

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



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PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, FEBRUARY 9, 2022  
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 January 26, 2022
- B. Adopt PWC Resolution - PWC2022.03 – Resolution Accepting State Loan Offer for PO Hoffer WTP/Glenville Lake WTP Reliability Improvements

In January 2022, the North Carolina Department of Environmental Quality (DEQ) offered PWC a \$10,719,300 State Loan for the P.O. Hoffer WTP/Glenville Lake WTP Reliability Improvements Project with the terms of 20 years, 1.02% interest and 2% closing fee (Project). To accept the loan offer, PWC and the City of Fayetteville (City) must adopt a resolution accepting the loan in the form provided by DEQ.

**Comments:** Staff recommends that the Commission adopt the attached resolution (Resolution No. PWC2022.03) to accept the State Revolving Loan Offer for the Project and requests the City to adopt the same.

- C. Adopt PWC Resolution - PWC2022.04 – Resolution Approving Agreement to Transfer Tangible Personal Property

PWC wishes to convey and ELECTRICITIES OF NORTH CAROLINA, INC. wishes to receive tangible personal property to be used for electric lineworker training programs. G.S. 160A-274 requires Commission approval of this conveyance. Staff recommends that the Commission approve the attached Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC.

**BUILDING COMMUNITY CONNECTIONS SINCE 1905**

**AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER**

because the Fayetteville Public Works Commission benefits from training programs of this nature.

**Comments:** Staff recommends approval of the Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC. in order to allow PWC to convey specified tangible personal property to ELECTRICITIES OF NORTH CAROLINA, INC. to be used for electric lineworker training programs.

- D. Adopt Capital Project Fund Budget Ordinance Amendments – PWCORD2022-05 thru PWCORD2022-08
- PWCORD2022-05 amends the Series 2021 Electric CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent Costs of Issuance (COI) from the Series 2021 Bonds.
  - PWCORD2022-06 amends the Annexation Phase V, Areas 22 & 23 CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.
  - PWCORD2022-07 amends the Annexation Phase V, Areas 24 & 25 CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.
  - PWCORD2022-08 amends the Series 2021 Water and Wastewater CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.

END OF CONSENT

III. UPDATE ON STRATEGIC PLAN CONSERVATION EFFORTS

Presented by: Mark Brown, Chief Customer Officer  
Kathy Miller, Marketing and Development Manager

IV. 6 MONTH FINANCIAL RECAP (JULY THRU DECEMBER 2021)

Presented by: Rhonda Haskins, Chief Financial Officer

V. GENERAL MANAGER REPORT

(See Tab 2)

A. Open Commission Requests

VI. COMMISSIONER/LIAISON COMMENTS

VII. REPORTS AND INFORMATION

(See Tab 3)

A. Personnel Report – January 2022

VIII. ADJOURN

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY JANUARY 26, 2022  
8:30 AM

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

Others Present: Elaina L. Ball, CEO/General Manager  
Chris Davis, City Council Liaison (VIA WEBEX)  
Telly Whitfield, Assistant City Manager (VIA WEBEX)  
Dennis Pidherny, Fitch Ratings (VIA WEBEX)

Absent: Jimmy Keefe, Cumberland County Commissioner, Liaison  
Scott Meszaros, Hope Mills Town Manager  
Media

#### REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of January 26, 2022, to order.

#### Approval of Agenda

Upon motion by Commissioner Ronna Garrett, seconded by Commissioner Donald Porter, the agenda was unanimously approved.

#### CONSENT ITEMS

Upon motion by Commissioner Donald Porter, seconded by Commissioner Ronna Garrett, the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of January 12, 2022
- B. Approve bid recommendation to award contract for the Readvertisement of Annexation Phase V, Project XV, Construction Area 32 East, Section I to T. A. Loving Company, Goldsboro, NC, the lowest, responsive, responsible bidder in the total amount of \$14,735,075.00, and forward to City Council for approval.

This project will provide sewer service to the construction area at Area 32 East Section I for Phase V Annexation, consisting of approximately 15,992 linear feet of gravity sewer, 12,555 linear feet of water main, associated well abandonments, and sanitary sewer improvements with associated appurtenances (“this project” or “subject project”)

The funding for this project will be from the Phase V Annexation Reserve Fund (CPR1000130 and CPR1000095).

Bids were received on December 8, 2021, as follows:

## Bidders

## Total Cost

J. Smith Civil, LLC, Goldsboro, NC  
T. A. Loving Company, Goldsboro, NC

\$13,155,618.20  
\$14,735,075.00

**COMMENTS:** Notice of the bid was advertised through PWC's normal procedures on October 15, 2021, with an initial bid opening date of November 16, 2021. Addendum No. 1 was issued on November 11, 2021, in part, to extend the bid opening date to November 24, 2021. PWC did not receive the requisite three (3) bids. Notice of the bid readvertisement through PWC's normal procedures occurred on November 24, 2021, with a bid opening date of December 8, 2021. PWC received two (2) bids, which were timely opened and evaluated by PWC Water Resources Engineering for this project.

PWC staff requested interviews of the references submitted by the lowest bidder, J. Smith Civil, LLC. After evaluation of the reference interviews, bid, and prior performance of the contractor, PWC staff determined that J. Smith Civil, LLC was a non-responsible bidder for the size and scope of this project. PWC staff then requested interviews of the references submitted by the second lowest bidder, T.A. Loving Company. After evaluation of the reference interviews, bid, and prior performance, PWC staff concluded that T.A. Loving Company was the lowest responsive, responsible bidder for this project. It is therefore PWC staff's recommendation to award this project to the lowest responsive, responsible bidder, T.A. Loving Company, Goldsboro, NC.

**SDBE/Local Participation:** T.A. Loving Company is based in Goldsboro, NC, and has local offices in Fayetteville, NC. The company also pays Cumberland County property taxes. T. A. Loving Company anticipates spending \$397,519.37 (2.69%) to SDBEs with Fill Er Up Trucking of Tar Heel and Southeast Caissons of Kernersville. The company plans to subcontract \$1,330,853.00 (9.03%) locally with Forrest's Landscaping of Fayetteville and T&T Tree Service of Hope Mills.

## END OF CONSENT

## STRATEGIC PRIORITIES UPDATE – FINANCIAL HEALTH

Presented by: Rhonda Haskins, Chief Financial Officer (CFO)  
Dennis Pidherny, Fitch Ratings

Ms. Ball stated this is the seventh discussion we have had around our strategic priorities. This is the first brief concerning financial health.

Ms. Haskins stated she will discuss the following:

- ▶ PWC At A Glance
- ▶ Commission Policies
- ▶ Strategic Plan Objective and Goals
- ▶ Discuss Financial Health Goals
  - Ratings
  - Liquidity
  - Budget Performance

Ms. Haskins stated there is another goal related to the Butler Warner Generation Plant that she will not discuss today. It will be discussed at another time.

