

PWC
Fayetteville's
HOME TOWN UTILITY



COMMUNITY powered

Public Power at Work
In Our Community



www.WeAreCommunityPowered.com



Fayetteville Public Works Commission was established in 1905 by a North Carolina General Assembly Charter through the City of Fayetteville. PWC assets are in the name of the City, and we are governed by Board members who are local business leaders appointed by City Council. For 113 years, as a local, municipal utility, we have continued to provide the essential services that power our everyday lives, ensure an ample supply of clean water, and treat our wastewater. Today, we have 113,000 residential/business customers served by one or more of our utility services.

At PWC, however, we're more than a utility company. We are an integral part of this community. While turning on a light switch or water faucet may be taken for granted, we work hard to provide award-winning services that are reliable, safe and affordable. And, we believe the welfare of our customers, the growth and prosperity of the Fayetteville/Cumberland County area, and the preservation of our environment should never be taken for granted. We continuously strive to enhance the quality of life in our community.

BENEFITING FROM ELECTRICITY THAT IS COMMUNITY POWERED



As a Public Power provider, PWC is owned by the community, and customers have a voice in decision making. We're accountable and responsive to the community, not remote shareholders. PWC is currently the 35th largest Public Power utility in the nation, with 80,000 electric customer accounts. Because we're community-owned and locally-operated, we can offer a number of benefits that include:

Local Leadership – Our Board of Commissioners and other decision makers are members of the community, who also live here and work here. They share our values and have a true understanding of local needs and priorities.

Lower Rates – “Public Power” means we operate solely for our customers, not shareholder profit, which allows us to keep our rates down. Our residential electric rates are among the lowest in the state.

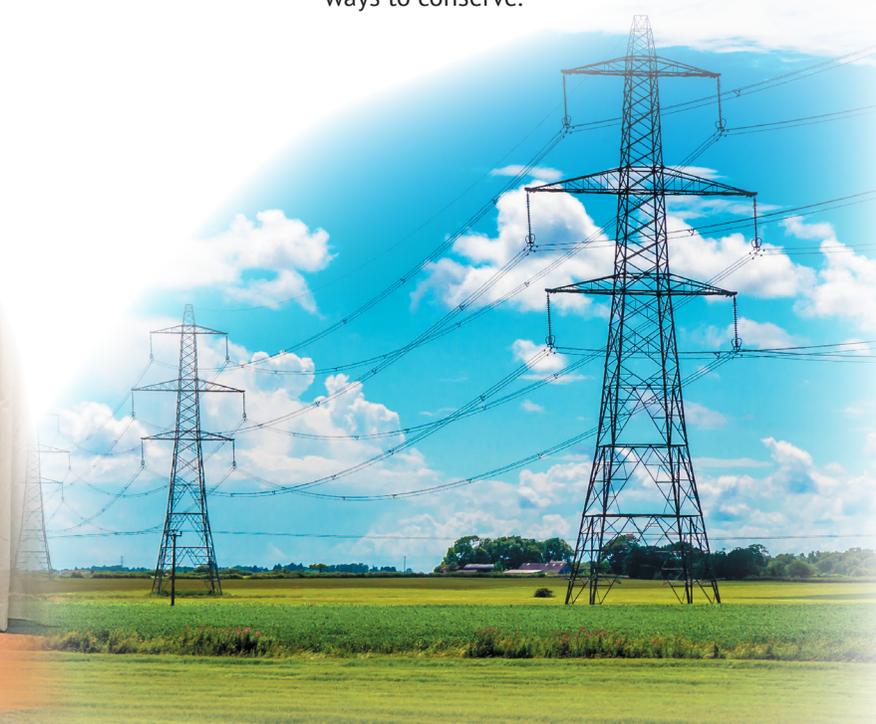
Fast Response – Because all of our operations are focused right here, we can provide the fastest possible response times. This is especially important during storm outages or other emergencies, as our crews can swing into action just as soon as it's safe.

Greater Reliability – According to statistics published by the U.S. Energy Information Administration for 2016, public power utility customers experienced the lowest instances of power outages, in both frequency and duration, compared to investor-owned utilities and cooperatives. What's more, PWC has earned the American Public Power Association's highest-level reliability award four times since this organization began recognizing its member utilities for excellence.

