

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
ELAINA L. BALL, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
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PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, JUNE 9, 2021
8:30 A.M.

AGENDA

I. REGULAR BUSINESS

- A. Call to order
- B. Approval of Agenda

II. CONSENT ITEMS

(See Tab 1)

- A. Approve Minutes of meeting of May 26, 2021
- B. Approve Request by Duke Energy Progress, LLC (DEP) to Grant Electric Utility Easement in Order to Serve PWC's Rockfish Creek Basin Peak Flow Facility located on George Owen Road

Staff recommends grant of easement to Duke Energy Progress, LLC (DEP) across property of PWC titled in the name of the City of Fayetteville to serve the Rockfish Creek Basin Peak Flow Facility currently under construction. Duke Energy Progress is the electric service provider for that area and has agreed to provide service to the facility and requires an easement be granted to DEP to install and maintain its facilities.

The recommendation, as approved by the Fayetteville Public Works Commission, shall be referred to City Council to request that the City of Fayetteville grant authority to the PWC's CEO/General Manager to grant the easement required by DEP and to also recommend the adoption of a resolution providing such authorization.

- C. Approve PWC Resolution # PWC2021.19 – Resolution amending and rescinding policies from the PWC Policy and Procedure Manual.

PWC is currently undertaking a comprehensive review of the entire Policy and Procedure Manual, engaging many employees from across all divisions. Additional resolutions and information will be shared as the effort progresses

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AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER

- D. Approve the following FY2021 Electric and Water/Wastewater (W/WW) Fund Budget Amendment #5 – PWCORD2021-16

PWCORD2021-16 is an Electric and Water/Wastewater Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$480,400 to \$273.1 million and the Water/Wastewater Fund is decreasing \$4,198,700 to \$138.9 million.

- E. Approve the following Capital Project Fund (CPF) Budget Ordinance Amendments

PWCORD2021-17 creates the Series 2021 Water and Wastewater CPF. This will be for the non-Annexation water and wastewater projects to be financed with the Series 2021 Revenue Bonds.

PWCORD2021-18 creates the Series 2021 Electric CPF. This will be for the electric projects to be financed with the Series 2021 Revenue Bonds.

PWCORD2021-19 creates the Renewable Resource Development CPF. This is for a renewable energy source project anticipated to be funded with revenue bonds or a direct placement loan.

PWCORD2021-20 amends the Substation Rebuild CPF to remove a project that will now be financed by the Series 2021 revenue bonds.

PWCORD2021-21 amends the Electric Rate Stabilization Fund to update transfers to actuals as of FY21.

PWCORD2021-22 amends the Hurricane Matthew CPF to update project costs and funding sources.

PWCORD2021-23 amends the Electric Transportation Equipment CPF to close out long lead time purchases made in FY21.

END OF CONSENT

- III. COMMISSION CONSIDERATION OF FY2022 BUDGET ORDINANCE
PWCORD2021-24 (FY2021-2022 ANNUAL BUDGET) *(See Tab 2)*

- IV. APPROVAL OF CAPITAL PROJECT FUND (CPF) BUDGET ORDINANCE
AMENDMENTS FOR FY2022 *(See Tab 3)*

Upon approval, the following ordinances will be effective July 1, 2021 and reflect the FY2022 activity from the FY2022 Annual Electric and Water/Wastewater Operating and CIP Budgets:

- A. PWCORD2021-25 amends the Electric Rate Stabilization Fund for transfer and investment activity expected in FY22.

- B. PWCORD2021-26 amends the Water and Wastewater Utility Systems Rate Stabilization Fund for transfer activity expected in FY22.
- C. PWCORD2021-27 amends the Annexation Phase V Reserve for FY22 appropriations to and from the General Fund.
- D. PWCORD2021-28 amends the Substation Rebuild CPF to add new projects and update cost estimates for existing projects based on the FY2022 CIP.
- E. PWCORD2021-29 amends the NCDOT CPF to add new projects and update cost estimates for existing projects based on the FY2022 CIP.
- F. PWCORD2021-30 amends the Electric Transportation Equipment CPF to revise the FY 2022 – 2025 estimates for long lead time purchases and making the budgeting, tracking and pre-audit requirements more manageable to staff.

(Staff recommends the Commission adopt the above Capital Project Fund Budget Ordinance Amendments, effective July 1, 2021.)

V. WATER/WASTEWATER RATES PRESENTATION
Presented by: Elaina L. Ball, CEO/General Manager

VI. PUBLIC HEARING FOR PROPOSED WATER/WASTEWATER RATES

VII. GENERAL MANAGER REPORT *(See Tab 4)*

- A. Open Commission Requests

VIII. COMMISSIONER/LIAISON COMMENTS

IX. REPORTS AND INFORMATION *(See Tab 5)*

- A. Personnel Report – May 2021
- B. Position Vacancies
- C. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. # 19170 – install 8” C900 water main @ SR2220 & SR4534 for Village at Rockfish Phase IV.
- D. Actions by City Council during the meeting of May 24, 2021, related to PWC:
 - Approved Resolution Authorizing the Conveyance of a Water & Sanitary Sewer Easement for Annex. Project Area 25 @ 9254 Tine Road to the City of Fayetteville by and through Fayetteville Public Works Commission

X. ADJOURN

D R A F T

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY MAY 26, 2021
8:30 AM

Present: Wade R. Fowler, Jr., Chairman
Evelyn O. Shaw, Vice Chairwoman
Darsweil L. Rogers, Secretary (VIA WEBEX)
Ronna Rowe Garrett, Treasurer

Others Present: Elaina L. Ball, CEO/General Manager
Telly Whitfield, Assistant City Manager

Absent: Chris Davis, City Council Liaison
Michael Boose, Cumberland County Commissioner, Liaison
Bill Zell, Interim Hope Mills Town Manager/Liaison
Media

REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, May 26, 2021, to order.

APPROVAL OF AGENDA

Upon motion by Commissioner Shaw, seconded by Commissioner Garrett, the agenda was unanimously approved.

CONSENT ITEMS

Upon motion by Commissioner Shaw, seconded by Commissioner Garrett, the Consent Items were unanimously approved.

Ms. Ball requested to add an item to Consent (Request to Terminate and Abandon a Utility Easement – Hope Loop Commons). After discussion Commissioner Shaw moved to amend the Consent Agenda to include a request to Terminate and Abandon a Utility Easement – Hope Loop Commons (See item E). Motion was seconded by Commissioner Garrett and unanimously approved.

Upon motion by Commissioner Rogers, seconded by Commissioner Shaw, the Amended Consent Agenda was unanimously approved.

- A. Approve Minutes of meeting of May 12, 2021
- B. Approve Special Meeting for June 16, 2021, in lieu of Cancellation of June 23rd Commission Meeting
- C. Approve to Set Public Hearing on Water/Wastewater Rates and Fees for June 9, 2021

- D. Approve PWC Resolution # PWC2021.18 – Resolution amending and rescinding policies from the PWC Policy and Procedure Manual.

PWC is currently undertaking a comprehensive review of the entire Policy and Procedure Manual, engaging many employees from across all divisions. Additional resolutions and information will be shared as the effort progresses.

Added Consent Item:

- E. Approve Request to Terminate and Abandon Utility Easement – Hope Loop Commons

Staff recommends that the Fayetteville Public Works Commission request that the City of Fayetteville terminate and abandon or otherwise convey or reconvey to Hoke Loop Commons Associates Limited Partnership by any legal means a portion of a 20 foot wide permanent utility easement recorded in Deed Book 9582, Page 863 and in Deed Book 9582, Page 873, Cumberland County Registry titled in the name of the City of Fayetteville for the benefit of the Fayetteville Public Works Commission. The section of the utility easement requested to be terminated and abandoned will no longer be needed by the Fayetteville Public Works Commission once the property is redeveloped.

The recommendation, as approved by the Fayetteville Public Works Commission, shall be referred to City Council to request that the City of Fayetteville adopt a resolution authorizing the termination and abandonment of said utility easement or otherwise the conveyance or reconveyance of said utility easement to the current owner Hoke Loop Commons Associates Limited Partnership in accordance with applicable law.

END OF CONSENT

FY2022 RECOMMENDED BUDGET SUMMARY

Presented by: Elaina L. Ball, CEO/General Manager

Ms. Ball provided a summary of the recommended FY2022 PWC Operating Budget and Capital Improvement Plan (CIP) as presented to the Commission on May 12, 2021, and made available for public inspection in compliance with North Carolina General Statute 159-12.

She stated today is the second of three meetings on the FY2022 budget. At the last commission meeting we discussed the budget in detail.

She stated the FY2022 Budget Proposal is \$405.3M Budget, which is \$10.5M or 2.5% less than the 2021 budget. Revenues for the Electric Fund are projected at \$264.7M, which is approximately a 2.9% reduction from FY21. There are no planned electric rate changes in the proposed budget, however we are beginning our electric cost of service study in the next month.

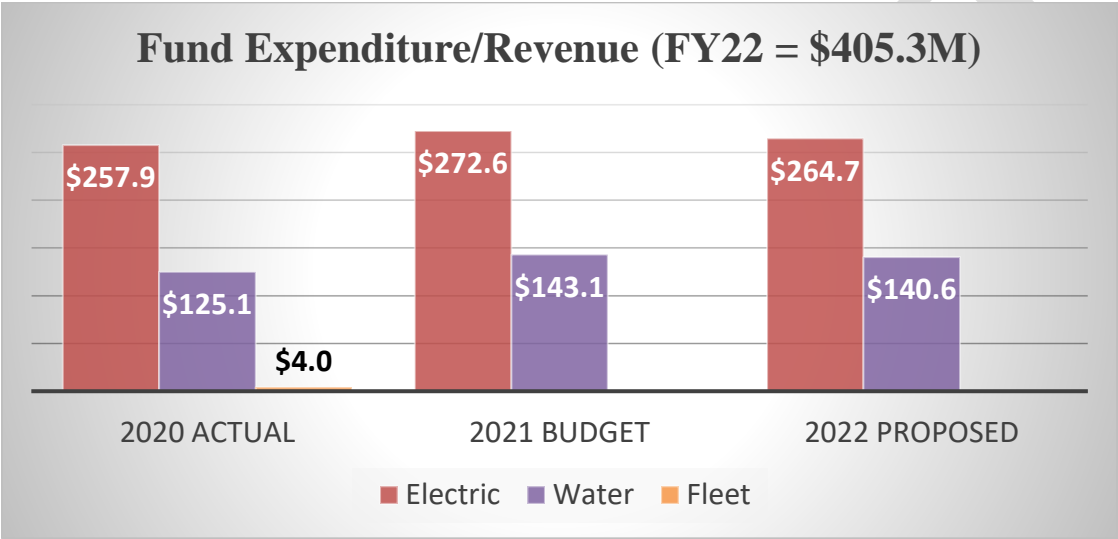
Revenues for the Water/Wastewater Fund are projected at \$140.6M, which is a 1.8% decrease from FY21. However, we have incorporated in this a proposed system rate increase of 5.5%, which is in the budget, and is estimated to be effective August 1st. We intend to give the Commission a detailed presentation for the complete cost of service study for the Water and Wastewater System at our next meeting.

Key Financial Metrics

We have adequate access to financing and a balanced capital structure, which should support our continued AA bond rating. Over the next four years we see continued capital investment to support plant expansions in water/water, as well as annexation, rehabilitation, and routine system growth. It is going to put more leverage on the combined utility. We project liquidity levels may dip slightly lower than 120 (days) for incremental periods, but we do believe we will recover as we move out of this period.

Fund Summary

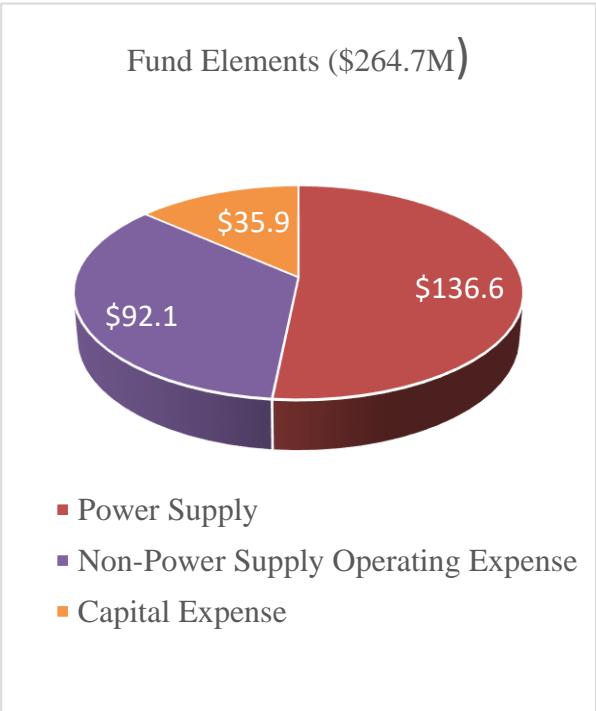
Ms. Ball noted the Fund Summary shows the 2020 Actual, 2021 Budget and 2022 Proposed. She stated staff has noted the Commission’s desire to have Prior Year completed; year shown as Actual and the current year as Projected, and we will make those changes in future presentations.



Key Fund Drivers – Electric

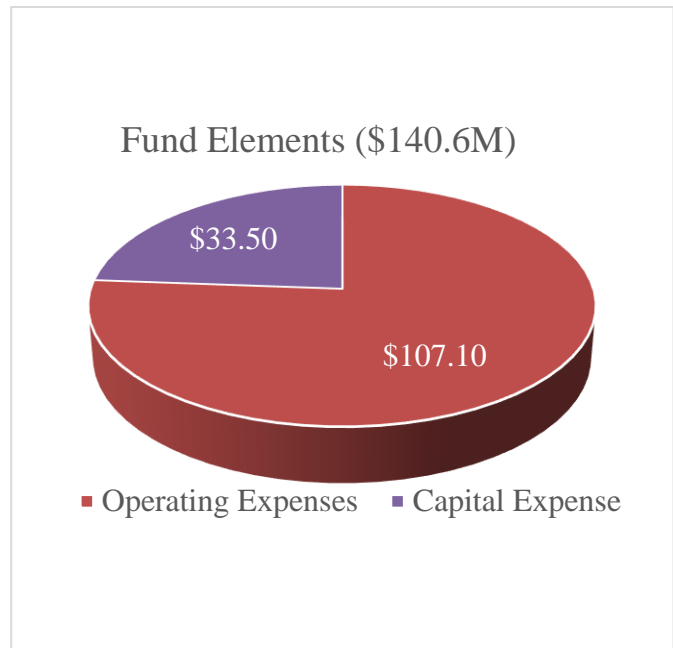
Ms. Ball stated the majority of the costs for the electric fund are power supply costs, which are expected to be lower by 3.7% in 2022. Please also note the projected Payment in Lieu of Taxes to the City of Fayetteville will increase by 3.5%, to an approximate 11.8 million which represents almost a 25% increase from 2016 when the charter change occurred.

- Power Supply (-3.7%)
 - PSCA amendment
 - DEP regulatory settlements
- Non-Power Supply Expenses (+4.0%)
 - G&A
 - Electric Distribution (pole attachment expenses)
 - Depreciation
- Capital Outlay (-0.2%)
- Reserves
- Payment in Lieu of Taxes (+3.5%)
 - Increase in Net Position
 - (24.9% increase from 2016 Charter Change)



Key Fund Drivers – Water

- Expenses
- Reserves
- Capital Outlay (-19.7%)
- Debt Service \$22.9M
- Annexation Summary
 - \$28.2m for FY22
 - Down \$5.6m from FY21
 - 61% Complete
 - Debt outstanding \$64.6M
 - FY 22 Debt payment \$4.6M



Overview – Operating Budget by Division

Ms. Ball stated overall, PWC expects to see approximately an increase of 2.1% in O&M. We are monitoring inflation; it has jumped to about 4%. We are projecting a 2% increase in wages. We are monitoring inflation, but we are not tying it to a spike in anyone indices.

Division	FY19	FY20	FY21	FY22	% Change
Management	\$5.1	\$6.3	\$6.2	\$6.8	8.5%
Communications	\$1.5	\$1.5	\$1.5	\$1.5	1.8%
Legal	\$0	\$0	\$0	\$0.3	100%
Human Resources	\$1.8	\$1.9	\$2.0	\$2.2	11.4%
Customer Programs	\$3.8	\$4.2	\$4.1	\$5.8	40.5%
Corporate Services	\$7.0	\$12.9	\$16.6	\$19.1	15.3%
Information Technology	\$12.0	\$12.4	\$13.7	\$13.5	(1.6%)
Finance	\$11.0	\$13.3	\$12.8	\$13.3	4.2%
Water/Wastewater	\$39.7	\$43.7	\$44.5	\$47.6	6.9%
Elec Non-Power Supply	\$25.3	\$27.7	\$32.9	\$35.4	7.6%
Total PWC w/o Power Supply	\$107.2	\$123.9	\$134.3	\$145.5	8.3%
Electric Power Supply	\$163.8	\$150.3	\$141.9	\$136.6	(3.7%)
Total PWC	\$271.0	\$274.2	\$276.3	\$282.1	2.1%

Overview – Capital Budget by Division

Division	FY19	FY20	FY21	FY22	% Change
Customer Programs	\$0.5	\$0.9	\$0.5	\$1.5	199.6%
Corporate Services	\$3.2	\$10.8	\$1.1	\$0.2	(83.2%)
Water Resources	\$84.6	\$89.6	\$89.0	\$97.9	10.0%
Electric Systems	\$29.9	\$40.8	\$36.6	\$38.5	5.4%
Total	\$118.2	\$142.1	\$127.2	\$138.1	8.6%

Key Capital Projects FY22 (10 yr.)

Water Resources

Rehabilitation (WS5, WS52)

- water distribution system reline & replacements - \$6.0M (\$105.8M)
- sanitary sewer main rehabilitation - \$6.0M (\$105.6M)

Phase V Annexation (WS7, WS63)

- water main extensions - \$3.8M (\$19.3M)
- sewer main extensions - \$24.3M (\$145.9M)

Rockfish Creek Basin Peak Flow (WS61) – \$9.09M

Big Rockfish Sanitary Sewer Outfall (WS83) - \$14.9M (\$26.9M)

Replace Standby Generators (WS87, WS95)

- Cross Creek (\$3.3M)
- Rockfish (\$3.04M)
- *Note: Hoffer (FY2023 - \$2.6M)*

West Fayetteville Pressure Zone Improvements (WS10) - \$596K (\$10.9M)

Hoffer WTF Expansion Residuals Facility Expansion- (WS25) - \$505K (\$17.3M)

Hoffer/Glenville Lake Reliability Improvements (reliability upgrades, chemical feed, and filter control improvements) (WS 27) - \$170K (\$10.6M)

Electric

- Underground Infrastructure Replacements - Residential (EL6) - \$2.5M (\$39.3M)
- Renewable Resource Development (EL 47) - \$1.3M (\$20.5M)
- BWGP HRSG Tube Replacement (EL44) - \$9.2M (\$10M)
- Battery Storage (EL 46)- \$2.6M (\$3.6M)

Ms. Ball noted we will have a third discussion during the next agenda meeting. The Proposed Budget Ordinance is included in the FY2022 Budget Book. The Proposed Adoption of the Budget is June 9, 2021.

PUBLIC HEARING ON THE PWC FY2022 OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN (CIP)

Chairman Fowler asked if there are any speakers. Ms. Durant, the Clerk to the Board informed the Commission there were no speakers or written comments. .

The Public Hearing was then closed by the Chairman.

3 MONTH (JANUARY - MARCH 2021) FINANCIAL RECAP – (Goal #1)

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Haskins stated this financial presentation will be for the 9 months, ending March 2021. She stated throughout the presentation there are several things you will see impacting this year. She noted the following:

- **Rate Modification**
 - Reduction in Electric Rates, effective 5-1-20
 - Increase in Water and Wastewater Rates as of 7-1-20
 - New Medium Power TOU rate effective 5-1-20
 - DEP Rates and \$2.50 per kW demand credit, began 1-1-21
- **COVID-19**
 - \$2.2M Emergency Fund Transfer to the City. The Chairman noted the total transferred to the City was \$4M, and this is above the PILOT, Ms. Haskins confirmed. The \$2.2M is just for COVID.
 - Disinfecting Services
 - Customer Charge offs
 - Business Closures Impacted Sales in All 3 Utilities
 - Late Payment Fee and Interest
- **Weather Impacts**
 - Rainfall on par with 10-year average and previous year – Ms. Haskins stated as a correction, the rainfall has increased. We saw excessive rainfall in 2020, as well as into calendar 2021, with January and February having high rainfall. Ms. Ball noted, last year was the second wettest year on record. That coupled with excessive rainfall in January and February has led to well above average in-flows into our plants.
 - Cooling degree days decreased by 28% over prior year
 - Heating degree days increased by 6% over prior year

Summary of Major Changes over Prior Year (\$ in Thousands)

Ms. Haskins noted the Electric Revenue was down 4.4%. Sales were steady but we had the rate decrease. The rate decrease had anticipated a 4.7% revenue reduction. She also noted Coal Ash continues to decrease. Other items to note: W/WW Revenues are up, which we anticipated.

