

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

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, DECEMBER 14, 2022
8:30 A.M.

AGENDA

I. REGULAR BUSINESS

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

II. AWARD PRESENTATION

- A. Presentation to Fallen Lineman Foundation
Presented by: Carolyn Justice-Hinson, Communications and Community
Relations Officer

III. CONSENT ITEMS

(See Tab 1)

- A. Approve Minutes of meeting of November 9, 2022
- B. Approve bid recommendation to award bid for the purchase of one (1) Generator Step-Up (GSU) Transformer for BWGP to Pennsylvania Transformer Technology, Inc., Canonsburg, PA, the lowest, responsive, responsible bidder, in the total amount of \$2,055,305.00, and forward to City Council for approval.

The Generator Step-Up (GSU) Transformer for BWGP is funded from the Electric Systems (001.0170.0802.0000000-00.350000.CPR1000516).

Bids were received October 20, 2022, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Pennsylvania Transformer Technology, Inc., Canonsburg, PA	\$2,055,305.00

COMMENTS: The bid opportunity was advertised through PWC's normal channels on August 26, 2022, with an original bid submission date scheduled for September 22, 2022. PWC staff issued Addendum No. 1 on August 30, 2022, which extended the bid submission date to October 6, 2022, and Addendum No. 2 on September 9, 2022, which further extended the bid submission date to October 20, 2022. Addendum No. 3 was issued on September 13, 2022, to provide clarifications to the specifications and Addendum No. 4 was issued on September 30, 2022, to publish answers to questions received from a prospective bidder. PWC's Procurement Department directly solicited eight (8) firms for this opportunity, and PWC received one (1) submission for the bid. PWC's Electric Support Systems Department has reviewed the bid submission and agrees with the recommendation to award the bid to Pennsylvania Transformer Technology Inc. as the lowest responsive, responsible bidder.

- C. Approve bid recommendation to award bid for the purchase of three (3) 67KV Delta to 13.09Y/7.56KV WYE with LTC rated 24/35.8/44.8MVA Power Transformers for Multiple Substations to Virginia Transformer Corp., Roanoke, VA, the lowest, responsive, responsible bidder, in the total amount of \$4,596,699.00, and forward to City Council for approval.

The Power Transformers for Multiple Substations will be funded from the following account strings:

Cumberland Substation	058.0000.0802.2207988-02.690161.CPR1000471
Hoffer Substation	058.0000.0802.2102564-03.690161.CPR1000421
Yadkin Substation Replacement	058.0000.0802.2306582-03.CPR1000384

Bids were received on October 20, 2022

<u>Bidders</u>	<u>Total Cost</u>
*Transformer & Rectifiers (India) Limited, Gujarat, India	\$ 3,192,355.00
**Fleming Electric, Inc., Redwood City, CA	\$ 4,576,950.00
Virginia Transformer Corp., Roanoke, VA	\$ 4,596,699.00
Niagara Power Transformer, Buffalo, NY	\$ 4,721,547.00
Pennsylvania Transformer Technology, Inc., Canonsburg, PA	\$ 5,497,011.00
WEG Transformers USA, Washington, MO	\$ 6,227,663.00

COMMENTS: Notice of the bid was advertised through PWC's normal channels on August 26, 2022, with an initial bid submission deadline of October 6, 2022. PWC staff issued Addendum Nos. 1 and 2 to extend the bid submission deadline to October 20, 2022, and to clarify the exact time of the deadline. The Electric Systems Support Department has reviewed the bid submissions and agrees with the recommendation to award the bid to Virginia Transformer Corp.

* The Instructions to Bidders for this purchase specifically required bidders to submit with any bid "a cash deposit, cashier's check, or certified check drawn on a bank or trust company insured by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund, or a Bid Bond in an amount not less than five percent (5%) of the quoted bid price, not submit alternate bids unless specifically called for on the bid proposal form." Transformer & Rectifiers (India) Limited did not submit the requisite deposit or bid bond. As such, PWC staff determined that the bid submitted by Transformer & Rectifiers (India) Limited is non-responsive.

** PWC staff determined based on a multitude of factors that the bid submitted by Fleming Electric, Inc., is not in the best interest of PWC as set forth in Exhibit A to this action request form.

- D. Adopt PWC Resolution #PWC2022.29 – Resolution of the Fayetteville Public Works Commission Authorizing an Increase in the Minimum Coverage Amount Required in Connection with the Finance Officer's Performance Bond

In 2016, the North Carolina legislature passed a bill revising the Charter of the City of Fayetteville including changes to the operation of PWC and the delegation of certain duties. Pursuant to such authority, the Commission adopted Resolution No PWC2016.08 which, among other things, designated the General Manager as the Budget Officer as described in Section 159-9. The Commission also designated the Chief Financial Officer of the Public Works Commission as the Finance Officer as described in 159 Article 3 and, as such, was directed to give a true accounting and faithful performance bond with sufficient sureties in the amount of one hundred thousand dollars (\$100,000). PWC was directed to pay the premium on the bond.

On July 7, 2022, the North Carolina General Assembly enacted Section 9.(a) of S. L. 2022-53 to increase the minimum coverage amount required in connection with such performance bonds effective as of January 1, 2023. Pursuant to G.S. 159-29(a), the amount of the bond must equal or exceed the greater of \$50,000 or an amount equal to 10 percent of the authority's annually budgeted funds, up to \$1,000,000.

In light of the recently enacted statutory amendments, and given that PWC's budget is approximately \$400,000,000, Staff proposes that the amount of the performance bond be increased from \$100,000 to \$1,000,000, and that PWC pay the premium in connection with the performance bond as it has in the past. A formal resolution is necessary as the law requires "[t]he amount of the bond [be] fixed by the governing board" and a resolution is the appropriate vehicle for the Board to accomplish same.

COMMENTS: Staff recommends the Commission approve an increase in the performance bond to \$1,000,000 and to pay the premium in connection therewith.

E. Adopt PWC Resolution – PWC2022.30 – Resolution to Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

The Fayetteville Public Works Commission ("PWC") owns a 2010 John Deer 410J Loader Backhoe, Serial #T0410JX179808 (the "Property"). The Property is aging and unreliable for PWC's current needs. PWC has already replaced the Property with a more reliable and sustainable asset. As such, PWC staff has determined that PWC has no use for the Property at this time and that it would be in PWC's best interest to sell the Property and recoup some of its investment. PWC staff estimates that the value of the Property is at least thirty thousand dollars (\$30,000.00).

North Carolina General Statute ("NCGS") §160A-266 sets forth the methods by which the Commission can sell property. That statute provides in part that personal property valued at thirty thousand dollars (\$30,000) or more may be sold by any method permitted by the relevant statutes. NCGS §160A-270(c) allows the Commission to sell personal property valued at \$30,000.00 or more by electronic auction. The statute permits the Commission to provide notice of an electronic auction solely by electronic means. Copies of the referenced statutes are provided.

Staff, therefore, requests that the Commission declare the Property as surplus and authorize the sale of the Property by electronic auction and the publishing of the notice of the auction solely by electronic means. If approved, staff will advertise

and auction the Property on govdeals.com consistent with North Carolina law and current practice.

COMMENTS: Staff recommends the Commission adopt PWC Resolution # PWC2022.30 to Declare Personal Property as Surplus and Authorize sale of the Property by electronic auction.

F. Adopt PWC Ordinance – PWCORD2022-39 – FY2023 Electric & W/WW Fund Budget Amendment #5

PWCORD2022-39 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$534,600 to \$276.8 million and the W/WW Fund is increasing \$84,500 to \$144.1 million.

Electric Fund

- Electric Fund Revenue: Total Electric Fund Revenue increased \$534,600.
 - Appropriation from Net Position increased by \$534,600 due to expenses below.
- Electric Fund Expenditures: Total Electric Fund Expenditures increased \$534,600.
 - Customer Care Division expenses increased \$217,000 to pay the final invoice for the Solar and Electric Vehicle Rate System Configuration project. This amount was budgeted and encumbered last fiscal year and should have been included in the prior amendment for PO and encumbrance rollovers.
 - A transfer of \$123,200 to the NCDOT Electric Raeford Road Capital Project Fund is added to pay the remaining close out costs for the NCDOT U-4405 Raeford Rd Electric project. An offsetting decrease in capital expenditures is proposed for a net zero effect on the total budget.
 - Transfer to Transportation Equipment Fund increased by \$317,600 due to the escalation of purchase prices for certain long lead time vehicles.

W/WW Fund

- W/WW Fund Revenue: Total W/WW Fund Revenue increased \$84,500.
 - Transfer from Water Capital Reserve increased \$84,500 due to expenses below.
- W/WW Fund Expenditures: Total W/WW Fund Expenditures increased \$84,500.
 - Transfer to Transportation Equipment Fund increased \$84,500 due to the escalation of purchase prices for certain long lead time
 - vehicles.

COMMENTS: Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2022-39

G. Adopt PWC Ordinances – PWCORD2022-40 thru PWCORD2022-44

The following ordinances will be effective upon adoption:

- PWCORD2022-40 amends the Annexation Phase V Reserve Fund increasing the transfer to the Annexation Phase V, Areas 22 & 23 CPF by \$1,443 to pay for final project costs.
- PWCORD2022-41 amends the Annexation Phase V, Areas 22 & 23 CPF by \$1,443. After project was completed and close-out was in process, additional invoices were presented for payment.
- PWCORD2022-42 amends the Annexation Phase V, Areas 22 & 23 CPF to close out the fund. Project is complete.
- PWCORD2022-43 amends the Electric Transportation Equipment CPF by \$317,600. This is funded by the Electric Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.
- PWCORD2022-44 amends the Water Transportation Equipment CPF by \$84,500. This is funded by the Water/Wastewater Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.

COMMENTS: Staff recommends that the Commission adopt the attached budget CPF budget ordinances.

END OF CONSENT

IV. PUBLIC HEARING ON PROPOSED MODIFICATIONS TO ECONOMIC DEVELOPMENT RIDER AND SERVICE REGULATIONS AND CHARGES AND ADOPTION OF PARTICIPATION REGULATIONS

V. COMMISSION CONSIDERATION OF RECOMMENDED ECONOMIC DEVELOPMENT RIDER, SERVICE REGULATIONS AND CHARGES, AND PARTICIPATION REGULATIONS

VI. 3 MONTH FINANCIAL RECAP (JULY THRU SEPTEMBER 2022)
Presented by: Rhonda Haskins, Chief Financial Officer

VII. GENERAL MANAGER REPORT

VIII. COMMISSIONER/LIAISON COMMENTS

IX. REPORTS AND INFORMATION

(See Tab 2)

A. Personnel Report - November 2022

December 14, 2022

- B. Customer Utility Payments by Payment Type – November 2022
- C. Career Opportunities
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #19072 – install 3-Phase primary radial for traffic signal service @ I-295 - SR3569 (Old Raeford Rd) to UUS401 (Raeford Rd).
 - Encr. #19084 – install of Overhead Street Lighting Facilities @ Bailey Lake Rd (SR1106)
 - Encr. #19661 – install of watermain & fire hydrant @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19662 – install of sanitary sewer main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19663 - install of sanitary sewer main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19664 – install of sanitary sewer main and water line @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19665 – install of water main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19666 – install of water pipe, water service and water meter @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19667 – install of sanitary sewer main @ SR1402 (Rim Rd) and SR3569 (Old Raeford Rd)
- E. Approved Natural Gas Encroachment Agreement(s):
 - Encr. #2022-19923 – install of 12” and 8” watermain @ 8262 King Rd.
- F. Actions by City Council during the meeting of November 14, 2022, related to PWC:
 - Approved Bid Recommendation – Subsurface Switch 600 AMP
 - Appointment of a Public Works Commission Commissioner – Council voted to not accept the recommendation of the Appointments Committee; Council voted to begin interviews of the PWC appointments
- X. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(1) TO PREVENT THE DISCLOSURE OF CONFIDENTIAL INFORMATION THAT IS NOT CONSIDERED A PUBLIC RECORD PURSUANT TO SECTION 32-1.7.
- XI. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(3) FOR LEGAL MATTERS
- XII. ADJOURN

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY NOVEMBER 9, 2022
8:30 AM

Present: Ronna Rowe Garrett, Chairwoman
Donald L. Porter, Vice Chairman
Evelyn O. Shaw, Secretary

Others Present: Mick Noland, Interim CEO/General Manager
Deno Hondros, City Council Liaison
Media

Absent: Wade R. Fowler, Jr., Treasurer
Jimmy Keefe, Cumberland County Liaison

REGULAR BUSINESS

Chairwoman Ronna Rowe Garrett called the meeting of October 26, 2022, to order at 8:30 am.

APPROVAL OF AGENDA

Commissioner Donald Porter motioned to approve the agenda as presented. Motion was seconded by Commissioner Evelyn Shaw, and was unanimously approved.