- ▶ Strategic Initiatives
- ▶ Financial Health Monitoring

## PWC At A Glance

- ▶ Annual Operating Budget: \$405.2 Million
- ▶ Total Assets: \$1.44 Billion

- ▶ **Bond Rating: Aa2 (Moody's), AA (Standard and Poor), AA (Fitch)**  
 Ms. Haskins stated there are three AA ratings (AA-, AA & AA+). Ms. Haskins stated we are in the middle at AA, and one notch and one step from the highest ratings we can receive, which is AAA. Ms. Ball stated doesn't believe there are any electric utilities that own power generation are AAA. She went on to stated, owning power generation is a huge benefit, it is also an operating risk. Commissioner Garrett asked do we have information on the percentages that are at the next highest rating. Mr. Pidherny will cover that information.
- ▶ **Annual Local Purchases: \$25 Million**
- ▶ **Operations & Maintenance Expenses per Customer: \$432 (\$556 National Median)**
- ▶ **Annual Contributions to City of Fayetteville in Lieu of Taxes: \$11.4 Million**
- ▶ **Additional Services and Contributions to the City: \$14.2 million**  
 Staff and Commission discussed PWC's contributions to the City.

## **PWC Policies**

- ▶ **Principles of Sound Financial Management**
  - Policy framework and guidelines for overall fiscal planning and management
- ▶ **Investment of Public Funds**
  - Compliance with NCGS 159-30
  - Safety, liquidity, and yield
- ▶ **Post Issuance Compliance**
  - Compliance with federal tax laws
- ▶ **Internal Controls**
  - Accuracy, reliability, efficiency, and usefulness of records
  - Reporting/safeguarding of assets
  - Laws/regulations & policies/procedures followed
  - Fraud prevention and detection

## **Financial Health Strategic Objective**

PWC will maintain its financial health to keep cost of borrowing low, customers' bills affordable, maintain safe and reliable utility services, and provide dependable financial support to the City of Fayetteville.

### **Goals**

- ▶ **Goal #1 - Bond Ratings - Achieve an AA Bond rating by all 3 agencies with a stable or positive outlook**
- ▶ **Goal #2 - Liquidity - Maintain 120 days of reserve for budgeted GAAP expenses**
- ▶ **Goal #3 - Generation Availability Factor >1.0**  
 Ms. Ball stated Jon Rynne is leading an initiative to look at how we plan around our power generation resource. We have a great team at the plant. The assets are old and aging. Jon Rynne will give a presentation in March, and he will touch on the tide of financial health.
- ▶ **Goal #4 - Capital Expenditures - Measure and improve capital expenditures plan to actual performance**

## Strategic Initiatives

### Key Initiatives

- ▶ **Optimize savings opportunities in debt borrowings and grant offerings.**
- ▶ Maximize BWGP contractual performance to maintain availability factor.
- ▶ Complete an Integrated Resource Plan to determine power resource
- ▶ Supply Chain improvement - creating efficiencies in processes for planning, procuring, and storing materials. Identify and implement cycle time improvements in the procurement process.
- ▶ Re-establish Commodity Purchasing program to maximize savings on water and electric materials.
- ▶ **Define and develop meaningful and accountable budget performance reporting**

### Expected Outcomes

- ▶ Provide low-cost funds for improvements and expansion of utility system infrastructure.
- ▶ Enhance supply chain management with improved cycle times, contract management, spend management benefitting resource allocation, cash flow, supply availability and pricing.
- ▶ Reduced cycle time for CIP projects. Cost savings with reduced activities.
- ▶ Compliance with DEP contract and optimal financial payments to PWC via tolling agreement and reduced power supply costs post FY 2024.
- ▶ Allow monitoring of budget performance in line with Strategic Priorities

## Goal #1 – Bond Rating

The bond credit rating measures the creditworthiness of our bonds and is used by investment professionals to assess the likelihood the debt will be repaid

- ▶ Investment grade ratings range from BBB- to AAA
- ▶ PWC is currently AA rated by all 3 ratings agencies for all of its outstanding bonds
  - Achieved AA- level in 2008 and to current AA rating in 2014
- ▶ Each agency has their own rating methodology with some similarities in quantitative and qualitative measures
  - Debt service coverage
  - Liquidity
  - Leverage
  - Governance

Ms. Ball and Ms. Haskins discussed how PWC's bond ratings played into our most recent \$95M in debt issuance. Ms. Haskins stated our bond ratings impact our interest rate. For us to be able to finance the projects we discuss with the operations side of the house we achieved the lowest interest rate that we have achieved. It is 2.5% on 30 year debt. Our ratings come into play with our low interest rate.

Commissioner Garrett stated she assumes staff is shooting for the next level up. She asked if staff has a goal or timeline or is that an accurate assumption. Ms. Haskins responded staff has had that discussion. It would be an intentional goal we would need to commit to. We would have to raise our liquidity levels; look to policy; and strengthen some of our financial goals. Ms. Ball stated the incremental value of that is very small. We own generation, so we will not get to AAA. We receive a lot of criticism for carrying 120 days of cash, if we go for the higher rating, we will need to carry approximately 250 days of cash, and the way we would that is to raise rates. And we would get a little bit of interest benefit. She stated it is a great question, but we have had a very thorough look at it. Commissioner Garrett responded there are pros and cons to it, and you have to weigh it and make a very deliberate business decision. She was just curious if we have set that goal and all the work that would go behind it.

Ms. Haskins stated the willingness of the Commission to make decisions to raise or to lower rates is a key item. It is a negative for a board to say they will not raise rates and not consider our financial health. The willingness of the Commission to make good, sound business decisions goes a long way in the ratings.

She also stated the Commission's ability to keep out of City Council rate decisions go a long way. You will see in every report that it is the Commission's decision and does not rest with the City Council.

## **Goal #2 - Liquidity**

Commission adopted Policy – These three policies cover our liquidity. They are also duplicated in our charter.

### ▶ 2.2.1 Necessity

The Electric and Water/Wastewater Utility Systems (the "System") will maintain an Operating Reserve to pay for current obligations and to ensure that sufficient funds are available to meet unexpected needs. If the Operating Reserve drops below the required amount, the PWC will endeavor to replenish the Operating Reserve within a 12-month period of time.

### ▶ 2.2.2 Requirement Amount

The amount of Operating Reserve (Unrestricted Cash and Investments) on hand should equal a minimum 90 day requirement with a target of a 120 day requirement. The requirement shall be computed as  $(x/360)$  of total budgeted expenses, including payments to the City, on a GAAP basis for the then current year.

### ▶ 2.2.3 Other Reserves

Other cash and investment restricted, and unrestricted reserves should be identified and recorded for debt covenants, legal requirements, resolutions, and other purposes.