Electric Revenue	▼	4.4%	\$ 7,958
Electric Power Supply & Maintenance	▲	0.6%	\$ 632
Coal Ash	▼	41.9%	\$ 5,907
Electric G&A Expense	▼	2.5%	\$ 386
Electric Other Operating Expense	▲	1.8%	\$ 509
Electric Payment in Lieu of Taxes (PILOT)	▲	3.2%	\$ 265
Water Revenue	▲	5.2%	\$ 1,880
Wastewater Revenue	▲	6.0%	\$ 2,243
Water/Wastewater G&A Expense	▲	4.5%	\$ 625
Water/Wastewater Other Operating Expense	▲	4.7%	\$ 2,502
Water/WW Aid, Grants, FIF Transfers	▲	241.8%	\$ 7,831
Net Bad Debt		<1.0%	
Days Cash Reserve		142	

Total Revenue

For the Electric Fund, Revenue (\$174.0M) was below Budget (\$176.3) and Prior Year (\$181.9M). However, for the Water/Wastewater Fund Revenue (\$83.6M) was on Budget (\$83.4M) and slightly higher than Prior Year (\$83.5M).

Ms. Haskins provided statistics for the Revenue Trend by Customer Class for 2017 thru the 3rd Quarter 2021 for Electric and Water/Wastewater.

For Other Operating Revenue, Ms. Haskins noted the BWGP Lease was \$11.2M, on par with FY20,

Volume sales were down .5% over prior year.

Ms. Haskins discussed the Residential Energy TOU, the average kWh, Degree Days and Cents per kWh, and the Year over Year Comparisons. Ms. Haskins noted for the Residential & Non-Residential (Small), customers are paying on average less than they did last year. For the Non-Residential (Medium), customers are paying an average less than in the previous year (Fixed Rate).

Electric Comparison

Electric Sales Revenue was \$153M, down 4.1% compared to prior year. Other Revenue was \$20.5M, down 6.2% from prior year. Power Supply & Maintenance was \$107.7M, up .6% from prior year. Coal Ash Exp. were \$8.2M, down 41.9% from prior year. G&A Expenses were \$14.8M, down 2.5% from prior year. Other Operating Expenses were \$28.5M, up 1.8% from prior year.

Electric Purchased Power

1,591 MWhs Purchased; Cost per MWh @ \$63.27 (down 4.9%).

Ms. Haskins noted Purchased Power excluding Coal Ash and Adjustments decreased 4.6% from 2020 to 2021 due to lower DEP energy price.

Ms. Haskins also noted the largest expenditure in the Electric Fund, excluding Power Supply is Personnel Services @ \$23.8M, up \$2.0M from prior year. Appropriations was \$14.9M, down \$1.6M from the prior

year; Capital Outlay was \$12.6M, down \$6.5M from the prior year; Transfers to the City were \$11.7M, up \$2.5M from the prior year. Other Operating Expenses were \$5.2M, down \$3.8M from the prior year. Debt Related Payments were \$1.9M, down \$.5M from the prior year.

W/WW Comparison

Water Sales Revenue was \$37.9M, up 5.2% compared to prior year. Wastewater Sales Revenue was \$39.9M, up 6.0% compared to prior year. Other Revenue was \$5.8M, down 25.6% compared to prior year. G&A Expense was \$14.5M, up 4.5% compared to prior year. Other Operating Expense was \$55.6M, up 4.7% compared to prior year. Aid, Grants, FIF, XFRs were \$11.1M, up 41.8% compared to prior year.

Ms. Haskins noted total Revenue is in line with Budget and Higher than Prior Year while Expense is below Budget and Higher than Prior Year. Ms. Ball stated our system and our expenses are growing faster than our revenues. Our revenues on a smooth basis are expected to grow about ½% a year, and with inflation we are going to outpace that. We are going experience more leverage because our system is growing. We are having to rehab and replace an aging system. All these issues are placing pressures on our margins. We will need to look at cost control where we can, but it is going to drive rates. Discussion ensued.

Water/Wastewater Sales

Volume Sales - Water Volume Sales were 5.85Mgals, down 2.7% and WW Volume Sales were 4.95Mgals, up 0.9% over Prior Year

The largest expenditure in the Water Fund is Personnel Services @ \$25.2M, up \$2.2M over the prior year. Debt Related Payments were \$19.9M, down \$2.2M over the prior year; Capital Outlay was \$16.3M, up \$3.6M over the prior year; Other Operating Expenses were \$11.8M, down \$1.6M from the prior year; Appropriations were \$7.8M, up \$.4M over the prior year; Contractual Services were \$5.6M, up \$.3M from the prior year

The Target Days Cash is 120 days. The Days Cash for the 3rd quarter ending March 31st was 142, up from 137 in the prior year. Discussion ensued.

Electric & Water Bad Debt as a Percent of Sales remains under 1% @ .46%, compared to .40% for FY2020.

GENERAL MANAGER REPORT

Policies and Procedures

Ms. Ball stated we continue to refine our policies and procedures. We have discovered four policies that may require more than just an administrative update. It is not unexpected given the age of some of the policies and procedures. No action is needed today; however, it may take beyond July 1st to complete.

Supply Chain Improvement Team

Our Supply Chain Improvement Team has completed their first round of recommendations to reduce cycle time and push decision making to the lower levels of the organization, as well as reorder steps to help reduce work. It is just the first step in trying to build a more effective supply chain. She stated it will empower folks in this room to approve things at a higher level. As of now the Officers approve anything above \$2,500.00. More information will be coming. Now the team will focus on Spend Management. Ms. Ball thanked both Ms. Haskins and Ms. Fritzen's teams for doing the heavy lifting on this initiative.

W/WW Cost of Service

We have completed our efforts on the Cost of Service. We have had one on one meetings with each Commissioner. At our next meeting we will present Cost of Service, Rates and some select fees.

United Way Day of Caring and APPA Day of Giving

Ms. Ball thanked the employees for participating in the UW Day of Caring held on May 14th. Many employees contributed to the non-profits in the region and participated in the Red Cross blood drive. We will have another volunteer day on June 18th. It will be the APPA Day of Giving. We will participate in a community wide cleanup on that day.

FTCC

Had a brief presentation with Dr. Keen and team on some poles we donated for the pole yard to FTCC for our Lineworker program. We happy to continue that partnership. They do a terrific job for us with that program.

BBR

PWC presented yesterday at the BBR. Ms. Ball thanked the Finance Team. They presented on the topic 'Doing Business with PWC'. There were 58 participants. It was well attended though it was virtual. We are planning to present again later in the summer regarding our Capital Improve Program (CIP) to help local businesses understand opportunities.

Insurance Benefits

We recently discussed and approved minor changes in our stop-loss coverage for our insurance benefits. The benefits have largely remained the same, and our financial exposure is about the same. However, in our review it became apparent that there are some changes we need to make as an organization. This year we will notify participants of likely changes next year.

Hurricane Season

Hurricane season is upon us. We will send out our Storm Guide to customers on June 1st. We encourage all customers to sign up for outage notification. It is very easy. Just go to our portal, and one click, and you are signed up. There are approximately 3,000 signed up now.

Arts Exhibit

The Public Works Art Exhibit at the Arts Council begins Friday and runs through mid-July. We have supported the art exhibit since 2005.

COVID

We will distribute new guidance on masks, vaccination, travel soon. Our goal is to promote vaccination. Commissioner Rogers asked where we are in the number of employees who are vaccinated. Ms. Ball replied we do not know right now, and there are several reasons why. Mr. Russell stated employees can share their vaccine card when they receive the vaccine. Some have elected not to, and some have. We also have a symptom tracker app when employees triage themselves. They can elect to have their vaccination information

uploaded to the app. We have seen that about 90-100 employees have utilized it. There are various ways employees can notify us. Ms. Justice-Hinson stated we have a short survey to find out how many are vaccinated and to increase participation. Commissioner Shaw committed regarding the temperature checker near the entrance. She stated it does not work. Staff will investigate the issue.

Ms. Ball stated we are aware of the national and the state level changes. We have been a little conservative in rolling out the changes. We are aware of an employee in the hospital as well as several positive cases. We have been working with our outside employment counsel to answer questions for us and to provide guidance to us. Discussion ensued.

Upcoming Topics

Ms. Ball stated staff will post proposed rates for W/WW this Friday prior to the public hearing on June 9th. Also, on June 9th we will ask the Commission to adopt the proposed budget. On June 16th, we ask the Commission to consider the W/WW fees to be effective August 1st.

Discussion ensued regarding the gas shortage we recently experienced. Ms. Ball stated we did not experience any interruption because of the shortage. Ms. Ball discussed PWC's measures to ensure we did not experience any adverse effects.

COMMISSIONER/LIAISON COMMENTS

Commissioner Ronna Garrett

Commissioner Garrett thanked Ms. Ball, Mr. Noland and the teams at the Water and Wastewater Plants. She spent two mornings with them over the past couple weeks. She was duly impressed with the knowledge and operations. Stated she gained a lot of education and insight. She saw the passion and commitment of the teams. It was very educational for her, but most importantly, the engagement with the teams was quite gratifying for her.

Commissioner Fowler stated the more people get out to see what we do they begin to understand the value of having their own public power and public water/wastewater utility. He reiterated how good it was for one of the employees to take time with a 9 year old boy, to show him the working of the plants, it was great. Additional discussion ensued.

Telly Whitfield

Mr. Whitfield stated the City Budget is expected to be approved on June 14th.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - April 2021
- B. Payment Analysis – April 2021
- C. Recap of Uncollectible Accounts – April 2021
- D. Investment Report – April 2021
- E. Purchase Order Report – April 2021

- F. Position Vacancies
- G. Financial Statement Recaps
 - Electric – April 2021
 - Water/Wastewater – April 2021
- H. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encl. #18795 – Install of 8” RJDIP Sewer & Water Main; 2-16” Steel Casings, 6” RJDIP Force Main and 12” Steel Casing @U-2519 (I-295)
 - Encl. #18823 – Install of 8” C-900 Water Main & 2-1” PE Water Service @ SR2212 (Doc Bennet Rd.) & I-95 Bus.
 - Encl. #19173 – soil borings @ SR1102 (Gillis Hill Rd)
- I. Actions by City Council during the meeting of May 10, 2021, related to PWC:
 - Approved Bid Recommendation – Buckhead Creek Sewer Relocation NCDOT Project U-4405C
 - Approved Adoption of a Resolution; Bond Order Compliance for Load Banking and Service Area Agreements

ADJOURNMENT

There being no further business, upon motion by Commissioner Shaw, seconded by Commissioner Garrett, and unanimously approved, the meeting was adjourned at 9:32 a.m.

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WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
D. RALPH HUFF, III, COMMISSIONER
DAVID W. TREGO, CEO/GENERAL MANAGER



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June 2, 2021

MEMO TO: Elaina Ball, CEO/General Manager

FROM: Jim Autry, Right-of-Way Supervisor

SUBJECT: Request by Duke Energy Progress, LLC to Grant Electric Utility Easement in Order to Serve PWC's Rockfish Creek Basin Peak Flow Facility located on George Owen Road

Staff recommends grant of easement to Duke Energy Progress, LLC (DEP) across property of PWC titled in the name of the City of Fayetteville to serve the Rockfish Creek Basin Peak Flow Facility currently under construction. Duke Energy Progress is the electric service provider for that area and has agreed to provide service to the facility and requires an easement be granted to DEP to install and maintain its facilities. The parcels where the easements will cross are referenced as PINs 0405-64-7562 & 0405-74-5503 and being properties acquired by PWC described in Deed Book 10387, Page 83, and in Deed Book 10381, Page 167, Cumberland County Registry. The easement being proposed is 20' in width following the centerline of the power lines being installed along with a 10' wide easement around foundations of any enclosures/transformers, vault and/or manholes.

The recommendation, as approved by the Fayetteville Public Works Commission, shall be referred to City Council to request that the City of Fayetteville grant authority to the PWC's CEO/General Manager to grant the easement required by DEP and to also recommend the adoption of a resolution providing such authorization.

Prepared by: Duke Energy Progress, LLC
Return to: Duke Energy Progress, LLC
Attn: Will Johnson
474 Charlie Watts Road
Maxton, NC 28364

Parcel # 0405647562
0405745503

EASEMENT

State of North Carolina

County of Cumberland

THIS EASEMENT ("**Easement**") is made this ____ day of _____, 20____, from **THE CITY OF FAYETTEVILLE**, a North Carolina municipal corporation by and through the **FAYETTEVILLE PUBLIC WORKS COMMISSION** ("**Grantor**", whether one or more), to **DUKE ENERGY PROGRESS, LLC**, a North Carolina limited liability company ("**Grantee**").

Grantor, for and in consideration of the sum of One and 00/100 Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto Grantee a perpetual and non-exclusive easement, to construct, reconstruct, operate, patrol, maintain, repair, replace, relocate, add to, modify, and remove electric and communication lines including, but not limited to, all necessary supporting structures, and all other appurtenant apparatus and equipment for the transmission and distribution of electrical energy, and for technological purposes related to the operation of the electric facilities and for the communication purposes of Incumbent Local Exchange Carriers (collectively, "**Facilities**"). Grantor is the owner of that certain property described in that instrument recorded in Deed Book 10387, Page 831 and Deed Book 10381, Page 167 Cumberland County Register of Deeds ("**Property**"). The Facilities shall be underground, except as needed on or above the ground to support the underground Facilities, and located in, upon, along, under, through, and across a portion of the Property within an easement area described as follows: A strip of land twenty feet (20') in uniform width, lying equidistant on both sides of a centerline, which centerline shall be established by the center of the Facilities as installed, along with an area ten feet (10') wide on all sides of the foundation of any Grantee enclosure/transformer, vault and/or manhole, (hereinafter referred to as the "**Easement Area**").

The rights granted herein include, but are not limited to, the following:

For Grantee's Internal Use:
Work Order #: 41026376

1. Grantee shall have the right of ingress and egress over the Easement Area, Property, and any adjoining lands now owned or hereinafter acquired by Grantor (using lanes, driveways, and adjoining public roads where practical as determined by Grantee).
2. Grantee shall have the right to trim, cut down, and remove from the Easement Area, at any time or times and using safe and generally accepted arboricultural practices, trees, limbs, undergrowth, other vegetation, and obstructions.
3. Grantee shall have the right to trim, cut down, and remove from the Property, at any time or times and using safe and generally accepted arboricultural practices, dead, diseased, weak, dying, or leaning trees or limbs, which, in the opinion of Grantee, might fall upon the Easement Area or interfere with the safe and reliable operation of the Facilities.
4. Grantee shall have the right to install necessary guy wires and anchors extending beyond the boundaries of the Easement Area.
5. Grantee shall have the right to relocate the Facilities and Easement Area on the Property to conform to any future highway or street relocation, widening, or alterations.
6. Grantor shall not place, or permit the placement of, any structures, improvements, facilities, or obstructions, within or adjacent to the Easement Area, which may interfere with the exercise of the rights granted herein to Grantee. Grantee shall have the right to remove any such structure, improvement, facility, or obstruction at the expense of Grantor.
7. Excluding the removal of vegetation, structures, improvements, facilities, and obstructions as provided herein, Grantee shall promptly repair or cause to be repaired any physical damage to the surface area of the Easement Area and Property resulting from the exercise of the rights granted herein to Grantee. Such repair shall be to a condition which is reasonably close to the condition prior to the damage, and shall only be to the extent such damage was caused by Grantee or its contractors or employees.
8. The rights granted in this Easement include the right to install Facilities wherever needed on the Property to serve future development on the Property and adjoining lands. Portions of the Facilities may be installed immediately and other portions may be installed in the future as the need develops. Facilities installed in the future shall be installed at locations mutually agreeable to the parties hereto if they are to be located outside of the Easement Area. Upon any future installations of Facilities at mutually agreed locations, the Easement Area shall be deemed to include such future locations.
9. All other rights and privileges reasonably necessary, in Grantee's sole discretion, for the safe, reliable, and efficient installation, operation, and maintenance of the Facilities.

The terms Grantor and Grantee shall include the respective heirs, successors, and assigns of Grantor and Grantee. The failure of Grantee to exercise or continue to exercise or enforce any of the rights herein granted shall not be construed as a waiver or abandonment of the right thereafter at any time, or from time to time, to exercise any and all such rights.

TO HAVE AND TO HOLD said rights, privilege, and easement unto Grantee, its successors, licensees, and assigns, forever. Grantor warrants and covenants that Grantor has the full right and authority to convey to Grantee this perpetual Easement, and that Grantee shall have quiet and peaceful possession, use and enjoyment of the same.

IN WITNESS WHEREOF, Grantor has signed this Easement under seal effective this ____ day of _____, 20____.

THE CITY OF FAYETTEVILLE
a North Carolina municipal corporation

by and through the
FAYETTEVILLE PUBLIC WORKS COMMISSION

Elaina L. Ball, CEO and General Manager (SEAL)

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, certify that Elaina L. Ball, as CEO and General Manager of the FAYETTEVILLE PUBLIC WORKS COMMISSION, personally appeared before me this day and acknowledged the due execution of the foregoing EASEMENT.

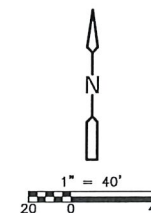
Witness my hand and notarial seal, this ____ day of _____, 20____.



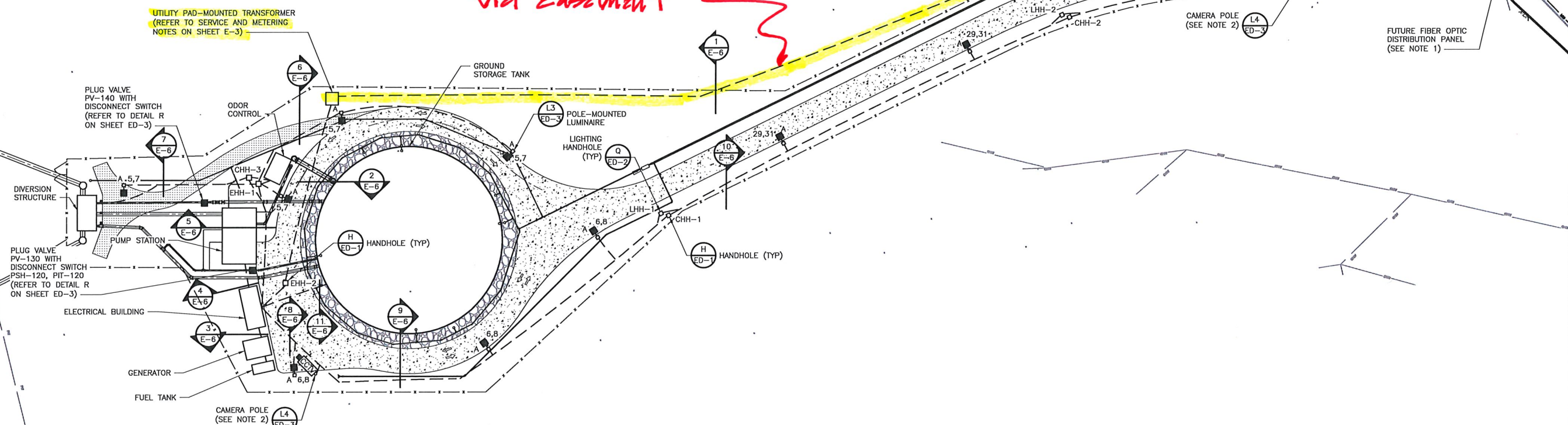
Notary Public: _____

Commission expires: _____

1. THE FIBER OPTIC DISTRIBUTION PANEL WILL BE PROVIDED BY OTHERS. CONTRACTOR SHALL FIELD VERIFY AND COORDINATE WITH THE OWNER FOR EXACT LOCATION FOR CONDUIT STUB-UP.
2. CONTRACTOR SHALL PROVIDE AND INSTALL CAMERA POLES AND CONDUITS WITH PULL-STRING FOR CAMERAS. CABLES AND CAMERAS WILL BE PROVIDED BY OTHERS. COORDINATE WITH OWNER FOR EXACT LOCATION FOR CAMERA POLES.



Duke Energy
Underground extension
via easement —



PLAN

REV. NO.	DATE	DRWN	CHKD	REMARKS

DESIGNED BY: T. ROSCHEN
DRAWN BY: R. CARTER
SHEET CHK'D BY: J. DOUGHNEY
CROSS CHK'D BY: P. LEFAVE
APPROVED BY: J. DOUGHNEY
DATE: AUGUST 2020

**CDM
Smith**
5400 Glenwood Avenue, Suite 400
Raleigh, NC 27612
Tel: (919) 325-3500
F: 1255

PUBLIC WORKS COMMISSION
OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
ROCKFISH CREEK BASIN
PEAK FLOW FACILITY PROJECT

ELECTRICAL SITE PLAN

NORTH CAROLINA
 Documented by:
 Joseph J. Dougherty, PE
 ECEBPEM4C294EB
 044993
 ENGINEER
 JOSEPH J. DOUGHERTY, PE
 7/30/2020

PROJECT NO.	6384-230133
FILE NAME:	E005STPL.DWG

SHEET NO.

E-5

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
ELAINA L. BALL, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

June 3, 2021

MEMO TO: Elaina L. Ball, CEO/General Manager

FROM: Paula Shambach, Corporate Development Manager

SUBJECT: Recommendation to Adopt Resolution Amending and Rescinding Policies

Staff recommends that the Commissioners adopt a resolution amending and rescinding policies from the PWC Policy and Procedure Manual. PWC is currently undertaking a comprehensive review of the entire Policy and Procedure Manual, engaging many employees from across all divisions. Additional resolutions and information will be shared as the effort progresses.

