

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 July 1, 2021 and reflect the FY2022 activity from the FY2022 Annual Electric and Water/Wastewater Operating and CIP Budgets:

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

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

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

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

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

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

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

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

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

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

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

Adopted this 9th day of June 2021.

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

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

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

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

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

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

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

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

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

Adopted this 9th day of June 2021.

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

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

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

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

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

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

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

Adopted this 9th day of June 2021.

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

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

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

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

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

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

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

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

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

Adopted this 9th day of June, 2021.

Substation Rebuild CPF Project Listing - Budget Amendment #6

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

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

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

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

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

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

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

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

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

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

Adopted this 9th day of June, 2021.

NCDOT Project Listing - Budget Amendment #14

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

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

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

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

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

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

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

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

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

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

Adopted this 9th day of June, 2021.

Electric Fund Transportation Equipment - Amendment #5

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
262	820	2007	International	7400	240,000	2020
264	820	2007	International	7400	320,000	2020
561	824	2009	International	4300	235,000	2020
2301	820	2009	International	7400	240,000	2021
2315	820	2012	Kenworth	T-370 Hybrid	215,000	2021
254	820	2009	Freightliner	7400	291,000	2020
2309	820	2012	International	4400	155,000	2023

Total from Amendment # 4 \$ 1,696,000

New Projects & Increases/(Decreases) to existing:

2323	820	2014	Freightliner	M2-106	255,000	
2324	820	2014	Freightliner	M2-106	255,000	
2327	820	2014	Freightliner	M2-106	420,000	
2328	820	2015	Freightliner	M2-106	308,000	
2329	820	2015	Freightliner	M2-106	330,000	
2332	820	2014	Freightliner	M2-106	255,000	
2334	820	2017	Freightliner	4300	255,000	
2330	820	2015	Freightliner	M2-106	308,000	
262	820	2007	International	7400	41,000	
561	824	2009	International	4300	(235,000)	

Total Increases/(Decreases) \$ 2,192,000

Revised Project List

262	820	2007	International	7400	281,000	
264	820	2007	International	7400	320,000	
2301	820	2009	International	7400	240,000	
2315	820	2012	Kenworth	T-370 Hybrid	215,000	
254	820	2009	International	7400	291,000	
2309	820	2012	International	4400	155,000	
2323	820	2014	Freightliner	M2-106	255,000	
2324	820	2014	Freightliner	M2-106	255,000	
2327	820	2014	Freightliner	M2-106	420,000	
2328	820	2015	Freightliner	M2-106	308,000	
2329	820	2015	Freightliner	M2-106	330,000	
2332	820	2014	Freightliner	M2-106	255,000	
2334	820	2017	Freightliner	4300	255,000	
2330	820	2015	Freightliner	M2-106	308,000	

Revised Total-Amendment # 5 \$ 3,888,000