## **Goal #4 – Budget Performance**

Budget performance is measured through our ability to execute and manage the planned budget in a fiscally responsible manner

### ▶ Corporate Dashboard

- New reports are currently underway and in draft form for Management review

### ▶ Next steps are:

- To refine the draft and determine the next set of reports that meet the needs of those responsible for managing and executing budgets
- Set specific, measurable, achievable, relevant, and time-bound goals

## **Financial Health Monitoring**

As a debt issuer and a NC local government, Financial Health is monitored at a minimum annually, examples include:

### ▶ Commission and City

- Corporate Dashboards
- Financial Presentations and monthly reports

### ▶ Local Government Commission

- Statutory authority to set rules
- Audited financial statements - annual
- Approves all debt and verifies debt payments monthly
- Monitors investments – semiannual reporting

Jason Alban discussed

### ▶ Rating Agencies

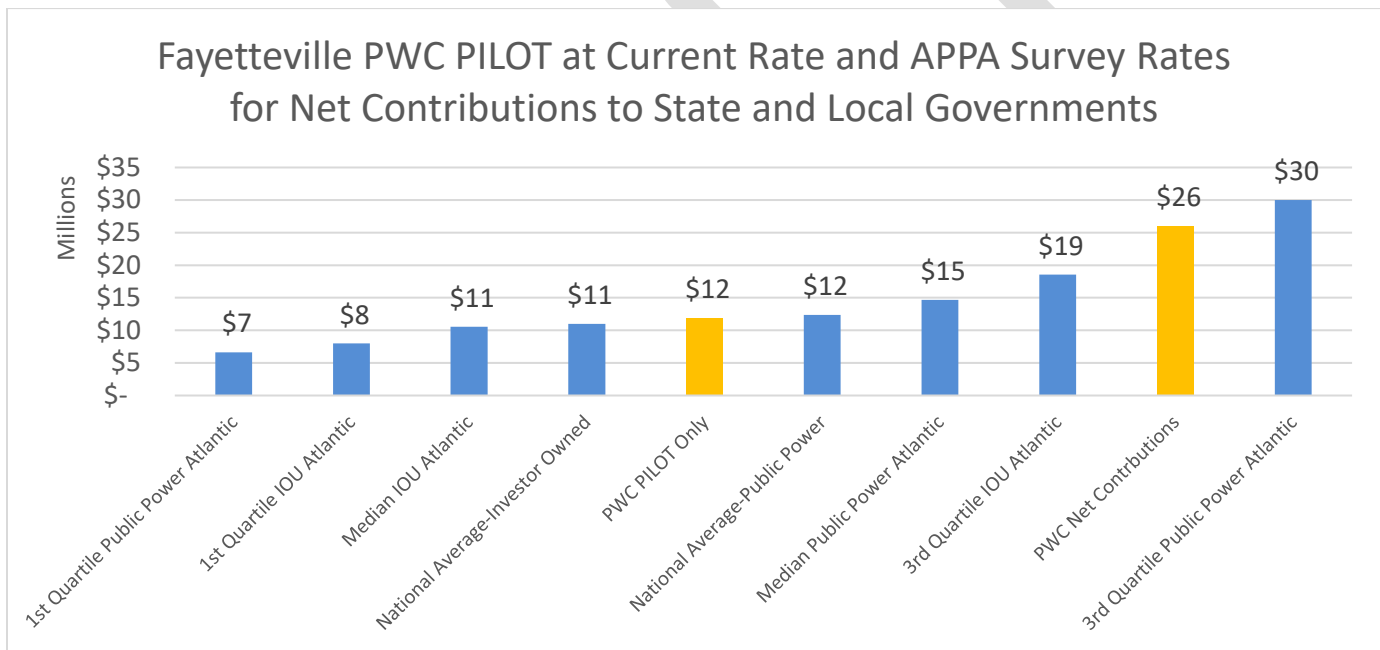
- Annual Surveillance
- ▶ Municipal Securities Rulemaking Board (EMMA)
  - Annual Continuing Disclosure'
  - Reportable events (16 reportable events SEC Rule 15c2-12)

## Benefits of Financial Health

PWC's Financial Health reaches many impacted parties:

- ▶ PWC Customers – reliable utility service at competitive prices with rate structures and programs allowing customers more choices
- ▶ City of Fayetteville - Annual payment in lieu of taxes plus additional contributions
- ▶ Community – significant local spend and employment base
- ▶ PWC Employees – Competitive wages and benefits
- ▶ Bond Holders – Stable and reliable return

## PILOT Benchmark



Ms. Haskins introduced Mr. Dennis Pidherny, Fitch Ratings Managing Director, U.S. Public Finance. Mr. Pidherny explained a rating and what it means. He stated a rating is an independent assessment of an enterprise's vulnerability to default. When we discuss the public sector that vulnerability is very low. Their ratings are relative and comparative.

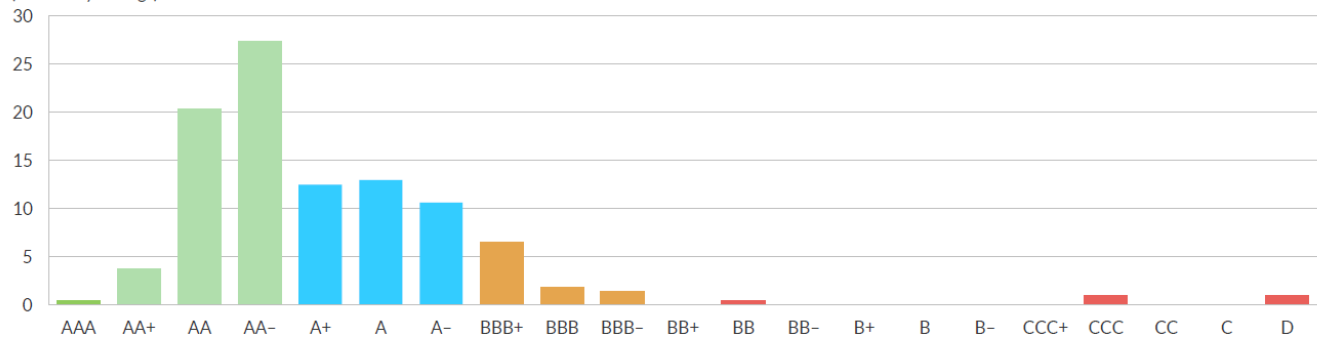
Mr. Pidherny explained Fitch's ratings scale which spans from AAA to D. He responded to a previous question regarding how many utilities have earned an AA+ rating. He stated there are 4. Three of which do not own generation, and one owns some hydro-electric generation in the northwest. The lone AAA rating is the Tennessee Valley Authority which is owned by the federal government.



## Rating Distribution

(As of Dec. 31, 2021)

(% Security Ratings)



Source: Fitch Ratings.

Mr. Pidherny emphasized Fitch does not give financial advice. He stated their responsibility is to provide an objective opinion. They do not have an agenda going into a ratings meeting/engagement. He stated Fitch's ratings criteria is on their website and available for anyone to read.

He discussed Fitch's ratings factors which include revenue defensibility; operating risk; and the financial profile.

Mr. Pidherny stated Fitch focuses on leverage perhaps more than any other agency. He stated they have found that it is a better indicator that it is an entity is under financial stress than any other metric they have analyzed or studied in the past.

