

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



FAYETTEVILLE PUBLIC WORKS COMMISSION
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June 4, 2020

MEMO TO: David Trego, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Capital Project Fund (CPF) Budget Ordinance Amendments for FY 2020

Attached are CPF budget ordinance amendments for Commission action at the June 10th meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective upon adoption:

- PWCORD2020-02 amends the Substation Rebuild CPF to close out completed projects.
- PWCORD2020-03 amends the NCDOT CPF to close out completed projects.
- PWCORD2020-04 amends the Electric Transportation Equipment CPF to close out long lead time purchases.
- PWCORD2020-06 amends the Electric Rate Stabilization Fund to update transfers and interest income to actuals as of FY20.
- PWCORD2020-10 amends the Annexation Phase V Reserve to update transfers and interest income to actuals as of FY20.
- PWCORD2020-14 amends the Annexation Phase V, Areas 22 & 23 CPF to increase the total project cost.

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

CAPITAL PROJECT ORDINANCE - PARTIAL CLOSEOUT
 SUBSTATION REBUILD CAPITAL PROJECT FUND AMENDMENT #3
 PWCORD2020-02

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 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 (See Exhibit A).

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	\$ 40,276,000	\$ (4,276,000)	\$ 36,000,000	\$ 3,379,462

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 40,276,000	\$ (4,276,000)	\$ 36,000,000	\$ 3,379,462

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

Adopted this 10th day of June, 2020.

Substation Rebuild CPF Project Listing - Budget Amendment #3

CIP Reference #	Description	Total
FY 20 - EL33	Fenix 67-26kV Substation Capacity Additions	\$ 2,775,000
FY 20 - EL34	Bordeaux 67-12 kV Substation Rebuild	2,275,000
FY 20 - EL35	Black & Decker Substation Rebuild	1,900,000
FY 20 - EL36	Hogan Street 67-12kV Substation Transformer Replacement	875,000
FY 20 - EL40	POD III Relaying Upgrade	1,300,000
FY 20 - EL41	POD IV 230-66kV Substation	20,150,000
FY 20 - EL39	Distribution Substation 66-12 kV Power Transformer	4,900,000
FY 20 - EL61	230-67 kV Auto-Transformer	2,700,000
	Lafayette Village 67-12 kV Substation Rebuild	2,641,000
	Murray Fork 66-25kV Substation Power Transformer Upgrade	760,000
	Total from Amendment #2	\$ 40,276,000
	Closeout Projects	
	Lafayette Village 67-12 kV Substation Rebuild	(2,641,000)
	Murray Fork 66-25kV Substation Power Transformer Upgrade	(760,000)
	Hogan Street 67-12kV Substation Transformer Replacement	(875,000)
	Total Closeout	\$ (4,276,000)
	Revised Project List	
FY 20 - EL33	Fenix 67-26kV Substation Capacity Additions	\$ 2,775,000
FY 20 - EL34	Bordeaux 67-12 kV Substation Rebuild	2,275,000
FY 20 - EL35	Black & Decker Substation Rebuild	1,900,000
FY 20 - EL40	POD III Relaying Upgrade	1,300,000
FY 20 - EL41	POD IV 230-66kV Substation	20,150,000
FY 20 - EL39	Distribution Substation 66-12 kV Power Transformer	4,900,000
FY 20 - EL61	230-67 kV Auto-Transformer	2,700,000
	Revised Total -Amendment #3	\$ 36,000,000

CAPITAL PROJECT ORDINANCE AMENDMENT - PARTIAL CLOSEOUT
 NCDOT CAPITAL PROJECT FUND AMENDMENT #11
 PWCORD 2020-03

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 NCDOT Capital Project Fund adopted October 14, 2015 and October 26, 2015 by PWC and the City of Fayetteville, respectively, 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 proceed with the partial closeout of the project within the terms of the various agreements executed and make the necessary closing entries.

