

RONNA ROWE GARRETT, COMMISSIONER  
DONALD L. PORTER, COMMISSIONER  
CHRISTOPHER G. DAVIS, COMMISSIONER  
RICHARD W. KING, COMMISSIONER  
TIMOTHY L. BRYANT, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION  
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PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, JUNE 26, 2024  
8:30 A.M.

AGENDA

I. REGULAR BUSINESS

- A. Call to order
- B. Pledge of Allegiance
- C. Approval of Agenda

II. RECOGNITIONS

FY24 LEAK DETECTION PROGRAM RECOGNITION

Presented by: Carolyn Justice Hinson, Chief Customer Officer

III. CONSENT ITEMS

- A. Approve Minutes of meeting of May 22, 2024
- B. Adopt PWC Resolution # PWC2024.07 – Resolution Adopting, Amending, and Rescinding Policies, and Updating The PWC Online Document Library
- C. Adopt PWC Resolution # PWC2024.08 - Resolution of the Fayetteville Public Works Commission to Direct the Filing of an Application for State Loan Assistance
- D. Adopt PWC Resolution # PWC2024.09 - Resolution of the Fayetteville Public Works Commission to Accept the American Rescue Plan Act Offer under the State Fiscal Recovery Fund
- E. Adopt PWC Resolution # PWC2024.10 – Resolution to Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

- F. Approve bid recommendation to award bid for the purchase of Gas Turbine 6 Frame Size 5 Exhaust Plenum to Schock Manufacturing LLC, Owasso, OK, the lowest, responsive, responsible bidder, and in the best interests of PWC, in the total amount of \$140,000.00. And approve to forward this recommendation to City Council for approval.

The Gas Turbine 6 Frame Size 5 Exhaust Plenum is budgeted in account string 001.0170.0802.2412071-01.343000...CPR1000556

Bids were received June 6, 2024, as follows:

<u>Bidders</u>	<u>Total Cost</u>	<u>Delivery</u>
Schock Manufacturing LLC, Owasso, OK	\$140,000.00	3 Weeks

**COMMENTS:** The initial bid notice was advertised through our usual channels on May 14, 2024, with a bid opening date of May 28, 2024. However, no bids were received from the initial advertisement, prompting a re-bid on May 28, 2024. The re-bid bid opening date was scheduled for June 6, 2024. Bids were solicited from three (3) vendors, and one (1) bid was received. The award is recommended to Schock Manufacturing LLC. **MWDBE/SLS Participation:** Schock Manufacturing LLC is not a MWDBE or local business. Schock is the manufacturer of this purchase and intends to perform the contract with its own workforce.

- G. Approve bid recommendation to reject all bids for the purchase of Prefabricated Relay Control Houses for Two (2) Substations: FTCC and Murray Fork Road, and forward City Council for approval.

Bids exceed the budget and are not in the best interests of PWC.

Bids were received May 24, 2024, as follows:

<u>Bidders</u>	<u>UOM</u>	<u>QTY</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Birmingham Control Sys., Inc., Bessemer, AL	EA	2	\$399,995.00	\$ 799,999.00
Panelmatic, Brookfield, OH	EA	2	\$607,000.00	\$1,214,000.00

**COMMENTS:** The Commission is requested to reject all bids for the purchase of Prefabricated Relay Control Houses for two substations: FTCC and Murray Ford Rd. The bid notice was advertised through PWC's usual channels on April 30, 2024, with a bid opening date of May 24, 2024. Five vendors were solicited, and PWC received two bids, which were evaluated by the Procurement and Electric Systems Support departments. Both departments recommend rejecting the bids because they exceed the budget and are not in PWC's best interest.

- H. Approve bid recommendation to award bid for the purchase of Relay Control Houses to VFP, Inc., Roanoke, VA, the lowest, responsive, responsible bidder, in the total amount \$605,890.00, and forward to City Council for approval.

The Relay Control Houses will be bond funded via the following account strings: 103.0000.0802.2207988-05.690161..CPR1000471 & 103.0000.0802.2102564-05.690161..CPR1000421

Bids were received February 1, 2024, as follows:

<u>Bidders</u>	<u>UOM</u>	<u>QTY</u>	<u>Total Cost</u>	<u>Total Cost</u>
VFP, Inc., Roanoke, VA	EA	2	\$302,945.00	\$605,890.00

**COMMENTS:** On April 10, 2024, the Commission approved an award recommendation for the purchase of relay control houses required for the reconstruction of the P.O. Hoffer 69 to 15 x 25kV Substation and the Cumberland Road 69 to 15 x 25kV Substation. The contract was awarded to the lowest responsive and responsible bidder, VFP, Inc., based in Roanoke, VA.

Subsequent to this award, the PWC Procurement Department solicited bids under bid number PWC2324070 for two additional relay houses. The lowest bid under PWC2324070 was \$194,109.00 higher than the awarded bid under PWC2324035. VFP, Inc. has agreed to provide the two (2) additional relay control houses to PWC at the same unit cost as in the initial contract under PWC2324035. **MWDBE/Local Participation:** VFP, Inc., Roanoke, VA, is not a small local or MWDBE business.

- I. Approve bid recommendation to award bid for the purchase of Online Low Range Turbidimeter & UV-254 Replacement to Swan Analytica USA, Inc, Wheeling, IL the lowest, responsive, responsible bidder, and in the best interest of PWC in the total amount \$149,005.00, and forward to City Council for approval.

The Online Low Range Turbidimeter & UV-254 Replacement is budgeted in account string 002.0630.0802.0000000-00.323000.32300.2406304968

Bids were received May 30, 2024, as follows:

<u>Bidders</u>	<u>Total Cost</u>	<u>Delivery</u>
Swan Analytical USA, Inc.	\$149,005.00	2-3 Weeks

**COMMENTS:** The bid notice was advertised through our usual channels on May 16, 2024, with a bid opening date of May 30, 2024. Bids were solicited from two (2) vendors, and one (1) bid was received. The award is recommended to Swan Analytical USA, Inc. **MWDBE/SLS Participation:** Swan Analytical USA is not MWDBE or a local business. Swan Analytical USA, Inc, is the manufacturer of this purchase and intends to perform the contract with its own workforce.

- J. Approve bid recommendation to award contract for the Re-bid of Lift Station Rehabilitation Mechanical Jobbers Marketing, Inc., Lithonia, GA, the lowest, responsive, responsible bidder, and in the best interest of PWC in the total amount of \$397,400.00, and forward to City Council for approval.

The Re-bid Lift Station Rehabilitation is budgeted in 002.0160.0435.0000000-00.80005.CPR1000390.

Bids were received May 2, 2024, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Mechanical Jobbers Marketing, Inc.	\$397,400.00

Carolina Management Team

\$514,810.00

**COMMENTS:** The bid notice was advertised through our usual channels on April 11, 2024, with a bid opening date of May 2, 2024. Bids were solicited from three (3) vendors, and two (2) bids were received. The award is recommended to Mechanical Jobbers Marketing, Inc., Lithonia, GA. **MWDBE/SLS Participation:** Mechanical Jobbers Marketing, Inc., Lithonia, GA is a North Carolina-certified Minority-Owned business. They plan to use a WBE firm for storage and housing rental needs and are actively assisting this firm with their NC HUB Certification

K. Adopt PWCORD2024-06 – FY2024 Budget Amendment #8

PWCORD2024-06 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$1,380,900 to \$309.6 million and the W/WW Fund is decreasing \$134,900 to \$156.6 million.