He discussed transfers to the City and how Fitch views them. He discussed liquidity;

## Liquidity Cushion

### Metric to Support Assessment

- A liquidity cushion above 90 days is neutral to ratings, as long unrestricted cash is above 30 days. A liquidity cushion below 90 days or unrestricted cash below 30 days are considered "weak" and risk additive.

Council Member Davis asked Mr. Pidherny to explain his interpretation of transfers to the City. Are they negative or positive? Mr. Pidherny stated transfers are a well-established, well accepted means of returning capital to the host city for municipal utilities. They have seen policies that range from 0 transfers to percentages of revenue; percentages of net operating margin. They do not view transfers in and of themselves as negative to the credit quality of the enterprise. However, the magnitude of the amount that to transfer back to the city is factored into their analysis as cashflow that is not available to service debt. Their experience has been that even though there may be documentation protections of when those amounts can be paid or the priority of their payments. In most times of stress, those payments continue to be paid. There is nothing negative about it, but it must be factored into the analytics.

Council Member Davis and Mr. Pidherny also discussed various ratings (example: AAA, AA, and BBB).

## **Fayetteville Public Works Commission – Revenue Defensibility**

### **KEY RATING DRIVERS - Revenue Defensibility: 'a'**

#### **Very Strong Revenue Source Characteristics Tempered by Midrange Service Territory Characteristics**

- Fitch's revenue defensibility reflects the monopolistic revenue source characteristics of PWC's electric, water and wastewater utility system, but is tempered by the service territory's relatively weak economic metrics.
- PWC's revenue source characteristics are assessed at very strong reflecting the utility's captive customer base for each of its utility systems.
- PWC's service area characteristics are assessed at midrange, which reflects generally high unemployment and below-average income levels relative to the national averages.
- The area metrics are somewhat mitigated by the presence of the Fort Bragg military base, which has historically supported the area's steady growth, but limit the overall assessment.
- Fitch assesses PWC's rate flexibility as very strong reflecting the utility's autonomous rate-setting ability and

### **Fayetteville Public Works Commission – Operating Risk: 'a'**

#### **Renegotiated Power Contract to Reduce Operating Costs**

- PWC's operating risk assessment reflects PWC's rising electric operating costs, which includes coal ash management costs passed through to PWC by Duke.
- While PWC's electric operating cost burden is projected to decline under the renegotiated agreement with Duke, Fitch still expects the operating cost burden will remain above 10 cents/kWh, in line with the assessment.
- Fitch assesses PWC's operating cost flexibility as neutral. Duke's power supply obligations are supported by a well-diversified portfolio of generating resources.
- PWC maintains adequate water supply, and treatment capacity remains sufficient. Operating costs at the water and wastewater systems appear manageable through the five-year forecast period ending 2025,
- Fitch assesses PWC's capital planning and management as strong reflecting an average age of plant of 18 years. Capex, which remain focused on the water and wastewater systems, are expected to remain elevated over the next five years for system expansion and maintenance.

### **Fayetteville Public Works Commission – Financial Profile: 'aa'**

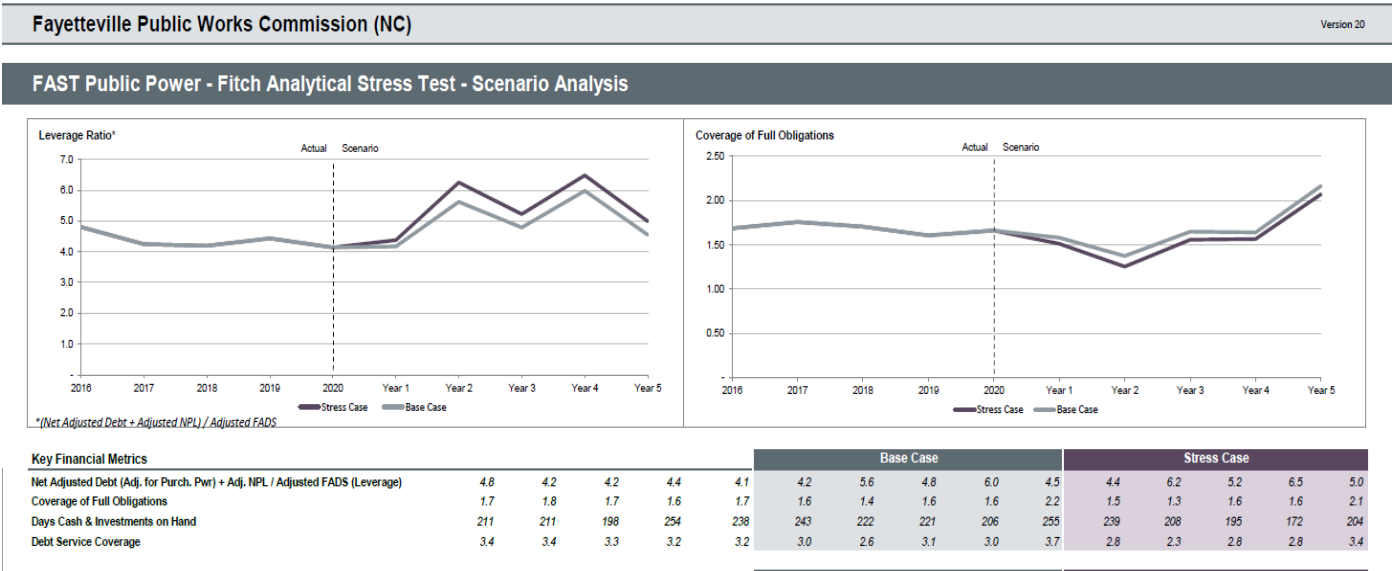
#### **Increasing Leverage**

- Fitch assesses PWC's financial profile as very strong, supported by strong operating cash flow, very low leverage, and sound liquidity.
- PWC maintains ample liquidity with 238 days cash on hand at FYE 2020. Fitch-calculated coverage of full obligations, which includes city transfers and a portion of purchased power as debt service, remained healthy at 1.7x in fiscal 2020.
- Leverage remained very low in fiscal 2020, declining slightly to 4.2x as the utility's debt amortized. Fitch's leverage calculation also includes \$395.5 million of other obligations including Fitch-calculated unfunded pension obligations and capitalized fixed charges for purchased power.
- Leverage is expected to climb during the next five years as the utility partially debt finances its expanded capital improvement plan.
- Leverage will be volatile and could rise to 6.0x during the next five years. However, ratios should moderate closer to 5.0x as rate increases are implemented. Under the stress case, PWC's leverage rises to 6.5x at FYE 2024, but is similarly expected to normalize closer to 5.0x in future years.