CONSENT ITEMS

Commissioner Evelyn Shaw motioned to approve the Consent Items. Motion was seconded by Commissioner Donald Porter, and the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of October 26, 2022
- B. Approve Setting a Public Hearing On Expanding the Economic Development Riders and Revising the Service Regulations and Charges for December 14, 2022; Direct Staff To Give Public Notice
- C. Adopt PWC Ordinance – PWCORD2022-36 – FY2023 Electric and Water/Wastewater Fund Budget Amendment #4

PWCORD2022-36 is an Electric and W/WW Fund amendment that is moving the Mythics Platform as a Service project from debt, with interest expense, to operating expenditures due to the determination that it no longer meets GASB 96 criteria. This net \$202,300 movement per Fund has a net zero effect to both Electric and W/WW Net Position

COMMENTS: Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2022-36.

- D. Adopt PWC Ordinances – PWCORD2022-37 and PWC ORD2022-38 – Grant Project Fund Budget Ordinances

PWCORD2022-37 creates the Sanitary Sewer Main Rehabilitation ARPA Project Fund to rehabilitate older clay and concrete sanitary sewer mains where PWC has had sanitary sewer overflows. Fayetteville PWC received an American Rescue Plan Act (ARPA) grant through NCDEQ in the amount of \$4,973,845.

PWCORD2022-38 creates the Water System AIA Grant Project Fund for the development of water lateral service inventory, assessments of critical water and/or sewer assets and other components related to PWC's asset management program. Fayetteville PWC received the Asset Inventory and Assessment (AIA) grant through NCDEQ in the amount of \$400,000.

COMMENTS: Staff recommends that the Commission adopt the attached GPF budget ordinances.

END OF CONSENT

GENERAL MANAGER REPORT

Grants Received

Mr. Noland stated PWC received several grants as part of the federal funding. We received a grant related to ARPA which was approximately \$5M to assist with our sewer system. We also received a grant for \$400,000 related to GIS mapping of our meters. He stated we need to know where our meters are for the lead and copper rule. Mr. Noland thanked Finance and Water Resources Engineering for help in receiving these grants.

Veterans Day Breakfast

We will have a Veteran Day breakfast for our employees tomorrow morning in honor of Veterans Day. Commissioner Donald Porter has consented to be our speaker for the event.

United Way

Mr. Noland stated PWC began our United Way campaign this year a little differently than we normally do. He stated traditionally PWC will have a breakfast for our leaders, but this year we had a meal packing event. Approximately 100 employees participated, and we packaged 35,000 meals for four local United Way partners (Better Health of Cumberland County, Fayetteville Urban Ministries, Catholic Charities, and the Armed Services of the YMCA).

Mr. Noland stated we encourage and appreciate any participate the Commission would like to do. He stated to just reach out to Ms. Justice-Hinson, and she will assist.

Golden Leaf Grant

Mr. Noland stated the City and the Fayetteville Economic Development applied for a Golden Leaf Grant, which is related to economic development at the airport. Our engineering staff worked with FCEDC and the engineer they had working on the project to install additional water and sewer lines, and locate a lift station that would provide for businesses who want to locate near the airport. We coordinated with them on the plans of the best layout for the present and the future, as well as increasing capacity on a current lift station.

COMMISSIONER/LIAISON COMMENTS

City Council Liaison Deno Hondros

Council Member Hondros stated PWC has been a great partner in the community. He stated he views the City, County and PWC as the same team. He encouraged PWC to keep up the good work.

Commissioner Evelyn Shaw

Commissioner Shaw commended Ms. Justice-Hinson, her team and all the leadership involved with the packaging of the meals for United Way. She requested pictures of the event. Ms. Justice-Hinson stated one of the agencies were giving out the meals by Tuesday afternoon. Commissioner Shaw recalled when they were able to assist with MREs for our military soldiers as well as help with the USO.

Commissioner Donald Porter

Commissioner Porter stated last week he received a call from Dr. Cartwright. He is the president of the Bone Creek Subdivision, and facilitated the memorial service for Mr. Mark Brown. Mr. Brown had gone to one of their meetings and they had issues in the area. After the unfortunate loss of Mr. Brown, our CEO Ms. Ball went over to the area to see what the issues were. And after Ms. Ball left, Dr. Cartwright received a call from another employee at PWC to give an update of the work PWC is doing to work on the issues. Commissioner Porter stated he appreciates the work that we do.

Commissioner Ronna Garrett

Commissioner Garrett stated we are embarking on the holiday season, and it warms her heart to know all that PWC cares about the mission we do and cares about this community. She encouraged everyone who is listening to make sure you contribute to this community, not only in the holiday season but all year long. Our community is local and that is what we care about.

She stated Ms. Durant will send out an official schedule change, however, this is our only meeting for November and there will also be one meeting in December.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Personnel Report - October 2022
- B. Payments by Payment Type – October 2022
- C. Career Opportunities

CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(3) FOR LEGAL MATTERS

Commissioner Evelyn Shaw motioned to go enter closed session pursuant to NCGS 143-318.11(A)(3) for legal matters. Motion was seconded by Commissioner Donald Porter, and unanimously approved at 8:47 am.

There being no further discussion, upon motion by Commissioner Evelyn Shaw, seconded by Commissioner Donald Porter, and unanimously approved, the Commission returned to open session at 10:21 am.

ADJOURNMENT

There being no further business, upon motion by Commissioner Donald Porter, seconded by Commissioner Evelyn Shaw, the meeting adjourned at 10:21 am.

DRAFT

**PUBLIC WORKS COMMISSION
ACTION REQUEST FORM**

TO: Marion J Noland, Interim CEO/General Manager

DATE: December 7, 2022

FROM: Trent Ensley, Procurement Manager

.....
ACTION REQUESTED: Approve award to Pennsylvania Transformer Technology, Inc. for the purchase of one (1) Generator Step-Up (GSU) Transformer for Butler Warner Generation Plant.

BID/PROJECT NAME: PWC2223002 – 67,000V WYE with High Voltage LTC to 13,800V Delta Full Load Continuously at 37.34 MVA AT 65C Generator Step-Up (GSU) Transformer.

BID DATE: October 20, 2022

DEPARTMENT: Electric Systems

BUDGET INFORMATION: Project will be funded from 001.0170.0802.0000000-00.350000.CPR1000516.

.....
BIDDERS

Pennsylvania Transformer Technology, Inc., Canonsburg, PA

PRICE

\$2,055,305.00

.....
AWARD RECOMMENDED TO: Pennsylvania Transformer Technology, Inc., Canonsburg, PA

BASIS OF AWARD: Lowest Responsive, Responsible Bidder

.....
COMMENTS: The Commission is asked to approve the award for the purchase of one (1) 67,000V WYE with High Voltage LTC to 13,800V Delta Continuous 37.34 MVA at 65°C Generator Step-Up Transformer to the lowest responsive, responsible bidder, being Pennsylvania Transformer Technology Inc. of Canonsburg, PA. The bid opportunity was advertised through PWC's normal channels on August 26, 2022, with an original bid submission date scheduled for September 22, 2022. PWC staff issued Addendum No. 1 on August 30, 2022, which extended the bid submission date to October 6, 2022, and Addendum No. 2 on September 9, 2022, which further extended the bid submission date to October 20, 2022. Addendum No. 3 was issued on September 13, 2022, to provide clarifications to the specifications and Addendum No. 4 was issued on September 30, 2022, to publish answers to questions received from a prospective bidder. PWC's Procurement Department directly solicited eight (8) firms for this opportunity, and PWC received one (1) submission for the bid. PWC's Electric Support Systems Department has reviewed the bid submission and agrees with the recommendation to award the bid to Pennsylvania Transformer Technology Inc. as the lowest responsive, responsible bidder.

.....
ACTION BY COMMISSION

APPROVED _____ **REJECTED** _____

DATE _____

ACTION BY COUNCIL

APPROVED _____ **REJECTED** _____

DATE _____

BID HISTORY

PWC2223002 - 67,000 WYE with High Voltage LTC to 13,800V Delta Full Load
Continuously at 37.34 MVA at 65C Generator Step up Transformer

BID DATE: October 20, 2022

Advertisement

1.	PWC Website	8/26/2022 through 10/20/2022
2.	Addendum No. 1	8/30/2022 through 10/20/2022
3.	Addendum No. 2	9/9/2022 through 10/20/2022
4.	Addendum No. 3	9/13/2022 through 10/20/2022
5.	Addendum No. 4	9/30/2022 through 10/20/2022
6.	The Fayetteville Press	General Monthly Advertisement

List of Prospective Bidders Notified of Bid

1. Lekson and Associates, Raleigh, NC
2. W. R. Daniel and Associates, Mooresville, NC
3. National Transformer Sales, Inc, Raleigh, NC
4. Power Tech, LLC, Waxhaw, NC
5. WESCO Raleigh Utility, Raleigh, NC
6. R. W. Chapman, Charlotte, NC
7. Ensales LLC, Beulaville, NC
8. Pennsylvania Transformer Technology, Inc., Canonsburg, PA

**PWC Procurement Mailing List- Registered vendors via the PWC website and BBR registrants.
(approximately 2000+ contacts)**

Small Business Administration Programs:

Small Business Administration Regional Office (SBA)
NC Procurement & Technical Assistance Center (NCPTAC)
Veterans Business Outreach Center (VBOC)
Small Business Technology Center (SBTDC)
Women's Business Center of Fayetteville (WBC)

Local Business and Community Programs

FSU Construction Resource Office (FSUCRO)
FSU Economic Development Administration Program (FSUEDA)
FSU Career Pathways Initiative
NAACP, Fayetteville Branch
FTCC Small Business Center (SBC)
Greater Fayetteville Chamber, RFP posting submitted
Hope Mills Chamber
Spring Lake Chamber
Hoke Chamber
Fayetteville Business & Professional League (FBPL)

State Business and Community Programs

NC Institute of Minority Economic Development (The Institute) Durham, NC

NAACP, State Branch Raleigh, NC

National Utility Contracting Association- NC Chapter (NUCA)

Durham Chapter of the National Association of Women in Construction (NAWIC)

South Atlantic Region of National Association of Women in Construction (NAWIC)

The Hispanic Contractors Association of the Carolinas (HCAC)

United Minority Contractors of North Carolina

International Women in Transportation- Triangle Chapter

Media

Fayetteville Observer

WIDU, AM1600

IBronco Radio at FSU

Fayetteville Press News

Up & Coming Weekly

Bladen Journal

Greater Fayetteville Business Journal

SDBE / Local Participation

Pennsylvania Transformer Technology, Inc., Canonsburg, PA is not a local business and is not classified as a SDBE Minority or Women-Owned business.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
ACTION REQUEST FORM**

TO: Marion J. Noland, Interim CEO/General Manager

DATE: December 7, 2022

FROM: Trent K. Ensley, Procurement Manager

.....

ACTION REQUESTED: Approve contract award for the purchase of three (3) 67KV Delta to 13.09Y/7.56KV WYE with LTC rated 24/35.8/44.8 MVA power transformers to the lowest responsive, responsible bidder in the best interest of PWC, being Virginia Transformers Corp. of Roanoke, VA.

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BID/PROJECT NAME: PWC2223010 – Three (3) 67K Delta to 13.08y/7.56KV WYE with LTC 24/35.8/44.8MVA Power Transformers For Multiple Substations.

BID DATE: October 20, 2022

DEPARTMENT: Electric Systems Support

BUDGET INFORMATION: The Power Transformers for Multiple Substations will be funded from the following account strings:

Cumberland Substation	058.0000.0802.2207988-02.690161.CPR1000471
Hoffer Substation	058.0000.0802.2102564-03.690161.CPR1000421
Yadkin Substation Replacement	058.0000.0802.2306582-03.CPR1000384

.....

BIDDERS	TOTAL COST
*Transformer & Rectifiers (India) Limited, Gujarat, India	\$ 3,192,355.00
**Fleming Electric, Inc., Redwood City, CA	\$ 4,576,950.00
Virginia Transformer Corp., Roanoke, VA	\$ 4,596,699.00
Niagara Power Transformer, Buffalo, NY	\$ 4,721,547.00
Pennsylvania Transformer Technology, Inc., Canonsburg, PA	\$ 5,497,011.00
WEG Transformers USA, Washington, MO	\$ 6,227,663.00

.....

AWARD RECOMMENDED TO: Virginia Transformer Corp.

BASIS OF AWARD: The lowest responsive, responsible bidder that is in the best interest of PWC.

.....

COMMENTS: The Commission is asked to approve award for the purchase of inventory of three (3) transformers more specifically described above to the lowest responsive, responsible bidder that is in the best interest of PWC, being Virginia Transformer Corp. of Roanoke, Virginia. Notice of the bid was advertised through PWC's normal channels on August 26, 2022, with an initial bid submission deadline of October 6, 2022. PWC staff issued Addendum Nos. 1 and 2 to extend the bid submission deadline to October 20, 2022, and to clarify the exact time of

the deadline. The Electric Systems Support Department has reviewed the bid submissions and agrees with the recommendation to award the bid to Virginia Transformer Corp.