**Electric Fund**

- **Electric Fund Revenue:** Total Electric Fund Revenue increased by \$1,380,900.
  - Total Budgetary Appropriations increased by \$1,380,900 due to the net effect of decreasing the Appropriation from Rate Stabilization by \$141,500 and increasing the Appropriation from Electric Net Position by \$1,522,400 to support increased expenses below.
- **Electric Fund Expenditures:** Total Electric Fund Expenditures increased by \$1,380,900.
  - Operating Expenditures decreased by \$253,300 due to the transfer of funds to the PWC Foundation Reserve and GASB 96 lease adjustments.
  - Capital decreased by \$1,406,600 due to supply chain restrictions and project delays.
  - Total Budgetary Appropriations increased by \$3,040,800. This includes the increase of the Transfer to Budget Carryover Reserve by \$2,406,600, the increase of the PWC Foundation Reserve by \$339,800, and the increase of the Legal Reserve by \$294,400.

**W/WW Fund**

- **W/WW Fund Revenue:** Total W/WW Fund Revenue decreased by \$134,900.
  - Total Budgetary Appropriations decreased by \$134,900. This includes the increase of the Appropriation from Annexation Phase V Reserve by \$292,700, the decrease of the Transfer from Budget Carryover Reserve by \$1,060,500 due to equipment delays, and the increase of the Appropriation from W/WW Net Position by \$632,900.
- **W/WW Fund Expenditures:** Total W/WW Fund Expenditures decreased by \$134,900.
  - Operating Expenditures decreased by \$253,300 due to the transfer of funds to the PWC Foundation Reserve, GASB 96 lease adjustments, and project delays.
  - Capital decreased by \$2,532,800 due to supply chain restrictions and project delays.

- Total Budgetary Appropriations increased by \$2,794,800. This includes the increase of the Transfer to Budget Carryover Reserve by \$2,532,800, the increase of the PWC Foundation Reserve by \$339,800, the increase of the Legal Reserve by \$264,300, and the decrease of the Appropriation to W/WW Net Position by \$342,100.

**COMMENTS:** Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2024-06.

L. Adopt PWC Ordinances – PWCORD2024-07 thru PWCORD2024-12

The following ordinances will be effective upon adoption:

- PWCORD2024-07 amends the Electric Rate Stabilization Fund to decrease the budgeted transfer to the Electric General Fund (GF) by \$141,535 for lower catch-up energy costs, consistent with the GF budget, and to update transfer and interest income to actuals as of FY24.
- PWCORD2024-08 amends the Annexation Phase V Reserve to increase the budgeted transfer to the Water and Wastewater General Fund (GF) by \$292,700 for debt service.
- PWCORD2024-09 amends the Electric Transportation Equipment Capital Project Fund to close out long lead time purchases made in FY24.
- PWCORD2024-10 amends the Series 2021 Electric Capital Project Fund to recognize interest income of \$23,932.
- PWCORD2024-11 amends the Series 2021 Water and Wastewater Capital Project Fund to recognize interest income of \$1,206,072.
- PWCORD2024-12 amends the Water Transportation Equipment Capital Project Fund to close out long lead time purchases made in FY24.

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

M. Adopt PWC Ordinances – PWCORD2024-13 thru PWCORD2024-19

The following ordinances will be effective July 1, 2024, and reflect the FY25 activity from the FY25 Annual Electric and Water/Wastewater Operating and CIP Budget:

- PWCORD2024-13 amends the Electric Rate Stabilization Fund to recognize the FY25 transfer of \$3,896,000 consistent with the GF budget and an increase in estimated interest income of \$1,300,000 in recognition of higher interest rates for investment activity.
- PWCORD2024-14 amends the Water and Wastewater Utility Rate Stabilization Fund to recognize the FY25 transfer of \$250,000 consistent with the GF budget and an increase in estimated interest income of \$90,900 in recognition of higher interest rates for investment activity.
- PWCORD2024-15 amends the Annexation Phase V Reserve to recognize the FY25 appropriations from the GF of \$8,600,900, an increase in estimated interest income of \$1,907,800 in recognition of higher interest rates for

investment activity and an appropriation to the GF of \$8,097,800 for debt service, all consistent with the GF budget.

- PWCORD2024-16 amends the NCDOT CPF to add new projects and update cost estimates for existing projects based on the FY25 CIP.
- PWCORD2024-17 amends the Substation Rebuild CPF to reduce project expenditures for substation projects anticipated to be funded with Revenue bonds and update cost estimate of existing project based on the FY25 CIP.
- PWCORD2024-18 amends the Electric Transportation Equipment Capital Project Fund to revise the FY25 estimates for long lead time purchases, making the budgeting, tracking and pre-audit requirements more manageable to staff.
- PWCORD2024-19 amends the Water Transportation Equipment Capital Project Fund to revise the FY25 estimates for long lead time purchases, making the budgeting, tracking and pre-audit requirements more manageable to staff.

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

END OF CONSENT

IV. ECONOMIC INCLUSION PROGRAM BRIEFING

Presented by: Candice Kirtz, Director of Supply Chain  
Nikole Bohannon, Economic Inclusion Program Manager

V. ANNEXATION PHASE V UPDATE

Presented by: Mick Noland, Chief Operations Officer, Water Resources  
Misty Manning, Water Resources Engineering Manager

VI. GENERAL MANAGER REPORT

VII. COMMISSIONER/LIAISON COMMENTS

VIII. REPORTS AND INFORMATION

- A. Utility Payments by Payment Type – May 2024
- B. Career Opportunities

IX. ADJOURN

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, MAY 22, 2024  
8:30 AM

Present: Donald L. Porter, Chairman  
Christopher G. Davis, Vice Chairman  
Ronna Rowe Garrett, Secretary  
Richard W. King, Treasurer

Others Present: Timothy L. Bryant, CEO/General Manager  
Derrick Thompson, City Council Liaison  
Sally Shutt, Assistant County Manager  
Media

Absent: Chancer McLaughlin, Interim Town Manager/Liaison

I. REGULAR BUSINESS

Chairman Donald Porter called the meeting of May 22, 2024, to order at 8:30 am.

PLEDGE OF ALLEGIANCE

Chairman Donald Porter led the Commission in the Pledge of Allegiance

APPROVAL OF AGENDA

Commissioner Christopher Davis motioned to approve the agenda. Motion was seconded by Commissioner Ronna Rowe Garrett and unanimously approved.

II. CONSENT ITEMS

Commissioner Christopher Davis motioned to approve the Consent Items. Motion was seconded by Commissioner Ronna Rowe Garrett and unanimously approved.

- A. Approve Minutes of meeting of May 8, 2024, Commission Meeting
- B. Approve Cancellation of June 12, 2024, Commission Meeting, in lieu of APPA National Conference
- C. Adopt the Following Capital Project Fund Budget Ordinances
  - PWCORD2024-04 – This ordinance creates the Series 2025 Electric CPF. This will be for various electric infrastructure projects anticipated to be funded with the Series 2025 Revenue Bonds.
  - PWCORD2024-05 – This ordinance creates the Series 2025 Water and Wastewater CPF. This will be for the non-Annexation water and wastewater infrastructure projects anticipated to be funded with the Series 2025 Revenue Bonds.