Stronger Community Connections – This includes providing more jobs for local residents, keeping revenues right here, and providing excellent communications and customer service. Our \$62.7 million annual payroll and the \$25 million we spend each year on goods and services are a boon for our local economy. Additionally, we help our customers save resources, save money and protect our environment through our ongoing efforts to provide useful information on ways to conserve.



2018-2019 PWC Board of Commissioners:
Wade Fowler, Darsweil Rogers (Chairman),
Evelyn Shaw and Ralph Huff



ENVIRONMENT

Preserving Resources. Sustaining Our Future.

Jon Parsons, *Board Chair, Sustainable Sandhills*

“PWC has been one of our best community partners for more than a decade. PWC actively enables sustainable practices with their customers, and they demonstrate a responsible and balanced stewardship perspective in their business decisions and operations. We’re fortunate to have an enlightened hometown utility working with us to balance the needs of today with the challenges of tomorrow.”

At PWC, we are continuing and expanding our commitment to environmental stewardship and sustainability through our efforts to conserve and safeguard our environment. Some of our more recent projects include:

Community Solar – In partnership with the NC Clean Energy Technology Center at North Carolina State University, we plan to build and operate a 1 MW solar system to add this cleaner, greener energy source to our local power grid. The plant will have 3,000 solar panels and a 500 kW battery storage unit. PWC electric customers will be able to participate in this project by paying a monthly subscription fee. In return, they’ll get a bill credit, while supporting a brighter future through solar power for themselves and their neighbors.



Free PEV Charging – PWC is improving air quality by making it easier for people with a plug-in electric vehicle (PEV) to keep their car on the road. Through a partnership with the City of Fayetteville and Marketfair Mall, we have installed four 208/240 Volt charging stations located at Marketfair Mall, Clark Park, Honeycutt Park and Lake Rim Park. Drivers can charge their vehicles for free, thanks to a grant from the North Carolina Clean Energy Technology Center.

Advanced Meters – We have completed the installation of automated, remotely-controlled Advanced Meters for all of our customers. These new electric and water meters will allow customers

to monitor their utility usage by accessing account information online. They will be able to see how much power or water they’re using and when, which will help them conserve and make smart decisions, such as reducing usage during “peak” times. The meters’ enhanced monitoring capabilities have many benefits, including early detection and notification by PWC of a possible water leak, which can reduce water waste and save customers money through quick intervention. Imagine the impact when you consider that we currently detect about 34,000 leaks a year!

Reading meters remotely has also led to a significant reduction in vehicle emissions and fuel consumption. Mileage for our field vehicles has been reduced by approximately 100,000 miles a year.

LED Street Lights – As part of our overall plan to reduce energy usage and improve the quality of lighting, PWC is installing LED street lights throughout Fayetteville. To date, we have installed more than 22,000 lights, completing LED replacement in neighborhoods, and we are now replacing lights on major thoroughfares as well as private parking lot and security lighting.

LED lights use less energy, so they lower our costs as well as our environmental footprint. They’re currently saving approximately 2.73 million kWh annually. LEDs also last longer, which lowers our maintenance costs. And, they enhance safety. They can be aimed more effectively to light roadways, and their “color rendering” technology allows motorists to spot pedestrians and other objects more clearly.

Incentive Programs – PWC Incentive Programs reward customers with bill credits for taking measures (such as replacing inefficient appliances with ENERGY STAR™ models) that conserve power and water, which also helps them save money on their utility bills for years to come. In 2018, 453 customers have already taken advantage of PWC incentives, and their actions are projected to have an annual savings of 308,693 kWh of electricity.



ECONOMIC DEVELOPMENT

Promoting Growth & Prosperity at Home

Robert Van Geons, *President & CEO, FCEDC*

“From the Economic Development point of view, PWC is an important partner and a strength in promoting our community to prospective businesses. PWC’s response to Hurricane Florence is a great example of that. Every community will be hit with adversity. How you deal with it, and overcome it, reveals our true character. Two business days... Our community was hit with an unprecedented weather event, and we were up and running in two business days, in large part due to PWC’s response. That’s the story I tell businesses considering Fayetteville and North Carolina.”

