by written notice to Lessor, promptly update **Exhibits A and B** from time to time during the Term in order to reflect the then-current list of Leased Vehicles in use by Lessee.

2. True Lease. The Parties intend that this Agreement shall constitute a true lease under applicable law. Lessor has title to the Leased Vehicles at all times. Lessee acquires no ownership, title, property, right, equity, or interest in the Leased Vehicles other than its leasehold interest solely as lessee subject to all the terms and conditions of this Agreement and the Operating Agreement.

3. Term. The term of this Agreement (the “**Term**”) shall commence as of the Effective Date and shall continue for so long as the Operating Agreement remains in effect. Upon termination or expiration of the Operating Agreement for any reason, the Term of this Agreement shall be deemed to have contemporaneously terminated.

4. No Rent. Lessor hereby acknowledges and agrees that any fees for use of the Leased Vehicles would constitute reimbursable Operating Expenses under the Operating Agreement. Therefore, in lieu of Lessor charging rent hereunder and reimbursing Lessee for same, the Parties have agreed that Lessee shall not be required to pay any rent under this Agreement for its use of the Leased Vehicles. For the avoidance of doubt, nothing set forth in this **Section 7** shall be construed to affect Lessee's obligations to provide automobile insurance coverage for the Leased Vehicles in accordance with the relevant provisions of the Operating Agreement.

5. Maintenance and Mandatory Modifications.

5.1 Lessor, at its sole expense and consistent with standard industry practice for similar equipment, shall maintain, service, and repair each Leased Vehicle and keep each Leased Vehicle in compliance with any vendor's or manufacturer's specifications and applicable law, in serviceable and operable condition, free of broken, damaged, or missing parts, suitable for the commercial use originally intended. All maintenance, service, and repair of any Leased Vehicle and any part thereof shall be done to standards and with parts of like kind and at least equal quality to items being maintained, serviced, or repaired.

5.2 If any part of any Leased Vehicle is lost, stolen, damaged beyond repair, or otherwise permanently rendered unfit for use, Lessor, at its sole expense, shall promptly replace or cause to be replaced such part with one or more replacement parts. Lessor shall cause such Leased Vehicle after the replacement to be in as good an operating condition as, and have a value, remaining useful life, and utility at least equal to the value, remaining useful life, and utility of the Leased Vehicle before the replacement (assuming such Leased Vehicle to have been in the condition required by the terms of this Agreement).

5.3 Lessor, at its sole expense, shall make any alteration or modification to any Leased Vehicle, including, without limitation, the replacement or addition of any component, that is required or necessary to comply with applicable law. Lessor shall notify Lessee within ten (10) days of learning that an alteration or modification is required by applicable law.

5.4 If Lessor incorporates or installs any part in or attaches any part to a Leased Vehicle, then immediately on any part becoming incorporated or installed in or attached to the Leased Vehicle, without further act or any cost to Lessor, such part is deemed part of the Leased Vehicle to the same extent as though originally incorporated or installed in or attached to the Leased Vehicle, title to such part vests in Lessor, and such part becomes subject to this Agreement.

6. Insurance. Lessee's obligations with respect to insuring the Leased Vehicles shall be as set forth in the relevant portions of the Operating Agreement.

7. Return of Leased Vehicles. Upon termination of the Term, Lessee shall return all Leased Vehicles to Lessor's custody and possession. During the Term, the Parties shall reasonably cooperate with respect to the return of any Leased Vehicles that are being taken out of service.

8. Miscellaneous.

8.1 Each Party shall deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement in accordance with the notice provisions contained in the Operating Agreement.

8.2 The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement. Any capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Operating Agreement.