COMMENTS: Staff recommends the Commission adopt the above CPF budget ordinances.

- D. Approve bid recommendation to award the REBID Fayetteville Annexation Phase V, Project XII, Construction Area 27 – Cliffdale Forest to T. A. Loving Company, Goldsboro, NC, the lowest, responsive, responsible bidder, in the total amount of \$10,875,000.00, and forward to City Council for approval.

The REBID Fayetteville Annexation Phase V, Project XII, Construction Area 27 – Cliffdale Forest Project is budgeted in account string (204.0000.0435.2005938-10.82005.CPR1000130).

Bids were received April 18, 2024, as follows:

<u>Bidders</u>	<u>Total Base Bid</u>	<u>Total Alternate Bid</u>
T. A. Loving Co., Goldsboro, NC	\$10,875,000.00	\$10,875,000.00
Sanford Contractors, Lemon Springs, NC	\$12,972,500.40	

**COMMENTS:** Notice of the bid was advertised through PWC’s normal channels on March 4, 2024, with an initial bid opening date of March 28, 2024. Bids were solicited from three (3) bidders. PWC received only (1) bid for this project. A re-bid bid was then undertaken with a new bid opening date of April 18, 2024. PWC received an additional bid for this project. The two (2) bids that were received were then evaluated by the Water Resources Engineering and Procurement departments. The lowest responsive, responsible bidder was T.A. Loving Company, Goldsboro, NC. MWD/BE/SLS PARTICIPATION: T.A. Loving Company is a firm based in Goldsboro, NC that also has a local office in Fayetteville, NC. T.A. Loving Company also pays Cumberland County taxes. They anticipate \$170,000.00 in MBE spend with a local hauling firm, Crowder Trucking. T.A. Loving company anticipates an additional \$170,000.00 in Local Spend (Cumberland County) for clearing and sodding needs.

END OF CONSENT

### III. FY2025 RECOMMENDED BUDGET SUMMARY

Presented by: Timothy L. Bryant, CEO/General Manager

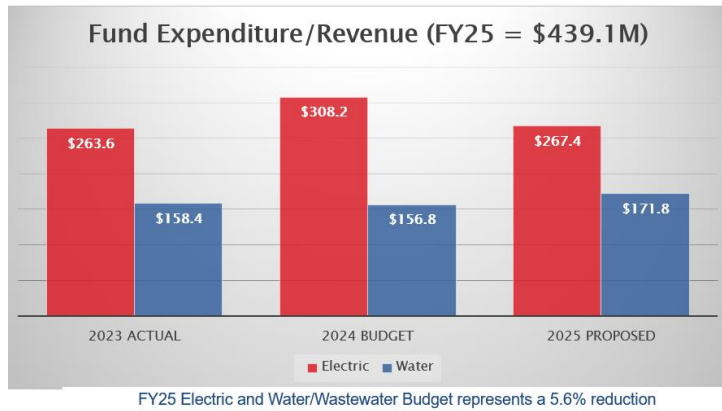
Mr. Bryant provided a brief summary of the recommended FY2025 PWC Operating Budget and Capital Improvement Plan (CIP) as presented to the Commission on May 8, 2024, and made available for public inspection in compliance with North Carolina General Statute 159-12.

#### ELECTRIC & W/WW FUNDS SUMMARY

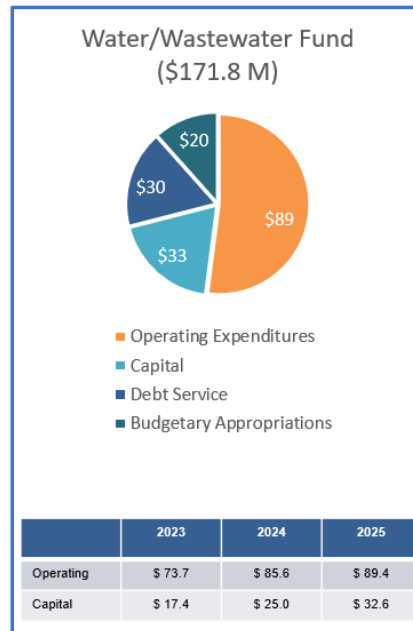
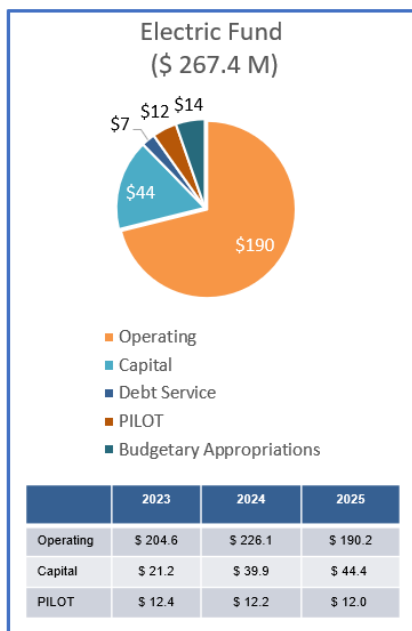
DESCRIPTION	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGET	FY 2024 ESTIMATE	FY 2025 RECOMMENDED
ELECTRIC UTILITY OPERATING FUND	\$248,916,206	\$242,386,934	\$268,324,200	\$260,318,100	\$222,996,800
ELECTRIC CAPITAL OUTLAY	\$23,819,989	\$21,179,504	\$39,865,900	\$32,125,600	\$44,356,000
<b>TOTAL ELECTRIC FUND</b>	<b>\$272,736,195</b>	<b>\$263,566,438</b>	<b>\$308,190,100</b>	<b>\$292,443,700</b>	<b>\$267,352,800</b>
WATER/WASTEWATER UTILITIES OPERATING FD	\$119,206,308	\$140,992,114	\$131,705,100	\$135,901,300	\$139,150,700
WATER & WASTEWATER CAPITAL OUTLAY	\$15,385,448	\$17,357,451	\$25,041,800	\$22,535,000	\$32,610,000
<b>TOTAL WATER/WASTEWATER FUND</b>	<b>\$134,591,755</b>	<b>\$158,349,565</b>	<b>\$156,746,900</b>	<b>\$158,436,300</b>	<b>\$171,760,700</b>
<b>TOTAL ELECTRIC &amp; W/WW FUNDS</b>	<b>\$407,327,950</b>	<b>\$421,916,003</b>	<b>\$464,937,000</b>	<b>\$450,880,000</b>	<b>\$439,113,500</b>
<b>TOTAL BUDGET</b>	<b>\$407,327,950</b>	<b>\$421,916,003</b>	<b>\$464,937,000</b>	<b>\$450,880,000</b>	<b>\$439,113,500</b>



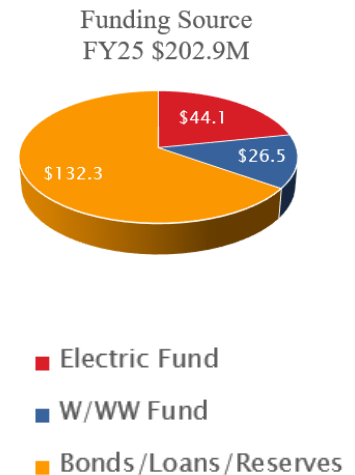
## Fund Summary



FY2025 Budget Proposal - FY25 = 439.1M



FY2025 Capital Funding Source



Overview – Operating Budget (\$ in millions)