PWC supports economic development in our community by providing businesses with quality electricity, water and wastewater services and ensuring adequate capacity to meet current and expanding needs. Our excellent utilities and competitive rates – as well as our flexibility, as a “community-powered” provider, to work in collaboration with local organizations – help attract new business and industry. We also support and actively participate in projects and initiatives, such as the following, that foster growth and prosperity for our “hometown.”

Local Spending – Our significant impact on the local economy includes a \$62.7 million annual payroll and \$25 million spent on goods and services each year.

Building Business Rally – In 2016, PWC began this initiative, now held annually, to connect local businesses with opportunities for the supply of products and services to government agencies, schools, colleges and other area organizations. Each year, these organizations spend millions of dollars on goods and services, and we believe it’s important for local companies and contractors to be aware, and be able to take advantage, of this business. The BBR also includes seminars that provide businesses with valuable financial and qualification assistance



that may be involved in acquiring these contracts.

Local Development Projects – PWC partnered with the City of Fayetteville and Cumberland County to develop Fayetteville’s first downtown public parking garage on the property of the Robert C. Williams Business Center. Working in conjunction with the City of Fayetteville and the State of North Carolina, PWC is providing electric, water, sewer and lighting for the Hope VI mixed use development project.

We are also working with the City of Fayetteville on a long term project to move overhead electric facilities underground within downtown and on main thoroughfare “Gateway” entries (such as Bragg Boulevard) into the City. To date, we have given more than \$200,000 in contributions/waivers for the Gateway projects.



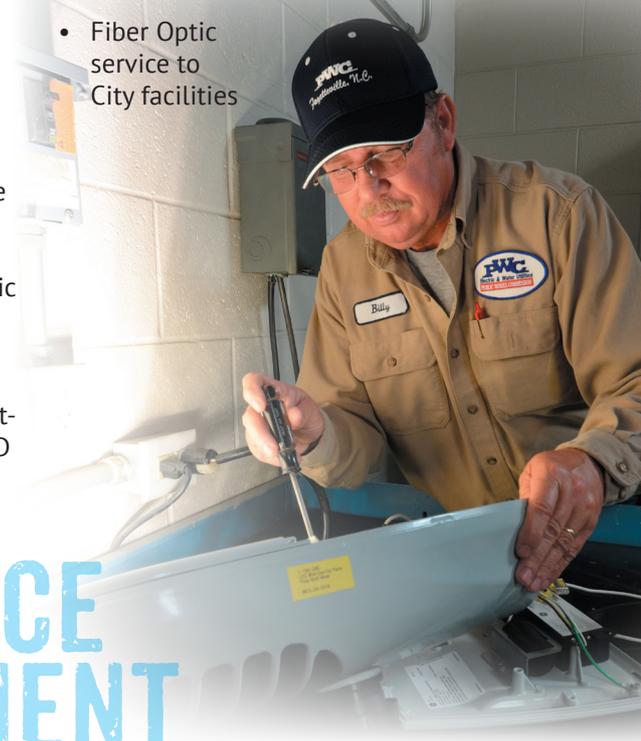
NCDOT Projects – With an investment of \$24.7 million over the next four years, PWC is supporting NCDOT Roadway Improvement Projects through the installation or relocation of utilities in the following areas: Legion Road, Elk Road, Ramsey Street, Russell Street, Murchison Road, Bragg Boulevard, I-295 Outer Loop, Morganton Road, Glensford Drive, Camden Road and Bridge over Cross Creek.



Support to City of Fayetteville – In addition to our annual payment to the City of approximately \$11 million, in lieu of taxes, we are providing the following support:

- \$160 million for extending water/sewer into newly annexed areas (through assessment or direct payment); this includes \$7 million in road paving/overlay originally to be paid by the City
- \$6 million over 5 years for economic development
- \$3.8 million in streetlight services, including an additional 2,000 streetlights for the City as part of the LED improvement program

- \$312,000/year for the Economic Development Commission
- \$85,000 in support of FayTV
- Fiber Optic service to City facilities



EDUCATION/WORKFORCE DEVELOPMENT



Creating Opportunity. Forging Career Paths.

Nore Brantley, CCS High School to Work Partnership Coordinator

“PWC is a huge supporter of Cumberland County Schools’ work-based learning program. They provide one-on-one career shadowing opportunities, plant tours and guest speakers. PWC offers professional development opportunities for our teachers that focus on employability skills. They provide “real world” experiences for our students and teachers, and are a vital resource for our future workforce.”