# Fayetteville Public Works Commission – Asymmetric Additional Risk Considerations

No asymmetric additional risk considerations affected this rating determination

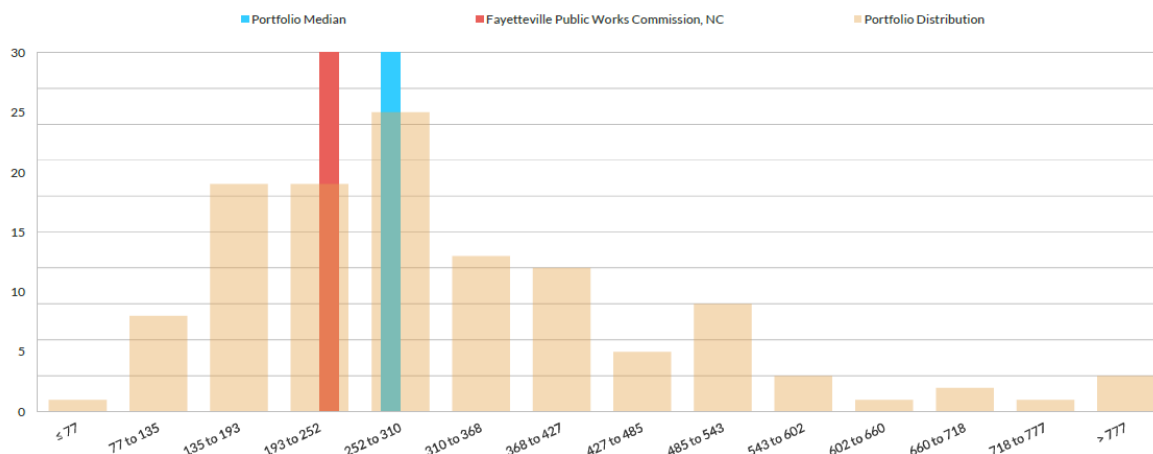
## Fayetteville Public Works Commission – Scenario Analysis



## Metric Analysis: Liquidity Cushion

Liquidity Cushion (Days)
Year: 2020
Compare to:
☒ Fitch Portfolio
☐ Selected Peer Group
☐ Rating Category
☐ Region
☐ System Type

Distribution of Liquidity Cushion (Days): 2020



### Fayetteville Public Works Commission – Rating Sensitivities

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- A sustained leverage ratio below 4.0x in Fitch's base and stress cases;
- Sustained economic growth within the service area leading to significantly improved unemployment and income levels relative to national averages.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- A sustained increase in the leverage ratio approximating 6.0x resulting from higher than expected capital investments or debt issuances;
- Failure to implement planned water and wastewater rate increases, which results in weakened operating cash flow or liquidity levels.

Mr. Pidherny responded to several questions from the Commissioners Fowler and Shaw regarding economic development and the impact of concession agreements on utility ratings. Additional discussion ensued.

Commissioner Shaw thanked Ms. Haskins and Mr. Pidherny for the financial presentation.

### DASHBOARD REVIEW

Presented by: Elaina Ball, CEO/General Manager

Ms. Ball stated she plans to brief the Commission once a month on the strategic initiatives and the performance measures we have established. She thanked Ms. Laurie Shrauger, who is the Data and Analytics Manager.

Ms. Ball reviewed the Dashboard with the Commission. Ms. Ball stated the dashboard is available to all employees and we will also provide a PDF version for those who do not have continuous access to the internet. Ms. Ball stated we still a few measures we are designing and building.

We have seven strategic categories and key performance indicators. We will publish monthly, and some will update daily. Ms. Ball reviewed the safety indicators; the outages, and duration of outages; clarity of the

water coming out of both treatment plants; click rates on phishing; financial bond ratings; liquidity; capital expenditures; generation availability factor; engaged employees; customer satisfaction; community engagement; and conservation.

Ms. Ball and staff responded to questions from Commissioners.

## **GENERAL MANAGER REPORT**

Ms. Ball thanked everyone who worked in preparation and in execution for the two storms we have experienced.

### **United Way**

We planned to have a big event and a pie event on the 28<sup>th</sup>. We have moved it to a virtual event, and the pie event will be postponed until we get through this wave of COVID. We ended as the number one campaign in Cumberland County.

### **TEXFI**

Ms. Ball stated we have a contaminated site at the former TEXFI manufacturing facility. The City has decided it will not fund the pilot program. PWC has decided it will fund it all, and as a result we will need to update the agreement, and the document will come back to the Commission in February. Ms. Ball responded to questions from Commission.

### **COVID**

We have 83 employees out as of now. We are continuing all our protocols. Ms. Ball thanked all the field employees, Mr. Rynne, Ms. Fritzen, and Mr. Noland. They have worked extremely hard to find ways to sequester employees and keep the operations going.

### **Local and Small Business Program**

We will have a briefing for Commissioner Shaw on the work we have done on the Local and Small Business Program. If any of the other Commissioners want to participate, please let us know. We can do 2 on 2 reviews.

### **Cost of Service Briefing**

We are in the midst of reviewing our Cost of Service study for the electric system. We have several new rates we will propose with details to come. We want to make sure we are structuring our rates to support EVs., as well as unwind our distributed generation structure.

### **Metronet**

Metronet has been hitting some of our customers' infrastructure. CityView will cover the story. Ms. Ball stated at the end of the day we want to make sure they are working safely. Mark and team are ensuring our customers are being made whole. She stated she is worried about Metronet hitting a gas line.

### **Other Items of Interest**

- Bulk water still in process with Grays Creek.
- CityView ran a couple stories regarding Bernhard.
- We are working on several editorial articles with Business Journal.
- Will have a briefing on the water/wastewater system with Commission Porter immediately following this meeting. Will have a briefing on electric after the next meeting.
- Our grant team has kicked off. We have \$1.7T at the federal level. We are seeking grant opportunities for water and for electric. We are seeking grant opportunities to reduce our costs.
- On February 7<sup>th</sup> Ms. Ball will brief City Council on our Strategic Plan.

## COMMISSIONER/LIAISON COMMENTS

### **Commissioner Ronna Garrett**

Commissioner Garrett thanked the team for the positive community engagement and the hard work during the storm. She enjoyed the video that CCR sent out of Ms. Ball. She thanked Ms. Ball for her leadership.

### **Commissioner Donald Porter**

Commissioner Porter also thanked the team for their great work during the storm. He stated the Wells Place Community Watch would like for PWC to attend their meeting.

### **Commissioner Wade Fowler**

Commissioner Fowler also thanked the team for their efforts during the storm.

He stated looking at the report from Fitch, we need to be forward looking in increasing the load; increasing our customers; developing our EV program and storage behind the meter.

### **Council Member Davis**

Council Member Davis stated he looks forward to having additional conversations about the TEXFI situation. He believes there has been a big misunderstanding. Ms. Ball stated she spoke to Mr. Hewett regarding other issues, and he suggested they place it on the agenda at the work session on Monday, Feb. 7<sup>th</sup>. Ms. Ball stated the City is a great partner, and Mr. Hewett is terrific, however she needs to get the project going.

### **Commissioner Evelyn Shaw**

Commissioner Shaw stated that though we are customary to having brief meetings, it is not always the case. We have to take the time to run the business of PWC. She went on to state that the Commissioners appreciate that the information staff bring is user friendly, and they illicit questions from people who understand the information that has been brought before them. It is very important for Commissioners to understand the business of PWC.