Division	FY22	FY23	FY24	FY25	% Change
Management	\$5.8	\$6.0	\$7.4	\$7.0	(4.9%)
Communications	\$1.7	\$1.6	\$1.7	\$2.4	41.6%
Legal	\$3.9	\$3.6	\$3.6	\$4.5	24.5%
Customer Care	\$10.3	\$10.6	\$11.2	\$12.1	8.0%
Human Resources	\$2.1	\$3.0	\$2.7	\$2.3	(14.2%)
Administrative	\$12.6	\$13.1	\$20.7	\$11.5	(44.7%)
Information Technology	\$13.3	\$13.3	\$14.9	\$16.9	13.7%
Finance	\$3.7	\$3.9	\$4.2	\$4.1	(1.3%)
Water/Wastewater	\$43.4	\$49.3	\$56.7	\$59.7	5.3%
Elec Non-Power Supply	\$36.4	\$39.8	\$39.5	\$42.9	8.5%
Total PWC w/o Power Supply	\$133.1	\$144.2	\$162.6	\$163.5	0.5%
Electric Power Supply	\$138.8	\$154.4	\$154.6	\$113.7	(26.5%)
<b>Total PWC</b>	<b>\$271.9</b>	<b>\$298.6</b>	<b>\$317.3</b>	<b>\$277.2</b>	<b>(12.6%)</b>
G&A	\$18.1	\$20.0	\$22.4	\$24.9	11.5%

## FY2025 Budget Ordinance

### **FY 2025 Budget Ordinance (PWCORD2024-03)**

BE IT ORDAINED BY THE FAYETTEVILLE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA:

Section 1. It is estimated that the following revenues and other financing sources will be available during the fiscal year beginning July 1, 2024, and ending June 30, 2025, to meet the appropriations listed in Section 2.

Schedule A: Electric Fund

Electric Revenues	\$ 221,919,900
Operating and Other Revenues	15,642,900
BWGP Purchased Capacity Payment	2,500,000
Customer Contributions	10,539,500
Budgetary Appropriations	16,750,500
<b>Total Estimated Electric Fund Revenues</b>	<b>267,352,800</b>

Schedule B: Water and Wastewater Fund

Water Revenues	\$ 66,452,700
Wastewater Revenues	75,192,500
Operating and Other Revenues	14,323,700
Customer Contributions	2,230,000
Intergovernmental Revenue - Assessments	1,592,400
Budgetary Appropriations	11,969,400
<b>Total Estimated Water and Wastewater Fund Revenues</b>	<b>171,760,700</b>

**Grand Total** \$ 439,113,500

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, 2024, and ending June 30, 2025, according to the following schedules:

Schedule A: Electric Fund

Operating Expenditures	\$ 191,343,200
Debt Service	5,530,400
Capital	44,356,000
Payment in Lieu of Taxes - City	11,969,000
Budgetary Appropriations	14,154,200
<b>Total Estimated Electric Fund Expenditures</b>	<b>267,352,800</b>

Schedule B: Water and Wastewater Fund

Operating Expenditures	\$ 89,978,000
Debt Service	29,300,500
Capital	32,610,000
Budgetary Appropriations	19,872,200
<b>Total Estimated Water and Wastewater Fund Expenditures</b>	<b>171,760,700</b>

**Grand Total** \$ 439,113,500

BE IT ORDAINED BY THE FAYETTEVILLE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA, THAT PURSUANT TO SECTION 13.1 OF CHAPTER 159, OF THE GENERAL STATUTES OF NORTH CAROLINA, THE FOLLOWING FINANCIAL PLAN IS HEREBY ADOPTED:

Chairman Porter thanked Mr. Bryant for the 2025 Recommended Budget Summary. He also thanked the staff for their outstanding work on the budget.

#### IV. PUBLIC HEARING ON THE PWC FY2025 OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN (CIP)

Chairman Porter called for the Public Hearing of PWC's FY2025 Operating Budget and Capital Improvement Plan. He stated on May 8<sup>th</sup> this hearing was set for today, May 22<sup>nd</sup>, and PWC staff gave public notice of this hearing by publishing notice in a newspaper of general circulation serving this community, the Fayetteville Observer on Sunday, May 12, 2024.

He asked the Clerk to the Board, Ms. Durant if any written comments were submitted to her. She responded, "Chairman, no written comments were submitted."

He then asked Ms. Durant has anyone registered to speak at the hearing today. She responded, "No one has registered to speak."

Chairman Porter then closed the Public Hearing.

The Chairman asked if there is a motion to approve PWC's FY2025 Operating Budget and Capital Improvement Plan at this time.

Commissioner Ronna Rowe Garrett motioned to approve the 2025 Operating Budget and Capital Improvement Plan as described by our CEO and Staff. The motion was seconded by Commissioner Richard King and approved by the Commission.

V. DISCUSS PWC RESOLUTION # PWC2024.06 – RESOLUTION TO ADOPT TEN-YEAR CAPITAL IMPROVEMENT PROGRAM PLAN FOR FISCAL YEARS 2025 – 2034

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Rhonda Haskins discussed the Resolution to Adopt the Ten-Year Capital Improvement Program Plan for Fiscal Years 2025-2034. She stated it is to approve the ten-year Capital Improvement Program Plan, which was submitted to the Commissioners in our presentation of the CIP. This is a non-committal of funds for the ten years. It is an approval of the plan. Though it is not required by the State, when we apply for state revolving loans, we gain points for having a ten-year CIP Plan and the State wants to see the board has approved the plan. It is staff's recommendation the Board adopt the Ten-Year Capital Improvement Program Plan for FY2025-2034.

Commissioner Christopher Davis motioned to approve the plan (as defined above). It was seconded by Commissioner Ronna Rowe Garrett, and unanimously approved.

VI. 3 MONTH (JANUARY - MARCH 2024) FINANCIAL RECAP

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Rhonda Haskins presented the 3<sup>rd</sup> Quarter Financial report, covering nine months of our current fiscal year.

Below are the 3<sup>rd</sup> Quarter YTD Events

➤ **Rate Modification**

- Cost of Service Water, Wastewater, Electric Rates effective May 2023

➤ **Bond Issuance**

- Series 2021 Bonds (Nov. 2021) \$94.8M Par at 2.28% TIC
- Series 2023 Bonds (Nov. 2023) \$169.4M Par at 4.68% TIC

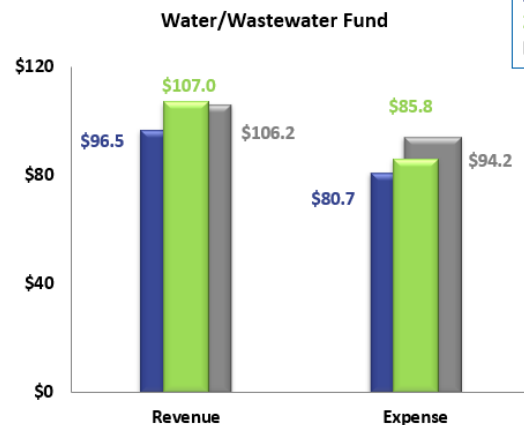
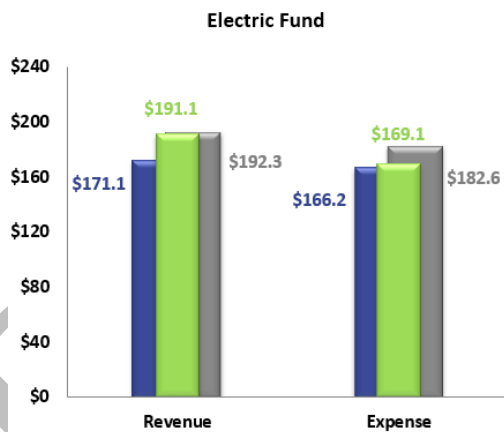
➤ **Supply Chain Impact**