*The Instructions to Bidders for this purchase specifically required bidders to submit with any bid “a cash deposit, cashier's check, or certified check drawn on a bank or trust company insured by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund, or a Bid Bond in an amount not less than five percent (5%)” of the quoted bid price. not submit alternate bids unless specifically called for on the bid proposal form.” Transformer & Rectifiers (India) Limited did not submit the requisite deposit or bid bond. As such, PWC staff determined that the bid submitted by Transformer & Rectifiers (India) Limited is non-responsive.

**PWC staff determined based on a multitude of factors that the bid submitted by Fleming Electric, Inc. is not in the best interest of PWC as set forth in Exhibit A to this action request form.

ACTION BY COMMISSION

APPROVED _____ **REJECTED** _____

DATE _____

ACTION BY COUNCIL

APPROVED _____ **REJECTED** _____

DATE _____

BID HISTORY
PWC2223010 – Three (3) 67K Delta to 13.08y/7.56KV WYE with LTC 24/35.8/44.8MVA
Power Transformers For Multiple Substations

BID ISSUE DATE: August 26, 2022

Advertisement

- | | | |
|----|------------------------|-------------------------------|
| 1. | PWC Website | 08/26/2022 through 06/16/2022 |
| 2. | Addendum 1 | 09/09/2022 through 10/20/2022 |
| 3. | Addendum 2 | 09/15/2022 through 10/20/2022 |
| 2. | The Fayetteville Press | General Monthly Ad |

List of Prospective Bidders

1. Lekson and Associates, Raleigh, NC
2. W. R. Daniel and Associates, Mooresville, NC
3. National Transformer Sales, Inc, Raleigh, NC
4. Power Tech, LLC, Waxhaw, NC
5. Niagara Power Transformer, Buffalo, NY
6. WEG Transformers USA, Washington, MO
7. Ensales LLC, Beulaville, NC
8. Pennsylvania Transformer Technology, Inc., Canonsburg, PA

PWC Procurement Mailing List- Registered vendors via the PWC website and BBR registrants. (approximately 2000+ contacts)

Small Business Administration Programs:

Small Business Administration Regional Office (SBA)
NC Procurement & Technical Assistance Center (NCPTAC)
Veterans Business Outreach Center (VBOC)
Small Business Technology Center (SBTDC)
Women's Business Center of Fayetteville (WBC)

Local Business and Community Programs

FSU Construction Resource Office (FSUCRO)
FSU Economic Development Administration Program (FSUEDA)
FSU Career Pathways Initiative
NAACP, Fayetteville Branch
FTCC Small Business Center (SBC)
Greater Fayetteville Chamber, RFP posting submitted
Hope Mills Chamber
Spring Lake Chamber
Hoke Chamber
Fayetteville Business & Professional League (FBPL)

State Business and Community Programs

NC Institute of Minority Economic Development (The Institute) Durham, NC

NAACP, State Branch Raleigh, NC

National Utility Contracting Association- NC Chapter (NUCA)

Durham Chapter of the National Association of Women in Construction (NAWIC)

South Atlantic Region of National Association of Women in Construction (NAWIC)

The Hispanic Contractors Association of the Carolinas (HCAC)

United Minority Contractors of North Carolina

International Women in Transportation- Triangle Chapter

Media

Fayetteville Observer

WIDU, AM1600

IBronco Radio at FSU

Fayetteville Press News

Up & Coming Weekly

Bladen Journal

Greater Fayetteville Business Journal

SDBE/Local Participation

Virginia Transformer Corp. is not local and is not classified as a SDBE, minority or woman-owned business.

FAYETTEVILLE PUBLIC WORKS COMMISSION ANALYSIS OF RECOMMENDATION

DATE: December 6, 2022

This bid is for the purchase of three (3) transformers. The initial lowest apparent bid submitted by Transformer & Rectifiers (India) Limited should be rejected as non-responsive due to the bidder's failure to provide a bid bond as required by the bid documents. It is further recommended that the Commission reject the bid submitted by the next lowest apparent bidder, being Fleming Electric, Inc., as not being in the best interest of PWC based on the location of its manufacturing facility, the differences between failure rates between it and the next bidder, and the anticipated delivery time. PWC reserved the right to reject any bid for any reason determined by the Commissioners to be in the best interest of PWC, as permitted by North Carolina law. (Provision 6.1 of bidding documents). Therefore, it is recommended that the Commission reject Fleming Electric, Inc.'s bid and award the bid to Virginia Transformer Corp.

6.7. While PWC will evaluate bids from manufacturers located outside of North America, in the event that PWC has not made a previous purchase from a manufacturer that submits a bid, PWC may need to take appropriate actions it deems necessary to verify the bidder's manufacturing process, factory facility conditions, and assess any logistical issues before proceeding with any purchase, which may be considered in the evaluation process.

Fleming Electric, Inc.'s bid provides that the transformers will be manufactured at a facility located in Cordoba, Argentina. PWC has not made any purchases from the facility and the Electric Support Services Department, which is the purchasing department for this bid, is not otherwise familiar with the facility. The Department confirmed that it does not have the current resources, including personnel availability issues, to travel to Argentina in order to inspect the facility, observe its processes, and determine whether the facility can provide transformers that meet PWC's standards. Compounding the concern to be able to thoroughly

investigate and approve the facility and its processes at a reasonable cost is that the manufacturing facility has a 2% failure rate of its last 100 power transformers at the factor testing. While not a determining factor alone, the failure does present a concern as PWC is not able to evaluate the manufacturing facility.

The next lowest bidder, Virginia Transformer Corp., has its manufacturing facility located in Roanoke, Virginia and reported a 0% failure rate of its last 100 power transformers at factory testing. PWC has made past purchases from Virginia Transformer Corp. without issue and has purchased a similar model transformer from the company as the one quoted for in this bid. Virginia Transformer Corp.'s quoted price is for the 3 transformers is \$4,596,699.00, which is just \$19,749.00 more than Fleming Electric, Inc.'s quoted price of \$4,576,950.00. The price difference is .4% of Fleming Electric, Inc.'s total bid price.

Lastly, Fleming Electric, Inc. provided estimated delivery dates of 68-77 weeks from the date of order, while Virginia Transformer Corp. estimated 50-55 weeks. PWC staff views the difference in delivery times of 18-27 weeks as significant in view of current market conditions, supply chain delays and disruptions, and PWC's need for the transformers.

Given the aforementioned differences in failure rates, production risks, and delivery times, which are not sufficiently offset by the nominal price difference between the bids, PWC staff recommends that the Commission reject Fleming Electric, Inc.'s bid and award the contract to Virginia Transformer Corp. because such action is in the best interest of PWC.

WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
DONALD L. PORTER, COMMISSIONER
MARION J. NOLAND, INTERIM CEO/GENERAL MANAGER



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FAYETTEVILLE, NORTH CAROLINA 28302-1089
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WWW.FAYPWC.COM

MEMORANDUM

December 5, 2022

TO: Marion J. Noland, Interim CEO/General Manager,
through James West, CLO/General Counsel

FROM: Richard A. Galt, Deputy General Counsel /s/ [RAG](#)

SUBJECT: Recommendation to increase the amount of the Finance Officer's performance bond to \$1,000,000

In 2016, the North Carolina legislature passed a bill revising the Charter of the City of Fayetteville including changes to the operation of PWC and the delegation of certain duties. Pursuant to such authority, the Commission adopted Resolution No PWC2016.08 which, among other things, designated the General Manager as the Budget Officer as described in Section 159-9. The Commission also designated the Chief Financial Officer of the Public Works Commission as the Finance Officer as described in 159 Article 3 and, as such, was directed to give a true accounting and faithful performance bond with sufficient sureties in the amount of one hundred thousand dollars (\$100,000). PWC was directed to pay the premium on the bond.

On July 7, 2022, the North Carolina General Assembly enacted Section 9.(a) of S. L. 2022-53 to increase the minimum coverage amount required in connection with such performance bonds effective as of January 1, 2023. Pursuant to G.S. 159-29(a), the amount of the bond must equal or exceed the greater of \$50,000 or an amount equal to 10 percent of the authority's annually budgeted funds, up to \$1,000,000.

In light of the recently enacted statutory amendments, and given that PWC's budget is approximately \$400,000,000, Staff proposes that the amount of the performance bond be increased from \$100,000 to \$1,000,000, and that PWC pay the premium in connection with the performance bond as it has in the past. A formal resolution is necessary as the law requires "[t]he amount of the bond [be] fixed by the governing board" and a resolution is the appropriate vehicle for the Board to accomplish same.

A proposed form of resolutions is attached.

Resolution No PWC2016.08, Session Law 2022-53 and a summary description of the changes to Bonding Requirements for Finance Officers from the UNC School of Government are also attached for your reference.

The proposed resolutions also address a minor housekeeping matter, that being a second resolution withdrawing a previous resolution appointing J. Dwight Miller as Finance Officer.

Comments: Staff recommends the Commission approve an increase in the performance bond to \$1,000,000 and to pay the premium in connection therewith.

**RESOLUTION OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION
AUTHORIZING AN INCREASE IN THE MINIMUM COVERAGE AMOUNT REQUIRED
IN CONNECTION WITH THE FINANCE OFFICER'S PERFORMANCE BOND**

WHEREAS, on July 13, 2016, the Fayetteville Public Works Commission adopted Resolution No. PWC2016.08 which provided in part for the Finance Officer to provide a true accounting and faithful performance bond with sufficient sureties in the amount of one hundred thousand dollars (\$100,000.00), and for the premium for the performance bond to be paid by the Fayetteville Public Works Commission; and

WHEREAS, effective July 7, 2022, the North Carolina General Assembly enacted Section 9.(a) of S. L. 2022-53 to increase the minimum coverage amount required in connection with such performance bonds effective as of January 1, 2023; and

WHEREAS, the Public Works Commission seeks to operate in an efficient manner consistent with the laws, statutes and regulations of the United States and the State of North Carolina as well as the best practices of municipality utilities, and

WHEREAS, in light of the recently enacted statutory amendment, the Public Works Commission has deemed that it is consistent with its authority and fiduciary responsibilities to take the following actions with respect to the Finance Officer's performance bond.

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

1. the Finance Officer shall give a true accounting and faithful performance bond with sufficient sureties in the amount of One Million Dollars (\$1,000,000.00). The premium for the bond shall be paid by the Fayetteville Public Works Commission; and
2. Resolution No. PWC2016-09, appointing J. Dwight Miller Finance Officer, be withdrawn and of no further force or effect.

These resolutions become effective as of the date of their adoption.

CONSIDERED AND ADOPTED this ____ day of December, 2022 at Fayetteville, North Carolina.

FAYETTEVILLE PUBLIC WORKS COMMISSION

Ronna Rowe Garrett, Chairperson

ATTEST:

Evelyn O. Shaw, Secretary

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

SESSION LAW 2022-53
SENATE BILL 265

AN ACT TO INCREASE THE TRANSPARENCY OF BOND REFERENDA BY REQUIRING ADDITIONAL DISCLOSURES BY UNITS OF LOCAL GOVERNMENT, TO MAKE CHANGES RECOMMENDED BY THE LOCAL GOVERNMENT COMMISSION TO STRENGTHEN THE SYSTEM FOR MONITORING THE FINANCIAL OPERATIONS OF LOCAL UNITS AND OVERSIGHT OF FISCALLY TROUBLED LOCAL UNITS, AS DIRECTED BY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2021, AND TO AUTHORIZE CHARTER SCHOOLS TO PARTICIPATE IN THE STATE TREASURER'S ANCILLARY GOVERNMENTAL PARTICIPANT INVESTMENT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-52(b) reads as rewritten:

"(b) The Commission shall approve the application if, upon the information and evidence it receives, it finds and determines:

- (1) That the proposed bond issue is necessary or expedient.
- (2) That the amount proposed is adequate and not excessive for the proposed purpose of the issue.
- (3) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.
- (4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive.
- (5) That the proposed bonds can be marketed at reasonable rates of interest.
- (6) That the assumptions used by the finance officer of the unit in preparing the statement of estimated interest filed with the clerk pursuant to G.S. 159-55.1(a) are reasonable.

If the Commission tentatively decides to deny the application because it is of the opinion that any one or more of these conclusions cannot be supported from the information presented to it, it shall so notify the unit filing the application. If the unit so requests, the Commission shall hold a public hearing on the application at which time any interested persons shall be heard. The Commission may appoint a hearing officer to conduct the hearing, and to present a summary of the testimony and his recommendations for the Commission's consideration."

SECTION 2.(a) G.S. 159-55(d) is repealed.

SECTION 2.(b) The section heading of G.S. 159-55 reads as rewritten:

"§ 159-55. Sworn statement of debt; debt limitation; ~~statement of estimated interest on the bonds limitation.~~"

SECTION 2.(c) Part 2 of Article 4 of Chapter 159 of the General Statutes is amended by adding a new section to read:

"§ 159-55.1. Statement of disclosures necessary for bond authorization.