Commissioner Shaw thanked Ms. Haskins for the presentation and for bringing Ms. Pidherny (Fitch) before them today. She thanked Ms. Fritzen, Mr. Rynne, and in-turn Ms. Shrauger for the dashboard information. She also thanked Mr. Noland, and Ms. Ball for assembling the presentations today.

## REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – December 2021
- B. Payment Analysis – December 2021
- C. Recap of Uncollectible Accounts – December 2021
- D. Investment Report – December 2021
- E. Purchase Orders
  - November 2021
  - December 2021
- F. Position Vacancies
- G. Actions by City Council during the meeting of January 10, 2022, related to PWC:
  - Approved - Bid Recommendation – Steel Poles
  - Approved - Bid Recommendation – Black & Decker Substation Rebuild Structures and Equipment Contract
  - Approved – Black & Decker Substation Rebuild Installation Labor Contract

#### ADJOURNMENT

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Porter, the meeting adjourned at 10:33 am.

WADE R. FOWLER, JR., COMMISSIONER  
EVELYN O. SHAW, COMMISSIONER  
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WWW.FAYPWC.COM

February 2, 2022

MEMO TO: Elaina Ball, CEO/General Manager

MEMO FROM: Rhonda Haskins, CPA, Chief Financial Officer

SUBJECT: Resolution Accepting State Loan Offer  
P.O. Hoffer WTP/Glenville Lake WTP Reliability Improvements

The following resolution is for Commission action at its February 9, 2022, meeting. In January 2022, the North Carolina Department of Environmental Quality (DEQ) offered PWC a \$10,719,300 State Loan for the P.O. Hoffer WTP/Glenville Lake WTP Reliability Improvements Project with the terms of 20 years, 1.02% interest and 2% closing fee (Project). To accept the loan offer, PWC and the City of Fayetteville (City) must adopt a resolution accepting the loan in the form provided by DEQ.

The Project is included in the FY 2022 Capital Improvement Program document with State Loan funds as the funding source (WS 27). The loan offer is based upon total project estimates including contingencies. The actual value of the loan will be the actual costs to construct the Project. DEQ administers these loans similar to construction loans and PWC will make periodic draws throughout the construction period upon presenting supporting documentation of eligible payments. There is no interest during construction and interest will begin to accrue upon the completion of the Project.

Staff recommends that the Commission adopt the attached resolution (Resolution No. PWC2022.03) to accept the State Revolving Loan Offer for the Project and requests the City to adopt the same.



**RESOLUTION OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION TO  
ACCEPT A STATE LOAN OFFER UNDER THE SAFE DRINKING WATER ACT  
AMENDMENTS OF 1996**

**WHEREAS**, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure, and

**WHEREAS**, the North Carolina Department of Environmental Quality (NCDEQ) has offered a State Revolving Loan in the amount of \$10,719,300 for the construction of the P.O. Hoffer WTP/ Glenville Lake WTP Reliability Improvements project (Exhibit A), and

**WHEREAS**, the Fayetteville Public Works Commission (COMMISSION) intends to construct said project in accordance with the approved plans and specifications, and

**WHEREAS**, the loan terms are 20 years, 1.02% interest and 2% closing fee, and

**NOW THEREFORE BE IT RESOLVED BY THE COMMISSION THAT:**

1. The COMMISSION does hereby accept the State Revolving Loan offer of \$10,719,300 as presented in Exhibit A, contingent upon approval of the same by the City Council of the City of Fayetteville (COUNCIL) pursuant to Charter Section 6A.19.
2. The COMMISSION does hereby give assurance to NCDEQ that all items specified in the loan offer, Section II – Assurances will be adhered to.
3. Elaina L. Ball, CEO/General Manager of the COMMISSION, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; to execute the promissory note; and to execute such other documents as may be required in connection with the application.
4. The COMMISSION has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.
5. The COMMISSION requests that the COUNCIL approve this loan pursuant to Charter Section 6A.19 by adopting a Resolution in the form presented above.

Adopted this 9th day of February, 2022.

FAYETTEVILLE PUBLIC WORKS COMMISSION

\_\_\_\_\_  
Evelyn O. Shaw, Chair

ATTEST:

\_\_\_\_\_  
Donald L. Porter, Secretary

**STATE OF NORTH CAROLINA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER INFRASTRUCTURE**

**Funding Offer and Acceptance**

**Legal Name and Address of Award Recipient (Applicant):**  
Fayetteville Public Works Commission  
Post Office Box 1089  
Fayetteville, North Carolina 28302

**Project Number:** H-SRF-F-21-1998  
**Project Number:** N/A  
**CFDA Number:** 66.468

**Funding Program:**

Drinking Water	<input checked="" type="checkbox"/>	Additional Amount for	Previous Total	Total Offered
Wastewater	<input type="checkbox"/>	Funding Increases		
State Revolving Fund (SRF)	<input checked="" type="checkbox"/>	--	--	\$10,719,300
State Reserve Loan (SRP)	<input type="checkbox"/>			
State Reserve Grant (SRP)	<input type="checkbox"/>			
State Emergency Loan (SEL)	<input type="checkbox"/>			
Asset Inventory & Assessment Grant (AIA)	<input type="checkbox"/>			
Merger/Regionalization Feasibility Grant (MRF)	<input type="checkbox"/>			

**Project Description:**

*P.O. Hoffer Water Treatment Plant (WTP) & Glenville Lake WTP Reliability Improvements Project, to include: A) At the P.O. Hoffer WTP: 1) Replace air-burst system compressor (for cleaning the raw-water intake screens); 2) Replace powdered activated-carbon system for treatment of raw water; 3) Install new chemical-mixing station for filtered water; 4) Replace finished-water isolation valves; and 5) Construct new electrical housing building; and B) At the Glenville Lake WTP: 1) Replace control system's hardware and software; and 2) Replace the finished-water chemical lines.*

**Total Financial Assistance Offer:** **\$10,719,300**  
**Total Project Cost:** \$11,417,486  
**Estimated Closing Fee\*:** **\$214,386**  
**For Loans**  
**Principal Forgiveness:** \$ - 0 -  
**Interest Rate (Per Annum):** 1.02%  
**Maximum Loan Term (Years):** 20

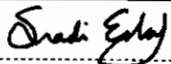
\*Estimate closing-fee calculation based on grant and/or loan amount(s).