- Increased Material Pricing
  - Delays on Materials
  - Challenging Bidding Environment
- **Energy Catch Up**
- FY24: \$4.9 mil
  - FY23: \$8.3 mil
  - FY22: \$4.3 mil

Summary of Major Changes over Prior Year (\$ in Thousands)

<b>Electric Revenue</b>	▲	11.7%	\$ 19,995
<b>Electric Power Supply &amp; Maintenance</b>	▼	1.5%	\$ 1,600
<b>Coal Ash</b>	▼	9.6%	\$ (545)
<b>Electric G&amp;A Expense</b>	▲	9.0%	\$ 1,519
<b>Electric Other Operating Expense</b>	▲	10.2%	\$ 3,479
<b>Electric Payment in Lieu of Taxes (PILOT)</b>	▼	1.3%	\$ 122
<b>Water &amp; Wastewater Revenue</b>	▲	8.2%	\$ 7,280
<b>Water/Wastewater G&amp;A Expense</b>	▲	5.0%	\$ 818
<b>Water/Wastewater Other Operating Expense</b>	▲	6.7%	\$ 4,283
<b>Water/WW Aid, Grants, FIF Transfers</b>	▼	25.1%	\$ 3,378
<b>Days Cash Reserve</b>	▲	143	
<b>Net Bad Debt</b>		<1.0%	

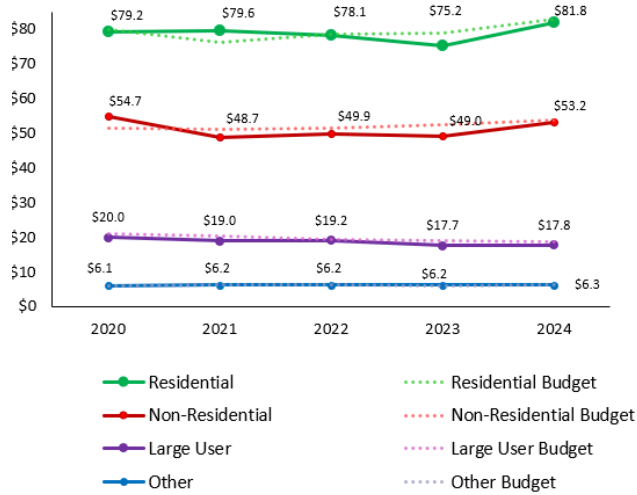
Total Revenue and Expense (\$ in Millions)



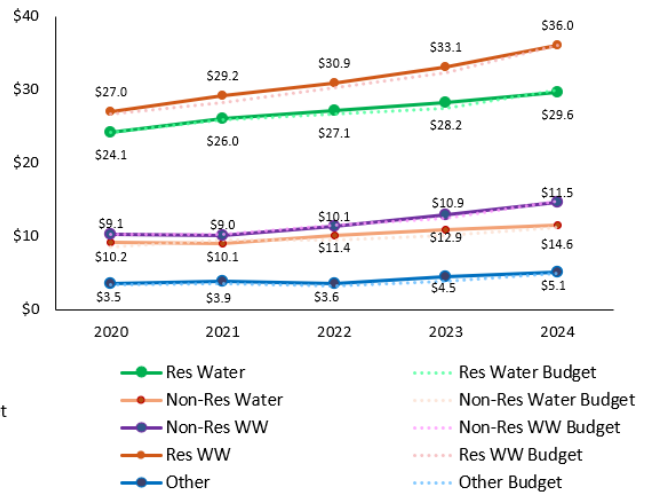
Revenues are lower than budget in the Electric fund and higher than budget in the Water/Wastewater fund while both are higher than prior year. Expenses are lower than budget but higher than prior year.

Revenue Trend by Customer Class (\$ in Millions)

## Electric



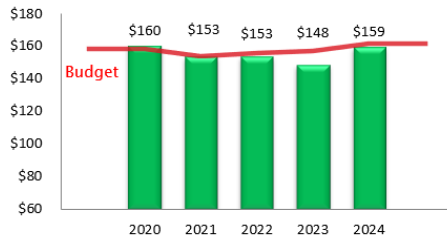
## Water/Wastewater



Rate increases positively impacted sales compared to prior year and sales are aligned with budget.

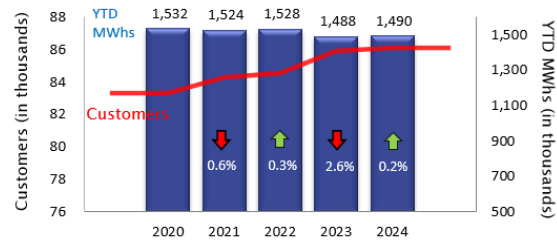
## Electric Sales

### Revenue Actuals Up 7.3% from Prior Year (\$ in Millions)



### Volume Sales

Up 0.2% over Prior Year  
(in Thousands)



Revenue increased 7.3% driven primarily by the rate increase and slight increases in customer growth and energy sales

## Electric Comparison - 3<sup>rd</sup> Quarter Ended March 31, 2024

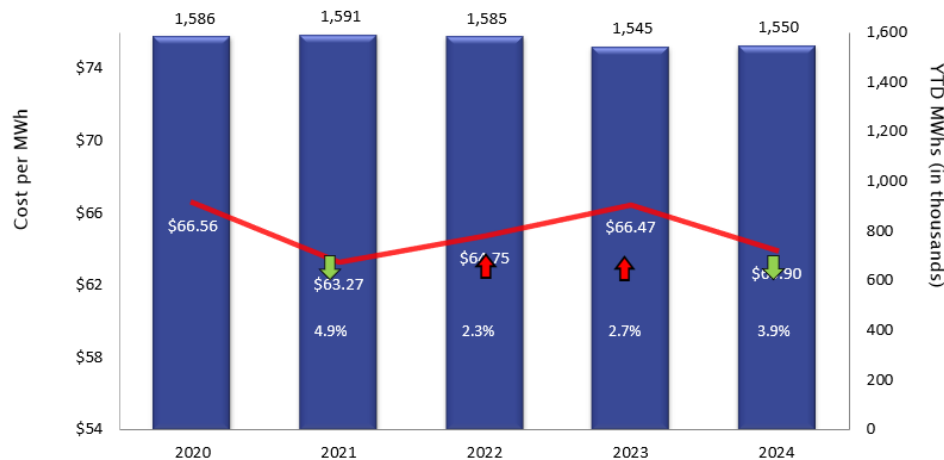
	2020	2021	2022	2023	2024	Budget
Electric Sales Revenue	\$ 160,016	\$ 153,427	\$ 153,438	\$ 148,201	\$ 158,989	\$ 161,707
Percent Change		-4.1%	0.0%	-3.4%	7.3%	9.1%
Other Revenue	\$ 21,919	\$ 20,550	\$ 23,828	\$ 22,910	\$ 32,117	\$ 30,604
Percent Change		-6.2%	16.0%	-3.9%	40.2%	33.6%
Power Supply & Maintenance	\$ 107,106	\$ 107,738	\$ 106,595	\$ 109,543	\$ 107,943	\$ 115,797
Percent Change		0.6%	-1.1%	2.8%	-1.5%	5.7%
Coal Ash	\$ 14,104	\$ 8,197	\$ 5,319	\$ 5,704	\$ 5,159	\$ 4,716
Percent Change		-41.9%	-35.1%	7.2%	-9.6%	-17.3%
G&A Expense	\$ 15,172	\$ 14,786	\$ 16,061	\$ 16,819	\$ 18,338	\$ 22,735
Percent Change		-2.5%	8.6%	4.7%	9.0%	35.2%
Other Operating Expenses	\$ 27,979	\$ 28,488	\$ 33,056	\$ 34,137	\$ 37,616	\$ 39,381
Percent Change		1.8%	16.0%	3.3%	10.2%	15.4%