Thank you.

ps

RESOLUTION AMENDING AND RESCINDING POLICIES

WHEREAS, the Fayetteville Public Works Commission (PWC) has encouraged its staff to streamline and update the existing Policy and Procedure Manual and related documents in order to ensure that employees have access to information that is appropriately structured, up-to-date, and easy to read and understand; and

WHEREAS, the Commissioners support the comprehensive review process that is currently underway and accept staff's recommendations for changes to PWC's policies; and

WHEREAS, the Commissioners acknowledge receipt for informational purposes of staff determinations, as part of their comprehensive review process, to amend and rescind certain published procedures specified in Exhibits attached hereto.

THEREFORE, LET IT BE RESOLVED BY THE COMMISSIONERS OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION THAT:

1. The following Policies, as more completely set forth in Exhibit A attached hereto, are hereby amended effective July 1, 2021:

- a) Anti-Harassment
- b) Code of Conduct
- c) Internal Control

2. The following Policies, as more completely set forth in Exhibit B attached hereto, are hereby rescinded effective July 1, 2021:

- a) Identity Theft
- b) Water Main and Sewer Main Extension Permitting Procedure

ADOPTED this 9th day of June, 2021.

FAYETTEVILLE PUBLIC WORKS COMMISSION

Wade R. Fowler, Jr., Chairman

ATTEST:

Darsweil Rogers, Secretary

EXHIBIT A - Proposed Amendments

**Policy and Procedure Manual (PPM) Recommendations
for Commission Review/Approval
June 9, 2021**

Purple Shading indicates Policy Statement previously approved by Commission.

Policy/Procedure Name	ID#	Recommendation	Notes/Major Changes
Anti-Harassment	2.A.3	Keep with Edits	Added “to include harassment as defined by the U.S. Equal Employment Opportunity Commission” in the policy statement. Removed unnecessary content under Section IV.
Code of Conduct	2.C.8	Keep with Edits	No major content changes.
Internal Control	3.A.5	Keep with Edits	No major content changes. Attachment will be moved to Finance Manual.

EXHIBIT A - Proposed Amendments

ANTI-HARASSMENT POLICY

P2.A.3

It shall be the policy of the Public Works Commission to provide a workplace free of harassment of any type or form, **to include harassment as defined by the U.S. Equal Employment Opportunity Commission.**

Commented [EF1]: Added per HR

I. PURPOSE

The purpose of this procedure is to outline PWC's position on discrimination, harassment, and retaliation; define prohibited conduct; and provide guidance on what procedures must be followed in response to reports that this procedure has been violated.

II. DEFINITIONS

- A. Unacceptable Discrimination** – This includes failing to promote, hire, or transfer an individual because of his/her race, gender, color, age, national origin, religion, disability, veteran status, or any other characteristic protected by law.
- B. Harassment** – Harassment can take many forms and includes, but is not limited to, slurs, jokes, statements, gestures, pictures or cartoons regarding an employee's sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, family care leave status, or veteran status. Examples of inappropriate and unacceptable behavior prohibited by this policy include, but are not limited to, improper or inappropriate harassing comments, harassing gestures, or dissemination and/or publication of harassing and derogatory materials in the work place that are based upon a person's gender, race, color, age, national origin, religion or disability, veteran status, or any other characteristic protected by law.
- C. Sexual Harassment** – Sexual Harassment is defined as unwelcome or unwanted advances, requests for sexual favors, and any other verbal or physical conduct of a sexual nature **when:**

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EXHIBIT A - Proposed Amendments

1. Submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, retention, promotion, or other aspects of employment; or
2. This conduct reasonably could be expected to and does interfere with an individual's employment or creates an intimidating or hostile work environment.

III. RESPONSIBILITIES

- A. **Chief Executive Officer** – Periodically review this procedure and reaffirm that harassment, discrimination, and retaliation will not be tolerated. Continually assess and be aware of the climate regarding discrimination, harassment, and retaliation. Direct prompt, decisive action to investigate all complaints of violations of this procedure and ensure that the situation is either resolved at the lowest possible level, or if necessary, take formal disciplinary or administrative action. Ensure that all who make complaints, report violations of this procedure, or participate in investigations of procedure violations are protected from acts or threats of reprisal.
- B. **Officers, Directors, Managers, Supervisors:** Report all violations of this procedure, including work-related discrimination, harassment, or retaliation by any PWC personnel or any person doing business with PWC to the Human Resource Officer immediately. The Human Resource Officer is responsible for investigating the matter in a thorough, prompt, and confidential manner.
- C. **All Employees:** Report any conduct in violation of this procedure to the appropriate Officer, Director, Manager, Supervisor, or to the Human Resource Officer. PWC emphasizes that an employee is not required to complain first to the supervisor if the supervisor is the individual violating the procedure or if the employee is otherwise uncomfortable discussing the issue with their supervisor.

IV. GUIDELINES

1. ~~A.~~ PWC assures all employees a workplace environment free of unlawful harassment, discrimination, and retaliation.

EXHIBIT A - Proposed Amendments

~~B. All PWC employees, regardless of their role or function, shall be committed to the idea of a work environment conducive to maximum productivity and respect for human dignity.~~

Commented [EF3]: Removed, unnecessary content per HR

~~2. C.~~ PWC will not retaliate in any way against anyone who makes a good faith complaint, nor will PWC permit any employee to engage in any type of retaliatory conduct.

~~3. D. Any person performing in a supervisory role who is found to retaliate against a subordinate for any reason will be subject to disciplinary actions, which may include suspension, demotion, or possible termination.~~

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4.2.

~~V. PROCEDURES~~

~~5.3. A.~~ Any employee who believes they have been harassed or discriminated or retaliated against in violation of this procedure shall report the incident within five (5) days of the occurrence to any one or more of the following persons: Officer, Director, Manager, Supervisor, or Human Resources Representative.

~~6.4. B.~~ Upon a complaint being made, PWC will investigate the complaint in a prompt and thorough manner. Investigations and findings will be concluded in thirty (30) days from the time the complaint is logged.

~~5. C.~~ If the complaint is substantiated, within (5) days of the conclusion of the investigation, PWC will impose counseling and/or discipline as warranted by the findings of the investigation.

VI. EFFECTIVE DATE

~~This procedure replaces all previous procedures on harassment and will be effective upon approval. This policy will become effective on July 1, 2021.~~

CODE OF CONDUCT POLICY

P2.C.8

It shall be the policy of the Public Works Commission that all employees are expected to meet acceptable performance standards and otherwise conduct themselves in an acceptable manner.

I. PURPOSE

The purpose of this procedure is to help define personal conduct/behavior and/or job performance that is unacceptable and deserving of immediate disciplinary consideration. The standards discussed below are listed for general information and to guide conduct on a day-to-day basis. It would not be possible to list every situation that could arise that would result in discipline or immediate termination. Therefore, it is important to understand that various other situations may arise that would result in discipline or immediate termination. Likewise, it is important to understand that each problem that may arise will present a unique set of circumstances, and, therefore, the company's response will be based on the particular situation presented and the relevant surrounding circumstances, including, where appropriate, the employee's past performance, conduct, and disciplinary history.

II. DEFINITIONS

Examples of unacceptable performance or conduct that may result in disciplinary action or immediate termination include:

- A. Stealing, misappropriation, or unauthorized use or operation of company property (including machines, tools, or other equipment), the property of company employees, or others.
- B. Excessive waste of company materials, supplies, or resources.
- C. Disclosure of confidential or proprietary information.
- D. Conducting personal business on company time or with company resources.
- E. Destruction or damage of company property, property of company employees, or others.

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EXHIBIT A - Proposed Amendments

- F. Fighting, assault, or battery; use of abusive, intimidating, or threatening language; horseplay or practical jokes; or disorderly conduct while on company property or business.
- G. Failing to display respect toward or cooperation with co-workers, supervisors, or management.
- H. Falsifying company-related or business-related documents (including timesheets) or providing false employment-related information or making omissions from such information.
- I. Refusing or failing to perform assigned duties; follow company policies, procedures, or rules (including but not limited to safety rules and regulations); or follow direction from a supervisor or manager.
- J. Failing to wear appropriate protective equipment or working attire.
- K. Working unauthorized overtime.
- L. Having in your possession firearms, weapons, or explosives while on company property or business.
- M. Endangering the safety or rights of another employee or other person
- N. Failing to meet expectations during the initial or other probationary period.
- O. Performing your job unsatisfactorily.
- P. Failing to properly report tardiness or absences.
- Q. Taking unauthorized breaks or excessive time for breaks, including leaving early or returning late from breaks.
- R. Leaving the work area or company property during working hours without authorization.
- S. Having excessive or unauthorized tardiness or absences.
- T. Failing to return to work upon expiration of vacation, leave, or other authorized time off.
- U. Failing to submit to drug or alcohol test, as requested, or other interference with such test.

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- V. Being under the influence of or possessing, using, distributing, selling, or manufacturing alcohol, illegal drugs, or other controlled or intoxicating substances on company business or property or in company-supplied vehicles or during working hours (including meal breaks).
- W. Causing unauthorized work delays or stoppage.
- X. Sleeping or loitering during working hours.
- Y. Posting, defacing, or altering materials on company bulletin boards without proper authorization.
- Z. Violating no solicitation/distribution rule.
- AA. Negligence that results or has the potential to result in personal injury or property damage.
- BB. Working another job (whether for another employer or self-employment) while on a leave of absence or other paid or unpaid time off without prior approval.
- CC. Participating in acts of unlawful discrimination or harassment.
- DD. Gambling on company property or during working hours (including meal breaks) or while on company business.
- EE. Creating or contributing to unsanitary conditions or unacceptable housekeeping.
- FF. Dishonesty.
- GG. Conviction of a felony/arrest.
- HH. Failing to report an on-the-job accident within 24 hours after occurrence.
- II. Repeated failure to satisfy legitimate claims by creditors.
- JJ. Driving a company vehicle or personal vehicle on company business without an appropriate license.

III. **RESPONSIBILITIES**

- A. **Chief Executive Officer:** Acts as the final authority for approval or disapproval of rules governing conduct.

- B. Division Officers, Directors, Managers, and Supervisors:** Ensure the adherence to all policies and procedures governing the expected conduct and performance of all employees under their supervision. Advise employees regarding any perceived or real conduct that is unacceptable, discuss corrective action when possible, and take immediate action within the framework of the disciplinary process.
- C. Human Resource Officer:** Counsels Officers, Directors, Managers, and Supervisors concerning employee conduct and performance; advises, upon request, as to resolution; monitors all actions regarding discipline for consistency of application and thoroughness of documentation; advises employees of their employment status, rights to the grievance process and explains policies and procedures.
- D. Employees:** Familiarize themselves with the pre-employment conditions and the policies governing conditions of employment including those factors listed under conduct that is unacceptable.

IV. GUIDELINES

The guidelines below are not intended to be a complete list of acceptable and unacceptable actions, merely examples to help employees determine how PWC expects them to act. If any employee is unsure about whether or not they have a possible conflict of interest, he or she should consult the appropriate PWC official.

A. Personal Financial Interest

The personal financial interests of all employees and those of their immediate families must not adversely affect or conflict with PWC's best interests or the proper performance of their job responsibilities. To maintain independent judgment and action, employees must avoid any potential conflict of interest or appearance of such a conflict that may arise from personal financial interest.

If any employee or a member of his or her immediate family has a personal financial interest in an organization which has or is attempting to establish a business relationship with PWC or which competes with PWC, he or she has a responsibility to disclose the relationship. Nominal ownership of common stock of a publicly owned corporation will not itself be considered a conflict and need not be disclosed. Significant ownership of stock would mean that the percentage owned would be sufficient as to be able to influence the decisions of the company. More than ten percent

EXHIBIT A - Proposed Amendments

(10%) would be considered significant. Lower levels could also qualify, depending on the circumstances.

B. PWC Funds

Employees who have responsibilities for handling PWC funds should exercise the utmost care in fulfilling their duties. PWC funds must only be deposited and maintained in accounts authorized by the Commissioners of PWC. Proper documentation and approval is required for the disbursement of any PWC funds.

Employees with responsibility for PWC funds must comply with PWC procedures at all times and avoid even the appearance of impropriety.

C. Accounting and Record Keeping

~~The Governmental environment in which the Enterprise operates requires~~ PWC is required to maintain a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and the books and records accurately reflect the authorized transactions of the PWC. Management has the responsibility of ensuring all employees adhere to these policies and controls.

D. Computer Passwords and IDs

The computer systems used by PWC and its employees contain information that is critical to our customers and PWC. It is the responsibility of all employees having access to these computer systems to help protect the information stored on the systems from accidental or intentional loss, error, unauthorized access, unauthorized modification, or disclosure to unauthorized persons. Access to and usage of these systems must go through the proper authorization process.

Each authorized user of these systems is accountable for their own password and user ID, and it is their responsibility to maintain the secrecy of their passwords and IDs.

E. Memberships

The PWC has a long-standing commitment to be a good civic neighbor. We support and encourage employee involvement in community activities and professional organizations. We also expect that these interests will be pursued in a reasonable manner that will reflect favorably upon the employee and the PWC. Involvement with these types of activities should

not adversely affect the attention to PWC duties or the quality of work performed for the PWC.

Before accepting a position on the board of directors or as an officer with another company or nonprofit organization, an employee should consult with their supervisor and/or another appropriate PWC official.

F. Gifts and Favors

No official or employee shall knowingly accept from any person, firm, or corporation a gift whether in the form of money, things, favor, loan, or promise that would not be offered or given to said official or employee if they were not an official or employee.

It is improper for an employee or a family member to request or accept anything that could be construed as an attempt to influence the performance of duties or to favor a supplier or competitor contrary to the best interest of the PWC. Nominal advertising items or souvenirs or meals furnished at banquets are permitted. It is also improper for an employee to offer gifts or entertainment beyond that of a nominal value. This includes gifts, payments, loans, travel, or other benefits of value from any existing or potential customer, supplier, competitor, or government agency, its officials, or personnel. In some cases, such as when dealing with a bank or government official, this action would be a criminal offense punishable by fine and imprisonment.

Gifts of nominal value motivated by commonly accepted business courtesies may be accepted or offered. However, any gift that could cause obligation to the donors/recipients or influence the business relationship with the donor/recipient should not be accepted/offered. Acceptance of such gifts is specifically prohibited by the North Carolina General Statutes.

G. Use of PWC's Name

PWC will make available to all employees any Company discounts with suppliers or other businesses which may be passed on to employees. However, an employee should not use the PWC's name or purchasing power to obtain personal discounts or rebates unless the discounts are made available to all employees.

H. Responsibility of Safeguarding Assets

All employees are responsible for protecting PWC assets, and managers are specifically responsible for establishing and maintaining appropriate internal controls to safeguard PWC assets against loss from unauthorized

use or disposition. PWC assets are to be used only as they are specifically intended to be used and are not to be used in an abusive manner.

It is improper for an employee to offer the use of PWC assets to a member of the public or to an employee or agent of another company. It is also improper for an employee to use company assets or resources for personal gain or benefit.

I. Confidential/Proprietary Information

No official or employee shall, without prior formal authorization of the public body having jurisdiction, disclose any confidential information concerning any other official or employee, or any other person, or any property or governmental affairs of the city. Whether or not it shall involve disclosure, no official or employee shall use or permit the use of any such confidential information to advance the financial or personal interest of himself or any other person.

In the course of employment, employees may have access to information that is confidential, privileged, or of a competitive value to the PWC. All employees must protect the confidentiality of such information. The use or disclosure of such information is for PWC purposes only and not for personal benefit or the benefit of others.

All employees must exercise the utmost care when dealing in confidential information. If an employee is unsure whether information is of a confidential nature, it is best that discretion is used. If you have questions, you should consult your supervisor.

J. Media/Public Discussion

In the course of an employee's duties, he or she may be questioned by a representative of the news media. Unless responding to such inquires is among his or her authorized duties, the media representative should be politely referred to the appropriate PWC spokesperson.

K. Employee Relations

PWC is committed to providing a work environment that is free from discrimination and/or harassment. It is company policy to be an equal opportunity employer in hiring and promoting practices, benefits, and wages. Managers and supervisors have the responsibility of enforcing this policy. They must be sure to treat all employees equitably and fairly. They must not discriminate against or sexually harass any employee. If an employee feels they have been discriminated against or sexually

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harassed, they should contact a PWC Officer or a Human Resources Officer.

V. EFFECTIVE DATE

~~This procedure shall become effective upon approval.~~ This policy will become effective on July 1, 2021.

P3-A.5

INTERNAL CONTROL POLICY

The Public Works Commission (PWC) shall maintain a system of internal controls.

I. PURPOSE

The purpose of this ~~procedure~~-policy is to best assure the accuracy, reliability, efficiency and usefulness of records and reporting; the proper recording and safeguarding of assets; policies and procedures are being followed; internal controls are adequate; all laws and regulations are being obeyed and fraud is being detected and prevented.

II. SCOPE

This ~~procedure~~-policy applies to all facets of the operation and reporting of the activities of the Fayetteville Public Works Commission ~~of the City of Fayetteville~~ (PWC). ~~This procedure~~ does not replace, but rather supplements, standing policies and procedures. Additional information related to internal control processes and definitions can be found in ~~Attachment A~~ the PWC Finance Manual.

III. OBJECTIVE

A. Introduction

A system of internal control consists of many specific policies and procedures, which are often called controls. Internal control is defined as a process - effected by an entity's governing Board, Management and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the categories of a) effectiveness and efficiency of operations; b) reliability of financial reporting; and c) compliance with applicable laws and regulations (AICPA SAS 78 Para. 6).

Internal control consists of the following five interrelated components: a) control environment, b) risk assessment, c) control activities, d) information and communication, and e) ~~monitoring~~.

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Objectives and components are directly related. Objectives can be viewed as the goals to be achieved while components are the means to achieve those objectives. Control objectives and components of internal control are discussed in more detail below. The following discussion defines three objectives of Management in the development of a system of internal control.

B. Control Objectives

The three categories of control objectives described previously are what the PWC strives to achieve. These distinct but somewhat overlapping categories have differing purposes and allow a directed focus to meet the needs of the PWC and others regarding each separate purpose.

1. **Reliability of financial reporting.** Management is responsible for preparing financial statements. Management has both a legal and professional responsibility to be sure that the information is fairly prepared in accordance with Generally Accepted Accounting Principles (GAAP). Information concerning the operations and financial condition of the PWC must be accurate in order to be useful.
2. **Efficiency and effectiveness of operations.** Controls within the PWC are meant to encourage efficient and effective use of its resources, including personnel, to optimize its goals. Good internal controls should also provide for a more streamlined operational system. Unnecessary duplication of effort or inefficient processing of work can be detected by a good internal control system. Controls help to ensure that information is accurate for internal decision-making. These controls include those associated with both reliable financial reporting and efficient operations.

The physical assets of the PWC can be stolen, misused, or accidentally destroyed unless they are protected by adequate controls. The same is true for other assets such as accounts receivables, records, (e.g. general ledger, journals etc.) and other important documents (e.g. the bond order and grant agreements). Safeguarding information stored electronically has also become increasingly important. With the expansion of electronic commerce, customers' expectations for "electronic enterprise" will be raised. The subsequent increase in electronic transactions and electronic access will require increased security for electronic information resources.

3. **Compliance with applicable laws and regulations.** A good system of internal controls should identify applicable laws and regulations and provide reasonable assurance that the PWC complies with those laws and regulations (Government Auditing Standards, paragraph 4.29.1). These laws and regulations include The Local Government Budget and Fiscal Control Act (G.S. 159), other general statutes, grant agreements, City ordinances, etc.

C. Limitations of PWC's Internal Control

Internal control, no matter how well designed and operated, can provide only reasonable assurance to Management and the Board of Commissioners regarding achievement of the PWC's control objectives. The likelihood of achievement is affected by limitations inherent to internal control. These include the realities that human judgment in decision-making can be faulty and that breakdowns in internal control can occur because of such human failures as simple error or mistakes. Additionally, controls can be circumvented by the collusion of two or more people or Management override of internal control.

Another limiting factor is that the cost of the PWC's internal control should not exceed the benefits that are expected to be derived. Although the cost-benefit relationship is a primary criterion that should be considered in designing internal control, the precise measurement of costs and benefits usually is not possible. Some controls are necessary regardless of cost to ensure compliance with statutory requirements. Accordingly, Management makes both quantitative and qualitative estimates and judgments in evaluating the cost-benefit relationship.

IV. PROCEDURES

The following sections discuss specific areas of internal control. Certain essential tasks are identified in each area of operation. These are not intended to be exhaustive lists, but rather are intended to provide guidance in each area.

A. General Internal Controls That Affect the Control Environment

The following is a discussion of basic internal controls that are an essential part of the operation of the PWC as a whole.

1. The PWC should have an organization chart that clearly defines the lines of authority and responsibility.

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2. Up-to-date job descriptions should be on file for each position within the PWC.
3. Monthly financial reports should be prepared on a timely basis and should be reviewed and understood by Management and the Board of Commissioners.
4. All employees should take annual, uninterrupted vacations. Other adequately trained employees should perform the tasks of those employees on vacation.
5. All personnel performing fiscal functions must be adequately trained. Any staff member in this area who is not adequately trained should be receiving appropriate in-house training or enrolled in the proper course(s) to ensure that any deficiencies are eliminated.
6. Management should maintain channels of communication for people to report violations of the Code of Conduct. Anonymity is to be permitted. Persons who report suspected improprieties are to have immunity from reprisals.
7. The internal audit staff should be adequately trained and have the proper resources and authority to effectively evaluate the PWC's policies and procedures.
8. Management should take steps, in a timely manner, to implement suggestions for improvement made by the auditor and report corrective actions to the Board of Commissioners.