Pursuant to North Carolina General Statute 159G:

- The Applicant is eligible under Federal and State law;
- The Project is eligible under Federal and State law; and;
- The Project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Shadi Eskaf, Director, Division of Water Infrastructure**  
**North Carolina Department of Environmental Quality**

 Signature	1/7/2022 Date
--	------------------

On Behalf of:

Name of Representative in Resolution:

Title (Type or Print):

Fayetteville Public Works Commission

~~Mr. David W. Trego~~

CEO / General Manager

Ms. Elaine L. Ball

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature	Date
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## ASSURANCES

1. The Applicant intends to construct the project, or cause it to be constructed to final completion, in accordance with the Application approved for financial assistance by the Division of Water Infrastructure. The Applicant acknowledges that in the event a milestone contained within the most recent Drinking Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Award Offer.
2. The Applicant is responsible for paying for those costs that are ineligible for SRF funding.
3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
4. As of the acceptance of this Funding Award Offer, Steps "A-D" in the "**North Carolina SRF Program Overview and Guidance**" (SRF Guidance Document enclosed with the Funding Award Offer) will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance Document, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance Document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, close-out and repayment.
5. The Applicant will provide and maintain adequate engineering supervision and inspection.
6. The Applicant agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project, and these records will be retained and made available for a period of at least three (3) years following completion of the project.
7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Applicant's compliance with the "Standard Conditions" of this Funding Award Offer. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
8. The Applicant will expend all the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

### **Acknowledgement of Standard Conditions and Assurances**

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance, will be fulfilled.-

.....  
Signature

.....  
Date

WADE R. FOWLER, JR., COMMISSIONER  
EVELYN O. SHAW, COMMISSIONER  
RONNA ROWE GARRETT, COMMISSIONER  
DONALD L. PORTER, 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

February 2, 2022

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

**FROM:** James West, CLO/General Counsel /s/JPW

**SUBJECT:** Recommendation to Adopt Resolution Approving Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC.

PWC wishes to convey and ELECTRICITIES OF NORTH CAROLINA, INC. wishes to receive tangible personal property to be used for electric lineworker training programs. G.S. 160A-274 requires Commission approval of this conveyance. Staff recommends that the Commission approve the attached Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC. because the Fayetteville Public Works Commission benefits from training programs of this nature.

Comments: Staff recommends approval of the Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC. in order to allow PWC to convey specified tangible personal property to ELECTRICITIES OF NORTH CAROLINA, INC. to be used for electric lineworker training programs.

**RESOLUTION APPROVING AGREEMENT TO  
TRANSFER TANGIBLE PERSONAL PROPERTY**

**WHEREAS**, the Fayetteville Public Works Commission (PWC), a public authority, is authorized by North Carolina General Statutes Section 160A-274 to enter into an agreement with ELECTRICITIES OF NORTH CAROLINA, INC. to convey tangible personal property; and

**WHEREAS**, PWC wishes to convey and ELECTRICITIES OF NORTH CAROLINA, INC. wishes to receive tangible personal property to be used for electric lineworker training programs.

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

1. The Commission hereby approves and authorizes its CEO/General Manager, Elaina L. Ball, to enter into the attached Agreement to Transfer Tangible Personal Property by and between the Fayetteville Public Works Commission and ELECTRICITIES OF NORTH CAROLINA, INC.

2. The Commission hereby withdraws its prior approval granted November 10, 2021 to transfer the same tangible personal property to Nash Technical Community College.

**ADOPTED** this \_\_\_\_ day of February, 2022.

FAYETTEVILLE PUBLIC WORKS COMMISSION

\_\_\_\_\_  
Evelyn O. Shaw, Chairperson

ATTEST:

\_\_\_\_\_  
Donald L. Porter, Secretary

Agreement to Transfer Tangible Personal Property

This Agreement to Transfer Tangible Personal Property (the "Agreement") by and between the Fayetteville Public Works Commission ("PWC"), a North Carolina public authority, and ELECTRICITIES OF NORTH CAROLINA, INC. ("ENC"), a North Carolina joint municipal assistance agency that is a public body and body corporate and politic, is made pursuant to G.S. 159B-44(13) and G.S. 160A-274 this 31st day of January, 2022 (the "Effective Date") on the terms and conditions set forth below (each of PWC and ENC is a "Party" and both are collectively the "Parties").

1. Each Party represents and warrants to the other Party that it is authorized to execute and perform this Agreement, which constitutes its legal, valid, and binding obligation.

2. PWC shall transfer to ENC and ENC shall accept from PWC the tangible personal property set forth in Exhibit A (collectively, the "Property") by April 1, 2022, and ENC shall be solely responsible for picking up the Property from PWC at an address in Fayetteville to be specified by PWC.

3. ENC shall refrain from energizing the Property. ENC covenants that the Property will be used for electric lineworker training programs from which municipal utilities, including PWC, may benefit.

4. ENC shall indemnify, defend, and hold harmless PWC and its Commissioners and employees from all claims arising from or relating to the use of the Property upon and after transfer of title to the Property to ENC.

5. Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.

6. The Property is being transferred to ENC without any warranty and "as is." ENC shall be solely responsible for inspecting the Property before accepting it from PWC, and ENC's loading of the Property for purposes of transporting it shall be deemed to constitute final acceptance by ENC and serve to transfer title to the Property from PWC to ENC. PWC MAKES NO REPRESENTATION AND EXTENDS NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY ARISING OUT OF PRIOR COURSE OF DEALING AND USAGE OF TRADE.

IN WITNESS WHEREOF, each Party hereto has duly executed this Agreement on the day and year first above written.

ELECTRICITIES OF NORTH CAROLINA, INC.

Fayetteville Public Works Commission



By: \_\_\_\_\_  
Roy L. Jones, CEO

By: \_\_\_\_\_  
Elaina L. Ball, CEO/General Manager

Qty Req	Description	PWC Stock No.	PWC Description	Unit Cost	Qty to be picked from Inventory	Cost
4	50 KVA Pad Mount Transformer (SURPLUS)	12956254	TRSMF, PDMT, 1-PH 50 KVA 24.94GRDY/14.4 X 12.47GRDY	0.65	4	\$ 2.60
2	27 KVA PMH-9 Cabinet Only (SURPLUS)	1283042	SWITCHING CABINET, PADMOUNT, DEADFRONT, TYPE 9	2	2	\$ 4.00
1	25 KVA, Enclosure Primary Junction, Three Phase (SURPLUS)	1115095	ENCLOSURE,PRIMARY JUNCTION,FBGL, LARGE	0	1	\$ -
4	Transformer Pad (STOCK ITEM)	1300420	BOX PAD COVER, COVER, COMPARTMENTAL PAD, 42" X 48"	181.43	4	\$ 725.72
1	3 Phase Primary Junction Enclosure/ Metal (SURPLUS)	1115090	ENCLOSURE, PRIMARY JUNCTION, 60 X 30 X 18	0.65	1	0.65

**\$ 732.97**

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



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February 2, 2022

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 February 9<sup>th</sup> meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective upon adoption:

- PWCORD2022-05 amends the Series 2021 Electric CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent Costs of Issuance (COI) from the Series 2021 Bonds.
- PWCORD2022-06 amends the Annexation Phase V, Areas 22 & 23 CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.
- PWCORD2022-07 amends the Annexation Phase V, Areas 24 & 25 CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.
- PWCORD2022-08 amends the Series 2021 Water and Wastewater CPF. The amendment adds additional bond proceeds to the CPF as a result of the reallocation of unspent COI from the Series 2021 Bonds.