Revenue increase over prior year due to increase in rates while expenses slightly up from prior year but lower than budget

## Electric – Budget-Actual-Previous 3<sup>rd</sup> Quarter FY2024

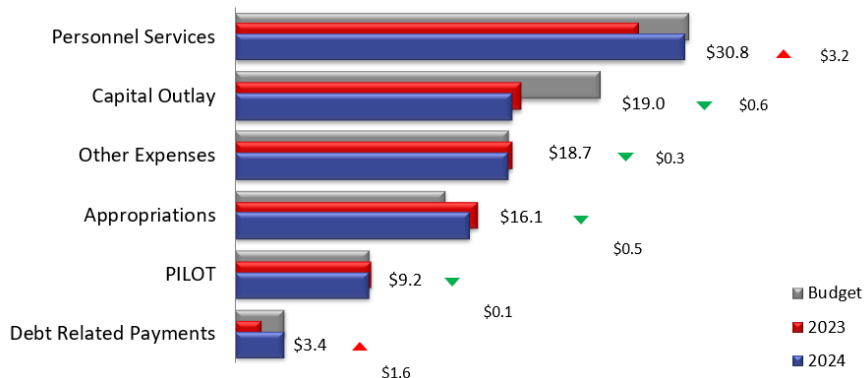
(\$ in Thousands) (Percent of Revenues)	Year to Date					
	Budget		Actual		Last Year	
Total Sales Revenue	\$ 161,707	84%	\$ 158,989	83%	\$ 148,201	87%
Total Other Revenue	30,604	16%	32,117	17%	22,910	13%
Power Supply and Maintenance	(115,797)	60%	(107,943)	56%	(109,543)	64%
Coal Ash	(4,716)	2%	(5,159)	3%	(5,704)	3%
Available Operating Revenues	\$ 71,798	37%	\$ 78,004	41%	\$ 55,864	33%
Other Operating Expenses	(62,117)	32%	(55,954)	29%	(50,956)	30%
Operating Results	\$ 9,681	5%	\$ 22,050	12%	\$ 4,908	3%
Aid to Construction & Grants	445	0%	64	0%	1,443	1%
Intergovernmental Transfer	-	0%	-	0%	4,000	2%
City PILOT/Econ Dev	(9,183)	5%	(9,183)	5%	(9,305)	5%
Change in Net Position	\$ 943	0%	\$ 12,931	7%	\$ 1,046	1%

## Electric Purchased Power - MWhs Purchased and Cost per MWh 3<sup>rd</sup> Quarter



Expenses decreased due to reduction of energy catch-up payment

## Electric Fund (\$ in Millions)



The Largest Expenditure in the Electric Fund, excluding Power Supply, is Personnel Services.

W/WW Comparison – 3<sup>rd</sup> Quarter Ended March 2024  
(\$ in Thousands)

	2020	2021	2022	2023	2024	Budget
Water Sales Revenue	\$ 36,009	\$ 37,889	\$ 40,108	\$ 42,586	\$ 44,892	\$ 45,007
Percent Change		5.2%	5.9%	6.2%	5.4%	5.7%
Wastewater Sales Revenue	\$ 37,679	\$ 39,922	\$ 42,706	\$ 46,656	\$ 51,629	\$ 51,574
Percent Change		6.0%	7.0%	9.2%	10.7%	10.5%
Other Revenue	\$ 7,850	\$ 5,839	\$ 6,515	\$ 7,217	\$ 10,437	\$ 9,595
Percent Change		-25.6%	11.6%	10.8%	44.6%	32.9%
G&A Expense	\$ 13,859	\$ 14,484	\$ 15,654	\$ 16,359	\$ 17,177	\$ 22,563
Percent Change		4.5%	8.1%	4.5%	5.0%	37.9%
Other Operating Expense	\$ 53,078	\$ 55,580	\$ 58,277	\$ 64,290	\$ 68,573	\$ 71,588
Percent Change		4.7%	4.9%	10.3%	6.7%	11.4%
Aid, Grants, SDF, XFRs	\$ 3,238	\$ 11,069	\$ 5,553	\$ 13,457	\$ 10,080	\$ 2,734
Percent Change		241.8%	-49.8%	142.3%	-25.1%	-79.7%

Revenue increase due to increase in rates while expenses up from prior year but lower than budget

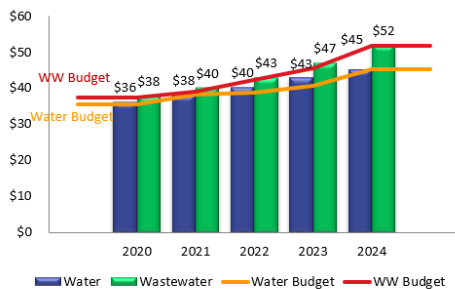
Water & Wastewater – Budget-Actual-Previous  
3<sup>rd</sup> Quarter FY 2024

(\$ in Thousands) (Percent of Revenues)	Year to Date					
	Budget		Actual		Last Year	
Total Sales Revenue	\$ 96,581	91%	\$ 96,521	90%	\$ 89,242	93%
Total Other Revenue	9,595	9%	10,437	10%	7,217	7%
Total Operating Expenses	94,151	89%	85,751	80%	80,649	84%
Operating Results	\$ 12,025	11%	\$ 21,207	20%	\$ 15,810	16%
Assessments, Aid, Grants, Transfers	2,734	3%	10,080	9%	13,457	14%
Change in Net Position	\$ 14,759	14%	\$ 31,287	29%	\$ 29,267	30%

Timing of projects had a positive impact on change in net position

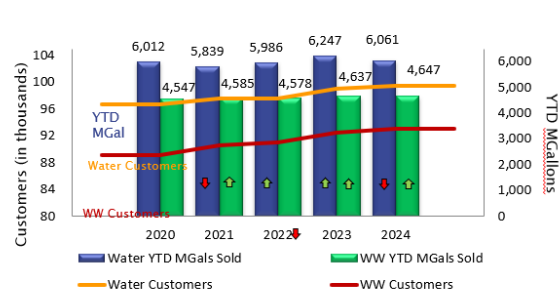
Water/Wastewater Sales  
Revenue

Water Up 5.4% and WW Up 10.4% over Prior Year  
(\$ in Millions)