B. Internal Control in the Accounting System

The following is a discussion of the basic internal controls that are applicable to the PWC's accounting system.

1. All journals, ledgers, and other accounting records should be kept up-to-date at all times and should be balanced.
2. All subsidiary records should be periodically reconciled to the control accounts. This reconciliation should be documented and maintained on file.
3. A written accounting procedures manual should be maintained and contain the following: a uniform chart of accounts with explanations as to what items are charged to each account; approval authority for financial transactions; and guidelines for controlling

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- expenditures, such as purchasing requirements and travel authorizations.
4. All journal entries should be approved, explained, and properly supported with the correct documentation.
 5. Duties should be segregated as much as possible between custody of the assets and recording of the transactions.
 6. The PWC should maintain and follow records filing, retention, and disposal guidelines in compliance with the Public Records Laws, G.S.132, and the guidelines established by the Record Services Branch, Division of Archives and History, Department of Cultural Resources.
 7. All accounting records should be maintained in a secure place. Computerized accounting systems should be controlled with the use of passwords and other safeguarding procedures.
 8. All expenditures made in excess of appropriations and other deviations from the adopted budget should be investigated and resolved.
 9. Established reserves should be properly identified and recorded.

C. Internal Control Procedures – General and Statutory

The following is a discussion of general and statutory controls that apply to the PWC's operations.

1. The following transactions should always be approved in the minutes of the meetings of the Board of Commissioners:
 - a. contracts to buy or rent land or other real estate
 - b. formal bid awards
 - c. intergovernmental agreements
 - d. contracts of an unusual nature
 - e. any other major contract
2. All minutes of the Board of Commissioners should be maintained in final form in the permanent records of the PWC.
3. The PWC's official records should be maintained in a fireproof location after regular business hours.

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4. All funds remaining unclaimed for one year should be escheated to the State as required by G.S. 116B.
5. The PWC should develop, adopt, and approve its budget according to NC General Statutes, prior to submission to City Council. The accounting system should show in detail the revenues and expenditures as they are shown in the budget.
6. All employees who handle public moneys or have access to inventories must be bonded either individually or under a blanket bond (G.S. 159-29).
7. The finance officer and deputy finance officers must be bonded or properly insured for at least \$50,000 according to NC General Statutes.
8. A complete schedule of insurance coverage and limits should be maintained, showing expiration dates, premiums, co-insurance clauses, and other essential information.
9. Periodic updates should be given to the Board of Commissioners regarding insurance coverage, deductibles, and costs. Independent, professional advice should be utilized on coverage as necessary.

D. Internal Controls for Federal and State Grants and Programs

The PWC often receives Federal and/or State funds to carry out specific programs and grants. These programs are executed directly by the PWC. The PWC must ensure that controls are in place to provide reasonable assurance that funds are recorded and expended in compliance with program requirements while adequately safeguarding any assets associated with the program.

A responsible employee appointed by the PWC's Chief Finance Officer (CFO) should monitor activities under grant programs (draws, advances, and deposit of funds; expenditures; matching of funds; and filing of financial reports) for compliance with grant contracts, applicable regulations, and matching requirements. Monitoring, to be effective, usually requires some or all of the following policies and procedures:

1. Separate accounts for identifying receipts and expenditures by grant.

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2. Budget categories for grant receipts and expenditures by grant.
3. Documentation of a time schedule for filing financial reports with grantors.
4. Reconciliation of grant financial reports that have been prepared, reviewed, and approved by a responsible official before filing with supporting account records.
5. Review of eligibility determination.
6. Written notification to employees when grant provisions or related regulations impose requirements that differ from the governmental unit's normal policies and procedures.
7. If applicable, monitoring the indirect cost allocation plan and approval of allocations and requests for reimbursements.

E. Internal Control in Cash Receipts

Proper internal control over cash receipts is essential because, if uncontrolled, cash is the easiest of all assets to misuse without detection. Access to cash must be limited; therefore, it must be controlled immediately upon receipt.

1. Control of incoming cash should be established at the earliest possible point, which is through the depository, by mail, or acceptance by a cashier. All checks should be restrictively endorsed upon receipt.
2. Any payments received by the cashiers should be controlled at the point of collection, and appropriate receipts issued.
3. Cash collection should be centralized to the maximum extent possible without hindering operations.
4. Deposit slips for deposits that are not sent to the bank electronically should be prepared in duplicate. The bank validated duplicate should be compared to the Cashier's Daily Report and the deposit totals received from the bank to verify that this money was deposited. Electronic deposits should be compared daily to the emails and reports, the Cashier's Daily Reports and the deposit totals received from the bank to verify that this money was deposited.

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5. Bank deposits must be made daily (G.S. 159-32). Someone other than the person who prepared the deposit should take deposits to the bank. All deposits should be made in official depositories.
6. Cash maintained on the premises should be kept to a minimum. All cash maintained should be in either a cashier's change fund or a petty cash fund. In either case, the staff member directly responsible for the cash should maintain the cash under strict sole control. No one else should have access to the cash. Cashiers should never work out of each other's cash drawers. Cashiers should reconcile their change funds at the end of each day and maintain written records of each reconciliation bearing their signatures as evidence that the reconciliation was performed. Staff members, other than those responsible for the cash, should conduct periodic surprise cash counts for both change funds and petty cash funds. These counts should be documented, and include the reconciler's signature. Any significant discrepancies in a cash reconciliation should be reported to the CFO. The CFO should receive a monthly report of cash over and short.
7. Back-up keys to the cash boxes should be maintained by a supervisor or a designee under dual control at all times, so that cash can be obtained in case of emergencies or unexpected absences. When necessary to use the keys, they should be signed in and out by both staff members having control over the keys. Any cash that is accessed by these staff members should be counted under dual control prior to the cash being used, and the amount of cash on hand should be reconciled to the last reconciliation performed by the staff member normally responsible for the cash. A written record of the reconciliation should be maintained and signed by both staff members.

F. Internal Control Over Deposits in Financial Institutions

In addition to providing a deterrent to misuse, a good internal control system over deposits held in financial institutions should detect quickly any errors made by those institutions. As a deterrent to misuse, the CFO must be prepared as a part of his/her stewardship responsibilities over public funds, through good internal controls, to ensure the accuracy of deposits held in financial institutions.

1. All deposits must be in institutions authorized by the Board of Commissioners.

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2. All funds held by financial institutions must either be insured by the FDIC or fully collateralized in accordance with G.S. 159-31(b).
3. The financial institutions that hold the PWC's funds should be instructed to notify the Board of Commissioners, or their delegate, of any unusual transactions occurring on the account.
4. Current signature cards and other documents required by the institution(s) should be maintained on file with the PWC's financial institution(s) at all times. These documents should be in strict accordance with the authorizations to sign checks as approved by the Board of Commissioners.
5. All bank statements should be reconciled promptly by a staff member independent of the cash receipts and disbursements functions.
6. A reconciliation report with proper documentation should be submitted to the CFO in a timely manner.

G. Internal Control in Petty Cash

While petty cash funds are generally immaterial to the financial condition as a whole, they are easy targets for misuse of funds. Good internal control over petty cash funds can help to prevent such a misuse.

1. Petty cash funds should be maintained on the imprest basis at the minimum effective amount. One individual should be responsible for the fund and should maintain sole control over it. Back-up, dual control access to the fund should be available in the event of an emergency.
2. Petty cash vouchers should be required for all petty cash disbursements. These vouchers should be signed by the payee and should be approved by the payee's supervisor.
3. All petty cash funds should be replenished at month-end at a minimum. Someone other than the fund custodian should cancel all petty cash vouchers when the fund is replenished.
4. All petty cash funds should be subject to a surprise cash audit from time to time.

H. Internal Control in Revenues

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Internal controls over revenues primarily focus on two areas: proper billing and proper recognition of the revenue earned.

1. Records should be updated on a timely basis to prevent incorrect billing of amounts due.
2. There should be, to the greatest extent possible, a separation of duties between the collections, billing, and receivables functions.
3. All partial payments must be included in the daily deposit.
4. All subsidiary records should be reconciled with the control accounts on a monthly basis.
5. All delinquent accounts should be listed periodically and reviewed by the appropriate employee.
6. Billings should be based on usage as determined by accurate and timely meter readings.
7. Assignments of meter readers should be periodically rotated on a surprise basis.
8. Procedures should be in place to identify irregular usage patterns. Any irregularities identified in this manner should be thoroughly investigated.
9. Rate changes should be tested and verified for accuracy before the new rates take effect and re-verified after the new rates take effect.

I. Internal Control in Cash Disbursements

Two important aspects of the cash disbursement function that must be controlled are: 1) checks must be signed by authorized personnel, and 2) check signers should be independent of the accounts payable function.

1. Pre- numbered checks must be used for check disbursements.
2. The unused check supply should be locked up at all times.
3. Accounts Payable checks should be printed by someone not authorized to create accounts payable vouchers.
4. The dollar value and check number of disbursements made by check are electronically sent to the Commission's authorized

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financial institution. The financial institution monitors checks presented for payment to verify the check information matches the electronic file. The financial institution notifies designated Finance employees of any discrepancies.

5. Voided checks should be so indicated on the check register. The checks themselves should be sufficiently defaced so that no one could use them. Methods of defacing voided checks include writing "VOID" across the payee and signature lines of all copies of the check using permanent ink, and/or by punching holes through the account number at the bottom of the check. Voided checks should be maintained on file in numerical order.
6. Blank checks should never be signed in advance.
7. Checks should never be made payable to cash.
8. The check preparer should be someone other than the authorized signor.
9. Cash disbursements may also be made electronically (ACH). The ACH file should be transmitted to the paying institution by someone not authorized to create accounts payable vouchers.
10. Accounts Payable personnel should review documentation supporting the disbursement. Documentation review should include the following:
 - a. Amounts and payees on documentation (purchase orders and invoices) should agree to the checks.
 - b. Documentation should be stamped "Processed for Payment" to prevent duplicate payments. Only original invoices should be paid - photocopies should not be accepted.
 - c. Vendor payments should be disbursed for maximum cash management and process efficiency but not after they are due.
 - d. All purchase orders and contracts or checks and documents supporting electronic payments should have properly signed pre-audit certificates (G.S. 159-28). Pre-audit approvals are done electronically by the CFO and the Controller.
11. A receiving document (manual or electronic) should be prepared by an authorized individual when goods or services are received and matched to the purchase order. This purchase order would

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eventually be matched to the corresponding invoice to facilitate payment authorization.

12. Two signatures are required on all checks per G.S. 159-25(b). The second signature should be that of someone not having access to the accounting records. The Commission may waive the requirement of this subsection if the Commission determines that the internal control procedures of the PWC will be satisfactory in the absence of dual signatures. If facsimile signatures are used, they should be adequately controlled. If the facsimile is two signatures, the plate and/or digital image should be under dual control at all times. Any employee having access to the facsimile signature plate or digital image should be properly bonded.
13. Employee expense reports should be properly completed before payment. Reports should be signed by the employee, approved by the appropriate person(s) as required by the procedure and supported by all required documentation.
14. All checks should be mailed or distributed by someone other than the person who prepared the checks.
15. Disbursements should only be made to authorized vendors.
16. Before making disbursements to a vendor, the PWC should obtain the necessary IRS Form 1099 information, if needed.
17. All items that are outstanding for a lengthy or irregular amount of time should be investigated.
18. All wire or other electronic transfers should be made by persons authorized by the CFO. Written evidence of authorizations should be maintained for independent verification. These authorizations should be kept current.

J. Internal Control in Payroll Disbursements

In addition to all control procedures that apply to cash disbursements, the following procedures apply specifically to payroll disbursements.

1. Each employee should have a personnel file that includes the following, at a minimum:
 - a. hiring authorization
 - b. salary history

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- c. hours authorized to work
- d. Federal and State withholding forms
- e. insurance and retirement deduction information
- f. authorization for all other payroll deductions

Any changes in an employee's status should be supported by the appropriate documentation in the employees' personnel file.

- 2. Payroll disbursements should be handled like other cash disbursements except that a time sheet prepared by the employee and approved by the appropriate supervisor (controlled by the timekeeping system) will be the supporting documentation for disbursement. Payroll disbursements are made through a direct deposit of funds by ACH directly to the employee authorized financial institution(s).
- 3. Written personnel policies and procedures should be on file and updated periodically.

K. Internal Control in Travel Expenditures

- 1. There should be a written procedure for requesting travel, advances, reporting travel expenses, and settlement of differences.
- 2. All travel advances should be approved by a department head and the appropriate division Officer via the system's iExpense process and effectively controlled.
- 3. All employees are required to give an adequate accounting of actual expenses incurred as required by the travel procedure.
- 4. All reimbursed travel expenses should be made in accordance with the travel procedure.
- 5. Where personal vehicle business mileage is the only reimbursement being requested, complete and attach the "Business Use of Personal Vehicle" form to request reimbursement through iExpense. Otherwise, use and attach the "Employee's Expense Statement" for reimbursement through iExpense.

L. Internal Control in Accounts Receivable

The primary control in the receivable function is the segregation of duties for receipting cash and posting it to the accounts receivable ledger. Receivables should be reconciled periodically, and delinquent accounts

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should be reviewed by appropriate personnel. Duties should be segregated between the three sectors of the revenue cycle - billing, collections, and maintenance of the receivable records.

1. On a periodic basis (at least monthly) a list of delinquent accounts should be prepared. A "cut-off" procedure should be in place to terminate services to delinquent customers. The list of delinquent customers should be reviewed by someone other than the staff members responsible for collections and accounts receivable to see that the procedure is being enforced.
2. Daily posting of receipts to accounts receivable ledgers should be done by someone other than the staff member responsible for cash receipts.
3. Subsidiary receivable ledgers should be reconciled at least monthly with the control ledgers and completed by someone other than the staff member posting the receivables.

M. Internal Control in Investment Management

According to G.S. 159-30(a), the CFO is responsible for managing investments subject to the law and to whatever additional restrictions and directions the Commission may impose. The CFO has the power to purchase, sell, and exchange securities on behalf of the Commission. The investment program should be so managed that investments and deposits can be converted into cash when needed. The CFO should, at the same time, see that securities and funds are protected from theft, fire, or other damage and that duties are properly segregated to prevent the misuse of funds. The investment function should operate efficiently, with as few people as possible having access to funds and investments.

1. All investments should be in compliance with G.S. 159-30 unless special enabling legislation permits otherwise.
2. A cash management and investment policy, approved by the Board of Commissioners, should be on file. The CFO, cash manager, or staff member fulfilling those duties should follow that policy and related procedures.
3. Levels of acceptable risk should be included as part of the PWC's investment policy. The CFO should evaluate the credit and safekeeping risks of all investments before investing the funds to insure they comply with policy and related procedures.

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4. Perfecting custody of investments is a vital cash management function. Adequate custody of investments decreases the possibility of suffering losses from investments of public funds. Although the statutes (G.S. 159-30(d)) require physical possession of securities, that is not possible in the "book-entry" environment. In these cases, the Attorney General has issued an opinion indicating that a custodial account should be established in the name of the unit with a trust company authorized to do business in North Carolina and who is a member of the Federal Reserve. Safekeeping by the broker or on the operating side of the bank is not acceptable.
5. Access to securities should be limited to personnel authorized by the governing Board.
6. Statements provided by safekeeping agents also should be reconciled to the investment records on a periodic surprise basis by a staff member independent of the investment function.
7. On an "as received" basis, broker confirmations and safekeeping receipts should be reconciled and any discrepancies investigated. The PWC's investments should be reconciled to the confirmations and safekeeping receipts. Items that should be reviewed include amount, interest rate, purchase price/sale price, and purchase/sale date. Written evidence should be provided of such reconciliations.
8. Any approvals required by the PWC's written cash management procedures for purchases, sales, or other investment activities should be obtained, with written evidence of such approval provided.
9. A permanent record should be maintained on each investment reflecting principal, due date, interest payment dates, rate or amount of interest, seller, safekeeping agent, and ultimate disposal of the investment. This information should match that on the selling broker's confirmation and on the safekeeping receipt.
10. A system should be in place to insure that all interest is credited as due for the proper amount and to the proper funds. In addition, an investment schedule should be maintained that calculates accrued interest amounts for each investment. These amounts should be analyzed for reasonableness, compared to market rates, and reconciled to the actual amounts paid.
11. Investments should be reported in compliance with GASB Statement No. 31, Accounting and Financial Reporting for Certain

Investments and for External Investment Pools, which establishes accounting and financial reporting standards for all investments held by governmental external investment pools and certain investments held by other governmental entities. This statement requires governmental entities, including governmental external investment pools, to report investments at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Governmental entities are permitted to report certain short-term money market investments at amortized cost when certain criteria are met, i.e. remaining maturity at time of purchase of one year or less. These investments include commercial paper, bankers' acceptances, U.S. Treasury obligations and agency obligations. Asset-backed securities, derivatives, and structured notes are not included. Certain financial institution deposits and repurchase agreements also are recorded at cost in most situations.

12. All underlying securities in repurchase agreement transactions should be held by a third party safekeeping agent.

N. Internal Control in Accounts Payable, Expenditures, Encumbrances, Purchasing, and Contracting

G.S. 159-28(a) states that "no obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year." Internal controls in the expenditures, encumbrances, purchasing, and contracting areas should ensure that all transactions are properly documented and made in accordance with the authorized budget. Within the expenditure function, purchasing and contracting require special procedures.

1. Expenditures should be controlled using the budget ordinance. For any annually budgeted fund, all expenditures must be budgeted, and there must be sufficient budgeted revenues or available fund balance to cover each expenditure.
2. All budget appropriations in the current year should be recorded in the appropriate expenditure account.

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3. All expenditures must be charged against an appropriation account. The exact timing of the accounting entry will vary depending on the type of transaction.
4. An effective year-end cut-off procedure should be in place for all liabilities, including accounts payable.
5. All accounts payable subsidiary records are reconciled to the general ledger on a monthly basis by the system. The Accounts Payable Supervisor verifies that the reconciliation program has been properly generated and is correct.
6. Any adjustments to recorded accounts payable should be fully documented and approved by the CFO or the Controller.
7. Any debit balances in accounts payable should be investigated thoroughly.
8. Pre-numbered purchase orders should be used for purchases. The purchase order numbers are system generated. Voided purchase order forms are noted within the system and the number cannot be used.
9. The approval of invoices for payment should be independent of the purchasing function. The pre-audit certificate (G.S. 159-28) should be signed by the CFO or the Controller. The pre-audit is done electronically by the CFO and the Controller via the approval process within the system.
10. Invoices and other supporting documentation should be thoroughly reviewed before payment is approved. The documentation should provide evidence that the item was received and billed as ordered.
11. A report for outstanding purchase orders is available and can be electronically generated as needed to facilitate monitoring of outstanding orders.
12. All department purchases should be requisitioned or approved by staff designated by the division's Officer. This designation should be in writing.
13. Department heads should be provided a detailed list of expenditures, with comparisons to the budget on a monthly basis. Not only will this allow the managers to keep track of their budgets, but it serves as a good check for errors.

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14. Those contracts requiring public bids per G.S. 143-128 through 133 should be handled as required by the statutes. Complete documentation should be maintained on the bids and the awarding of the contract.
15. Blanket authorizations are permitted to enter into contracts to purchase goods and services. These authorizations should be very specific as to the maximum dollar amount, type of assets being purchased, and other terms of such contracts.
16. The use of open-ended/blanket purchase orders and/or procurement cards, require specific controls to ensure compliance with the pre-audit statute, G.S. 159-28. Department heads should review and approve these purchases made by their staff.
17. No contracts or purchase orders should be made with persons forbidden by law to sell to the PWC (G.S. 14-234).

O. Internal Control in Inventory and Fixed Asset Management

It is essential that all inventories and fixed assets be adequately controlled to prevent their misuse. It is the responsibility of each department or area supervisor to see that the supplies storage facility is adequately controlled and that physical counts are conducted on a periodic basis. However, controls should be cost-effective. Some departments may have a very limited amount of inventory, while certain departments may have significant inventories on hand. Not all procedures may be applicable to insignificant inventories as they are not cost effective. The costs of inventory tracking should be weighed against the potential benefits.

1. PWC should inventory and control in its general ledger all major classes of materials and supplies, if material.
2. Perpetual inventory systems should be maintained for all major classes of inventory.
3. Custodial responsibilities should be clearly defined. For areas with significant inventories, this responsibility should be included in the appropriate job descriptions.
4. Inventory should be controlled with physical barriers, such as locked cabinets or storehouses.
5. Physical inventory counts should be made once a year at a minimum. The count should be made by an independent staff

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member or members (one or more who have no control over the inventory even in back-up situations). Counts should be conducted from "scratch" (i.e. not using the previous year's count sheets). All counts should be recorded in writing and should be signed or initialed by the person(s) performing the counts. Once the count is complete, it should be reconciled to the perpetual inventory records and the general ledger. This reconciliation should be evidenced in writing.

6. Records should be maintained showing all additions, withdrawals, and transfers of inventory. Persons receiving the inventory should initial the records. For transfers and withdrawals, the person releasing the inventory should initial as well.
7. An adequate requisition system should be in place for all issuing stores. These requisitions should be approved by the department head or other designated person.
8. Significant inventories should be insured against loss.
9. Persons having control of inventory should only have access to the inventory system and not the general accounting records.
10. Provisions should be made for obsolete or inactive inventory. Periodic reports should be sent to Senior Management concerning obsolete items.
11. A workable system should be in place to maintain optimum quantities of inventory at all times.
12. Adequate accounting records should be maintained that identify and classify all fixed assets.
13. Adequate guidelines should be established and followed to distinguish between expensed items and capital additions.
14. Random physical inventories of fixed assets should be taken on a periodic basis by independent parties. Inventory counts should be taken from "scratch" - not using the previous year's count lists. Count sheets should be initialed by the person(s) taking the inventory. The count should be reconciled to the accounting records, with written evidence of the reconciliation maintained.
15. All fixed assets should be tagged or identified in the accounting records by a control number, as applicable. Tags should be pre-

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numbered, with all numbers accounted for, and should identify the assets as belonging to the PWC. Tags should be affixed in a permanent manner.