(a) After the bond order has been introduced and before the public hearing on it, the finance officer shall file with the clerk of the board a statement of disclosure stating the following:



- (1) Interest. – An estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, and a summary of the assumptions upon which the estimate is based. The Commission must approve the assumptions upon which the estimate is based as provided in G.S. 159-52(b).
- (2) Property taxes. – An estimate of the increase in property tax rate, if any, necessary to service the proposed debt. If no increase in property tax rate is estimated to be needed, a brief statement to the effect that the existing projected revenues are expected to be sufficient to pay the principal and interest of the bonds. The estimated increase in property tax rate shall be stated as the rate of increase per one hundred dollars (\$100.00) of assessed valuation.
- (3) Two-thirds bonds. – The amount of two-thirds bonds capacity the unit has available for the current fiscal year, if any.

(b) The statement of disclosure shall include a statement to the effect that the information contained in it is preliminary and is for general informational purposes only, that there is no assurance that the assumptions upon which the disclosures are based will occur, that the occurrence of certain of the assumptions is beyond the control of the unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the disclosure could result in significant differences between the disclosures made and the actual occurrences. The statement may include other qualifications as the finance officer deems appropriate. The validity of the bonds authorized by the order is not subject to challenge on the grounds that the actual occurrences when issued are different than the disclosures set forth in the statement.

(c) The statement of disclosure shall be filed with the Commission, posted online, and maintained by the clerk of the board."

SECTION 3. G.S. 159-56 reads as rewritten:

"§ 159-56. Publication of bond order as introduced.

After the introduction of the bond order, the clerk shall publish it once with the following statement appended:

"The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of the [issuing unit] to be \$ _____ and the net debt thereof, including the proposed bonds, to be \$ _____. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$ _____. ~~The estimate is preliminary, is for general informational purposes only, and may differ from the actual interest paid on the bonds.~~ A tax will [may] is authorized to be levied to pay the principal of and interest on the bonds if they are issued. The finance officer has filed a statement estimating that [a property tax increase of \$ _____ per \$100.00 of assessed valuation] [no property tax increase] will be required to provide sufficient funds to pay the principal and interest on the proposed bonds. These estimates are preliminary, are for general informational purposes only, and may differ from the actual interest paid on the bonds or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds. Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at _____.

Clerk"

The publication may include a summary of the assumptions upon which the ~~estimate~~ estimates of the total amount of interest that will be paid on the bonds over the expected term of the ~~bonds, bonds if issued, is or the amount of any property tax increase required to provide funds to pay principal and interest on the bonds if issued, are~~ based, and may further state that there is

no assurance that the circumstances included in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the control of the issuing unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the ~~estimate-estimates~~ could result in significant differences between the estimated interest and the actual interest on the ~~bonds- bonds~~ or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds. The statement may include additional qualifications as the unit deems appropriate. The validity of bonds authorized to be issued pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the bonds when ~~issued-issued~~, or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds when issued, is different than the amount set forth in the ~~estimate-estimates~~ referenced in the publication of the bond order as introduced."

SECTION 4. G.S. 159-58 reads as rewritten:

"§ 159-58. Publication of bond order as adopted.

After adoption, the clerk shall publish the bond order once, with the following statement appended:

"The foregoing order was adopted on the _____ day of _____, _____, and is hereby published this _____ day of _____, _____. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice. The finance officer of the [issuing unit] has filed a statement estimating that the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, is \$ _____. ~~The estimate is preliminary, is~~ A tax is authorized to be levied to pay the principal and interest on the bonds if they are issued. The finance officer has filed a statement estimating that [a property tax increase of \$ _____ per \$100.00 of assessed valuation] [no property tax increase] will be required to provide sufficient funds to pay the principal and interest on the proposed bonds. These estimates are preliminary, are for general informational purposes only, and may differ from the actual interest paid on the ~~bonds- bonds~~ or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds.

Clerk"

The publication may include a summary of the assumptions upon which the ~~estimate estimates~~ of the total amount of interest that will be paid on the bonds over the expected term of the ~~bonds- bonds~~ if issued, ~~is- or the amount of any property tax increase required to provide sufficient funds to pay the principal and interest on the bonds if issued, are~~ based, and may further state that there is no assurance that the circumstances included in the assumptions will occur, that the occurrence of certain of the assumptions is beyond the control of the issuing unit, and that differences between the actual circumstances at the time the bonds are issued from the assumptions included in the ~~estimate-estimates~~ could result in significant differences between the estimated interest and the actual interest on the ~~bonds- bonds~~ or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds. The statement may include such additional qualifications as the unit deems appropriate. The validity of bonds authorized to be issued pursuant to this act is not subject to challenge on the grounds that the actual interest cost of the bonds when ~~issued-issued~~, or the actual property tax increases required to provide sufficient funds to pay the principal and interest on the bonds when issued, is different than the amount set forth in the ~~estimate-estimates~~ referenced in the publication of the bond order as adopted."

SECTION 5. Part 3 of Article 3 of Chapter 159 of the General Statutes is amended by adding a new section to read:

"§ 159-33.2. Interim event reporting.

The Secretary has the authority to require a unit of local government or public authority to report events defined by the Secretary that will or may have a material, adverse effect on the

financial health, operations, or internal controls of the unit of local government or public authority within 30 days after the occurrence of such events. The Commission shall adopt a policy specifying the events required to be reported under this section and the process for reporting such events. Within 30 days of adopting the policy, the Secretary shall make the policy publicly available."

SECTION 6. G.S. 159-148 reads as rewritten:

"§ 159-148. Contracts subject to Article; exceptions.

(a) Except as provided in subsection (b) of this section, this Article applies to any contract, agreement, memorandum of understanding, and any other transaction having the force and effect of a contract (other than agreements made in connection with the issuance of revenue bonds, special obligation bonds issued pursuant to Article 7A of this Chapter, or of general obligation bonds additionally secured by a pledge of revenues) made or entered into by a unit of local government (as defined by G.S. 159-7(b) or, in the case of a special obligation bond, as authorized in G.S. 159-146), relating to the lease, acquisition, or construction of capital assets, which contract does all of the following:

- (1) Extends for five or more years from the date of the contract, including periods that may be added to the original term through the exercise of options to renew or extend. For units included on the most recently published Unit Assistance List issued by the Department of State Treasurer, this subdivision applies to transactions that extend for three or more years from the date of the contract, including periods that may be added to the original term through the exercise of options to renew or extend.
- (2) Obligates the unit to pay sums of money to another, without regard to whether the payee is a party to the contract.
- (3) Obligates the unit over the full term of the contract, including periods that may be added to the original term through the exercise of options to renew or extend:
 - a. For baseball park districts, to at least five hundred thousand dollars (\$500,000).
 - b. For housing authorities, to at least five hundred thousand dollars (\$500,000) or a sum equal to two thousand dollars (\$2,000) per housing unit owned and under active management by the housing authority, whichever is less.
 - c. For units included on the most recently published Unit Assistance List issued by the Department of State Treasurer, to at least fifty thousand dollars (\$50,000).
 - d. For other units, to at least five hundred thousand dollars (\$500,000) or a sum equal to one-tenth of one percent (1/10 of 1%) of the assessed value of property subject to taxation by the contracting unit, whichever is less.
- (4) Obligates the unit, expressly or by implication, to exercise its power to levy taxes either to make payments falling due under the contract, or to pay any judgment entered against the unit as a result of the unit's breach of the contract.

Contingent obligation shall be included in calculating the value of the contract. Several contracts that are all related to the same undertaking shall be deemed a single contract for the purposes of this Article. When several contracts are considered as a single contract, the term shall be that of the contract having the longest term, and the sums to fall due shall be the total of all sums to fall due under all single contracts in the group. No contract agreement shall be divided for the purpose of, or that results in, evading the requirements of this Article.

- (b) This Article shall not apply to:

- (1) Contracts between a unit of local government and the State of North Carolina or the United States of America (or any agency of either) entered into as a condition to the making of grants or loans to the unit of local government.
- (2) Contracts for the purchase, lease, or lease with option to purchase of ~~motor vehicles or~~ voting machines.
- (3) Repealed by Session Laws 2020-3, s. 4.30(g), effective retroactively to July 1, 2019.
- (4) Contracts for the purchase, lease, or lease with option to purchase of motor vehicles. This exemption shall not apply to units included on the most recently published Unit Assistance List issued by the Department of State Treasurer where the contract amount equals or exceeds fifty thousand dollars (\$50,000)."

SECTION 7. G.S. 135-48.55 is repealed.

SECTION 8. G.S. 159-7 is amended by adding a new subsection to read:

"(e) A unit of local government that creates a public authority or unit subject to this Article must notify the Commission of its creation. A public authority or unit subject to this Article, by whatever means created, must notify the Commission within 60 days of its creation and include in its notification all of the following:

- (1) Name.
- (2) Governance structure.
- (3) Any other information requested by the Commission."

SECTION 9.(a) G.S. 159-29 reads as rewritten:

"§ 159-29. Fidelity bonds.

(a) The finance officer shall give a true accounting and faithful performance bond with sufficient sureties in an amount to be fixed by the governing board, ~~not less than fifty thousand dollars (\$50,000).~~ board. A person may not be appointed as a finance officer if the person is unable to obtain the bond required by this section. The premium on the bond shall be paid by the local government or public authority. The amount of the bond fixed by the governing board may not be less than the greater of the following:

- (1) Fifty thousand dollars (\$50,000).
- (2) An amount equal to ten percent (10%) of the unit's annually budgeted funds, up to one million dollars (\$1,000,000).

(b) Each officer, employee, or agent of a local government or public authority who handles or has in his custody more than one hundred dollars (\$100.00) of the unit's or public authority's funds at any time, or who handles or has access to the inventories of the unit or public authority, shall, before being entitled to assume his duties, give a faithful performance bond with sufficient sureties payable to the local government or public authority. A person who is unable to secure the bond required by this section cannot assume the duties for which a bond is required under this section. The governing board shall determine the amount of the bond, and the unit or public authority may pay the premium on the bond. Each bond, when approved by the governing board, shall be deposited with the clerk to the board.

If another statute requires an officer, employee, or agent to be bonded, this subsection does not require an additional bond for that officer, employee, or agent.

(c) A local government or public authority may adopt a system of blanket faithful performance bonding as an alternative to individual bonds. If such a system is adopted, statutory requirements of individual bonds, except for elected officials and for finance officers and tax collectors by whatever title known, do not apply to an officer, employee, or agent covered by the blanket bond. However, although an individual bond is required for an elected official, a tax collector, or finance officer, such an officer or elected official may also be included within the coverage of a blanket bond if the blanket bond protects against risks not protected against by the individual bond."

SECTION 9.(b) This section becomes effective January 1, 2023.

SECTION 9.5.(a) G.S. 115C-218.15 is amended by adding a new subsection to read:

"(f) Funds received by a charter school as required by G.S. 115C-218.105 may be deposited by the board of directors with the State Treasurer for investment under G.S. 147-69.2(b8), to the extent permitted by the Internal Revenue Code, as amended. The deposit and investment of such funds under this subsection are deemed essential to the provision of public education by the State and the income from such investment shall accrue solely to the charter school for the provision of public education pursuant to this Article."

SECTION 9.5.(b) G.S. 115C-218.100(a) reads as rewritten:

"(a) Funds Reserved for Closure Proceedings. – A charter school that has elected to participate in the North Carolina Retirement System pursuant to G.S. 135-5.3 shall, for as long as the charter school continues to participate in the North Carolina Retirement System, maintain for the purposes of ensuring payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the charter school, one or more of the options set forth in this subsection. The minimum aggregate value of the options chosen by the charter school shall be fifty thousand dollars (\$50,000). The State Board of Education shall not allocate any funds under G.S. 115C-218.105 to a charter school unless the school has provided documentation to the State Board that the charter school has met the requirements of this subsection. Permissible options to satisfy the requirements of this subsection include one or more of the following:

- (1) An escrow account.
- (2) A letter of credit.
- (3) A bond.
- (4) A deed of trust.
- (5) Deposit of funds with the State Treasurer for investment under G.S. 147-69.2(b8), to the extent permitted by the Internal Revenue Code, as amended. The funds deposited with the State Treasurer, and any income earned thereon, are deemed State funds and shall be used solely for the provision of public education pursuant to this Article. The deposit and investment of funds under this subdivision are deemed essential to the provision of public education by the State."

SECTION 9.5.(c) G.S. 147-69.2 reads as rewritten:

"§ 147-69.2. Investments authorized for special funds held by State Treasurer.

(a) This section applies to funds held by the State Treasurer to the credit of each of the following:

- ...
- (24) Funds deposited with the State Treasurer by charter schools pursuant to G.S. 115C-218.15(f).

...

(b8) In addition to the investments authorized under subdivisions (b)(1) through (6) of this section, the State Treasurer may invest funds deposited pursuant to subdivision (24) of subsection (a) of this section in any of the investments authorized under subdivisions (b)(6c) and (b)(8) of this section, notwithstanding the percentage limitations imposed on the Retirement Systems' investments therein. For investments from that Fund made under subdivisions (b)(6c) and (b)(8) of this section, the State Treasurer may require a minimum deposit of up to fifty thousand dollars (\$50,000) and may assess reasonable fees of up to 15 basis points per annum as a condition of making the investment. The fee may be used to defray the costs of administering investments and expenditures authorized under this section."