Volume Sales

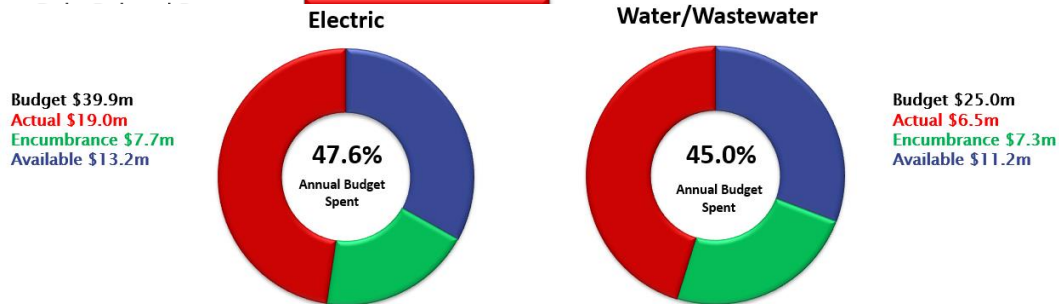
Water Down 3.0% and WW Up 0.2% from Prior Year  
(in Thousands)



Water revenue is up 5.4% due to rate increase with a decrease in volume sales and WW up 10.4% due to rate increase as well as a slight increase in volume sales



## Water Fund (\$ in Millions)



47.6% of Electric capital budget spent while 45.0% of Water/Wastewater budget spent

## Capital Expenditures and Debt Service

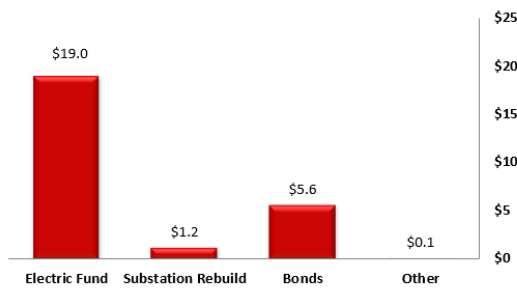
(\$ in Thousands) 2nd Quarter FY 2024	Year to Date		
	Budget	Actual	Last Year
Electric Systems Division	\$ 20,940	\$ 17,725	\$ 18,513
Water Resources Division	13,634	9,870	9,703
Administration Division	6,167	1,544	1,348
Customer Division	753	1,086	787
Financial Division	-	-	7
Information Technology Division	607	11	156
<b>Total Capital Expenditures</b>	<b>\$ 42,101</b>	<b>\$ 30,236</b>	<b>\$ 30,514</b>
Electric Debt Service:			
Principal Payments	\$ 1,155	\$ 1,154	\$ 1,163
Interest and Other Finance Costs	2,257	2,249	676
Water Debt Service:			
Principal Payments	11,871	11,871	13,147
Interest and Other Finance Costs	11,022	10,927	8,075
<b>Total Debt Service</b>	<b>\$ 26,305</b>	<b>\$ 26,201</b>	<b>\$ 23,061</b>

Capital spend by division includes variances caused by timing on various projects

## Capital Outlay (\$ in Millions)



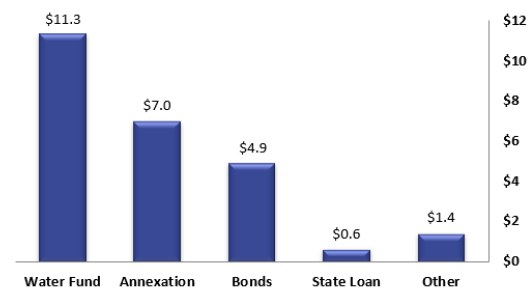
### Electric Capital Outlay



**Total \$25.9m**

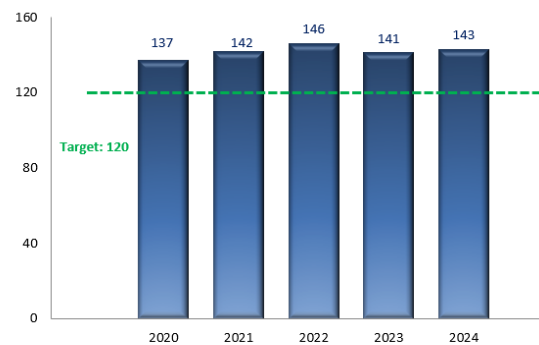
In addition to capital spend of \$30.3m in the general fund, \$20.8m spent in other funds

### Water Capital Outlay



**Total \$25.2m**

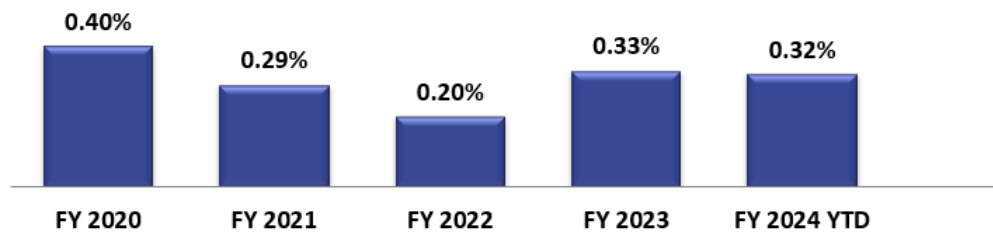
### Days Cash



Current cash levels allow PWC to maintain current and future bond ratings and fund future projects

### Bad Debt

Target: <1%



Electric & Water Bad Debt as a Percent of Sales remains under 1%

Chairman Porter thanked Ms. Haskins for the detailed FY24 3<sup>rd</sup> Quarter Report.

## VII. GENERAL MANAGER REPORT

### Safety

Mr. Bryant stated our teams continue to work safely.

## People

FY24 Leak Detection Project is now completed. The following employees work on this 24-week project, which ended this past Monday. They are: Kenn Hart, William McPhaul, Jon Junot, Phillip Parker, Robert Turner, Terrence Tompson, Corey Brown, Chad Groves, & Harry Myles

Mr. Bryant stated our PWC employees worked hand in hand with McKim and Creed Engineering Firm to identify 54 distribution leaks with 52 leaks repaired, expanding about 314 miles. The biggest takeaway is they identified 81,362,880 gallons per year of non-revenue water that was fixed. This project was a resounding success.

Mr. Bryant introduced Mr. Tyler Patton our new Communications and Community Relations Director. Mr. Patton joined the team approximately a week ago.

## VIII. COMMISSIONER/LIAISON COMMENTS

### **Assistant County Manager Sally Shutt**

Ms. Shutt stated the County Manager will present the recommended budget tomorrow evening at 7:00. The public hearing will be held at 7pm on June 5<sup>th</sup>.

### **City Council Liaison Derrick Thompson**

No Comments

### **Commissioner Richard King**

No Comments

### **Commissioner Christopher Davis**

No Comments

### **Commissioner Ronna Rowe Garrett**

Commissioner Garrett commended staff on the budget review. She stated she is very proud to be a part of this organization.

She stated she would be very interested to have future discussion on annexation.

Last Saturday was Armed Forces Service Day. We are coming up on Memorial Day, and she wanted to highlight and mourn the US military members who died while serving.

### **Commissioner Donald Porter**

Commissioner Porter also commended staff for their professionalism and in-depth briefings. He also stated he is proud to be part of this great commission. There are smart people who sit on this board who do not allow themselves to be pushed into a corner. Their experience is broad, and they are objective. He is proud to be serving with them.