Offering excellent opportunities in a wide range of fields, PWC provides citizens in our community with the power to pursue rewarding careers right here at home. We collaborate in a variety of ways to provide education and make students, teachers and the community aware of all that we have to offer as a great place to work.

School Involvement – We participate in Job Shadowing for local high school students, and we invite teachers to come to our facilities to learn about the responsibilities and requirements of various PWC jobs. We also work with Cumberland County High Schools’ STEM programs that promote career options, emphasizing science, technology, engineering and math.

Internships – College students have the opportunity to learn and fulfill requirements through summer internships with PWC in a wide variety of fields.

FTCC Lineworker Program – We collaborate with Fayetteville Technical Community College for the valuable training course they offer that prepares students to begin a career as a lineworker with PWC.

“Presenting” PWC – Through presentations at Career Fairs and school Career Days, as well as tours of our facilities and demonstrations like “truck days,” we generate awareness of the many types of jobs and career paths available at PWC.



CUSTOMER ENGAGEMENT

Listening. Learning. Sharing. Supporting.

Otis Cuffee, *Volunteer, PWC Community Advisory Group (CAG)*

"I appreciate PWC providing the opportunity to participate on the Community Advisory Group (CAG). This volunteer group focuses on customer service and is making a difference for the consumer. As a CAG member, I know PWC welcomes customer feedback and my involvement. They are totally committed to valuing their customers. It has been fun meeting the community at the Annual Power & Water Conservation Expo. Not only did I enjoy meeting our loyal customers, but I had an opportunity to educate many while working with PWC employees and even the PWC mascots, Willy Water Drop and Wally Watt Watcher."

As a public utility, PWC belongs to our customers, and we're "powered" by the community we serve. Proactive communication with our customers and a supportive relationship with our community are extremely important to us. Just some of the initiatives that help us stay in touch:

Community Advisory Group – Seeking diverse participation, we invite customers and members of the community to be part of this group to discuss current PWC services and programs, as well as future plans. CAG members, who rotate annually, also get an inside look at PWC, touring our facilities and meeting our staff. Their feedback helps us better understand how our customers and the community at large are impacted by various aspects of our operations and what we can do to enhance the services we provide.

Speakers and Tours – PWC has a workforce of more than 600 employees, and they offer a wealth of knowledge in their many areas of expertise. We can arrange a presentation on a broad range of topics or skills for your class or organization. We can also schedule a

tour of our operations for your group or school class.

PWC Day – Several times a year, we invite community stakeholders and customers for an "up close" inside look at our operations, hosting a day-long tour that includes our generation plant, water/wastewater treatment plants, customer service operations, emergency operations, and the functions of lineworkers and water utility workers.

Power and Water Conservation Expo – The Expo is one of more than 50 events and appearances throughout Fayetteville/Cumberland County that PWC participates in during the year to share information about PWC and its services. This annual event, free to the public, offers useful information and exhibits ways everyone can conserve energy and water. Visitors take home "green giveaways" – such as LED bulbs, tree seedlings, fat trappers and more. They can also meet PWC lineworkers and water utility workers who demonstrate what they do to provide service.

Expo goers are encouraged to "Pay It Forward" and bring donations for a Second Harvest Food Drive.

Connecting with Our Customers – PWC strives to keep our customers connected and informed in many ways. From PWC Connections on FAYTV (Spectrum Ch 7) and monthly appearances on local radio stations, to daily social media engagement, PWC keeps you connected. We also look forward to opportunities to speak to local community organizations, community watch, church groups or interested customers. If you would like to request a speaker, call 910-223-4009 or visit: www.faypwc.com/requests/



PWC At a Glance

Customers

- In Operation since 1905 (113 years)
- Provide Electric, Water and Wastewater Services
- Number of Customers: 113,596
- Number of Services: 266,975
- Annual Customer Turnover: 20-25%



Electric System

- Purchase Wholesale Power from Duke Energy
- Only NC municipal system to own/operate a generation plant (Dispatched for use by Duke Energy)
- Generation Capacity: 268 MW
- Annual MWH Sold: 2.1 Million
- System Peak: 499 MW (Feb 9, 2015)
- Reliability Rate: 99.9947%
- Electric Distribution Substations: 33
- Distribution Lines: 1,300 miles
- Transmission Lines: 142 miles
- Streetlights/Area Lights: 33,000