SECTION 9.5.(d) G.S. 147-69.3(b) reads as rewritten:

"(b) Any official, board, commission, other public authority, local government, school administrative unit, charter school, local ABC board, or community college of the State having custody of any funds not required by law to be deposited with and invested by the State Treasurer

may deposit all or any portion of those funds with the State Treasurer for investment in one of the investment programs established pursuant to this section, subject to any provisions of law with respect to eligible investments, provided that any occupational licensing board as defined in G.S. 93B-1 may participate in one of the investment programs established pursuant to this section regardless of whether or not the funds were required by law to be deposited with and invested by the State Treasurer. In the absence of specific statutory provisions to the contrary, any of those funds may be invested in accordance with the provisions of G.S. 147-69.2 and 147-69.3. Upon request from any depositor eligible under this subsection, the State Treasurer may authorize moneys invested pursuant to this subsection to be withdrawn by warrant on the State Treasurer."

SECTION 9.5.(e) G.S. 159-30(g) reads as rewritten:

"(g) A local government, public authority, an entity eligible to participate in the Local Government Employee's Retirement System, ~~or~~ a local school administrative unit-unit, or a charter school may make contributions to a Local Government Other Post-Employment Benefits Trust established pursuant to G.S. 159-30.1."

SECTION 9.5.(f) G.S. 159-30.1(a) reads as rewritten:

"(a) Trust. – A local government, a public authority, an entity eligible to participate in the Local Government Employees' Retirement System, ~~or~~ a local school administrative unit-unit, or a charter school may establish and fund an irrevocable trust for the purpose of paying (i) post-employment benefits for which the entity is liable or (ii) contribution-based benefit cap liabilities to the Local Governmental Employees' Retirement System. The irrevocable trust must be established by resolution or ordinance of the entity's governing board. The resolution or ordinance must state the purposes for which the trust is created and the method of determining and selecting the Fund's trustees. The resolution or ordinance establishing the trust may be amended from time to time, but an amendment may not authorize the use of monies in the trust for a purpose not stated in the resolution or ordinance establishing the trust. The irrevocable trust must designate the monies deposited in the trust, and any income earned thereon, as governmental funds to be used solely for an essential governmental purpose."

SECTION 10. Except as otherwise provided, this act is effective when it becomes law and applies to bonds issued under bond orders introduced on or after October 1, 2022, and to contracts entered into on or after October 1, 2022.

In the General Assembly read three times and ratified this the 1st day of July, 2022.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Roy Cooper
Governor

Approved 4:03 p.m. this 7th day of July, 2022

<https://canons.sog.unc.edu/2022/11/impending-changes-to-bonding-requirements-for-finance-officers-prepare-now-for-january-1-2023-and-beyond/>



Coates' Canons NC Local Government Law

Impending Changes to Bonding Requirements for Finance Officers: Prepare Now For January 1, 2023 and Beyond

Published: 11/23/22

Author Name: Connor Crews

Since 2005, the Local Government Budget and Fiscal Control Act (“LGBFCA”) has required finance officers of units of local government and public authorities in North Carolina to provide to their respective entities a “faithful performance bond with sufficient sureties in an amount *not less than fifty thousand dollars*.” G.S. § 159-29(a); S.L. 2005-238, Sec. 2. Due to the General Assembly’s enactment of Section 9(a) of S.L. 2022-53, that minimum coverage amount will increase as of January 1, 2023 for units of local government and public authorities with “annually budgeted funds” in excess of \$500,000. A new bulletin released today (*Local Finance Bulletin #62: Impending Changes to Bonding Requirements for Finance Officers: Prepare Now for January 1, 2023, and Beyond*) explains how units of local government and public authorities subject to the LGBFCA should prepare for this change. This blog post summarizes several key points from the bulletin.

What is a Faithful Performance Bond?

A faithful performance bond is a surety bond that creates obligations between three parties: (1) a principal (e.g., a finance officer), (2) a surety (i.e., the bonding company), and (3) an obligee (e.g., a unit of local government or public authority). If a finance officer fails to faithfully perform its duties, the surety assumes liability for the principal’s failure to properly perform. For example, if a finance officer misappropriates public funds, a surety can be liable to the obligee for that loss.

Surety Bonds and Insurance Are Not Legally Equivalent in North Carolina

<https://canons.sog.unc.edu/2022/11/impending-changes-to-bonding-requirements-for-finance-officers-prepare-now-for-january-1-2023-and-beyond/>

Surety bonds and insurance policies are not legally equivalent under North Carolina law. *See Gibbs v. Mayo*, 591 S.E.2d 905, 916 (N.C. App. 2004) (“In North Carolina, insurance and suretyship are not synonymous terms, but rather involve different functions, relationships, rights, and obligations.”) (internal quotations and citations omitted). A unit of local government or public authority that only obtains an insurance policy to cover a finance officer’s failure to faithfully perform his or her duties (e.g., through embezzlement) will not comply with G.S. 159-29(a).

From the perspective of a local government or public authority, a faithful performance bond is largely identical to an insurance policy because it protects the local government (labeled the “obligee”) against loss arising from a named risk (i.e., a finance officer’s failure to fulfill its obligations). But insurance policies and surety bonds bear important legal differences.

First, and perhaps most obviously, whereas an insurance policy typically creates obligations between two parties (i.e., the insurer and the insured), a surety bond creates obligations between three parties (i.e., a principal, surety, and obligee).

Second, whereas an insurer does not seek indemnification or reimbursement from its insured, a surety has a common law right to seek reimbursement from a principal that has failed to fulfill its obligations to an obligee. For example, if a surety pays a unit of local government for losses arising from a finance officer’s misappropriation of funds, a surety could (and would) seek reimbursement from the finance officer. In practice, most sureties do not rely solely upon this common law right, and instead typically condition their issuance of a surety bond upon a principal’s execution of an indemnification agreement providing the surety with a broad set of rights (including a right of reimbursement) against the principal. Finance officers should be aware that they can be personally liable to sureties for losses that a surety incurs under the terms of a faithful performance bond.

What Does S.L. 2022-53, Section 9.(a) Change?

Prior to the enactment of S.L. 2022,53, North Carolina law required governing boards of units of local government and public authorities subject to the LGBFCA to fix the exact coverage amount of a finance officer’s faithful performance bond, subject to a mandatory minimum coverage amount of \$50,000. A board could fix the bond’s amount to require a higher coverage level (with no maximum cap), but many did not.

With the passage of S.L. 2022-53, Section 9.(a), the General Assembly raised the minimum coverage amount for units of local government and public authorities with “annually budgeted funds” exceeding \$500,000. Effective as of January 1, 2023, the governing board of a local government or public

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authority subject to G.S. 159-29(a) must fix the amount of a finance officer's faithful performance bond to equal or exceed the greater of (1) \$50,000, or (2) an amount equal to 10 percent of the unit or authority's "annually budgeted funds," up to a cap of \$1,000,000.

Failure to Obtain the Required Bond – Consequences

The revisions to G.S. 159-29(a) make clear that a "person unable to obtain" the required faithful performance bond may not be appointed as finance officer of a unit of local government or public authority subject to the LGBFCA. In underwriting a surety bond or increasing the coverage level of an existing bond, a bonding company likely will undertake some due diligence to determine whether an individual presents an unacceptable risk of default. It may ask whether the individual has previously been convicted or accused of a crime, whether the individual has past experience as a finance officer, or other questions related to the individual's ability to faithfully perform the duties of finance officer. It also may perform a check of the individual's credit history. According to several underwriters with whom I have spoken, this credit check is a "soft" check rather than a "hard" check.

If a surety is not satisfied with the responses to these questions or determines that the particular individual poses a high level of risk, it may either decline to issue the bond or instead charge a higher premium to compensate. The revised version of G.S. 159-29(a) does not mandate that a particular surety provide a bond. Therefore, if one surety declines to issue a bond, a unit of local government or public authority can seek out another surety. Ultimately, though, an individual must tender a bond meeting the coverage amounts set forth in S.L. 2022-53, Section 9.(a) in order to serve as a finance officer.

Costs of Obtaining Increased Coverage

Units of local government and public authorities that must obtain an increase in coverage will pay a higher premium. Pricing is not standardized across the industry and will necessarily differ based upon the particular individual to be bonded. Anecdotally, finance officers have reported annual premium costs for a \$1,000,000 bond that range from \$1,500 to \$6,000.

Some Finance Officers Not Affected by the New Requirements

S.L. 2022-53 modifies bonding requirements for finance officers of units of local government and public authorities subject to the LGBFCA (e.g., cities, counties, water-and-sewer authorities, sanitary districts, airport authorities, transportation authorities, councils of government, and tourism-development authorities)—but not all local governments are subject to the LGBFCA. For example, local school administrative units are subject to the School Budget and Fiscal Control Act (G.S. 115C,

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Art. 31) and the financial operations of ABC boards are subject to Article 7 of Chapter 18B of the General Statutes. The General Assembly has not amended the minimum coverage amounts for faithful performance bonds obtained by finance officers of school administrative units or ABC boards.

Implementation and Questions

Please feel free to contact me (ccrews@sog.unc.edu) if you have any questions about the revisions to G.S. 159-29(a) or would like to speak in more detail about Local Finance Bulletin #62.

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EVELYN O. SHAW, COMMISSIONER
RONNA ROWE GARRETT, COMMISSIONER
DONALD L. PORTER, COMMISSIONER
MARION J. NOLAND, INTERIM CEO/GENERAL MANAGER



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December 7, 2022

MEMO TO: Marion J Noland, Interim CEO/General Manager

FROM: Candice S. Kirtz, Director of Supply Chain *CSK*

SUBJECT: Recommendation to Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

The Fayetteville Public Works Commission ("PWC") owns a 2010 John Deer 410J Loader Backhoe, Serial #T0410JX179808 (the "Property"). The Property is aging and unreliable for PWC's current needs. PWC has already replaced the Property with a more reliable and sustainable asset. As such, PWC staff has determined that PWC has no use for the Property at this time and that it would be in PWC's best interest to sell the Property and recoup some of its investment. PWC staff estimates that the value of the Property is at least thirty thousand dollars (\$30,000.00).

North Carolina General Statute ("NCGS") §160A-266 sets forth the methods by which the Commission can sell property. That statute provides in part that personal property valued at thirty thousand dollars (\$30,000) or more may be sold by any method permitted by the relevant statutes. NCGS §160A-270(c) allows the Commission to sell personal property valued at \$30,000.00 or more by electronic auction. The statute permits the Commission to provide notice of an electronic auction solely by electronic means. Copies of the referenced statutes are provided with this memo.

Therefore, PWC staff requests that the Commission declare the Property as surplus and authorize the sale of the Property by electronic auction and the publishing of the notice of the auction solely by electronic means. If approved, staff will advertise and auction the Property on govdeals.com consistent with North Carolina law and current practice.

**RESOLUTION TO DECLARE PERSONAL PROPERTY AS SURPLUS
AND AUTHORIZE SALE OF PROPERTY BY PUBLIC AUCTION**

WHEREAS, the Fayetteville Public Works Commission (“PWC”) owns certain personal property more specifically described as one (1) 2010 John Deer 410J Loader Backhoe, Serial #T0410JX179808 (the “Property”) that is surplus to PWC’s needs; and

WHEREAS, North Carolina General Statutes § 160A-270 permits the Commission to sell personal property with an estimated value of \$30,000 or more by public auction upon approval by the Commission and after the publication of a notice announcing the auction;

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

1. The Commission declares the Property as surplus and authorizes its sale by public auction.
2. The auction will be conducted electronically through the GovDeals website at www.govdeals.com, beginning no later than 9:00 a.m. on Friday, December 15, 2022.
3. The terms of the sale are (a) that the Property is sold in its current condition, as is, and the Commission gives no warranty whatsoever with respect to the Property, whether express or implied by law; (b) that the winning bidder will pay the full amount of the winning bid by the close of business not later than five (5) business days from the time and date of the issuance of a Buyer’s Certificate, as defined by GovDeals’ “Buyer Terms and Conditions,” in cash or with a certified check or cashier’s check; and (c) such other terms of sale as may be posted on the GovDeals website for the public auction of the Property.
4. PWC’s Chief Administrative Officer is hereby authorized to dispose of the Property of at the electronically held public auction on behalf of the Commission.
5. The Commission approves publishing this resolution as the notice of the public auction, and that such notice may be advertised by electronic means only.

ADOPTED this 14th day of December 2022.

FAYETTEVILLE PUBLIC WORKS COMMISSION

Ronna Garrett, Chairwoman

ATTEST:

Evelyn O. Shaw, Secretary

§ 160A-266. Methods of sale; limitation.