8.3 If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

8.4 This Agreement, together with all related exhibits and schedules and the relevant portions of the Operating Agreement, constitutes the entire agreement of the Parties hereto with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

8.5 No amendment to this Agreement is effective unless it is in writing and signed by each Party to this Agreement.

8.6 No waiver under this Agreement is effective unless it is in writing and signed by the Party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated and does not operate as a waiver on any future occasion. Neither any failure or delay in exercising any right, remedy, power, or privilege, or in enforcing any condition under this Agreement, nor any act, omission, or course of dealing between the Parties constitutes a waiver or estoppel with respect to any right, remedy, power, privilege, or condition arising from this Agreement.

8.7 Neither Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party. Any purported assignment or delegation in violation of this **Section 8.7** is null and void.

8.8 This Agreement is binding on and inures to the benefit of the Parties hereto and their respective successors and permitted assigns.

8.9 This Agreement benefits solely the Parties and their respective successors and permitted assigns and nothing in this Agreement, express or implied, confers on any other party any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason hereof.

8.10 This Agreement and all exhibits and schedules attached hereto, and all matters arising out of or relating hereto, whether sounding in contract, tort, or statute, are governed by, and construed in accordance with, the laws of the State of North Carolina, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of North Carolina.

8.11 This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above, in each case by authority of their respective governing bodies duly given.

Lessee:

ELECTRICITIES OF NORTH CAROLINA,

INC.

By: _____
Chief Executive Officer

Attest:

(Asst.) Secretary

Lessor:

TOWN OF PINEVILLE

Approved as to form:

By: _____
Town Attorney

By: _____
Name / Title

Attest:

Town Clerk
(SEAL)

This instrument has been pre-audited in the manner required by the Local Government and Fiscal Control Act.

Town Finance Officer

EXHIBIT A

Leased Vehicles

Year	Make	Model	Vehicle Type / Category	Class Code	Serial Number (VIN)
2011	Ford	F250	Pickup Truck	01499-LIGHT TRUCK	1FTBF2A61BEB76485
2015	Ford	F350	Pickup Truck	01499-LIGHT TRUCK	1FDRF3G65FEA65032
2007	International	Line Truck	Line Truck	33499-HEAVY TRUCK	1HTMMAAR97H459647
2007	International	Large Bucket Truck	Large Bucket	33499-HEAVY TRUCK	1HTMMAAN87H351971
2001	Butler	Trailer Multi-Reel	Trailer	68499-TRAILER	1BUC2720511004888
2013	Butler	Flatbed Trailer	Trailer	68499-TRAILER	1BUD14203D1007069
2016	Chevrolet	Service Truck	Pickup Truck	01499-LIGHT TRUCK	1GB0KUEGXGZ286585
2016	Dodge	Ram 5500 Bucket Truck	Med Truck	23499-MEDIUM TRUCK	3C7WRNBL6GG381446
2019	Kaufman	DW Trailer	Trailer	69499-TRAILER	5VGFD202XKL000733
2019	Chevrolet	Silverado 4WD PU -- 2500	Pickup Truck	01499-LIGHT TRUCK	2GB2KREGXK1220545
2022	Ford	F250 Super Duty PU	Pickup Truck	01499-LIGHT TRUCK	1FD7X2B68NEG27624
2024	International	Digger Derrick (MV607 SBA 4x2)	Heavy	33499-HEAVY TRUCK	3HAEUMMN6RL544117
2023	GMC	Sierra 1500 Pickup	Pickup Truck	01499-LIGHT TRUCK	1GTRUAEDXPZ321112
2021	Freightliner	M2106 Bucket Truck	Large Bucket	33499-HEAVY TRUCK	3ALACXFC5MDMP2105
2025	Chevrolet	Silverado HD	Med Truck	23499-MEDIUM TRUCK	1GB4KLE74SF219650

EXHIBIT B

Equipment

FILL IN TABLE

Year	Desc	Serial #
1973	TSE Model TD-30T	3201
2018	Bobcat E42 Excavator	B2VW14960
2014	2014 JLG 6036 Forklift	160057894
2022	Bobcat Excavator w/bucket	B4K913836
2025	BigTex 14 Ft Dump Trailer	To Be Added
2024	Ditch Witch FX 20 MUDVAC	DWPF20XESGEO1223