16. All property, other than real property, should be held in the name of the PWC. All deeds on real property should be properly recorded and stored in a secure place and held in the name of the City of Fayetteville.
17. All fixed assets purchased, transferred, sold, scrapped, or destroyed should be recorded as such in a timely manner in the accounting system. This facilitates proper valuing of assets and helps to prevent loss or misuse.
18. All sales of surplus property should be conducted in accordance with G.S. 160A, Article 12 (municipalities).
19. All purchases made with Federal grant funds should be identified as such and accounted for by the source of the funds.
20. Adequate insurance coverage (including self-insurance) must be maintained on all real and personal property. An independent review of insurance coverage should be conducted annually.

P. Internal Control Over Interfund Transfers or Loans

While interfund transfers are permissible with the approval of the Board of Commissioners, there are certain statutory restrictions to which the PWC must adhere. There also are several standard procedures that should be followed. Some restrictions and procedures also apply to interfund loans.

1. All transfers and loans from the following funds should be checked for legality and propriety:
 - a. capital reserve fund (G.S. 159-22)
 - b. capital project fund for bond issue proceeds [G.S. 159-13(b) (19)]
 - c. debt service funds (G.S. 159-13)
 - d. enterprise funds [G.S. 159-13(b) (14)]
2. Interfund loans that will remain outstanding for more than one fiscal year must be approved by the Board and should be included in the budget. Authorization for interfund loans should include provisions for the method and time of payment.

Q. Internal Control Over Current Liabilities, Bonds Payable, and Other Long-Term Debt

Internal control procedures for liabilities and debt outstanding are primarily statutory requirements that must be met.

1. Detailed records of all outstanding contracts should be maintained.
2. All amounts withheld from contract payments upon completion of a project should be reflected on the books (retainage).
3. All bid and other deposits held by the PWC should be adequately controlled.
4. Each bond issue should be approved in the minutes of the meetings of the Board of Commissioners.
5. All proceeds from a bond issue must be used in accordance with the stated purpose of the issue.
6. Separate accounting records should be maintained for each bond order as required by G.S. 159-26(b) (6).
7. The PWC should be in compliance with all debt service and other fiscal requirements of revenue bond resolutions.
8. All bond order and secondary market disclosure requirements should be complied with and appropriate IRS forms filed.
9. All proceeds from bond issues subject to arbitrage rebate requirements should be accounted for separately from the PWC's other funds to facilitate tracking of the investment earnings.
10. All lease-purchase agreements, installment contracts to purchase land or other fixed assets, and contracts involving the purchase of realty and assumption of existing debt should be properly reflected on the financial records as long-term debt and fixed assets.
11. All contracts should be approved by the Local Government Commission if the Commission's approval is required (G.S. 160A-20, G.S. 159-148).
12. The PWC should meet the arbitrage rebate requirements for all tax-exempt financing.

R. Internal Control in an EDP Environment

There are several internal controls that are essential in the EDP environment. First is the segregation of duties to ensure accurate input, processing, and output of data. Second is the physical control of the hardware. Third is the physical control of the software and data files. Control over software and data files is vital to maintain the integrity of the accounting records.

1. All computer hardware should be included in the fixed asset inventory. All hardware should be clearly identified as property of the PWC and should be tagged.
2. Hardware should be adequately protected against damage. Surge protectors should be used on all electrical hook-ups. Adequate insurance should be maintained to cover damage of the equipment.
3. Purchasing of computer equipment should be centralized in order to prevent purchasing of incompatible equipment. Purchases should always be made from reputable dealers.
4. All software should be identified as property of the PWC. The PWC should comply with all licensing requirements. Inventories of all software should be maintained. Adequate documentation of the operation of all software programs should be kept on file and updated when necessary.
5. Back-up copies of all software should be maintained both on and off-site.
6. Back-up copies of all data files should be maintained. Off-site storage of critical data is necessary for full protection against loss.
7. All back-ups maintained on-site should be kept in fireproof facilities. Data files and software should be adequately protected against damage. Diskettes, tapes, CDs, and flash drives should be properly stored when not in use - protected from extreme temperature changes, dust, and magnetic fields. In addition, all diskettes, tapes, CDs, and flash drives should be properly labeled.
8. Diskettes, tapes, CDs, and flash drives containing sensitive data should be maintained under the control of the staff member responsible for the related function.

EXHIBIT A - Proposed Amendments

9. Access to the equipment, software, and data should be controlled. Diskettes, tapes, CDs, and flash drives can be locked away; some keyboards also have a lock function. An independent verification should be made from time to time to ensure that computers and/or software are not being used for personal business without express authorization.
10. A disaster recovery plan should be in place. Part of this plan should include alternatives for computing resources, either through contract or reciprocal agreement, in the event of a complete loss of critical computer hardware. This plan should be coordinated with the PWC's overall emergency management operations.
11. An independent verification should be made periodically to ensure that application programs are functioning properly.
12. The PWC should have maintenance agreements on file for the hardware or should have made an express decision to self-insure for repairs and maintenance costs.

V. EFFECTIVE DATE

This procedure ~~becomes effective upon approval.~~ will be effective July 1, 2021.

EXHIBIT B – Policies Recommended for Removal

Policy and Procedure Manual (PPM) Recommendations for Commission Review/Approval June 9, 2021

Purple Shading indicates Policy Statement previously approved by Commission.

Policy/Procedure Name	ID#	Recommendation	Notes/Major Changes
Identity Theft	3.A.10	Remove	Content added to Finance Manual
Water Main and Sewer Main Extension Permitting Procedure	5.A.6	Remove	Content added to Rates Manual

PROCEDURE:

IDENTITY THEFT PREVENTION PROGRAM

SECTION NUMBER:

3.A.10

P3.A.10

IDENTITY THEFT PREVENTION PROGRAM POLICY

It is the policy of the Public Works Commission of the City of Fayetteville, North Carolina ("PWC") to protect customer data and comply with the Red Flags Rules of 2008 through an Identity Theft Prevention Program designed to protect, prevent and mitigate theft in connection with the opening or maintenance of any covered account.

I. PURPOSE

PWC developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003, 16 C. F. R. 681.2. This Program was developed with oversight and approval of the PWC Board of Commissioners. After consideration of the size and complexity of the PWC's operations and account systems, and the nature and scope of the PWC's activities, the PWC Board of Commissioners determined that this Program was appropriate for the PWC.

II. APPLICABILITY

This procedure applies to management and all personnel of PWC. Certain departments may already have procedures written and developed, which can be incorporated into the Program. This procedure does not replace, but rather supplements, standing procedures.

III. OBJECTIVE**A. Requirements of the Red Flags Rule**

Under the Red Flag Rule, every financial institution and creditor is required to establish a Program tailored to its size, complexity and the nature of its operation. Each program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
2. Detect Red Flags that have been incorporated into the Program;

☐ ORIGINAL ☒ REVISION No. 2
APPROVED: DECEMBER 4, 2018APPROVED BY: D. W. Trep

GENERAL MANAGER

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3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
4. Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

IV. **DEFINITIONS**

- A. **Identity Theft:** The Red Flags Rule defines “Identity Theft” as “fraud committed using the identifying information of another person” and a “Red Flag” as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.
- B. **Creditor:** According to the Rule, a municipal utility is a creditor subject to the Rule requirements. The Rule defines creditors “to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors.”
- C. **Covered Account:** All the PWC’s accounts that are individual utility service accounts held by customers of the utility whether residential, commercial or industrial are covered by the Rule. Under the Rule, a “covered account” is:
 1. Any account the PWC offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
 2. Any other account the PWC offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the PWC from Identity Theft.
- D. **Identifying Information:** “Identifying information” is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.

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V. PROCEDURES

A. Identification of Red Flags

In order to identify relevant Red Flags, the PWC considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The PWC identifies the following Red Flags, in each of the listed categories:

1. Notifications and Warnings from Credit Reporting Agencies

- a. Report of fraud accompanying a credit report;
- b. Notice or report from a credit agency of a credit freeze on a customer or applicant;
- c. Notice or report from a credit agency of an active duty alert for an applicant; and
- d. Indication from a credit report of activity that is inconsistent with a customer's usual pattern or activity.

2. Suspicious Documents

- a. Identification document or card that appears to be forged, altered or inauthentic;
- b. Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- c. Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
- d. Application for service that appears to have been altered or forged.

3. Suspicious Personal Identifying Information

- a. Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates);

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- b. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a credit report);
- c. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- d. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- e. Social Security number presented that is the same as one given by another customer;
- f. An address or phone number presented that is the same as that of another person;
- g. A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
- h. A person's identifying information is not consistent with the information that is on file for the customer.

4. Suspicious Account Activity or Unusual Use of Account

- a. Change of address for an account followed by a request to change the account holder's name;
- b. Payments stop on an otherwise consistently up-to-date account;
- c. Account used in a way that is not consistent with prior use (example: very high activity);
- d. Mail sent to the account holder is repeatedly returned as undeliverable;
- e. Notice to the PWC that a customer is not receiving mail sent by the PWC;
- f. Notice to the PWC that an account has unauthorized activity;

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- g. Breach in the PWC's computer system security; and
- h. Unauthorized access to or use of customer account information.

5. Alerts from Others

Notice to the PWC from a customer, identity theft victim, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

B. Detecting Red Flags

1. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a new account, PWC personnel will take the following steps to obtain and verify the identity of the person opening the account:

- a. Require certain identifying information such as name, date of birth, residential or business address, previous address, principal place of business for an entity, driver's license or other identification;
- b. Require customers to provide government issued identification (e.g., SSN, Driver's License, Passport);
- c. Review documentation showing the existence of a business entity; and
- d. If applicant fails to provide adequate ID required, it is their responsibility to correct any deficiencies before a new account is open.

2. Existing Accounts

In order to detect any of the Red Flags identified above for an existing account, PWC personnel will take the following steps to monitor transactions with an account:

- a. Verify the identification of customers if they request information;

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- b. Verify the validity of requests to change billing addresses; and
- c. Verify changes in banking information given for billing and payment purposes.

C. Preventing and Mitigating Identity Theft

In the event PWC personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

1. Prevent and Mitigate

- a. Continue to monitor an account for evidence of Identity Theft;
- b. Contact the customer;
- c. Change any passwords or other security devices that permit access to accounts;
- d. Not open a new account;
- e. Close an existing account;
- f. Reopen an account with a new number;
- g. Notify the Program Administrator for determination of the appropriate step(s) to take;
- h. Notify law enforcement; or
- i. Determine that no response is warranted under the particular circumstances.

2. Protect Customer Identifying Information

In order to further prevent the likelihood of identity theft occurring with respect to PWC accounts, the PWC will take the following steps with respect to its internal operating procedures to protect customer identifying information:

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- a. Ensure that its website is secure or provide clear notice that the website is not secure;
- b. Ensure complete and secure destruction of paper documents and computer files containing customer information;
- c. Ensure that office computers are password protected and that computer screens lock after a set period of time;
- d. Keep offices clear of papers containing customer information;
- e. Display only the last four (4) digits of Social Security numbers (if any);
- f. Ensure computer virus protection is up to date; and
- g. Require and keep only the kinds of customer information that are necessary for utility purposes.

VI. PROGRAM UPDATES

This Program will be periodically reviewed and updated to reflect changes in risks to customers. At least once a year, the Program Administrator will consider the PWC's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the PWC maintains and changes in the PWC's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted.

VII. PROGRAM ADMINISTRATION

A. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the PWC. The Committee is headed by a Program Administrator who is the Director of Legal, Risk and Procurement Services. Other individuals appointed by the Program Administrator comprise the remainder of the committee membership. This Committee at PWC consists of the Director of Legal, Risk and

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Procurement Services, Human Resource Officer, Director of Information Services, Controller, and the Director of Customer Service. The Program Administrator will be responsible for the Program administration, for ensuring appropriate training of PWC staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff and Training Reports

PWC staff responsible for implementing the Program (Identity Theft Committee) shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected.

All PWC employees shall be trained as their position defines below.

1. Initial Training Requirements

- a. **Theft Committee Members** are required to attend training from an Identity Theft Prevention Workshop or from an attendee of an Identity Theft Prevention Workshop.
- b. **Managers/Supervisors** are required to attend a training session on Identity Theft with an emphasis on the supervisor's role in preventing identity theft.
- c. **Other Employees** are required to attend a training session on Identity Theft with an emphasis on the safeguarding of secured information.

2. Refresher Training Requirements

All above listed employees are required to attend an annual refresher session on Identity Theft.

The Program Administrator shall update the PWC Board of Commissioners as needed regarding the compliance of the PWC.

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C. Service Provider Arrangements

In the event the PWC engages a service provider to perform an activity in connection with one or more accounts, the PWC will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

1. Require, by contract, that service providers have such policies and procedures in place; and
2. Require, by contract, that service providers review the PWC's Program and report any Red Flags to the Program Administrator.

D. Specific Program Elements and Confidentiality

For the effectiveness of Identity Theft Prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the PWC's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge of such specific practices is to be limited to the Identity Theft Committee and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

PROCEDURE:	SECTION NUMBER:
WATER MAIN AND SEWER MAIN EXTENSION PERMITTING PROCEDURE	5.A.6

I. PURPOSE

The purpose of this procedure is to establish the process for the submittal and approval of permits that involve the extension of Fayetteville Public Works Commission (FPWC) water and sewer utilities. This permitting requirement is in accordance with North Carolina General Statutes, North Carolina Administrative Code, and the Local Permitting Authority delegated to FPWC by the State of North Carolina.

II. APPLICABILITY

This procedure is applicable to all parties, public and private, within FPWC's utility services area that propose to extend water and sewer utilities to connect to the FPWC water distribution and sewer collection system. Those utility systems outside of FPWC's utility service area that connect to FPWC's system shall not be permitted by FPWC, but FPWC shall review all plans and specifications and issue approval prior to submission to the State for permitting.

For areas in the City of Fayetteville's Municipal Influence Area (FMIA) that are requesting sewer service and have pending action by the City of Fayetteville to be annexed into the corporate boundary of the City of Fayetteville, the permitting process can begin; however, the permit for sewer service will not be issued until action to approve a valid annexation petition for the property/area seeking service has been taken by the City of Fayetteville or the City of Fayetteville issues a waiver from the annexation requirement. Fayetteville's MIA is as defined by an interlocal agreement between the City of Fayetteville and Cumberland County executed on June 9, 2008 as amended by the City of Fayetteville's Annexation Agreement with the Town of Hope Mills adopted August 23, 2010.

III. GUIDELINES

The submittal of the permit applications will be in accordance with the minimum requirements as established by the State of North Carolina, the Local Permitting Authority delegated to FPWC by the Environmental Management Commission, and the City of Fayetteville's Local Permitting Ordinance. Detailed requirements for plans, permits, encroachments, easements, specifications, and other applicable information can be found in FPWC's Manual for the Design and Construction of Water and Wastewater System Extensions. Permitting Fees are stated in Section R.C.13 in the FPWC Rates Manual.

IV. EFFECTIVE DATE

This procedure will become effective upon approval.

☐ ORIGINAL ☒ REVISION NO. 3

APPROVED: JULY 13, 2016

APPROVED BY: D. W. Taylor GENERAL MANAGER

June 3, 2021

MEMO TO: Elaina Ball, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: FY 2021 Electric and Water/Wastewater (W/WW) Fund Budget Amendment #5 PWCORD2021-16

Attached is an Electric and W/WW Fund budget ordinance amendment #5 for Commission action at the June 9th meeting.

PWCORD2021-16 is an Electric and Water/Wastewater Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$480,400 to \$273.1 million and the Water/Wastewater Fund is decreasing \$4,198,700 to \$138.9 million.

Electric Fund

- **Electric Fund Revenue:** Total Electric Fund Revenue increased \$480,400.
 - Sales of Electricity decreased \$468,400 to be consistent with year-end estimates.
 - Total Other Operating Revenue decreased \$1,154,300. Includes a decrease in Late Payment and Reconnect Fees of \$1,100,000 due to Governor Cooper's Executive Order #124 and 142 extension prohibiting the collection of late payment fees during the COVID-19 pandemic.
 - Total Other Electric Revenue decreased \$282,000 to reflect year-end estimates.
 - Total Contributions and Grants decreased \$1,984,000. Includes a decrease of \$2,124,000 in FEMA related reimbursements that are not anticipated to be received by the end of the fiscal year. Slightly offset by an increase in State Contributions to reflect amounts anticipated to be received by year end.
 - Total Budgetary Appropriations increased by \$4,369,100. Includes adjustments to transfers from other funds to reflect year end estimated transfers needed and \$2,948,700 appropriation from Net Position to cover decreases in revenue and changes in expenses below.
- **Electric Fund Expenditures:** Total Electric Fund Expenditures increased \$480,400.
 - Total Departmental Operating Expenses increased \$1,962,100 to be consistent with year-end estimates. Power supply increased \$1,135,100 due to DEP prices for purchased power being higher than anticipated. Job Cost Reclassification increased \$1,177,000 to reflect expenses reclassified from capital to operating expense and is offset by the same amount in capital.

- Capital Expenditures decreased \$1,827,300 partially due to job cost reclassification and delays in several Electric Fund capital projects.
- Total Budgetary Appropriations increased by \$345,600 to be consistent with year-end transfers needed to cover costs.

W/WW Fund

- **W/WW Fund Revenue:** Total Water/Wastewater Fund Revenue decreased \$4,198,700.
 - Total Water Revenues decreased \$486,900 and Total Wastewater Revenues increased \$754,200 to be consistent with year-end estimates.
 - Total Other Operating Revenue decreased \$465,700. Includes a decrease of \$635,700 in Late Payment and Reconnect Fees related to the Governor's Executive Orders related to the COVID-19 pandemic and was slightly offset by increases in other fees.
 - Total Other W/WW Revenue decreased \$442,000 to reflect year-end estimate for Interest Income.
 - Total Contributions and Grants decreased by \$1,374,000. Includes a decrease of \$564,100 in FEMA related reimbursements not anticipated to be received by the end of the fiscal year and a decrease of \$809,900 in FIF fees for water and sewer to reflect current year-end estimates.
 - Total Budgetary Appropriations decreased \$2,184,300 due to a decrease in the Appropriation from W/WW Net Position due to the changes in revenues and the changes in expenses below.
- **W/WW Fund Expenditures:** Total Water/Wastewater Fund Expenditures decreased \$4,198,700.
 - Total Departmental Operating Expenses decreased \$182,400 to be consistent with year-end estimates.
 - Capital Expenditures decreased \$4,124,000 for delayed projects to include the Replacement of the Standby Power Generator at the Rockfish Creek Water Reclamation Facility, NCDOT and other water and sewer main improvement projects.
 - Total Budgetary Appropriations increased \$107,700 due to an increase in the Transfer to the Hurricane Matthew Fund to cover hurricane related costs not covered by insurance or FEMA.

Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2021-16.

FY 2021 AMENDMENT #5 BUDGET ORDINANCE (PWCORD2021-16)

BE IT ORDAINED BY THE COMMISSIONERS OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION (PWC):

That the Fayetteville Public Works Commission Budget Ordinance adopted June 10, 2020 is hereby amended as follows:

Section 1. It is estimated that the following revenues and other financing sources will be available during the fiscal year beginning July 1, 2020, and ending June 30, 2021, to meet the appropriations listed in Section 2.

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Electric Revenues	\$ 201,596,500	\$ (468,400)	\$ 201,128,100
Operating and Other Revenues	16,550,000	(1,436,300)	15,113,700
BWGP Lease Payment	12,748,400	-	12,748,400
Customer Contributions	4,804,300	(1,984,000)	2,820,300
Budgetary Appropriations	36,893,400	4,369,100	41,262,500
Total Estimated Electric Fund Revenues	\$ 272,592,600	\$ 480,400	\$ 273,073,000
<u>Schedule B: Water and Wastewater Fund</u>			
Water Revenues	\$ 51,344,500	\$ (486,900)	\$ 50,857,600
Wastewater Revenues	52,145,800	754,200	52,900,000
Operating and Other Revenues	8,263,400	(907,700)	7,355,700
Customer Contributions	3,958,000	(1,374,000)	2,584,000
Intergovernmental Revenue - Assessments	2,891,200	-	2,891,200
Budgetary Appropriations	24,545,400	(2,184,300)	22,361,100
Total Est Water and Wastewater Fund Revenues	\$ 143,148,300	\$ (4,198,700)	\$ 138,949,600
Grand Total	\$ 415,740,900	\$ (3,718,300)	\$ 412,022,600

Section 2. The following amounts are hereby appropriated for the operations of the Fayetteville Public Works Commission and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021, according to the following schedules:

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Operating Expenditures	\$ 199,448,100	\$ 1,962,100	\$ 201,410,200
Debt Service	2,103,900	-	2,103,900
Capital	36,012,500	(1,827,300)	34,185,200
Payment in Lieu of Taxes - City	11,450,900	-	11,450,900
Intergovernmental Expenditure - Economic Development	1,200,000	-	1,200,000
Intergovernmental Expenditure - Other	3,000,000	-	3,000,000
Budgetary Appropriations	19,377,200	345,600	19,722,800
Total Estimated Electric Fund Expenditures	\$ 272,592,600	\$ 480,400	\$ 273,073,000
<u>Schedule B: Water and Wastewater Fund</u>			
Operating Expenditures	\$ 67,141,900	\$ (182,400)	\$ 66,959,500
Debt Service	24,041,400	-	24,041,400
Capital	41,757,500	(4,124,000)	37,633,500
Budgetary Appropriations	10,207,500	107,700	10,315,200
Total Est Water and Wastewater Fund Expenditures	\$ 143,148,300	\$ (4,198,700)	\$ 138,949,600
Grand Total	\$ 415,740,900	\$ (3,718,300)	\$ 412,022,600

Adopted this 9th day of June 2021.