(a) Subject to the limitations prescribed in subsection (b) of this section, and according to the procedures prescribed in this Article, a city may dispose of real or personal property belonging to the city by:

- (1) Private negotiation and sale;
- (2) Advertisement for sealed bids;
- (3) Negotiated offer, advertisement, and upset bid;
- (4) Public auction; or
- (5) Exchange.

(b) Private negotiation and sale may be used only with respect to personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of similar items. Real property, of any value, and personal property valued at thirty thousand dollars (\$30,000) or more for any one item or group of similar items may be exchanged as permitted by G.S. 160A-271, or may be sold by any method permitted in this Article other than private negotiation and sale, except as permitted in G.S. 160A-277 and G.S. 160A-279.

Provided, however, a city may dispose of real property of any value and personal property valued at thirty thousand dollars (\$30,000) or more for any one item or group of similar items by private negotiation and sale where (i) said real or personal property is significant for its architectural, archaeological, artistic, cultural or historical associations, or significant for its relationship to other property significant for architectural, archaeological, artistic, cultural or historical associations, or significant for its natural, scenic or open condition; and (ii) said real or personal property is to be sold to a nonprofit corporation or trust whose purposes include the preservation or conservation of real or personal properties of architectural, archaeological, artistic, cultural, historical, natural or scenic significance; and (iii) where a preservation agreement or conservation agreement as defined in G.S. 121-35 is placed in the deed conveying said property from the city to the nonprofit corporation or trust. Said nonprofit corporation or trust shall only dispose of or use said real or personal property subject to covenants or other legally binding restrictions which will promote the preservation or conservation of the property, and, where appropriate, secure rights of public access.

(c) A city council may adopt regulations prescribing procedures for disposing of personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of items in substitution for the requirements of this Article. The regulations shall be designed to secure for the city fair market value for all property disposed of and to accomplish the disposal efficiently and economically. The regulations may, but need not, require published notice, and may provide for either public or private exchanges and sales. The council may authorize one or more city officials to declare surplus any personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of items, to set its fair market value, and to convey title to the property for the city in accord with the regulations. A city official authorized under this section to dispose of property shall keep a record of all property sold under this section and that record shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.

(d) A city may discard any personal property that: (i) is determined to have no value; (ii) remains unsold or unclaimed after the city has exhausted efforts to sell the property using any applicable procedure under this Article; or (iii) poses a potential threat to the public health or safety. (1971, c. 698, s. 1; 1973, c. 426, s. 42.1; 1983, c. 130, s. 1; c. 456; 1987, c. 692, s. 2; 1987 (Reg. Sess., 1988), c. 1108, s. 9; 1997-174, s. 6; 2001-328, s. 4; 2005-227, s. 3.)

§ 160A-270. Public auction.

(a) Real Property. – When it is proposed to sell real property at public auction, the council shall first adopt a resolution authorizing the sale, describing the property to be sold, specifying the date, time, place, and terms of sale, and stating that any offer or bid must be accepted and confirmed by the council before the sale will be effective. The resolution may, but need not, require the highest bidder at the sale to make a bid deposit in a specified amount. The council shall then publish a notice of the sale at least once and not less than 30 days before the sale. The notice shall contain a general description of the land sufficient to identify it, the terms of the sale, and a reference to the authorizing resolution. After bids have been received, the highest bid shall be reported to the council, and the council shall accept or reject it within 30 days thereafter. If the bid is rejected, the council may readvertise the property for sale.

(b) Personal Property. – When it is proposed to sell personal property at public auction, the council shall at a regular council meeting adopt a resolution or order authorizing an appropriate city official to dispose of the property at public auction. The resolution or order shall identify the property to be sold and set out the date, time, place, and terms of the sale. The resolution or order (or a notice summarizing its contents) shall be published at least once and not less than 10 days before the date of the auction.

(c) The council may conduct auctions of real or personal property electronically by authorizing the establishment of an electronic auction procedure or by authorizing the use of existing private or public electronic auction services. Notice of an electronic auction of property shall identify, in addition to the information required in subsections (a) and (b) of this section, the electronic address where information about the property to be sold can be found and the electronic address where electronic bids may be posted. Notice may be published in a newspaper having general circulation in the political subdivision or by electronic means, or both. A decision to publish notice solely by electronic means for a particular auction or for all auctions under this subsection shall be approved by the governing board of the political subdivision. Except as provided in this subsection, all requirements of subsections (a) and (b) of this section apply to electronic auctions. (1971, c. 698, s. 1; 1973, c. 426, s. 43; 2001-328, s. 5; 2005-227, s. 4; 2006-264, s. 74.)

December 5, 2022

MEMO TO: Mick Noland, Interim CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: FY 2023 Electric and Water/Wastewater (W/WW) Fund Budget Amendment #5
PWCORD2022-39

Attached is an Electric and W/WW Fund budget ordinance amendment #5 for Commission action at the December 14th meeting.

PWCORD2022-39 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$534,600 to \$276.8 million and the W/WW Fund is increasing \$84,500 to \$144.1 million.

Please see a detailed explanation of amended items in the list below:

Electric Fund

- **Electric Fund Revenue:** Total Electric Fund Revenue increased \$534,600.
 - Appropriation from Net Position increased by \$534,600 due to expenses below.
- **Electric Fund Expenditures:** Total Electric Fund Expenditures increased \$534,600.
 - Customer Care Division expenses increased \$217,000 to pay the final invoice for the Solar and Electric Vehicle Rate System Configuration project. This amount was budgeted and encumbered last fiscal year and should have been included in the prior amendment for PO and encumbrance rollovers.
 - A transfer of \$123,200 to the NCDOT Electric Raeford Road Capital Project Fund is added to pay the remaining close out costs for the NCDOT U-4405 Raeford Rd Electric project. An offsetting decrease in capital expenditures is proposed for a net zero effect on the total budget.
 - Transfer to Transportation Equipment Fund increased by \$317,600 due to the escalation of purchase prices for certain long lead time vehicles.

W/WW Fund

- **W/WW Fund Revenue:** Total W/WW Fund Revenue increased \$84,500.
 - Transfer from Water Capital Reserve increased \$84,500 due to expenses below.
- **W/WW Fund Expenditures:** Total W/WW Fund Expenditures increased \$84,500.
 - Transfer to Transportation Equipment Fund increased \$84,500 due to the escalation of purchase prices for certain long lead time vehicles.

Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2022-39.

FY 2023 AMENDMENT #5 BUDGET ORDINANCE (PWCORD2022-39)

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

That the Fayetteville Public Works Commission Budget Ordinance adopted June 8, 2022 is hereby amended as follows:

Section 1. It is estimated that the following revenues and other financing sources will be available during the fiscal year beginning July 1, 2022, and ending June 30, 2023, to meet the appropriations listed in Section 2.

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Electric Revenues	\$ 202,737,000	\$ -	\$ 202,737,000
Operating and Other Revenues	13,824,400	-	13,824,400
BWGP Lease Payment	12,760,000	-	12,760,000
Customer Contributions	1,216,400	-	1,216,400
Budgetary Appropriations	45,698,100	534,600	46,232,700
Total Estimated Electric Fund Revenues	\$ 276,235,900	\$ 534,600	\$ 276,770,500
<u>Schedule B: Water and Wastewater Fund</u>			
Water Revenues	\$ 54,926,500	\$ -	\$ 54,926,500
Wastewater Revenues	60,948,100	-	60,948,100
Operating and Other Revenues	8,033,500	-	8,033,500
Customer Contributions	5,537,000	-	5,537,000
Intergovernmental Revenue - Assessments	1,290,000	-	1,290,000
Budgetary Appropriations	13,235,500	84,500	13,320,000
Total Est Water and Wastewater Fund Revenues	\$ 143,970,600	\$ 84,500	\$ 144,055,100
Grand Total	\$ 420,206,500	\$ 619,100	\$ 420,825,600

Section 2. The following amounts are hereby appropriated for the operations of the Fayetteville Public Works Commission and its activities for the fiscal year beginning July 1, 2022, and ending June 30, 2023, according to the following schedules:

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Operating Expenditures	\$ 214,538,900	\$ 217,000	\$ 214,755,900
Debt Service	2,916,400	-	2,916,400
Capital	22,558,500	(123,200)	22,435,300
Payment in Lieu of Taxes - City	12,405,800	-	12,405,800
Budgetary Appropriations	23,816,300	440,800	24,257,100
Total Estimated Electric Fund Expenditures	\$ 276,235,900	\$ 534,600	\$ 276,770,500
<u>Schedule B: Water and Wastewater Fund</u>			
Operating Expenditures	\$ 78,944,700	\$ -	\$ 78,944,700
Debt Service	29,556,600	-	29,556,600
Capital	22,771,300	-	22,771,300
Budgetary Appropriations	12,698,000	84,500	12,782,500
Total Est Water and Wastewater Fund Expenditures	\$ 143,970,600	\$ 84,500	\$ 144,055,100
Grand Total	\$ 420,206,500	\$ 619,100	\$ 420,825,600

Section 3. That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2022, added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid

Adopted this 14th day of December, 2022.

ELECTRIC & W/WW FUNDS SUMMARY

DESCRIPTION	ADOPTED ORIGINAL BUDGET FY 2023	BUDGET AMD #1-4 FY 2023	BUDGET AMD #5 FY 2023	PROPOSED AMENDED BUDGET FY 2023
ELECTRIC FUND:				
REVENUES	\$229,829,800	(\$508,400)	\$0	\$229,321,400
CONTRIBUTIONS AND/OR GRANTS	1,216,400	0	0	1,216,400
REMITTANCES FROM CITY	0	0	0	0
APPR. FROM RATE STABILIZATION FUND	5,000,000	9,053,600	0	14,053,600
TRANSFER FROM ELECTRIC CAPITAL RESERVE	0	0	0	0
TRANSFER FROM BWGP STARTUP COST RES	0	0	0	0
TRANSFER FROM REPS	1,867,300	0	0	1,867,300
TRANSFER FROM COAL ASH RESERVE	7,175,700	0	0	7,175,700
TRANSFER FROM BUDGET CARRYOVER	216,500	111,400	0	327,900
NOTES RECEIVABLE - COAL ASH ADJUSTMENT CREDIT	0	0	0	0
TRANSFER FROM CAPITALIZED INTEREST FUND	130,000	0	0	130,000
SERIES 2021 BOND PROCEEDS	0	0	0	0
APPR. FROM ELECTRIC NET POSITION	13,021,900	9,121,700	534,600	22,678,200
TOTAL REVENUES ELECTRIC	\$258,457,600	\$17,778,300	\$534,600	\$276,770,500
EXPENDITURES	\$57,339,300	\$762,200	\$217,000	\$58,318,500
PURCHASED POWER & GENERATION	147,998,300	8,545,200	0	156,543,500
BOND INTEREST EXPENSE	1,030,600	0	0	1,030,600
BOND INTEREST AMORTIZATION	(172,600)	0	0	(172,600)
OTHER FINANCE COST	24,100	0	0	24,100
INTEREST - LEASES	50,300	(7,900)	0	42,400
PAYMENT IN LIEU OF TAXES - CITY	12,405,800	0	0	12,405,800
CAPITAL EXPENDITURES	21,242,400	1,316,100	(123,200)	22,435,300
DEBT RELATED PAYMENTS	1,162,700	0	0	1,162,700
PRINCIPAL PAYMENT-LEASES	0	723,100	0	723,100
APPR. TO RATE STABILIZATION FUND	1,319,000	5,355,200	0	6,674,200
TRANSFER TO REPS RESERVE	2,275,900	0	0	2,275,900
BWGP START COST RESERVE	60,000	0	0	60,000
TRANSFER TO ANNEXATION PH V RESERVE - CITY FUND PORTION	5,487,800	0	0	5,487,800
TRANSFER TO COAL ASH RESERVE	3,573,000	854,700	0	4,427,700
TRANSFER TO ELECTRIC SUBSTATION REBUILD	3,000,000	0	0	3,000,000
TRANSFER TO TRANS EQUIPMENT CPF	1,411,000	0	317,600	1,728,600
TRANS TO DOT E RAEFORD RD CPF	0	0	123,200	123,200
LEGAL RESERVE	250,000	229,700	0	479,700
APPR. TO ELECTRIC NET POSITION	0	0	0	0
TOTAL EXPENDITURES ELECTRIC	\$258,457,600	\$17,778,300	\$534,600	\$276,770,500
WATER & WASTEWATER FUND:				
REVENUES	\$123,908,100	\$0	\$0	\$123,908,100
CONTRIBUTIONS AND GRANTS	5,537,000	0	0	5,537,000
REMITTANCES FROM CITY	1,290,000	0	0	1,290,000
APPR. FROM ANNEX PH V RES. FUND	4,940,400	0	0	4,940,400
TRANSFER FROM CAPITALIZED INTEREST FUND	1,311,600	0	0	1,311,600
TRANSFER FROM BUDGET CARRYOVER RES	2,102,500	(78,900)	0	2,023,600
TRANSFER FROM WATER CAPITAL RESERVE	0	0	84,500	84,500
APPR. FROM W/WW NET POSITION	0	4,959,900	0	4,959,900
TOTAL REVENUES WATER & WASTEWATER	\$139,089,600	\$4,881,000	\$84,500	\$144,055,100
EXPENDITURES	\$79,534,500	\$370,800	\$0	\$79,905,300