Section 3. The following revenues have been made available to the project:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Interest Income	\$ 3,800,600	\$ -	\$ 3,800,600	\$ -
Transfers from Water/Wastewater Fund	23,648,671	(1,354,900)	22,293,771	1,459,604
Transfers from Water/Wastewater Fund (Rider)	42,060,629	-	42,060,629	-
	<u>\$ 69,509,900</u>	<u>\$ (1,354,900)</u>	<u>\$ 68,155,000</u>	<u>\$ 1,459,604</u>

Section 4. The following amounts have been appropriated for the project:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 69,509,900	\$ (1,354,900)	\$ 68,155,000	\$ 1,459,604

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

Adopted this 10th day of June, 2020.

NCDOT Project Listing - Budget Amendment #11

Project #	Description	Amount Outstanding
U-2519CB	Fayetteville Outer Loop	\$ 670,000
W-5519	Median Proj, I-95 Bus/US301 from NC87 to NC59-Water	17,000
W-5519	Median Proj, I-95 Bus/US301 from NC87 to NC59-Sewer	195,000
B-4490	Bridge #116 - Water	65,000
B-4490	Bridge #116 - Sewer	375,000
U-4405	Raeford Rd Widening - Water	14,979,000
U-4405	Raeford Rd Widening - Sewer	819,000
U-2519CA/B-5516	Fayetteville Outer Loop-S of Cliffdale to S of US401 - Water	463,000
U-2519CA/B-5516	Fayetteville Outer Loop-S of Cliffdale to S of US401 - Sewer	228,000
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	334,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Water	1,039,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Sewer	376,000
B-4491	Bridge #22 Replacement, NC59 over I-95 Bus - Water	428,400
B-4491	Bridge #22 Replacement, NC59 over I-95 Bus - Sewer	149,100
W5601CD	Medians & Leftovers on US301 from Brock St to Person St - Sewer	20,000
B-4738	Bridge #189 Replacement - Crystal Springs Rd	87,400
	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	2,000,000
	Total from Amendment #10	\$ 69,509,900
	Closeout Proj's Paid in full	
U-2519CB	Fayetteville Outer Loop	\$ (670,000)
B-4491	Bridge #22 Replacement, NC59 over I-95 Bus - Water	(428,400)
B-4491	Bridge #22 Replacement, NC59 over I-95 Bus - Sewer	(149,100)
W5601CD	Medians & Leftovers on US301 from Brock St to Person St - Sewer	(20,000)
B-4738	Bridge #189 Replacement - Crystal Springs Rd	(87,400)
	Total Closeout	\$ (1,354,900)
	Revised Project List	
W-5519	Median Proj, I-95 Bus/US301 from NC87 to NC59-Water	\$ 17,000
W-5519	Median Proj, I-95 Bus/US301 from NC87 to NC59-Sewer	195,000
B-4490	Bridge #116 - Water	65,000
B-4490	Bridge #116 - Sewer	375,000
U-4405	Raeford Rd Widening - Water	14,979,000
U-4405	Raeford Rd Widening - Sewer	819,000
U-2519CA/B-5516	Fayetteville Outer Loop-S of Cliffdale to S of US401 - Water	463,000
U-2519CA/B-5516	Fayetteville Outer Loop-S of Cliffdale to S of US401 - Sewer	228,000
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	334,000
U-2519AA/AB	Fayetteville Outer Loop-S of Camden Rd to I-95S - Water	1,039,000
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	2,000,000
	Revised Total-Amendment #11	\$ 68,155,000

CAPITAL PROJECT ORDINANCE - PARTIAL CLOSEOUT
 ELECTRIC TRANSPORTATION EQUIPMENT AMENDMENT #2
 PWCORD2020-04

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	\$ 3,261,000	\$ (830,000)	\$ 2,431,000	\$ 821,638

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 3,261,000	\$ (830,000)	\$ 2,431,000	\$ 821,638

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

Adopted this 10th day of June, 2020.

