

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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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	\$ <u>37,781,765</u>
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Section 4. The following amounts are appropriated for the project:

Project expenditures	\$ <u>37,781,765</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>
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	<u>2,100,000</u>
Total	<u><u>\$ 5,700,000</u></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), 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	\$ 74,877,155	\$	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	\$ 12,196,310	\$ (796,994)	\$ 11,399,316

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

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

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
	\$ 12,196,310	\$ 11,399,316

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	