ELECTRIC FUND REVENUES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
001		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
4400	RESIDENTIAL SALES	\$99,766,900	\$0	\$2,782,600	\$102,549,500
4410	NON RESIDENTIAL	61,912,200	0	(2,000,000)	59,912,200
4420	LARGE USER	26,665,600	0	(1,178,000)	25,487,600
4430	AREA LIGHTING	3,081,600	0	0	3,081,600
4441	OUTSIDE STREET LIGHTING	303,600	0	0	303,600
4443	COMMUNITY STREET LIGHTING	3,978,400	0	0	3,978,400
4444	PRIVATE THOROUGHFARE LIGHTING	1,072,800	0	0	1,072,800
4480	INTERDEPARTMENTAL SALES	3,434,300	0	100,000	3,534,300
4450	CITY ELECTRIC SALES	1,402,700	0	(173,000)	1,229,700
4490	ECONOMIC DEVELOPMENT DISCOUNTS	(20,400)	0	0	(20,400)
4495	RENEWABLE ENERGY CREDIT	(1,200)	0	0	(1,200)
	TOTAL SALES OF ELECTRICITY	\$201,596,500	\$0	(\$468,400)	\$201,128,100
4498	NC RENEWABLE ENERGY RID	\$2,358,500	\$0	(\$54,300)	\$2,304,200
4454	COAL ASH RIDER	2,806,200	0	0	2,806,200
4560	COMMUNITY SOLAR REVENUE	73,000	0	0	73,000
4455	POLE ATTACHMNT MRW PROJ REV - APPL FEES	0	900,000	0	900,000
4456	POLE ATTACHMNT MRW PROJ REV - SIMPLE MRW	0	1,100,000	0	1,100,000
4457	POLE ATTACHMNT MRW PROJ REV - EXTRA FEES	0	50,000	0	50,000
1002	LATE PAYMENT FEE	2,288,500	0	(700,000)	1,588,500
1004	RECONNECT FEE	895,600	0	(400,000)	495,600
1005	SET SERVICE CHARGES	655,000	0	0	655,000
1006	MISCELLANEOUS SERVICE REVENUES	350,000	0	0	350,000
1007	METER TAMPERING CHARGES	6,000	0	0	6,000
1009	RENT FROM ELECTRIC PROPERTY	202,900	0	0	202,900
2003	JOINT USE UTILITY POLES	737,200	0	0	737,200
2004	RENT FROM RCW BUSINESS CENTER	799,300	0	0	799,300
2005	MISCELLANEOUS ELECTRIC REVENUES	10,000	0	0	10,000
2007	LEASE OF FIBER REVENUE	901,900	0	0	901,900
2008	BWGP LEASE PAYMENT	12,748,400	0	0	12,748,400
2009	BWGP REIMBURSABLE COSTS	330,000	0	0	330,000
	TOTAL OTHER OPERATING REVENUE	\$25,162,500	\$2,050,000	(\$1,154,300)	\$26,058,200
	TOTAL ELECTRIC OPERATING REVENUE	\$226,759,000	\$2,050,000	(\$1,622,700)	\$227,186,300
2021	MERCHANDISING AND CONTRACT WORK	\$160,700	\$0	\$193,000	\$353,700
2022	INTEREST INCOME	1,449,000	0	0	1,449,000
2024	7% SALES TAX DISCOUNT	475,000	0	(475,000)	0
2025	MISC. NON-OPERATING INCOME	1,200	0	0	1,200
	TOTAL OTHER ELECTRIC REVENUE	\$2,085,900	\$0	(\$282,000)	\$1,803,900
	TOTAL ELECTRIC OPERATING & OTHER REVENUE	\$228,844,900	\$2,050,000	(\$1,904,700)	\$228,990,200
2031	CUSTOMER CONTR - FIBER OPTIC	\$2,000	\$0	\$0	\$2,000
2033	STATE CONTRIBUTIONS	2,400,000	0	140,000	2,540,000
2035	LOCAL GOV CONTR - FIBER OPTIC	50,000	0	0	50,000
2036	FEDERAL GRANTS	2,352,300	0	(2,202,000)	150,300
2037	OTHER GRANTS	0	0	78,000	78,000
	TOTAL CONTRIBUTIONS AND GRANTS	\$4,804,300	\$0	(\$1,984,000)	\$2,820,300
	TOTAL REVENUES	\$233,649,200	\$2,050,000	(\$3,888,700)	\$231,810,500
2042	APPR. FROM RATE STABILIZATION FUND	\$6,982,500	\$299,800	\$691,400	\$7,973,700
2045	TRANSFER FROM ELECTRIC CAPITAL RESERVE	4,719,700	0	0	4,719,700

ELECTRIC FUND REVENUES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
001		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
2045	TRANSFER FROM BWGP STARTUP COST RES	280,300	0	536,700	817,000
2047	TRANSFER FROM REPS	1,413,100	0	250,000	1,663,100
2097	TRANSFER FROM COAL ASH RESERVE	2,806,200	2,700,200	(57,700)	5,448,700
2098	TRANSFER FROM BUDGET CARRYOVER RES	90,000	0	0	90,000
2048	APPR. FROM ELECTRIC NET POSITION	10,089,800	7,511,800	2,948,700	20,550,300
	TOTAL BUDGETARY APPROPRIATIONS	\$26,381,600	\$10,511,800	\$4,369,100	\$41,262,500
	TOTAL ELECTRIC FUND REVENUES	\$260,030,800	\$12,561,800	\$480,400	\$273,073,000

ELECTRIC FUND EXPENDITURES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
001		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
	ELECTRIC DIVISION - DISTRIBUTION	\$19,927,900	\$2,566,600	\$1,177,000	\$23,671,500
	ELECT. DIV. - PUR. POWER & GEN.	149,671,000	0	1,135,100	150,806,100
	MANAGEMENT DIVISION	3,846,100	0	0	3,846,100
	COMM. & COMMUNITY RELATIONS DIV.	750,900	0	0	750,900
	HUMAN RESOURCES DIVISION	977,500	9,000	0	986,500
	CUSTOMER PROGRAMS DIVISION	2,081,700	0	0	2,081,700
	CORPORATE SERVICES DIVISION	4,540,700	211,600	0	4,752,300
	INFORMATION TECHNOLOGY DIVISION	6,014,200	35,000	(350,000)	5,699,200
	FINANCIAL DIVISION	5,919,000	253,100	0	6,172,100
	GENERAL & ADMINISTRATION	8,640,400	0	0	8,640,400
	TOTAL DEPT. OPERATING EXPENSES	\$202,369,400	\$3,075,300	\$1,962,100	\$207,406,800
0520	TOTAL DEPRECIATION EXPENSE	\$17,062,600	\$0	\$1,174,000	\$18,236,600
	TOTAL DEPRECIATION & AMORT.	\$17,062,600	\$0	\$1,174,000	\$18,236,600
0855	LABOR OVERHEAD	(\$2,000,000)	\$0	\$0	(\$2,000,000)
	INTRADEPARTMENTAL UTILITY CLEAR.	(637,400)	0	0	(637,400)
0812	MINOR MATERIALS - STORE	652,000	0	0	652,000
0853	STORES EXPENSE CLEARING	(1,278,000)	0	0	(1,278,000)
0851	VEHICLE/EQUIPMENT CLEARING	(2,756,900)	0	0	(2,756,900)
	TOTAL OVERHEAD CLEARING	(\$6,020,300)	\$0	\$0	(\$6,020,300)
0824	BOND INTEREST EXPENSE	\$882,900	\$0	\$0	\$882,900
0824	BOND INTEREST - AMORTIZATION	(88,800)	0	0	(88,800)
0824	OTHER FINANCE COST	23,700	0	0	23,700
	TOTAL DEBT INTEREST EXPENSE	\$817,800	\$0	\$0	\$817,800
0489	PAYMENT IN LIEU OF TAXES - CITY	\$11,450,900	\$0	\$0	\$11,450,900
4930	INTERGOVERNMENTAL EXPENDITURE - ECONC	1,200,000	0	0	1,200,000
4932	INTERGOVERNMENTAL EXPENDITURE - OTHEF	0	3,000,000	0	3,000,000
	TOTAL REMITTANCES TO CITY	\$12,650,900	\$3,000,000	\$0	\$15,650,900
	TOTAL EXPENSES	\$226,880,400	\$6,075,300	\$3,136,100	\$236,091,800
	NET OPERATING RESULTS	\$1,964,500	(\$4,025,300)	(\$5,040,800)	(\$7,101,600)
0108	INCR/DECR-GAS AND DIESEL INVEN.	\$0	\$0	\$0	\$0
0110	INCR/DECR-GENERATION FUEL INVEN.	0	0	0	0
0104	INCR/DECR-GENERATION INVENTORY	0	0	0	0
0104	INCR/DECR-MATERIALS INVENTORY	0	0	0	0
0104	INCR/DECR-STORES EXP.-UNDIST.	0	0	0	0
0104	INCR/DECR-EMISSIONS ALLOWANCE	0	0	0	0
0104	INCR/DECR-EMISSIONS CREDIT INV.	0	0	0	0
0104	INCR/DECR-INVENTORY - RECS.	0	0	0	0
	TOTAL OTHER DEDUCTIONS	\$0	\$0	\$0	\$0
	GENERATION - PLANT ADDITIONS	\$6,280,000	\$0	\$536,700	\$6,816,700
	TRANSMISSION - PLANT ADDITIONS	5,200,000	0	0	5,200,000
	DISTRIBUTION - PLANT ADDITIONS	15,283,700	375,000	(2,064,000)	13,594,700
	LAND AND LAND RIGHTS	150,000	0	0	150,000
	STRUCTURES AND IMPROVEMENTS	915,000	746,000	0	1,661,000
	COMMUNICATION EQUIPMENT	447,500	34,000	(100,000)	381,500
	TRANSPORTATION EQUIPMENT	791,000	237,000	0	1,028,000
	POWER OPERATED CONST. EQUIP.	511,000	16,500	0	527,500
	TELECOM - CABLE INFRASTRUCTURE	600,000	0	0	600,000
	MISCELLANEOUS EQUIPMENT	167,000	0	0	167,000

ELECTRIC FUND EXPENDITURES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
001		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
	COMP. SOFTWARE AND HARDWARE	4,091,000	167,800	(200,000)	4,058,800
	TOTAL CAPITAL EXPENDITURES	\$34,436,200	\$1,576,300	(\$1,827,300)	\$34,185,200
0822	BOND PRINCIPAL PAYMENTS	\$1,221,000	\$0	\$0	\$1,221,000
	TOTAL DEBT RELATED PAYMENTS	\$1,221,000	\$0	\$0	\$1,221,000
0531	DEPRECIATION ADJUSTMENT	(\$17,062,600)	\$0	(\$1,174,000)	(\$18,236,600)
0532	AMORTIZATION - BOND ISSUE COST	88,800	0	0	88,800
	TOTAL ADJUSTMENTS	(\$16,973,800)	\$0	(\$1,174,000)	(\$18,147,800)
	TOTAL SUPPLEMENTAL EXPENDITURES	\$18,683,400	\$1,576,300	(\$3,001,300)	\$17,258,400
	TOTAL EXPENDITURES	\$245,563,800	\$7,651,600	\$134,800	\$253,350,200
0834	APPR. TO RATE STABILIZATION FUND	\$250,000	\$2,210,000	\$0	\$2,460,000
0834	TRANSFER TO REPS RESERVE	2,358,500	0	(70,100)	2,288,400
0834	BWGP START COST RESERVE	290,000	0	0	290,000
0834	TRANSFER TO ANNEXATION PHASE V RESERV	4,107,300	0	0	4,107,300
0834	TRANSFER TO COAL ASH RESERVE	2,806,200	2,700,200	(54,300)	5,452,100
0834	TRANSFER TO ELECTRIC SUBSTATION REBUIL	4,000,000	0	0	4,000,000
0834	TRANSFER TO TRANS EQUIPMENT CPF	455,000	0	0	455,000
0834	TRANS TO DOT E RAEFORD RD CPF	200,000	0	470,000	670,000
0834	APPR. TO ELECTRIC NET POSITION	0	0	0	0
	TOTAL BUDGETARY APPROPRIATIONS	\$14,467,000	\$4,910,200	\$345,600	\$19,722,800
	TOTAL ELECTRIC UTILITY	\$260,030,800	\$12,561,800	\$480,400	\$273,073,000

WATER & WASTEWATER FUND REVENUES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
002		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
4609	RESIDENTIAL SALES	\$35,090,900	\$0	\$0	\$35,090,900
4610	NON RESIDENTIAL	9,934,400	0	(340,900)	9,593,500
4613	LARGE USER	2,684,000	0	0	2,684,000
4615	CITY WATER SERVICES	432,800	0	(146,000)	286,800
4616	INTERDEPARTMENTAL SALES	46,600	0	0	46,600
4620	WHOLESALE	3,335,800	0	0	3,335,800
4650	CUSTOMER ADJUSTMENTS	(180,000)	0	0	(180,000)
	TOTAL WATER REVENUES	\$51,344,500	\$0	(\$486,900)	\$50,857,600
4711	RESIDENTIAL SALES	\$37,772,300	\$0	\$797,200	\$38,569,500
4712	NON RESIDENTIAL	11,080,000	0	(265,300)	10,814,700
4713	LARGE USER	2,723,600	0	0	2,723,600
4715	CITY SEWER SERVICES	138,700	0	0	138,700
4717	INTERDEPARTMENTAL SALES	44,900	0	0	44,900
4720	WHOLESALE	546,300	0	222,300	768,600
4716	SANITARY SEWER CHARGES	120,000	0	0	120,000
4750	CUSTOMER ADJUSTMENTS	(280,000)	0	0	(280,000)
	TOTAL SEWER REVENUES	\$52,145,800	\$0	\$754,200	\$52,900,000
1002	LATE PAYMENT FEE	\$1,355,500	\$0	(\$498,200)	\$857,300
1004	RECONNECT FEE	237,000	0	(137,500)	99,500
2051	TAPPING FEES - WATER	160,000	0	0	160,000
2053	TAPPING FEES - SEWER	90,000	0	0	90,000
2054	SERVICE LATERAL CHARGES - SEWER	100,000	0	0	100,000
2055	MISCELLANEOUS SEWER REVENUES	61,000	0	0	61,000
1005	SET SERVICE CHARGES	230,000	0	0	230,000
2056	MISC. W/WW SERVICE REVENUES	160,000	0	0	160,000
2057	REVENUE FROM W/S SYS. PERMIT	2,500	0	0	2,500
2058	SEPTAGE RECEIVING FEES	180,000	0	170,000	350,000
4660	UTILITY LINE RELOCATION RIDER - WATER	2,290,700	0	0	2,290,700
4760	UTILITY LINE RELOCATION RIDER - SEWER	1,132,900	0	0	1,132,900
4901	PUMP & HAUL SEWER CHARGES	1,000	0	0	1,000
2060	REVENUE FROM FARM OPERATIONS	50,000	0	0	50,000
2061	SERVICE LATERAL CHARGES - WATER	200,000	0	0	200,000
2062	REVENUE FROM OPER & MAINT. AGRM.	156,900	0	0	156,900
2063	RENTS FROM W/WW PROPERTY	879,900	0	0	879,900
	TOTAL OTHER OPERATING REVENUE	\$7,287,400	\$0	(\$465,700)	\$6,821,700
	TOTAL W/WW OPERATING REVENUE	\$110,777,700	\$0	(\$198,400)	\$110,579,300
2021	MERCHANDISING & CONTRACT WORK	\$0	\$0	\$0	\$0
2022	INTEREST INCOME	966,000	0	(442,000)	524,000
2025	MISC. NON-OPERATING INCOME	5,000	0	0	5,000
2026	PURCHASE DISCOUNT	5,000	0	0	5,000
	TOTAL OTHER W/WW REVENUE	\$976,000	\$0	(\$442,000)	\$534,000
	TOTAL OPERATING & OTHER REVENUE	\$111,753,700	\$0	(\$640,400)	\$111,113,300
2064	CUSTOMER CONTRIBUTIONS-WATER	\$0	\$0	\$0	\$0
2072	FIF CONTRIBUTION-WATER	776,000	0	(327,400)	448,600
2073	FIF CONTRIBUTION-SEWER	1,082,000	0	(482,500)	599,500
2074	FEDERAL GRANTS - WATER	2,100,000	0	(1,054,800)	1,045,200
2076	STATE GRANTS - WATER	0	0	490,700	490,700
	TOTAL CONTRIBUTIONS AND GRANTS	\$3,958,000	\$0	(\$1,374,000)	\$2,584,000
2079	TRANSFER FROM CITY - ANNEXATION GO DEBT	\$0	\$0	\$0	\$0

WATER & WASTEWATER FUND REVENUES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
002		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
	INTERGOV REV - ASSESSMENTS	2,561,200	0	0	2,561,200
	INTERGOV REV - ASSESSMENTS INT	330,000	0	0	330,000
	TOTAL REMITTANCES FROM CITY	\$2,891,200	\$0	\$0	\$2,891,200
	TOTAL REVENUES	\$118,602,900	\$0	(\$2,014,400)	\$116,588,500
2088	TRANSFER FROM W/WW CAPITAL PROJ.	\$0	\$0	\$0	\$0
2090	APPR. FROM ANNEX PH V RES. FUND	4,711,600	0	0	4,711,600
	TRANSFER FROM BUDGET CARRYOVER RES	494,000	0	0	494,000
2092	APPR. FROM W/WW NET POSITION	18,090,000	1,249,800	(2,184,300)	17,155,500
	TOTAL BUDGETARY APPROPRIATIONS	\$23,295,600	\$1,249,800	(\$2,184,300)	\$22,361,100
	TOTAL WATER AND WASTEWATER REVENUES	\$141,898,500	\$1,249,800	(\$4,198,700)	\$138,949,600

WATER & WASTEWATER FUND EXPENDITURES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
002		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
	WATER RESOURCES DIVISION	\$39,115,400	\$9,100	\$167,600	\$39,292,100
	MANAGEMENT DIVISION	2,531,000	0	0	2,531,000
	COMM. & COMMUNITY RELATIONS DIVISION	750,900	0	0	750,900
	HUMAN RESOURCES DIVISION	977,500	9,000	0	986,500
	CUSTOMER PROGRAMS DIVISION	1,897,300	10,000	0	1,907,300
	CORPORATE SERVICES DIVISION	5,560,200	211,600	0	5,771,800
	INFORMATION TECHNOLOGY DIVISION	6,014,200	35,000	(350,000)	5,699,200
	FINANCIAL DIVISION	5,994,000	253,100	0	6,247,100
	GENERAL & ADMINISTRATION	9,960,200	0	0	9,960,200
	TOTAL DEPT. OPERATING EXPENSES	\$72,800,700	\$527,800	(\$182,400)	\$73,146,100
0520	DEPRECIATION EXPENSE-WATER	\$11,840,400	\$0	\$677,700	\$12,518,100
0520	DEPRECIATION EXPENSE-SEWER	13,352,200	0	1,566,800	14,919,000
	TOTAL DEPRECIATION EXPENSE	\$25,192,600	\$0	\$2,244,500	27,437,100
					0
0855	LABOR OVERHEAD	(\$2,350,000)	\$0	\$0	(2,350,000)
0812	MINOR MATERIALS - STORE	230,000	0	0	230,000
	INTRADEPARTMENTAL UTILITY CLEARING	(283,800)	0	0	(283,800)
0853	STORES EXPENSE CLEARING	(852,300)	0	0	(852,300)
0851	VEHICLE/EQUIPMENT CLEARING	(3,768,000)	0	0	(3,768,000)
	TOTAL OVERHEAD CLEARING	(\$7,024,100)	\$0	\$0	(\$7,024,100)
0824	BOND INTEREST EXPENSE	\$9,923,000	\$0	\$0	\$9,923,000
0824	BOND INTEREST EXPENSE - CITY ANNEX.	4,600	0	0	4,600
0824	BOND INTEREST - AMORTIZATION	(833,500)	0	0	(833,500)
0824	LOAN INTEREST EXPENSE	92,400	0	0	92,400
0824	OTHER FINANCE COST	837,500	0	0	837,500
	TOTAL DEBT INTEREST EXPENSE	\$10,024,000	\$0	\$0	\$10,024,000
	TOTAL EXPENSES	\$100,993,200	\$527,800	\$2,062,100	\$103,583,100
	NET OPERATING RESULTS	\$10,760,500	(\$527,800)	(\$2,702,500)	\$7,530,200
0108	INCR/(DECR)-GAS AND DIESEL INVEN.	\$0	\$0	\$0	\$0
0104	INCR/(DECR)-MATERIALS INVENTORY	0	0	0	0
	TOTAL OTHER DEDUCTIONS	\$0	\$0	\$0	\$0
	GLENVILLE LAKE PLANT	\$0	\$0	\$0	\$0
	P.O. HOFFER PLANT	260,000	0	0	260,000
	WATER DISTRIBUTION SYSTEM	15,254,000	0	(1,468,000)	13,786,000
	SANITARY SEWER COLLECTION SYS.	13,948,000	0	(656,000)	13,292,000
	CROSS CREEK TREATMENT PLANT	225,000	0	0	225,000
	ROCKFISH TREATMENT PLANT	4,428,000	0	(2,000,000)	2,428,000
	LAND AND LAND RIGHTS	40,000	0	0	40,000
	STRUCTURES AND IMPROVEMENTS	595,000	497,000	0	1,092,000
	COMMUNICATION EQUIPMENT	47,500	50,000	0	97,500
	TRANSPORTATION EQUIPMENT	2,026,000	0	0	2,026,000
	POWER OPERATED CONST. EQUIP.	370,000	16,500	0	386,500
	MISCELLANEOUS EQUIPMENT	511,000	0	0	511,000
	COMP. SOFTWARE AND HARDWARE	3,331,000	158,500	0	3,489,500
	TOTAL CAPITAL EXPENDITURES	\$41,035,500	\$722,000	(\$4,124,000)	\$37,633,500
0822	BOND PRINCIPAL PAYMENTS	\$12,464,200	\$0	\$0	\$12,464,200
0822	BOND PRINCIPAL PYMT. - CITY ANNEX.	171,000	0	0	171,000
0822	LOAN PRINCIPAL PAYMENTS	1,386,200	0	0	1,386,200