Electric Fund Transportation Equipment - Amendment #2

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
294	820	2009	International	7400	230,000	2019
296	820	2009	International	7400	230,000	2019
2302	820	2009	International	7400	230,000	2019
34	824	2007	International	4400	140,000	2019
262	820	2007	International	7400	320,000	2020
264	820	2007	International	7400	320,000	2020
2301	820	2009	International	7400	230,000	2021
2310	820	2012	International	4400	250,000	2021
2311	820	2012	International	7400	435,000	2021
254	820	2009	International	7400	291,000	2022
2315	820	2012	Kenworth	T-370 Hybrid	200,000	2022
561	824	2009	International	4300	230,000	2022
2309	820	2012	International	4400	155,000	2023
Total from Amendment #1					\$ 3,261,000	
Closeout Projects						
2302	820	2009	International	7400	(230,000)	
296	820	2009	International	7400	(230,000)	
294	820	2009	International	7400	(230,000)	
34	824	2007	International	4400	(140,000)	
Total Closeout					\$ (830,000)	
Revised Project List						
262	820	2007	International	7400	320,000	
264	820	2007	International	7400	320,000	
2301	820	2009	International	7400	230,000	
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	200,000	
561	824	2009	International	4300	230,000	
2309	820	2012	International	4400	155,000	
Revised Total - Amendment #2					\$ 2,431,000	

CAPITAL PROJECT ORDINANCE AMENDMENT
ELECTRIC UTILITY SYSTEM RATE STABILIZATION FUND AMENDMENT #35
PWCORD2020-06

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), respectively, 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	\$ 74,627,155	\$ -	\$ 74,627,155
Transfer from Electric General Fund - WPCA	3,861,615	-	3,861,615
Transfer from Electric General Fund - True-Up Credits	7,203,627	-	7,203,627
Rate Stabilization Transfer	4,169,725	-	4,169,725
Interest Income	7,561,200	622,967	8,184,167
	<u>\$ 97,423,322</u>	<u>\$ 622,967</u>	<u>\$ 98,046,289</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	41,818,600	227,300	42,045,900
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	37,043,122	395,667	37,438,789
	<u>\$ 97,423,322</u>	<u>\$ 622,967</u>	<u>\$ 98,046,289</u>

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

Adopted this 10th day of June 2020.

CAPITAL RESERVE FUND ORDINANCE AMENDMENT
ANNEXATION PHASE V RESERVE FUND AMENDMENT #35
PWCORD2020-10

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	\$ 18,483,923	\$ -	\$ 18,483,923
Transfer from PWC Electric Fund - City Portion	16,363,116	-	16,363,116
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	16,826,700	-	16,826,700
Interest Income	1,253,500	481,500	1,735,000
	<u>\$ 64,916,321</u>	<u>\$ 481,500</u>	<u>\$ 65,397,821</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	\$ 19,612,000	\$ -	\$ 19,612,000
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	800,309	-	800,309
Transfer to Annexation Ph V, Areas 22-23 CPF	15,850,000	2,150,000	18,000,000
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 32-34 CPF	8,000,000	-	8,000,000
Interest Expense - Advance from Rate Stabilization Fd	79,356	-	79,356
Future Project Funding Accumulations	5,524,861	(1,668,500)	3,856,361
	<u>\$ 64,916,321</u>	<u>\$ 481,500</u>	<u>\$ 65,397,821</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 10th day of June 2020.

CAPITAL PROJECT ORDINANCE AMENDMENT
ANNEXATION PHASE V - AREAS 22 - 23 CAPITAL PROJECT FUND AMENDMENT #1
PWCORD2020-14

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 budget contained here

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

	Current Budget	Amendment	Revised Budget
Transfer from Annexation Reserve Fund	\$ 15,850,000	\$ 2,150,000	\$ 18,000,000

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

Project Expenditures	\$ 15,850,000	\$ 2,150,000	\$ 18,000,000
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Section 5. Copies of the capital project ordinance amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 10th day of June 2020.