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



CAPITAL PROJECT ORDINANCE AMENDMENT  
 SERIES 2021 ELECTRIC CAPITAL PROJECT FUND AMENDMENT #2  
 PWCORD2022-05

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 Series 2021 Electric Capital Project Fund, adopted June 9, 2021 by PWC, for funding various electric infrastructure projects financed by the 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:

	Current Budget	Amendment	Revised Budget
Proceeds from revenue bonds	\$ 7,240,237	\$ 3,993	\$ 7,244,230

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

	Current Budget	Amendment	Revised Budget
Project expenditures	\$ 7,240,237	\$ 3,993	\$ 7,244,230

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 February 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT  
ANNEXATION PHASE V - AREAS 22 - 23 CAPITAL PROJECT FUND AMENDMENT #4  
PWCORD2022-06

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 is to the Annexation Phase V - Areas 22 - 23 Capital Project Fund, adopted March 14, 2018 for funding the water and sewer installations in the Phase V annexation areas 22 through 23 with accumulated funds in the Annexation Reserve Fund.

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:

	Current Budget	Amendment	Revised Budget
Series 2021 Bond Proceeds	\$ 17,017,937	\$ 1,676	\$ 17,019,613
Transfer from Annexation Reserve Fund	1,982,063	-	1,982,063
	<u>\$ 19,000,000</u>	<u>\$ 1,676</u>	<u>\$ 19,001,676</u>

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

Project Expenditures	<u>\$ 19,000,000</u>	<u>\$ 1,676</u>	<u>\$ 19,001,676</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 Annexation Reserve 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 amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of February 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT  
ANNEXATION PHASE V - AREAS 24 - 25 CAPITAL PROJECT FUND AMENDMENT #3  
PWCORD2022-07

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 is to the Annexation Phase V - Areas 24 - 25 Capital Project Fund, adopted December 12, 2018 for funding the water and sewer installations in the Phase V annexation areas 24 through 25 with a combination of accumulated funds in the Annexation Reserve Fund and bond proceeds.

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:

	Current Budget	Amendment	Revised Budget
Transfer from Annexation Reserve Fund	\$ 500,000	\$ -	\$ 500,000
Series 2021 Bond Proceeds	5,109,263	503	5,109,766
Bond Proceeds	22,290,737	-	22,290,737
	<u>\$ 27,900,000</u>	<u>\$ 503</u>	<u>\$ 27,900,503</u>

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

Project Expenditures	<u>\$ 27,900,000</u>	<u>\$ 503</u>	<u>\$ 27,900,503</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 Annexation Reserve 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 amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 9th day of February 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT  
 SERIES 2021 WATER AND WASTEWATER CAPITAL PROJECT FUND AMENDMENT #2  
 PWCORD2022-08

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 Series 2021 Water and Wastewater Capital Project Fund, adopted June 9, 2021 by PWC, for funding various water and wastewater infrastructure projects financed by the 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:

	Current Budget	Amendment	Revised Budget
Proceeds from revenue bonds	\$ 61,826,241	\$ 6,088	\$ 61,832,329

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

	Current Budget	Amendment	Revised Budget
Project expenditures	\$ 61,826,241	\$ 6,088	\$ 61,832,329

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 February 2022.

# Open Commission Requests

As of 2-9-22

<b><u>Commission Meeting Date</u></b>	<b><u>Presentation/Discussion Item</u></b>	<b><u>Presenter (Staff)</u></b>
<b>To be Determined</b>	Report Key Ratios Across all Reporting Agencies Requested by: Commissioner Rogers 10/9/19	R. Haskins

**PREVIOUSLY CLOSED COMMISSION REQUESTS HAVE BEEN ARCHIVED**

# January 2022

## 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>
<b>MANAGEMENT</b>						
Executive	4	4				
Legal Administration	1	1				
Customer Programs Admin	1	1				
Communications/Comm Rel	1	1				
Support Services Admin	1	1				
Financial Administration	1	1				
Water Administration	1	1				
Electric Administration	1	1				
<b>Total</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>LEGAL</b>						
Legal	2	2				
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>COMM/COMM REL</b>						
Communications/Comm Relatio	5	5				
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>CUSTOMER PROGRAMS</b>						
Programs Call Center	9	8			1	1
Customer Accounts Call Center	33	*31			*4	
Customer Service Center	14	14				
Customer Billing & Collections	14	13			1	1
Development & Marketing	5	5				
Water Meter Shop	2	1			1	
Electric Meter Shop	2	1			1	
Utility Field Services	17	16			1	1
Meter Data Management	7	7				
<b>Total</b>	<b>103</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>3</b>
<b>ADMINISTRATION</b>						
Human Resources	9	9				
Medical	1	1				1
Corporate Development	18	14			4	
Procurement	5	5				
Warehouse	14	11			3	
Fleet Maintenance	28	27			1	
Facilities Maintenance	7	7				
IT Admin & Support	6	5			1	
IT Infrastructure	12	12				
IT Applications	14	12			2	
IT DevOps	5	5				
<b>Total</b>	<b>119</b>	<b>108</b>			<b>11</b>	<b>1</b>



# January 2022

## Page 2

DIVISION	AUTHORIZED POSITIONS	ACTUAL EMPLOYEES	Part -time Employees	CONTRACT POSITIONS	VACANT POSITIONS	Staff by Temp Agency
<b>FINANCIAL</b>						or Part-time
Accounting	14	14				
Payroll	2	2				
Accounts Receivable	5	5				
Risk Management	5	5				
Property & ROW Mgmt	5	4			1	2
Safety	3	2			1	
Internal Auditing	2	2				
Budget	2	2				
Rates & Planning	2	2				
Capital Projects Admin	5	5				
<b>Total</b>	<b>45</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>WATER RESOURCES</b>						
W/R Engineering	38	38				
W/R Construction	106	98			8	
P.O. Hoffer Plant	11	10			1	
Glenville Lake Plant	8	8				1
WWW Facilities Maint.	26	24			*3	
Cross Creek Plant	12	12				
Rockfish Plant	9	9				
Residuals Management	2	2				
Environmental Services	1	1				
Laboratory	6	6				
W/R Environ. Sys. Prot.	4	4				
Watersheds	2	2				
<b>Total</b>	<b>225</b>	<b>214</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>1</b>
DIVISION	AUTHORIZED POSITIONS	ACTUAL EMPLOYEES	Part -time Employees	CONTRACT POSITIONS	VACANT POSITIONS	Staff by Temp Agency
<b>ELECTRIC</b>						
Electrical Engineering	23	21			2	
Fiber	2	2				
Electric Construction	88	80			8	
Substation	14	12			2	
Apparatus Repair Shop	5	4			1	
CT Metering Crews	4	4				
Compliance	3	2			1	
Power Supply SEPA	0	0				
Power Supply Progress Ener	0	0				
Generation	26	*28				
<b>Total</b>	<b>165</b>	<b>151</b>		<b>0</b>	<b>14</b>	
<b>TOTAL</b>	<b>675</b>	<b>630</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>7</b>

\*2 temporary overstaff in Customer Service

\*1 temporary overstaff in W/R Fac Maint pending a retirement

\*2 temporary overstaff in Generation