WATER & WASTEWATER FUND EXPENDITURES

FUND	DIVISION/DEPARTMENT	ADOPTED	BUDGET	BUDGET	PROPOSED
002		ORIGINAL BUDGET	AMD #1-4	AMD #5	AMENDED BUDGET
ACCOUNT/DESCRIPTION		FY 2021	FY 2021	FY 2021	FY 2021
	TOTAL DEBT RELATED PAYMENTS	\$14,021,400	\$0	\$0	\$14,021,400
0531	DEPRECIATION ADJUSTMENT	(\$25,192,600)	\$0	(\$2,244,500)	(\$27,437,100)
0532	AMORTIZATION - BOND ISSUE COST	833,500	0	0	833,500
	TOTAL ADJUSTMENTS	(\$24,359,100)	\$0	(\$2,244,500)	(\$26,603,600)
	TOTAL SUPPLEMENTAL EXPENDITURES	\$30,697,800	\$722,000	(\$6,368,500)	\$25,051,300
	TOTAL EXPENDITURES	\$131,691,000	\$1,249,800	(\$4,306,400)	\$128,634,400
0834	APPR. TO RATE STABILIZATION FUND	\$250,000	\$0	\$0	\$250,000
0834	APPR. TO W/WW CAPITAL RESERVE	0	0	0	0
0834	APPR. TO ANNEXATION PHASE V RESERVE	2,076,400	0	0	2,076,400
0834	TRANSFER TO ANNEXATION PHASE V RESERVE	2,457,500	0	0	2,457,500
0834	TRANSFER TO NCDOT RESERVE	5,423,600	0	0	5,423,600
0834	TRANSFER TO TRANS EQUIPMENT CPF	0	0	0	0
0834	TRFR TO HURRICANE MATTHEW FUND	0	0	107,700	107,700
0834	BUDGET CARRYOVER RESERVE	0	0	0	0
0834	APPR. TO W/WW NET POSITION	0	0	0	0
	TOTAL BUDGETARY APPROPRIATIONS	\$10,207,500	\$0	\$107,700	\$10,315,200
	TOTAL WATER & WASTEWATER UTILITY	\$141,898,500	\$1,249,800	(\$4,198,700)	\$138,949,600

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
ELAINA L. BALL, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
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June 2, 2021

MEMO TO: Elaina L. Ball, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Capital Project Fund (CPF) Budget Ordinances

Attached are CPF budget ordinance amendments for Commission action at the June 9th meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective upon adoption:

- PWCORD2021-17 creates the Series 2021 Water and Wastewater CPF. This will be for the non-Annexation water and wastewater projects to be financed with the Series 2021 Revenue Bonds.
- PWCORD2021-18 creates the Series 2021 Electric CPF. This will be for the electric projects to be financed with the Series 2021 Revenue Bonds.
- PWCORD2021-19 creates the Renewable Resource Development CPF. This is for a renewable energy source project anticipated to be funded with revenue bonds or a direct placement loan.
- PWCORD2021-20 amends the Substation Rebuild CPF to remove a project that will now be financed by the Series 2021 revenue bonds.
- PWCORD2021-21 amends the Electric Rate Stabilization Fund to update transfers to actuals as of FY21.
- PWCORD2021-22 amends the Hurricane Matthew CPF to update project costs and funding sources.
- PWCORD2021-23 amends the Electric Transportation Equipment CPF to close out long lead time purchases made in FY21.

Staff recommends that the Commission adopt the attached budget CPF ordinance amendments.

CAPITAL PROJECT ORDINANCE
SERIES 2021 WATER AND WASTEWATER CAPITAL PROJECT FUND
PWCORD2021-17

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is for the funding of various water and wastewater infrastructure projects as listed in Exhibit A to be financed by the sale of revenue bonds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the Bond Order including reimbursement declarations and within the funds appropriated herein.

Section 3. The following revenues are anticipated to be available to complete the project:

Proceeds from revenue bonds	\$ 37,781,765
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Section 4. The following amounts are appropriated for the project:

Project expenditures	\$ 37,781,765
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Section 5: The PWC Chief Financial Officer will maintain sufficient specific detailed accounting records and will ensure the terms of the bond resolution are met.

Section 6: Funds may be advanced from the PWC General Fund and/or Electric Rate Stabilization Fund for the purpose of making payments as due and reimbursement requests will be made to the Trustee in an orderly and timely manner.

Section 7. Copies of the capital project fund ordinance shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

<u>Description</u>	<u>Amount</u>
NCDOT U-4405 Raeford Rd	\$ 1,139,215
Replace Standby Power Generator at Rockfish Creek WRF	3,240,000
Rockfish Creek WRF Screening Improvements	3,370,000
Replace Standby Power Generator at Cross Creek WRF	3,295,000
Replacement of Cross Creek Outfall, Greensboro St to Hillsboro St	4,820,000
Longview Lift Station & Force Main Upgrade	1,493,550
North Fayetteville Lift Station Upgrades, Ph IV	3,250,000
NCDOT U-6001 NC59 Widening	2,870,000
Replace Standby Power Generator at PO Hoffer	2,630,000
Chicken Foot Road 16" Water Main Interconnect	1,436,000
Freedom Town Center Sewer Replacement	1,538,000
Water Rehab moved to Bonds (Smoothing) FY22 & 23	4,350,000
WW Rehab moved to Bonds (Smoothing) FY22 & 23	4,350,000
Total	<u>\$ 37,781,765</u>

CAPITAL PROJECT ORDINANCE
SERIES 2021 ELECTRIC CAPITAL PROJECT FUND
PWCORD2021-18

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is for the funding of various electric infrastructure projects as listed in Exhibit A to be financed by the sale of revenue bonds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the Bond Order including reimbursement declarations and within the funds appropriated herein.

Section 3. The following revenues are anticipated to be available to complete the project:

Proceeds from revenue bonds	\$ <u>5,700,000</u>
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Section 4. The following amounts are appropriated for the project:

Project expenditures	\$ <u>5,700,000</u>
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Section 5: The PWC Chief Financial Officer will maintain sufficient specific detailed accounting records and will ensure the terms of the bond resolution are met.

Section 6: Funds may be advanced from the PWC General Fund and/or Electric Rate Stabilization Fund for the purpose of making payments as due and reimbursement requests will be made to the Trustee in an orderly and timely manner.

Section 7. Copies of the capital project fund ordinance shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

<u>Description</u>	<u>Amount</u>
Battery Storage	\$ 3,600,000
Black & Decker Substation Rebuild	2,100,000
Total	<u>\$ 5,700,000</u>

CAPITAL PROJECT ORDINANCE
RENEWABLE RESOURCE DEVELOPMENT CAPITAL PROJECT FUND
PWCORD2021-19

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is for the design and construction of a renewable energy source from a source other than solar or battery storage to be funded by the sale of revenue bonds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the Bond Order including reimbursement declarations and within the funds appropriated herein.

Section 3. The following revenues are anticipated to be available to complete the project:

Proceeds from revenue bonds	<u>\$ 20,500,000</u>
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Section 4. The following amounts are appropriated for the project:

Project Expenditures	<u>\$ 20,500,000</u>
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Section 5. The PWC Chief Financial Officer will maintain sufficient specific detailed accounting records and will ensure the terms of the bond resolution are met.

Section 6. Funds may be advanced from the PWC General Fund and/or Electric Rate Stabilization Fund for the purpose of making payments as due and reimbursement requests will be made to the Trustee in an orderly and timely manner.

Section 7. Copies of the capital project ordinance shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

CAPITAL PROJECT ORDINANCE
SUBSTATION REBUILD CAPITAL PROJECT FUND
AMENDMENT #5
PWCORD2021-20

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment authorized is to the Substation Rebuild Capital Project Fund, adopted August 27, 2017 by PWC, for funding upgrades of several existing substations to increase capacity and utilize IED technology, as well as to build a new substation to service growing areas and reduce circuit loading on the existing system.

Section 2. The officers of this unit are hereby directed to proceed with the project within the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Amendment	Revised Budget
Transfer from Electric Fund	\$ 46,899,000	\$ (2,100,000)	\$ 44,799,000

Section 4. The following amounts are appropriated for the project:

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 46,899,000	\$ (2,100,000)	\$ 44,799,000

Section 5. Copies of this capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June, 2021.

Substation Rebuild CPF Project Listing - Budget Amendment #5

CIP Reference #	Description	Total
	Fenix 67-25 kV Substation Capacity Additions	\$ 2,775,000
FY 21 - EL29	Bordeaux 67-12 kV Substation Rebuild	2,232,000
FY 21 - EL30	Black & Decker Substation Rebuild	2,100,000
FY 21 - EL31	Cumberland Road 66-12 kV Substation Rebuild	2,200,000
FY 21 - EL32	PO Hoffer 66-12 kV Substation Rebuild	2,500,000
FY 21 - EL33	FTI 66-12 kV Substation Rebuild and Relocation	3,750,000
	POD III Relaying Upgrade	1,300,000
FY 21 - EL35	Distribution Substation 66-12 kV Power Transformer	10,475,000
FY 21 - EL36	230-67 kV Auto-Transformer	2,500,000
FY 21 - EL37	POD IV 230-66kV Substation	17,067,000
	Total from Amendment #4	\$ 46,899,000
	New Projects & Increases/(Decreases) to existing projects:	
FY 21 - EL30	Black & Decker Substation Rebuild	(2,100,000)
	Total Increases/(Decreases)	\$ (2,100,000)
	Revised Project List	
	Fenix 67-25 kV Substation Capacity Additions	\$ 2,775,000
FY 21 - EL29	Bordeaux 67-12 kV Substation Rebuild	2,232,000
FY 21 - EL31	Cumberland Road 66-12 kV Substation Rebuild	2,200,000
FY 21 - EL32	PO Hoffer 66-12 kV Substation Rebuild	2,500,000
FY 21 - EL33	FTI 66-12 kV Substation Rebuild and Relocation	3,750,000
	POD III Relaying Upgrade	1,300,000
FY 21 - EL35	Distribution Substation 66-12 kV Power Transformer	10,475,000
FY 21 - EL36	230-67 kV Auto-Transformer	2,500,000
FY 21 - EL37	POD IV 230-66kV Substation	17,067,000
	Revised Total -Amendment #5	\$ 44,799,000

CAPITAL PROJECT ORDINANCE AMENDMENT
ELECTRIC UTILITY SYSTEM RATE STABILIZATION FUND AMENDMENT #38
PWCORD2021-21

BE IT ORDAINED by the Commissioners of the Fayetteville Public Works Commission (PWC) that pursuant to Chapter 159 of the General Statutes of North Carolina, the following capital project fund ordinance is hereby amended:

Section 1. The amendment authorized is to the Electric Utility System Rate Stabilization Fund (ERSF) adopted April 8, 1998 and April 20, 1998 by PWC and the City of Fayetteville, NC (CITY), repectively, as amended, for the accumulation of funds to maintain electric rate competitiveness and rate stability.

Section 2. This fund will remain operational until the Commissioners of PWC determine the need for such fund no longer exist.

Section 3. The following revenues and other financing sources are anticipated to be available and authorized to be accumulated by PWC for the ERSF:

	Listed As	Amendment	Revised
Transfer from Electric General Fund	\$ 74,877,155	\$ 45	\$ 74,877,200
Transfer from Electric General Fund - WPCA	3,861,615	-	3,861,615
Transfer from Electric General Fund - True-Up Credits	9,413,492	-	9,413,492
Rate Stabilization Transfer	4,169,725	-	4,169,725
Interest Income	8,300,000	-	8,300,000
	<u>\$ 100,621,987</u>	<u>\$ 45</u>	<u>\$ 100,622,032</u>

Section 4. The following uses of accumulated funds are authorized:

	Listed As	Amendment	Revised
Transfer to Electric Fund - Pre-2013	\$ 5,000,000	\$ -	\$ 5,000,000
Transfer to Electric Fund - 2013 and forward	46,328,202	688,098	47,016,300
Tfer to Electric Fd-City Interlocal Agreement-COVID19	4,000,000	-	4,000,000
Transfer to Electric Fund - Duke Energy True-Up	3,761,600	-	3,761,600
Advance to Water/Wastewater Fund	9,800,000	-	9,800,000
Appropriated Net Assets	31,732,185	(688,053)	31,044,132
	<u>\$ 100,621,987</u>	<u>\$ 45</u>	<u>\$ 100,622,032</u>

Section 5. Copies of this budget ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

CAPITAL PROJECT ORDINANCE AMENDMENT
HURRICANE MATTHEW CAPITAL PROJECT FUND - AMENDMENT #5
PWCORD2021-22

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment authorized is to the Hurricane Matthew Capital Project Fund, adopted March 22, 2017 by PWC, for funding the replacement of water and wastewater plant infrastructure damaged during Hurricane Matthew in October of 2016 (see Exhibit A for list). The funding sources will be a combination of insurance proceeds, FEMA reimbursements and the PWC Water and Wastewater Fund (See Exhibit A).

Section 2. The officers of this unit are hereby directed to proceed with the project within the budget contained

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Amendment	Revised Budget
Insurance proceeds	\$ 4,680,000	\$ (85,064)	\$ 4,594,936
FEMA reimbursements	7,436,310	(819,630)	6,616,680
Transfer from W/WW Fund	80,000	107,700	187,700
Total	<u>\$ 12,196,310</u>	<u>\$ (796,994)</u>	<u>\$ 11,399,316</u>

Section 4. The following amounts are appropriated for the project:

	Current Budget	Amendment	Revised Budget
Project Expenditures	<u>\$ 12,196,310</u>	<u>\$ (796,994)</u>	<u>\$ 11,399,316</u>

Section 5. Funds may be advanced from the PWC General Fund for the purpose of making payments as due and reimbursement requests will be made to the funding agency in an orderly and timely manner.

Section 6. Copies of this capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

Hurricane Matthew Capital Project Fund
Project List

	Project Cost - Prior Amendment	Project Cost - Current Amendment
Rockfish Creek WRF Filters #1 - #6 Rehabilitation	\$ 3,310,600	\$ 2,982,750
Hoffer WTF Phase 1B - Residual Lagoon Discharge Improvements	773,300	763,148
Hoffer Raw Water Intake Screen Replacement and Mitigation	915,000	874,043
Hurricane Matthew Improvement of Water Facilities	740,970	1,419,176
Hurricane Matthew Improvement of Sewer Facilities	5,986,440	4,961,015
Rockfish Creek WRF Effluent Outfall Repairs	470,000	399,184
	<u>\$ 12,196,310</u>	<u>\$ 11,399,316</u>

CAPITAL PROJECT ORDINANCE - PARTIAL CLOSEOUT
ELECTRIC TRANSPORTATION EQUIPMENT AMENDMENT #4
PWCORD2021-23

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment for partial closeout authorized is to the Electric Transportation Equipment Capital Project Fund, adopted October 10, 2018 by PWC, for funding transportation equipment which requires long lead time purchaes.

Section 2. The officers of this unit are hereby directed to proceed with the partial closeout of the project within the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Transfer from Electric Fund	\$ 2,381,000	\$ (685,000)	\$ 1,696,000	\$ 689,685

Section 4. The following amounts are appropriated for the project:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 2,381,000	\$ (685,000)	\$ 1,696,000	\$ 689,685

Section 5. Copies of this capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June, 2021.

Electric Fund Transportation Equipment - Amendment #4

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
262	820	2007	International	7400	240,000	
264	820	2007	International	7400	320,000	
2301	820	2009	International	7400	240,000	
2310	820	2012	International	4400	250,000	
2311	820	2012	International	7400	435,000	
254	820	2009	International	7400	291,000	
2315	820	2012	Kenworth	T-370 Hybrid	215,000	
561	824	2009	International	4300	235,000	
2309	820	2012	International	4400	155,000	
Total from Amendment # 3					\$ 2,381,000	
Closeout Projects						
2310	820	2012	International	4400	(250,000)	
2311	820	2012	International	7400	(435,000)	
Total Closeout					\$ (685,000)	
Revised Project List						
262	820	2007	International	7400	240,000	
264	820	2007	International	7400	320,000	
2301	820	2009	International	7400	240,000	
254	820	2009	International	7400	291,000	
2315	820	2012	Kenworth	T-370 Hybrid	215,000	
561	824	2009	International	4300	235,000	
2309	820	2012	International	4400	155,000	
Revised Total-Amendment # 4					\$ 1,696,000	

FY 2022 Budget Ordinance (PWCORD2021-24)

BE IT ORDAINED BY THE FAYETTEVILLE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA:

Section 1. It is estimated that the following revenues and other financing sources will be available during the fiscal year beginning July 1, 2021, and ending June 30, 2022, to meet the appropriations listed in Section 2.

Schedule A: Electric Fund

Electric Revenues	\$ 200,932,900
Operating and Other Revenues	16,319,100
BWGP Lease Payment	12,644,000
Customer Contributions	3,578,900
Budgetary Appropriations	31,187,700
Total Estimated Electric Fund Revenues	264,662,600

Schedule B: Water and Wastewater Fund

Water Revenues	52,142,500
Wastewater Revenues	56,988,600
Operating and Other Revenues	7,756,800
Customer Contributions	2,516,600
Intergovernmental Revenue - Assessments	2,611,900
Budgetary Appropriations	18,608,600
Total Estimated Water and Wastewater Fund Revenues	140,625,000

Grand Total **\$ 405,287,600**

Section 2. The following amounts are hereby appropriated for the operations of the Fayetteville Public Works Commission and its activities for the fiscal year beginning July 1, 2021, and ending June 30, 2022, according to the following schedules:

Schedule A: Electric Fund

Operating Expenditures	\$ 201,081,800
Debt Service	1,941,300
Capital	35,944,000
Payment in Lieu of Taxes - City	11,853,200
Budgetary Appropriations	13,842,300
Total Estimated Electric Fund Expenditures	264,662,600

Schedule B: Water and Wastewater Fund

Operating Expenditures	\$ 72,797,000
Debt Service	23,444,400
Capital	33,517,000
Budgetary Appropriations	10,866,600
Total Estimated Water and Wastewater Fund Expenditures	140,625,000

Grand Total **\$ 405,287,600**

Section 3. That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2021, added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid.

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
ELAINA L. BALL, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

June 2, 2021

MEMO TO: Elaina L. Ball, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Capital Project Fund (CPF) Budget Ordinances

Attached are CPF budget ordinance amendments for Commission action at the June 9th meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective July 1, 2021 and reflect the FY2022 activity from the FY2022 Annual Electric and Water/Wastewater Operating and CIP Budgets:

- PWCORD2021-25 amends the Electric Rate Stabilization Fund for transfer and investment activity expected in FY22.
- PWCORD2021-26 amends the Water and Wastewater Utility Systems Rate Stabilization Fund for transfer activity expected in FY22.
- PWCORD2021-27 amends the Annexation Phase V Reserve for FY22 appropriations to and from the General Fund.
- PWCORD2021-28 amends the Substation Rebuild CPF to add new projects and update cost estimates for existing projects based on the FY2022 CIP.
- PWCORD2021-29 amends the NCDOT CPF to add new projects and update cost estimates for existing projects based on the FY2022 CIP.
- PWCORD2021-30 amends the Electric Transportation Equipment CPF to revise the FY 2022 – 2025 estimates for long lead time purchases and making the budgeting, tracking and pre-audit requirements more manageable to staff.

Staff recommends that the Commission adopt the attached budget CPF ordinance amendments.

CAPITAL PROJECT ORDINANCE AMENDMENT
ELECTRIC UTILITY SYSTEM RATE STABILIZATION FUND AMENDMENT #39 - effective July 1, 2021
PWCORD2021-25

BE IT ORDAINED by the Commissioners of the Fayetteville Public Works Commission (PWC) that pursuant to Chapter 159 of the General Statutes of North Carolina, the following capital project fund ordinance is hereby amended:

Section 1. The amendment authorized is to the Electric Utility System Rate Stabilization Fund (ERSF) adopted April 8, 1998 and April 20, 1998 by PWC and the City of Fayetteville, NC (CITY), repectively, as amended, for the accumulation of funds to maintain electric rate competitiveness and rate stability.