ELECTRIC & W/WW FUNDS SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2023	AMD #1-4 FY 2023	AMD #5 FY 2023	AMENDED BUDGET FY 2023
BOND INTEREST EXPENSE	11,319,400	0	0	11,319,400
BOND INTEREST - AMORTIZATION	(1,034,700)	0	0	(1,034,700)
LOAN INTEREST EXPENSE	462,500	0	0	462,500
OTHER FINANCE COST	31,700	0	0	31,700
INTEREST - LEASES	50,300	(7,900)	0	42,400
CAPITAL EXPENDITURES	19,208,000	3,563,300	0	22,771,300
DEBT RELATED PAYMENTS	13,147,600	0	0	13,147,600
LOAN PRINCIPAL PAYMENTS	3,904,000	0	0	3,904,000
PRINCIPAL PAYMENT LEASES	0	723,100	0	723,100
APPR. TO RATE STABILIZATION FUND	250,000	0	0	250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,202,700	0	0	2,202,700
TRANSFER TO DIRECTED GRANT PROJECT FUND	0	200,000	0	200,000
TRANSFER TO ANNEXATION PHASE V RESERVE	2,100,000	0	0	2,100,000
TRANSFER TO NCDOT RESERVE	5,472,300	0	0	5,472,300
TRANSFER TO TRANS EQUIPMENT CPF	1,835,000	193,700	84,500	2,113,200
LEGAL RESERVE	250,000	194,300	0	444,300
APPR. TO W/WW NET POSITION	356,300	(356,300)	0	0
TOTAL EXPEND. WATER & WASTEWATER	\$139,089,600	\$4,881,000	\$84,500	\$144,055,100
TOTAL ELECTRIC & W/WW	\$397,547,200	\$22,659,300	\$619,100	\$420,825,600

ELECTRIC FUND SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2023	AMD #1-4 FY 2023	AMD #5 FY 2023	AMENDED BUDGET FY 2023
ELECTRIC OPERATING REVENUE	\$228,507,800	(\$508,400)	\$0	\$227,999,400
OTHER ELECTRIC REVENUE	1,322,000	0	0	1,322,000
TOTAL OPERATING & OTHER REVENUE	\$229,829,800	(\$508,400)	\$0	\$229,321,400
CONTRIBUTIONS AND GRANTS	\$1,216,400	\$0	\$0	\$1,216,400
APPR. FROM RATE STABILIZATION FUND	5,000,000	9,053,600	0	14,053,600
TRANSFER FROM REPS	1,867,300	0	0	1,867,300
TRANSFER FROM COAL ASH RESERVE	7,175,700	0	0	7,175,700
TRANSFER FROM BUDGET CARRYOVER	216,500	111,400	0	327,900
CAPITALIZED INTEREST	130,000	0	0	130,000
APPR. FROM ELECTRIC NET POSITION	13,021,900	9,121,700	534,600	22,678,200
TOTAL ELECTRIC REVENUE	\$258,457,600	\$17,778,300	\$534,600	\$276,770,500
ELECTRIC DIVISION - DISTRIBUTION	\$26,441,400	\$66,900	\$0	\$26,508,300
ELECT. DIV. - PURCHASED POWER & GEN.	147,998,300	8,545,200	0	156,543,500
MANAGEMENT DIVISION	4,016,000	0	0	4,016,000
COMM. & COMMUNITY RELATIONS DIVISION	752,900	0	0	752,900
LEGAL DIVISION	180,200	0	0	180,200
CUSTOMER CARE DIVISION	5,536,600	79,600	217,000	5,833,200
ADMINISTRATIVE DIVISION	14,170,600	582,000	0	14,752,600
FINANCIAL DIVISION	3,565,900	400	0	3,566,300
GENERAL & ADMINISTRATION	9,280,800	33,300	0	9,314,100
DEPRECIATION EXPENSE	20,152,400	0	0	20,152,400
OVERHEAD CLEARING	(6,777,700)	0	0	(6,777,700)
BOND INTEREST EXPENSE	1,030,600	0	0	1,030,600
BOND INTEREST - AMORTIZATION	(172,600)	0	0	(172,600)
OTHER FINANCE COST	24,100	0	0	24,100
INTEREST - LEASES	50,300	(7,900)	0	42,400
PAYMENT IN LIEU OF TAXES - CITY	12,405,800	0	0	12,405,800
TOTAL OPERATING & OTHER EXPENSES	\$238,655,600	\$9,299,500	\$217,000	\$248,172,100
NET OPERATING RESULTS	(\$8,825,800)	(\$9,807,900)	(\$217,000)	(\$18,850,700)
CAPITAL EXPENDITURES	\$21,242,400	\$1,316,100	(\$123,200)	\$22,435,300
DEBT RELATED PAYMENTS	1,162,700	0	0	1,162,700
PRINCIPAL PAYMENT-LEASES	0	723,100	0	723,100
DEPRECIATION/AMORTIZATION ADJUSTMENT	(19,979,800)	0	0	(19,979,800)
TOTAL SUPPLEMENTAL EXPENDITURES	\$2,425,300	\$2,039,200	(\$123,200)	\$4,341,300
TOTAL EXPENSES & SUPPLEMENTAL EXP.	\$241,080,900	\$11,338,700	\$93,800	\$252,513,400
APPR. TO RATE STABILIZATION FUND	\$1,319,000	\$5,355,200	\$0	\$6,674,200
TRANSFER TO REPS RESERVE	2,275,900	0	0	2,275,900
BWGP START COST RESERVE	60,000	0	0	60,000
TRANSFER TO ANNEXATION PHASE V RES - CITY FD PORTION	5,487,800	0	0	5,487,800
TRANSFER TO COAL ASH RESERVE	3,573,000	854,700	0	4,427,700
TRANSFER TO ELECTRIC SUBSTATION REBUILD	3,000,000	0	0	3,000,000
TRANSFER TO TRANS EQUIPMENT CPF	1,411,000	0	317,600	1,728,600
TRANS TO DOT E RAEFORD RD CPF	0	0	123,200	123,200
LEGAL RESERVE	250,000	229,700	0	479,700
APPR. TO ELECTRIC NET POSITION	0	0	0	0
TOTAL BUDGETARY APPROPRIATIONS	\$17,376,700	\$6,439,600	\$440,800	\$24,257,100
TOTAL ELECTRIC EXPENDITURES	\$258,457,600	\$17,778,300	\$534,600	\$276,770,500

WATER & WASTEWATER FUND SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2023	AMD #1-4 FY 2023	AMD #5 FY 2023	AMENDED BUDGET FY 2023
WATER OPERATING REVENUE	\$54,926,500	\$0	\$0	\$54,926,500
SANITARY SEWER OPERATING REVENUE	60,948,100	0	0	60,948,100
OTHER OPERATING REVENUE	7,391,900	0	0	7,391,900
OTHER WATER & SAN. SEWER REVENUE	641,600	0	0	641,600
TOTAL OPERATING & OTHER REVENUE	\$123,908,100	\$0	\$0	\$123,908,100
CONTRIBUTIONS AND GRANTS	\$5,537,000	\$0	\$0	\$5,537,000
REMITTANCES FROM CITY	1,290,000	0	0	1,290,000
APPR. FROM ANNEX PH V RES. FUND	4,940,400	0	0	4,940,400
TRANSFER FROM CAPITALIZED INTEREST FUND	1,311,600	0	0	1,311,600
TRANSFER FROM BUDGET CARRYOVER RES	2,102,500	(78,900)	0	2,023,600
TRANSFER FROM WATER CAPITAL RESERVE	0	0	84,500	84,500
APPR. FROM W/WW NET POSITION	0	4,959,900	0	4,959,900
TOTAL WATER & WASTEWATER REVENUE	\$139,089,600	\$4,881,000	\$84,500	\$144,055,100
WATER RESOURCES DIVISION	\$48,723,100	(\$200,000)	\$0	\$48,523,100
MANAGEMENT DIVISION	2,629,400	0	0	2,629,400
COMM. & COMMUNITY RELATIONS DIVISION	747,600	0	0	747,600
LEGAL DIVISION	180,200	0	0	180,200
CUSTOMER CARE DIVISION	4,698,200	21,700	0	4,719,900
ADMINISTRATIVE DIVISION	15,253,300	582,000	0	15,835,300
FINANCIAL DIVISION	3,528,300	400	0	3,528,700
GENERAL & ADMINISTRATION	10,953,000	(33,300)	0	10,919,700
DEPRECIATION EXPENSE - WATER	13,233,200	0	0	13,233,200
DEPRECIATION EXPENSE - SEWER	16,337,500	0	0	16,337,500
OVERHEAD CLEARING	(8,213,300)	0	0	(8,213,300)
BOND INTEREST EXPENSE	11,319,400	0	0	11,319,400
BOND INTEREST - AMORTIZATION	(1,034,700)	0	0	(1,034,700)
LOAN INTEREST EXPENSE	462,500	0	0	462,500
OTHER FINANCE COST	31,700	0	0	31,700
INTEREST - LEASES	50,300	(7,900)	0	42,400
TOTAL OPERATING & OTHER EXPENSES	\$118,899,700	\$362,900	\$0	\$119,262,600
NET OPERATING RESULTS	\$5,008,400	(\$362,900)	\$0	\$4,645,500
CAPITAL EXPENDITURES	\$19,208,000	\$3,563,300	\$0	\$22,771,300
DEBT RELATED PAYMENTS	13,147,600	0	0	13,147,600
LOAN PRINCIPAL PAYMENTS	3,904,000	0	0	3,904,000
PRINCIPAL PAYMENT-LEASES	0	723,100	0	723,100
DEPRECIATION/AMORTIZATION ADJUSTMENT	(28,536,000)	0	0	(28,536,000)
TOTAL SUPPLEMENTAL EXPENDITURES	\$7,723,600	\$4,286,400	\$0	\$12,010,000
TOTAL EXPENSES & SUPPLEMENTAL EXP.	\$126,623,300	\$4,649,300	\$0	\$131,272,600
APPR. TO RATE STABILIZATION FUND	\$250,000	\$0	\$0	\$250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,202,700	0	0	2,202,700
TRANSFER TO ANNEXATION PHASE V RESERVE	2,100,000	0	0	2,100,000
TRANSFER TO DIRECTED GRANT PROJECT FUND	0	200,000	0	200,000
TRANSFER TO NCDOT RESERVE	5,472,300	0	0	5,472,300
TRANSFER TO TRANS EQUIPMENT CPF	1,835,000	193,700	84,500	2,113,200
TRANSFER TO BUDGET CARRYOVER RES	0	0	0	0
TRANSFER TO CAPITALIZED INTEREST	0	0	0	0
LEGAL RESERVE	250,000	194,300	0	444,300
APPR. TO W/WW NET POSITION	356,300	(356,300)	0	0
TOTAL BUDGETARY APPROPRIATIONS	\$12,466,300	\$231,700	\$84,500	\$12,782,500

WATER & WASTEWATER FUND SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2023	AMD #1-4 FY 2023	AMD #5 FY 2023	AMENDED BUDGET FY 2023
TOTAL WATER & W/W EXPENDITURES	\$139,089,600	\$4,881,000	\$84,500	\$144,055,100

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

December 7, 2022

MEMO TO: Mick Noland, Interim CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Capital Project Fund (CPF) Budget Ordinances

Attached are CPF budget ordinances for Commission action at the December 14th meeting and below is a summary explaining the purpose.

The following ordinances will be effective upon adoption:

- PWCORD2022-40 amends the Annexation Phase V Reserve Fund increasing the transfer to the Annexation Phase V, Areas 22 & 23 CPF by \$1,443 to pay for final project costs.
- PWCORD2022-41 amends the Annexation Phase V, Areas 22 & 23 CPF by \$1,443. After project was completed and close-out was in process, additional invoices were presented for payment.
- PWCORD2022-42 amends the Annexation Phase V, Areas 22 & 23 CPF to close out the fund. Project is complete.
- PWCORD2022-43 amends the Electric Transportation Equipment CPF by \$317,600. This is funded by the Electric Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.
- PWCORD2022-44 amends the Water Transportation Equipment CPF by \$84,500. This is funded by the Water/Wastewater Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.

Staff recommends that the Commission adopt the attached CPF budget ordinances.