Customer Service

- Annual Customer Contacts: 606,600
- Average Monthly Calls: 42,400
- Annual Bills Generated : 1.4 Million
- Customer Incentive Programs: 7
- Annual Water Leak Notifications: 34,000



Employees

- Number of Employees: 630
- Average Tenure of Employees: 11.6 yrs.
- Average Age: 45.36
- Annual Turnover: 7.4%
- Annual Hours Worked: 1.2 million



Water/Wastewater Operations

- Population Served: 218,000
- Drinking Water Treated: 10 Billion Gallons/Year
- 100% Compliant for all EPA Drinking Water Standards
- Daily Water Treatment Capacity: 57.5 Million Gallons
- Daily Wastewater Treatment Capacity: 46 Million Gallons
- Water/Wastewater Infrastructure: 2,700 miles
- Hydrants: 8,100
- Sanitary Sewer Lift Stations: 85



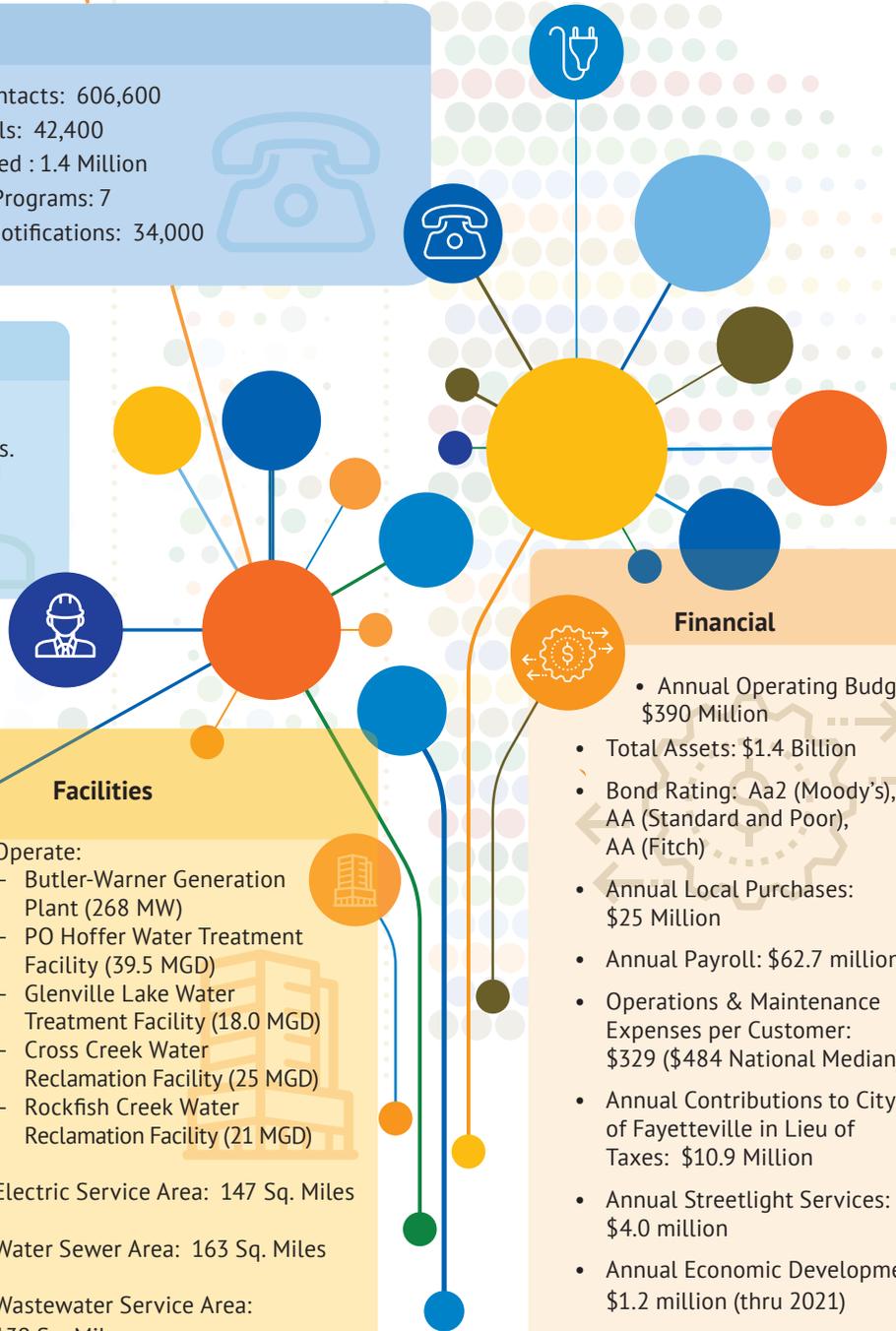
Facilities

- Operate:
 - Butler-Warner Generation Plant (268 MW)
 - PO Hoffer Water Treatment Facility (39.5 MGD)
 - Glenville Lake Water Treatment Facility (18.0 MGD)
 - Cross Creek Water Reclamation Facility (25 MGD)
 - Rockfish Creek Water Reclamation Facility (21 MGD)
- Electric Service Area: 147 Sq. Miles
- Water Sewer Area: 163 Sq. Miles
- Wastewater Service Area: 139 Sq. Miles



Financial

- Annual Operating Budget: \$390 Million
- Total Assets: \$1.4 Billion
- Bond Rating: Aa2 (Moody's), AA (Standard and Poor), AA (Fitch)
- Annual Local Purchases: \$25 Million
- Annual Payroll: \$62.7 million
- Operations & Maintenance Expenses per Customer: \$329 (\$484 National Median)
- Annual Contributions to City of Fayetteville in Lieu of Taxes: \$10.9 Million
- Annual Streetlight Services: \$4.0 million
- Annual Economic Development: \$1.2 million (thru 2021)



CARING FOR THE COMMUNITY

Giving Back

Deborah Mintz, *Executive Director, Fayetteville/Cumberland County Arts Council*

“In addition to their excellent service throughout the year, PWC also supports beloved events and experiences that enrich our lives. Through these community events, the PWC team shares important information about protecting our environment; sustaining our natural resources; and how to quickly ask questions and get answers from our hometown utility. In some ways, PWC is not a company. It’s people -- hard-working, caring people who go from the heights of utility poles to the depths of underground; from sleepless hurricane nights to joyful sunny community celebrations. They touch our community in so many wonderful ways.”

Being good neighbors is paramount for PWC. Committed to improving quality of life for residents of our area, we provide support for more than 500 organizations that further enrich the lives of our citizens. Some of the significant ways we give back:

Making Our Caring Count – Year after year, our employees continue their strong support for the United Way of Cumberland County. Since 1997, over \$1.3 million in employee contributions have been made. For 2017, PWC earned the Spirit of the Community Award for outstanding year-round support of the United Way and other local nonprofits. PWC has earned the state-wide recognition 12 times.

Neighbors Supporting Neighbors – PWC employees give back to the community where they live and work in a variety of ways. Through annual events such as the United Way Days of Caring or the American Public Power Association’s Day of Giving, employees take time to go out into the community and work with organizations such as Meals on Wheels, the Vision Resource Center and more. They also support the community and those in need throughout the year through Blood Drives, Food/Supply Drives and the Salvation Army Angel Tree.

Supporting Our Hometown – PWC is proud to support activities and programs that enrich our community. Throughout the year, we support and are involved in initiatives that enrich the lives of people in our community in diverse ways. We support hundreds of events annually through bottled water donations to local organizations. We also support some of our community’s most anticipated annual events - A Dickens Holiday and the Dogwood Festival as well as the Field of Honor, and our collaboration with the Fayetteville/Cumberland County Arts Council for the annual “Public Works” exhibit. For 25 years, we have proudly coordinated the annual Grinding of the Greens program, which involves grinding up Christmas trees to recycle for mulch to use on our public parks and gardens. PWC support also helps provide valuable community resources such as the NC211 hotline.

Looking Forward

As a hometown provider, all PWC utility services – electricity, water and wastewater treatment – are “community-powered.” We will strive to continue providing exceptional quality, customer-focused services – at the best possible rates. As responsible, concerned corporate citizens, we will continue our efforts to encourage conservation for the good of our community and our planet – and to help people save money by reducing their use of power and water in needless ways. As a benevolent partner and ardent community supporter, we will continue our commitment to the well-being of our neighbors and the growth and prosperity of the greater Fayetteville area.



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