Section 2. This fund will remain operational until the Commissioners of PWC determine the need for such fund no longer exist.

Section 3. The following revenues and other financing sources are anticipated to be available and authorized to be accumulated by PWC for the ERSF:

	Listed As	Amendment	Revised
Transfer from Electric General Fund	\$ 74,877,200	\$ 250,000	\$ 75,127,200
Transfer from Electric General Fund - WPCA	3,861,615	-	3,861,615
Transfer from Electric General Fund - True-Up Credits	9,413,492	-	9,413,492
Rate Stabilization Transfer	4,169,725	-	4,169,725
Interest Income	8,300,000	90,000	8,390,000
	<u>\$ 100,622,032</u>	<u>\$ 340,000</u>	<u>\$ 100,962,032</u>

Section 4. The following uses of accumulated funds are authorized:

	Listed As	Amendment	Revised
Transfer to Electric Fund - Pre-2013	\$ 5,000,000	\$ -	\$ 5,000,000
Transfer to Electric Fund - 2013 and forward	47,016,300	7,860,600	54,876,900
Tfer to Electric Fd-City Interlocal Agreement-COVID19	4,000,000	-	4,000,000
Transfer to Electric Fund - Duke Energy True-Up	3,761,600	-	3,761,600
Advance to Water/Wastewater Fund	9,800,000	-	9,800,000
Appropriated Net Assets	31,044,132	(7,520,600)	23,523,532
	<u>\$ 100,622,032</u>	<u>\$ 340,000</u>	<u>\$ 100,962,032</u>

Section 5. Copies of this budget ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

CAPITAL PROJECT ORDINANCE AMENDMENT
 WATER AND WASTEWATER UTILITY SYSTEMS RATE STABILIZATION FUND
 AMENDMENT #21- Effective July 1, 2021
 PWCORD2021-26

BE IT ORDAINED by the Commissioners of the Fayetteville Public Works Commission (PWC), that pursuant to Chapter 159 of the General Statutes of North Carolina, the following budget ordinance is hereby amended:

Section 1. The amendment authorized is to the Water and Wastewater Utility Systems Rate Stabilization Fund (WRSF), adopted May 25, 2005 and June 27, 2005 by PWC and the City of Fayetteville, respectively, as amended, for the accumulation of funds to maintain rate competitiveness and rate stability for the water and wastewater utility systems.

Section 2. This fund will remain operational until the Commissioners of PWC determine the need for such fund no longer exist.

Section 3. The following revenues and other financing sources are anticipated to be available and authorized to be accumulated by PWC for the WRSF:

	Listed As	July 1, 2021 Amendment	Revised
Transfer from Water/Sewer General Fund	\$ 8,000,000	\$ 250,000	\$ 8,250,000
Interest Income	455,000	-	455,000
	<u>\$ 8,455,000</u>	<u>\$ 250,000</u>	<u>\$ 8,705,000</u>

Section 4. The following uses of accumulated funds are authorized:

	Listed As	July 1, 2021 Amendment	Revised
Transfer to Water/Sewer General Fund	\$ 7,085,000	\$ -	\$ 7,085,000
Appropriated Net Assets	1,370,000	250,000	1,620,000
	<u>\$ 8,455,000</u>	<u>\$ 250,000</u>	<u>\$ 8,705,000</u>

Section 5. Copies of this budget ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

CAPITAL RESERVE FUND ORDINANCE AMENDMENT
ANNEXATION PHASE V RESERVE FUND AMENDMENT #39 - Effective July 1, 2021
PWCORD2021-27

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Sections 18 to 22 of Chapter 159 of the General Statutes of North Carolina, the following capital reserve fund ordinance is hereby amended:

- Section 1. The amendment authorized is to the Annexation Phase V Capital Reserve Fund, adopted May 27, 2009 and June 8, 2009 by PWC and the City of Fayetteville (CITY), respectively, as amended, for the accumulation of funds to complete water and sewer extensions in the Phase V Annexation Area.
- Section 2. This fund will remain operational until all expenditures of the planned water and sewer extensions in the Phase V Annexation Area, including debt service payments, have been paid.
- Section 3. The following revenues and other financing sources are anticipated to be available and authorized to be accumulated by PWC for the reserve fund:

	Listed As	Amendment	Revised
Transfer from PWC Water/Sewer Fund	\$ 20,560,323	\$ 2,138,642	\$ 22,698,965
Transfer from PWC Electric Fund - City Portion	20,470,416	4,903,183	25,373,599
Transfer from PWC Annexation Ph V Project 1	727,903	-	727,903
Transfer from City of Fayetteville	11,261,179	-	11,261,179
Transfer - Assessment Revenue including interest	19,284,200	2,500,000	21,784,200
Interest Income	1,800,000	-	1,800,000
	<u>\$ 74,104,021</u>	<u>\$ 9,541,825</u>	<u>\$ 83,645,846</u>

- Section 4. The following uses of accumulated funds are authorized:

	Listed As	Amendment	Revised
Project Withdrawal Authorizations:			
Transfer to FPWC Water/Sewer Fund - Debt Service	\$ 24,256,000	\$ 4,622,054	\$ 28,878,054
Transfer to FPWC Water/Sewer Fund	811,600	-	811,600
Transfer to Annexation Ph V, Areas 8-13 CPF	729,548	-	729,548
Transfer to Annexation Ph V, Areas 14-15 CPF	198,512	-	198,512
Transfer to Annexation Ph V, Areas 16-17 CPF	1,212,013	-	1,212,013
Transfer to Annexation Ph V, Areas 18-19 CPF	11,098,122	-	11,098,122
Transfer to Annexation Ph V, Areas 20-21 CPF	552,096	-	552,096
Transfer to Annexation Ph V, Areas 22-23 CPF	19,000,000	-	19,000,000
Transfer to Annexation Ph V, Areas 24-25 CPF	500,000	-	500,000
Transfer to Annexation Ph V, Areas 26-27 CPF	500,000	-	500,000
Transfer to Annexation Ph V, Areas 28-29 CPF	500,000	-	500,000
Transfer to Annexation Ph V, Areas 32-34 CPF	8,000,000	-	8,000,000
Transfer to Annexation Ph V, Asphalt Overlay CPF	5,875,700	-	5,875,700
Interest Expense - Advance from Rate Stabilization Fd	79,356	-	79,356
Future Project Funding Accumulations	791,074	4,919,771	5,710,845
	<u>\$ 74,104,021</u>	<u>\$ 9,541,825</u>	<u>\$ 83,645,846</u>

- Section 5. Copies of the capital reserve fund ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June 2021.

CAPITAL PROJECT ORDINANCE
SUBSTATION REBUILD CAPITAL PROJECT FUND
AMENDMENT #6 - Effective July 1, 2021
PWCORD2021-28

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment authorized is to the Substation Rebuild Capital Project Fund, adopted August 27, 2017 by PWC, for funding upgrades of several existing substations to increase capacity and utilize IED technology, as well as to build a new substation to service growing areas and reduce circuit loading on the existing system.

Section 2. The officers of this unit are hereby directed to proceed with the project within the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Amendment	Revised Budget
Transfer from Electric Fund	\$ 44,799,000	\$ 4,634,000	\$ 49,433,000

Section 4. The following amounts are appropriated for the project:

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 44,799,000	\$ 4,634,000	\$ 49,433,000

Section 5. Copies of this capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June, 2021.

Substation Rebuild CPF Project Listing - Budget Amendment #6

CIP Reference #	Description	Total
	Fenix 67-25 kV Substation Capacity Additions	\$ 2,775,000
FY 21 - EL29	Bordeaux 67-12 kV Substation Rebuild	2,232,000
FY 21 - EL31	Cumberland Road 66-12 kV Substation Rebuild	2,200,000
FY 21 - EL32	PO Hoffer 66-12 kV Substation Rebuild	2,500,000
FY 21 - EL33	FTI 66-12 kV Substation Rebuild and Relocation	3,750,000
	POD III Relaying Upgrade	1,300,000
FY 21 - EL35	Distribution Substation 66-12 kV Power Transformer	10,475,000
FY 21 - EL36	230-67 kV Auto-Transformer	2,500,000
FY 21 - EL37	POD IV 230-66kV Substation	17,067,000
	Total from Amendment #5	\$ 44,799,000
	New Projects & Increases/(Decreases) to existing projects:	
FY 22 - EL27	Bordeaux 67-12 kV Substation Rebuild	\$ 18,000
FY 22 - EL29	Cumberland Road 66-12 kV Substation Rebuild	150,000
FY 22 - EL30	PO Hoffer 66-12 kV Substation Rebuild	250,000
FY 22 - EL33	Distribution Substation 66-12 kV Power Transformer	737,000
FY 22 - EL34	230-67 kV Auto-Transformer	3,079,000
FY 22 - EL35	POD IV 230-66kV Substation	400,000
	Total Increases/(Decreases)	\$ 4,634,000
	Revised Project List	
	Fenix 67-25 kV Substation Capacity Additions	\$ 2,775,000
FY 22 - EL27	Bordeaux 67-12 kV Substation Rebuild	2,250,000
FY 22 - EL29	Cumberland Road 66-12 kV Substation Rebuild	2,350,000
FY 22 - EL30	PO Hoffer 66-12 kV Substation Rebuild	2,750,000
FY 22 - EL31	FTI 66-12 kV Substation Rebuild and Relocation	3,750,000
	POD III Relaying Upgrade	1,300,000
FY 22 - EL33	Distribution Substation 66-12 kV Power Transformer	11,212,000
FY 22 - EL34	230-67 kV Auto-Transformer	5,579,000
FY 22 - EL35	POD IV 230-66kV Substation	17,467,000
	Revised Total -Amendment #6	\$ 49,433,000

CAPITAL PROJECT ORDINANCE AMENDMENT
 NCDOT CAPITAL PROJECT FUND AMENDMENT #14 - Effective July 1, 2021
 PWCORD 2021-29

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment authorized is to the NCDOT Capital Project Fund adopted October 14, 2015 and October 26, 2015 by PWC and the City of Fayetteville, respectively, as amended, for the funding of various water and wastewater infrastructure relocation and replacement projects committed under Municipal Agreements with North Carolina Department of Transportation.

Section 2. The officers of this unit are hereby directed to continue with the project within the terms of the various agreements executed and within the funds appropriated herein.

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Amendment	Revised Budget
Interest Income	\$ 3,800,600	\$ -	\$ 3,800,600
Transfers from Water/Wastewater Fund	27,661,771	9,777,000	37,438,771
Transfers from Water/Wastewater Fund (Rider)	42,060,629	-	42,060,629
	<u>\$ 73,523,000</u>	<u>\$ 9,777,000</u>	<u>\$ 83,300,000</u>

Section 4. The following amounts are appropriated for the project:

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 73,523,000	\$ 9,777,000	\$ 83,300,000

Section 5. Copies of the capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June, 2021.

NCDOT Project Listing - Budget Amendment #14

Project #	Description	Amount Outstanding
U-4405	Raeford Rd Widening - Water	13,500,000
U-4405	Raeford Rd Widening - Sewer	7,700,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Water	5,150,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Sewer	19,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Water	668,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Sewer	376,000
	Russell Street - Gillespie St to Cross Creek St	215,000
U-3422	Camden Road Widening - Water	11,000,000
U-3422	Camden Road Widening - Sewer	900,000
U-4403	Ramsey St Widening - Water	30,000,000
U-4403	Ramsey St Widening - Sewer	2,050,000
U-5798A	Gillis Hill Rd Widening - Water	1,220,000
U-5798A	Gillis Hill Rd Widening - Sewer	725,000
Total from Amendment #13		\$ 73,523,000
New Projects & Increases/(Decreases) to existing:		
U-4405	Raeford Rd Widening - Water	\$ 500,000
U-4405	Raeford Rd Widening - Sewer	\$ 350,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Water	577,000
U-3422	Camden Road Widening - Water	3,000,000
U-3422	Camden Road Widening - Sewer	(700,000)
U-4403	Ramsey St Widening - Sewer	6,050,000
Total Increases/(Decreases)		\$ 9,777,000
Revised Project List		
U-4405	Raeford Rd Widening - Water	\$ 14,000,000
U-4405	Raeford Rd Widening - Sewer	8,050,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Water	5,727,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Sewer	19,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Water	668,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Sewer	376,000
	Russell Street - Gillespie St to Cross Creek St	215,000
U-3422	Camden Road Widening - Water	14,000,000
U-3422	Camden Road Widening - Sewer	200,000
U-4403	Ramsey St Widening - Water	30,000,000
U-4403	Ramsey St Widening - Sewer	8,100,000
U-5798A	Gillis Hill Rd Widening - Water	1,220,000
U-5798A	Gillis Hill Rd Widening - Sewer	725,000
Revised Total-Amendment #14		\$ 83,300,000

CAPITAL PROJECT ORDINANCE AMENDMENT
ELECTRIC TRANSPORTATION EQUIPMENT AMENDMENT #5 - Effective July 1, 2021
PWCORD2021-30

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1. The amendment authorized is to the Electric Transportation Equipment Capital Project Fund adopted October 10, 2018 by PWC, as amended, is for funding transportation equipment which require long lead time purchases.

Section 2. The officers of this unit are hereby directed to continue with the project within the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete the project:

	Current Budget	Amendment	Revised Budget
Transfers from Electric Fund	\$ 1,696,000	\$ 2,192,000	\$ 3,888,000

Section 4. The following amounts are appropriated for the project:

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 1,696,000	\$ 2,192,000	\$ 3,888,000

Section 5. Copies of the capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of June, 2021.

Electric Fund Transportation Equipment - Amendment #5

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
262	820	2007	International	7400	240,000	2020
264	820	2007	International	7400	320,000	2020
561	824	2009	International	4300	235,000	2020
2301	820	2009	International	7400	240,000	2021
2315	820	2012	Kenworth	T-370 Hybrid	215,000	2021
254	820	2009	Freightliner	7400	291,000	2020
2309	820	2012	International	4400	155,000	2023
Total from Amendment # 4					\$ 1,696,000	
New Projects & Increases/(Decreases) to existing:						
2323	820	2014	Freightliner	M2-106	255,000	
2324	820	2014	Freightliner	M2-106	255,000	
2327	820	2014	Freightliner	M2-106	420,000	
2328	820	2015	Freightliner	M2-106	308,000	
2329	820	2015	Freightliner	M2-106	330,000	
2332	820	2014	Freightliner	M2-106	255,000	
2334	820	2017	Freightliner	4300	255,000	
2330	820	2015	Freightliner	M2-106	308,000	
262	820	2007	International	7400	41,000	
561	824	2009	International	4300	(235,000)	
Total Increases/(Decreases)					\$ 2,192,000	
Revised Project List						
262	820	2007	International	7400	281,000	
264	820	2007	International	7400	320,000	
2301	820	2009	International	7400	240,000	
2315	820	2012	Kenworth	T-370 Hybrid	215,000	
254	820	2009	International	7400	291,000	
2309	820	2012	International	4400	155,000	
2323	820	2014	Freightliner	M2-106	255,000	
2324	820	2014	Freightliner	M2-106	255,000	
2327	820	2014	Freightliner	M2-106	420,000	
2328	820	2015	Freightliner	M2-106	308,000	
2329	820	2015	Freightliner	M2-106	330,000	
2332	820	2014	Freightliner	M2-106	255,000	
2334	820	2017	Freightliner	4300	255,000	
2330	820	2015	Freightliner	M2-106	308,000	
Revised Total-Amendment # 5					\$ 3,888,000	

Open Commission Requests

As of 6-9-21

<u>Commission Meeting Date</u>	<u>Presentation/Discussion Item</u>	<u>Presenter (Staff)</u>
To be Determined	Report Key Ratios Across all Reporting Agencies Requested by: Commissioner Rogers 10/9/19	R. Haskins
In Progress – Presentation in June	Provide a presentation on the process to be followed in the event of a Contamination Event (corrected 11-9-20) Requested by: D. Rogers 10-14-20	M. Noland

PREVIOUSLY CLOSED COMMISSION REQUESTS HAVE BEEN ARCHIVED

May 2021

Personnel Report

<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Temp Staff</i>
MANAGEMENT						
Executive	5	4			1	
Legal Administration	1	1				
Customer Programs Admin	1	1				
Human Resources Admin	1	1				
Communications/Comm Rel	1	1				
Corporate Services Admin	1	1				
Information Tech Admin	1	1				
Financial Administration	1	1				
Water Administration	1	1				
Electric Administration	1	1				
Total	14	13	0	0	1	
LEGAL						
Legal	1	1				
Total	1	1	0	0	0	
COMM/COMM REL						
Communications/Comm Relations	4	4				
Total	4	4	0	0	0	
HUMAN RESOURCES						
Human Resources	7	7				
Medical	1	1				
Safety	1	1				
Total	9	9	0	0	0	
CUSTOMER PROGRAMS						
Programs Call Center	11	10			1	2
Development & Marketing	5	5				
Water Meter Shop	2	2				
Electric Meter Shop	2	2				
Utility Field Services	17	17				
Meter Data Management	7	7				
Total	44	43	0	0	1	2
CORPORATE SERVICES						
Project Management	19	18			1	
Warehouse	13	13				
Fleet Maintenance	31	29			2	
Facilities Maintenance	7	7				
Total	70	67			3	
INFORMATION TECHNOLOGY						
IT Admin	5	4			1	
IT Infrastructure & Support	12	12				
IT Applications	8	8				
IT DevOps	8	8				1
Total	33	32	0	0	1	1

MAY 2021

Page 2

<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
FINANCIAL						<i>or Part-time</i>
Accounting	16	16				
Payroll	2	2				
Accounts Receivable	3	3				
Customer Accts Call Center	33	*35				
Customer Service Center	15	15				
Cust Billing & Collection	14	13			1	2
Risk Management	4	4				
Environmental Compl	1	1				
Property & ROW Mgmt	5	5				2
Internal Auditing	2	2				
Budget	2	2				
Rates & Planning	2	2				
Financial Planning Admin	5	5				
Purchasing	7	7				
Total	111	110	0	0	1	4
WATER RESOURCES						
W/R Engineering	38	36			2	1
W/R Construction	106	103			3	
P.O. Hoffer Plant	10	10				
Glenville Lake Plant	7	7				2
W/WW Facilities Maint.	25	24			1	
Cross Creek Plant	11	11				
Rockfish Plant	8	8				
Residuals Management	2	2				
Environmental Services	1	1				
Laboratory	6	6				
W/R Environ. Sys. Prot.	4	4				
Watersheds	2	2				
Total	220	214	0	0	6	3
<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
ELECTRIC						
Electrical Engineering	23	22			1	
Fiber	2	2				
Electric Construction	86	79			7	
Substation	15	14			1	1
Apparatus Repair Shop	5	4			1	
CT Metering Crews	4	4				
Compliance	3	3				
Power Supply SEPA	0	0				
Power Supply Progress Energy	0	0				
Generation	26	*29				
Total	164	154		0	10	1
TOTAL	670	647	0	0	23	11

*2 temporary overstaff in Customer Service

* 3 temporary overstaff in Generation

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
D. RALPH HUFF, III, COMMISSIONER
ELAINA L. BALL, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

May 21, 2021

MEMO TO: ALL PWC EMPLOYEES

FROM: Brittany Sisco
Brittany.Sisco@faypwc.com

SUBJECT: Job Vacancy

POSITION: W/R ENGINEER I

DEPARTMENT: W/R Engineering

HOURS: MONDAY-FRIDAY 8:00AM-5:00PM

GRADE LEVEL: 413; \$70,618.28- \$88,272.86

QUALIFICATIONS & DUTIES: Any "regular" employee may apply to the Human Resources Department. Please log into EBS, I-Recruitment, Employee Candidate to apply for this position no later than 5pm, June 4th, 2021.

SUPERVISORS, PLEASE POST ON BULLETIN BOARD

BUILDING COMMUNITY CONNECTIONS SINCE 1905

AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER

DARSWEIL L. ROGERS, COMMISSIONER
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TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

May 21, 2021

MEMO TO: ALL PWC EMPLOYEES

FROM: Rhonda Fokes
rhonda.fokes@faypwc.com

SUBJECT: Job Vacancy

POSITION: Administrative Assistant II

DEPARTMENT: Financial Planning 0473

HOURS: Monday – Friday 8:00am – 5:00pm

GRADE LEVEL: 403 \$16.28 - \$20.35/hourly

QUALIFICATIONS & DUTIES: Any “regular” employee may apply to the Human Resources Department. Please log into EBS, i-Recruitment, Employee Candidate to apply for this position no later than 5pm, June 4, 2021.

**SUPERVISORS,
PLEASE POST ON BULLETIN BOARD**

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FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

May 25, 2021

MEMO TO: ALL PWC EMPLOYEES

FROM: Brittany Sisco
Brittany.Sisco@faypwc.com

SUBJECT: Job Vacancy

POSITION: W/R SR. UTILITY WORKER

DEPARTMENT: W/R Construction

HOURS: MONDAY-FRIDAY 7:30AM-4:00PM (OVERTIME & ON
CALL AS REQUIRED)

GRADE LEVEL: 405; \$20.18-\$25.22/Hour

QUALIFICATIONS & DUTIES: Any "regular" employee may apply to the Human Resources Department. Please log into EBS, I-Recruitment, Employee Candidate to apply for this position no later than 5pm, June 7th, 2021.

SUPERVISORS, PLEASE POST ON BULLETIN BOARD

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