CAPITAL RESERVE FUND ORDINANCE AMENDMENT
ANNEXATION PHASE V RESERVE FUND AMENDMENT #45
PWCORD2022-40

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	\$ 33,551,665	\$ -	\$ 33,551,665
Transfer from PWC Electric Fund - City Portion	30,861,399	-	30,861,399
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	23,884,200	-	23,884,200
Interest Income	1,800,000	-	1,800,000
	<u>\$ 102,086,346</u>	<u>\$ -</u>	<u>\$ 102,086,346</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	\$ 35,725,401	\$ -	\$ 35,725,401
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	613,216	1,443	614,659
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	8,582,138	-	8,582,138
Interest Expense - Advance from Rate Stabilization Fd	79,356	-	79,356
Future Project Funding Accumulations	32,984,344	(1,443)	32,982,901
	<u>\$ 102,086,346</u>	<u>\$ -</u>	<u>\$ 102,086,346</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 14th day of December 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT
ANNEXATION PHASE V - AREAS 22 - 23 CAPITAL PROJECT FUND AMENDMENT #6
PWCORD2022-41

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	\$ 16,218,966	\$ -	\$ 16,218,966
Interest Income	3,126	-	3,126
Transfer from Annexation Reserve Fund	613,216	1,443	614,659
	<u>\$ 16,835,308</u>	<u>\$ 1,443</u>	<u>\$ 16,836,751</u>

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

Project Expenditures	<u>\$ 16,835,308</u>	<u>\$ 1,443</u>	<u>\$ 16,836,751</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 14th day of December 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT - FINAL CLOSEOUT
ANNEXATION PHASE V - AREAS 22 - 23 CAPITAL PROJECT FUND AMENDMENT #7
PWCORD2022-42

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 final closeout of the project and make necessary closing entries.

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Series 2021 Bond Proceeds	\$ 16,218,966	\$ (16,218,966)	\$ -	\$ 16,218,966
Interest Income	3,126	(3,126)	-	3,126
Transfer from Annexation Reserve Fund	614,659	(614,659)	-	614,659
	<u>\$ 16,836,751</u>	<u>\$ (16,836,751)</u>	<u>\$ -</u>	<u>\$ 16,836,751</u>

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 16,836,751	\$ (16,836,751)	\$ -	\$ 16,836,751

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 14th day of December 2022.

CAPITAL PROJECT ORDINANCE AMENDMENT
ELECTRIC TRANSPORTATION EQUIPMENT AMENDMENT #8
PWCORD2022-43

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	\$ 3,058,000	\$ 317,600	\$ 3,375,600

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 3,058,000	\$ 317,600	\$ 3,375,600

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

Adopted this 14th day of December, 2022.

Electric Fund Transportation Equipment - Amendment #8

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
254	820	2009	International	7400	291,000	2020
2309	820	2012	International	4400	155,000	2023
2323	820	2014	Freightliner	M2-106	268,000	2023
2324	820	2014	Freightliner	M2-106	268,000	2023
2327	820	2014	Freightliner	M2-106	505,000	2023
2328	820	2015	Freightliner	M2-106	308,000	2024
2329	820	2015	Freightliner	M2-106	330,000	2024
2332	820	2014	Freightliner	M2-106	255,000	2024
2334	820	2017	International	4300	293,000	2023
2330	820	2015	Freightliner	M2-106	308,000	2025
5501	374	2008	Ford	F550	77,000	2023
Total from Amendment # 7					\$ 3,058,000	
Increases/(Decreases) to existing:						
2323	820	2014	Freightliner	M2-106	116,400	2023
2324	820	2014	Freightliner	M2-106	116,400	2023
2334	820	2017	International	4300	84,800	2023
Total Increases/(Decreases)					\$ 317,600	
Revised Project List						
254	820	2009	International	7400	291,000	2020
2309	820	2012	International	4400	155,000	2023
2323	820	2014	Freightliner	M2-106	384,400	2023
2324	820	2014	Freightliner	M2-106	384,400	2023
2327	820	2014	Freightliner	M2-106	505,000	2023
2328	820	2015	Freightliner	M2-106	308,000	2024
2329	820	2015	Freightliner	M2-106	330,000	2024
2332	820	2014	Freightliner	M2-106	255,000	2024
2334	820	2017	International	4300	377,800	2023
2330	820	2015	Freightliner	M2-106	308,000	2025
5501	374	2008	Ford	F550	77,000	2023
Revised Total-Amendment # 8					\$ 3,375,600	

CAPITAL PROJECT ORDINANCE AMENDMENT
WATER TRANSPORTATION EQUIPMENT CAPITAL PROJECT FUND AMENDMENT #2
PWCORD2022-44

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 Water Transportation Equipment Capital Project Fund adopted June 8, 2022 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 Water Fund	\$ 2,028,700	\$ 84,500	\$ 2,113,200

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 2,028,700	\$ 84,500	\$ 2,113,200

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

Adopted this 14th day of December, 2022.

Water Fund Transportation Equipment - Amendment #2

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
5501	374	2008	FORD	F550	88,100	2023
3308	620	2008	FORD	F750	162,400	2023
3323	620	2010	FORD	F450	270,000	2023
3327	620	2011	FORD	F350	92,600	2023
3329	620	2010	FORD	F150	47,000	2023
3337	620	2011	FORD	F750	154,900	2023
3338	620	2013	FORD	F450	83,700	2023
3341	620	2013	FORD	F750	126,100	2023
3344	620	2014	FORD	F250	74,200	2023
3348	620	2015	FREIGHTLINER	114SD	539,800	2023
3351	620	2015	INTERNATIONAL	7400	194,600	2023
485	630	2009	FORD	F250	65,100	2023
486	630	2009	FORD	F250	65,100	2023
4115	630	2015	FORD	F250	65,100	2023
Total from Amendment # 1					<u>\$ 2,028,700</u>	
Increases/(Decreases) to existing:						
3308	620	2008	FORD	F750	39,800	2023
3341	620	2013	FORD	F750	31,300	2023
3351	620	2015	INTERNATIONAL	7400	13,400	2023
Total Increases/(Decreases)					<u>\$ 84,500</u>	
Revised Project List						
5501	374	2008	FORD	F550	88,100	2023
3308	620	2008	FORD	F750	202,200	2023
3323	620	2010	FORD	F450	270,000	2023
3327	620	2011	FORD	F350	92,600	2023
3329	620	2010	FORD	F150	47,000	2023
3337	620	2011	FORD	F750	154,900	2023
3338	620	2013	FORD	F450	83,700	2023
3341	620	2013	FORD	F750	157,400	2023
3344	620	2014	FORD	F250	74,200	2023
3348	620	2015	FREIGHTLINER	114SD	539,800	2023
3351	620	2015	INTERNATIONAL	7400	208,000	2023
485	630	2009	FORD	F250	65,100	2023
486	630	2009	FORD	F250	65,100	2023
4115	630	2015	FORD	F250	65,100	2023
Revised Total-Amendment # 2					<u>\$ 2,113,200</u>	

November 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>
MANAGEMENT						
Executive	5	4			*2	
Legal Administration	1	1				
Customer Programs Admin	1	1			*1	
Communications/Comm Rel	1	1				
Support Services Admin	1	1				
Financial Administration	1	1				
Water Administration	1	1				
Electric Administration	1	1				
Total	12	11	0	0	1	
LEGAL						
Legal	2	2				
Total	2	2	0	0	0	
COMM/COMM REL						
Communications/Comm Relation	5	4			1	
Total	5	4	0	0	1	
CUSTOMER PROGRAMS						
Programs Call Center	10	10				1
Customer Accounts Call Center	36	*38				
Customer Service Center	11	11				
Customer Billing & Collections	14	14				1
Development & Marketing	6	4			2	
Water Meter Shop	1	1				
Electric Meter Shop	2	2				
Utility Field Services	17	15			2	1
Meter Data Management	7	7				
Total	104	100	0	0	4	3
ADMINISTRATION						
Human Resources	10	10				
Medical	1	1				
Corporate Development	19	13			6	
Procurement	8	7			1	
Warehouse	12	12				
Fleet Maintenance	27	27				
Facilities Maintenance	7	7				
IT Admin & Support	5	5				
IT Infrastructure	13	10			3	
IT Applications	14	14				
IT DevOps	5	4			1	
Total	121	110			11	

November 2022

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<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
FINANCIAL						<i>or Part-time</i>
Accounting	14	14				
Payroll	2	2				
Accounts Receivable	5	5				
Risk Management	5	5				
Property & ROW Mgmt	5	5				2
Safety	3	3				1
Internal Auditing	2	2				
Budget	2	2				
Rates & Planning	2	2				
Financial Planning Admin	5	5				
Total	45	45	0	0	0	3
WATER RESOURCES						
W/R Engineering	40	39			1	
W/R Construction	106	100			6	
P.O. Hoffer Plant	11	11				
Glenville Lake Plant	8	7			1	1
W/WW Facilities Maint.	26	25			1	
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	3	3				
Total	228	219	0	0	9	1
<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
ELECTRIC						
Electrical Engineering	23	19			4	
Fiber	2	2				
Electric Construction	87	77			10	
Substation	15	13			2	
Apparatus Repair Shop	5	5				
CT Metering Crews	4	4				
Compliance	2	1			1	
Power Supply SEPA	0	0				
Power Supply Progress Energy	0	0				
Generation	28	*30			*1	
Total	166	149		0	17	
TOTAL	683	640	0	0	43	7

*1 filled by interim CEO/GM

*1 filled by interim Chief Customer Officer

*2 temporary overstaff in Customer Service

*3 temporary overstaff in Generation

Customer Utility Payments By Payment Type

Payment Type	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Kiosk	964	1,080	913	942	980	1,070	943	1,050	915	1,022	999	866	965
Mail	17,770	17,618	14,009	13,736	18,763	14,753	17,357	15,786	14,643	16,845	16,082	16,926	15,787
Walk Ins	0	0	0	0	0	0	0	0	0	0	0	0	0
Drive Thru	5,486	5,235	5,032	4,936	5,233	4,993	4,863	4,898	4,646	5,072	4,704	4,850	4,730
Depository	471	398	402	348	373	415	398	336	375	389	331	415	346
Bank Draft	20,316	20,056	19,960	20,412	20,776	20,986	20,965	21,165	21,240	21,215	21,162	20,982	20,980
Bill2Pay IVR	17,804	17,748	16,808	16,937	18,529	17,659	16,973	17,940	16,638	17,824	17,101	17,029	16,994
Bill2Pay WEB	37,806	39,950	39,168	38,548	42,211	40,229	39,457	42,325	42,925	43,821	43,225	43,866	42,349
Western Union	2,590	2,539	2,331	2,297	2,396	2,381	2,255	2,277	2,086	2,259	2,132	2,299	2,130
Online Banking / EBox	9,643	10,181	8,183	9,117	9,729	9,155	8,654	9,501	8,567	9,499	8,932	8,604	8,957
Totals	112,850	114,805	106,806	107,273	118,990	111,641	111,865	115,278	112,035	117,946	114,668	115,837	113,238



CAREER OPPORTUNITIES

IT NETWORK ENGINEER (10150)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

413X

Locations

Fayetteville, NC, United States

Work Locations

PWC OPERATIONS COMPLEX

Posting Date

11/10/22

Posting Visibility

External

Full or Part Time

Full time

Schedule

Monday through Friday 8am to 5pm / on call and extended hours required

Salary Range

413X - \$76,267.55 to \$100,482.51



CAREER OPPORTUNITIES

PROJECT MANAGER (10172)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

415

Locations

Fayetteville, NC, United States

Work Locations

PWC OPERATIONS COMPLEX

Posting Date

11/15/22

Posting Visibility

External

Schedule

Monday through Friday 8am to 5pm

Salary Range

415 - \$88,777.60 to \$116,964.49



CAREER OPPORTUNITIES

E/S ENGINEER (10174)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

413X

Locations

Fayetteville, NC, United States

Work Locations

PWC OPERATIONS COMPLEX

Posting Date

11/16/22

Posting Expiration

12/31/22 8:37 AM

Posting Visibility

External

Full or Part Time

Full time

Schedule

Monday-Friday 8:00am-5:00pm Extended hours as required

Salary Range

\$76,267-\$95,334/ex



CAREER OPPORTUNITIES

UTILITY FIELD SERVICE TECHNICIAN (10097)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

404

Locations

Fayetteville, NC, United States

Work Locations

PWC OPERATIONS COMPLEX

Posting Date

11/30/22

Apply Before

12/14/22 5:16 PM

Posting Visibility

Internal and External

Full or Part Time

Full time

Schedule

Monday-Friday 8am-5pm extended hours and on-call as required

Salary Range

\$18.06-\$23.80 hourly



CAREER OPPORTUNITIES

W/R TREATMENT PLANT OPERATOR (10171)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

406

Locations

Fayetteville, NC, United States

Work Locations

PWC GLENVILLE LAKE WATER TREATMENT FACILITY

Posting Date

12/6/22

Posting Visibility

External

Full or Part Time

Full time

Schedule

12 hour rotating shifts

Salary Range

\$22.44- \$28.05



CAREER OPPORTUNITIES

DATA GOVERNANCE ADMINISTRATOR (10166)

Job Info

Organization

Fayetteville Public Works Commission

Job Grade

413

Locations

Fayetteville, NC, United States

Work Locations

PWC OPERATIONS COMPLEX

Posting Date

12/6/22

Posting Visibility

External

Full or Part Time

Full time

Schedule

Monday through Friday 8am to 5pm

Salary Range

413 - \$70,618.28 to \$93,039.59