## IX. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - April 2024
- B. Recap of Uncollectible Accounts – April 2024
- C. Investment Report - April 2024
- D. Purchase Orders – April 2024
- E. Utility Payments by Payment Type – April 2024
- F. Financial Statement Recaps – April 2024
  - Electric
  - Water/Wastewater
- G. Personnel Report - April 2024
- H. Career Opportunities
- I. Actions by City Council during the meeting of May 13, 2024, related to PWC:
  - Approved – Bid Recommendation – Readvertisement of Miscellaneous Electric Substation On-Call Construction

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

Commissioner Christopher Davis motioned to enter Closed Session pursuant to NCGS 143-318.11(A)(3) for Legal Matters. Motion was seconded by Commissioner Ronna Rowe Garrett and unanimously approved at 9:17 am.

Upon motion by Commissioner Christopher Davis, seconded by Commissioner Ronna Rowe Garrett, and unanimously approved, the Commission returned to open session at 9:49 am.

## IV. ADJOURNMENT

There being no further business, upon motion by Commissioner Christopher Davis, seconded by Commissioner Ronna Rowe Garrett, and unanimously approved, the Commission adjourned at 9:49 am.

**RESOLUTION ADOPTING, AMENDING, AND RESCINDING POLICIES,  
AND UPDATING THE PWC ONLINE DOCUMENT LIBRARY**

**WHEREAS**, the Fayetteville Public Works Commission (PWC) has encouraged its staff to develop a new Policy and Procedure Manual and related documents in order to ensure that employees have access to information that is appropriately structured, up to date, and easy to read and understand; and

**WHEREAS**, the Commissioners believe that PWC's governance will be enhanced by delegating to the CEO/GM (and the CEO's designees) authority to establish, alter, and amend the Policy and Procedure Manual that shall have the same force and effect as the procedures promulgated in previous operational manuals; and

**WHEREAS**, the Commissioners support the comprehensive review process and accept staff recommendations for changes to PWC's policies and procedures.

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

1. The following Policies, as more completely set forth in Exhibit A attached hereto, are hereby adopted as amended, effective July 1, 2024:

- a) Budget Transfers Policy
- b) Internal Control Policy
- c) Investment of Public Funds Policy
- d) Principles of Sound Financial Management Policy
- e) Post Issuance Compliance Policy
- f) Rate Making Policy
- g) Procurement Policy

2. The following Policies, as more completely set forth in Exhibit B attached hereto, are hereby rescinded, with previously approved content being converted to procedures and incorporated into the new Policy and Procedure Manual, effective July 1, 2024:

- a) Anti-Harassment Policy
- b) Code of Conduct Policy
- c) Safety Policy
- d) Substance Abuse Policy

3. The following manuals shall be consolidated and published in a Policy and Procedure Manual and posted in the PWC Online Document Library accessible to all employees, after approval from the CEO/GM and the CEO's designees, and subject to periodic review and amendment by the CEO. The Policy and Procedure Manual shall be given the same force and effect as procedures promulgated in the operational manuals/handbooks previously established:

- a) Human Resources Manual
- b) Employee Handbook
- c) Finance Manual
- d) Vehicle and Equipment Handbook
- e) Procurement Handbook
- f) Acceptable Use Handbook
- g) Policy Manual

**ADOPTED** this 26 Day of June, 2024

FAYETTEVILLE PUBLIC WORKS COMMISSION

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Donald L. Porter, Chairman

ATTEST:

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Ronna Rowe Garrett, Secretary

## Exhibit A - Policies to be Updated

### Policies included in Exhibit A:

Policy	Page #
Budget Transfer Policy	2
Internal Control Policy	4
Investment of Public Funds Policy	22
Principles of Sound Financial Management Policy	27
Post Issuance Compliance Policy	28
Rate Making Policy	34
Procurement Policy	36

Please note: Content changes are indicated by red font within the following pages. Formatting changes are not marked. A summary of content changes is included in chart below.

Policy Change Log Summary		
Department	Policy	Changes
Finance	Budget Transfers	Approval Rates; Transfer of Capital Line Items Updates
Finance	Internal Audit and Controls	Updated Introduction; Added Definitions; Grammatical Updates; CFO Bond Requirements; Travel Expenditure Map Requirement
Finance	Investment of Public Funds	Yield Guidelines; Grammatical Changes
Finance	Principles of Sound Financial Management	Updated CFO Bond Amount; Grammatical Changes
Finance	Post Issuance Compliance	Grammatical Updates
Finance	Rate Making	Updated Public Hearing Requirements
Finance	Procurement	Procurement Card Use

## **7.1 Budget Transfer Policy**

**Policy Statement:** It shall be the policy of the Public Works Commission (PWC) of the City of Fayetteville, North Carolina, to comply with the Local Government Budget and Fiscal Control Act, 159-15, and hereby authorizes the Budget Officer to transfer moneys from one appropriation to another within the same fund using a procedure established by the General Manager and to report these transfers to the Commission in an appropriate and timely fashion.

### **1. Purpose**

- a. The intent of this procedure is to establish guidelines for the transfer and amendment of funds within the PWC budget.

### **2. Definitions**

- a. **Division** – A primary organizational unit within PWC which indicates overall management responsibility for an operation or a group of related operations within a functional area. A Division Officer manages the operations of each Division.
- b. **Department** – A unit which is responsible for specific activities within a Division. For example, the Environmental and Compliance Department in the Water Resources Division.
- c. **Budget Amendment** – A procedure to revise the adopted budget ordinance. Public Works Commission approval is necessary for a budget amendment.
- d. **Budget Transfer** – A budget transfer is the movement of monies from one account to another account, without changing the budget ordinance.

### **3. Procedure**

#### **a. Transfers of Operating Expenditures**

##### **i. Transfers Between Operating Line Items**

- (1) Directors/managers are **authorized** to approve transfers of less than \$2,500 within one cost center or across multiple cost centers under their control.
- (2) Division Officers are authorized to approve transfers of less than \$500,000 within their Division.
- (3) The General Manager is authorized to transfer funds between operating line items as long as the budget ordinance is not changed. Commission approval is needed for authorization of additional personnel not included in the budget.

##### **ii. Transfers from the Contingency Account**

- (1) The General Manager is authorized to transfer funds from the Contingency Account in each Fund as long as the overall appropriation level of a Fund is not changed.

##### **iii. Transfers within the General & Administration Budget**

- (1) The Chief Finance Officer is authorized to transfer funds between line items in the General and Administration Budget, as long as the overall appropriation level of the Fund is not changed.

**b. Transfers of Capital Expenditures**

**i. Transfers Between Capital Line Items**

- (1) Directors/Managers are authorized to approve transfers of less than \$2,500 within one cost center or across multiple cost centers under their control.
- (2) Division Officers are authorized to approve transfers of less than \$500,000 within their Division.
- (3) The General Manager is authorized to transfer funds between operating line items as long as the budget ordinance is not changed.

**c. Amendment of the Budget**

**i. Criteria for a Budget Amendment**

- (1) A formal budget amendment, requiring Public Works Commission approval is necessary in the following cases:
  - (a) Requests that require amending the total original appropriation at the Fund level.
  - (b) Requests that require a transfer between funds.
  - (c) Changes in the appropriation to special Capital Project Funds.
  - (d) The addition of major capital projects not included in the original budget.
  - (e) Changes to the budget ordinance sections.

**4. Effective Date**

- a. The effective date of this policy is July 1, 2024.



## 9.1 Internal Control Policy

**Policy Statement:** The Public Works Commission (PWC) shall maintain a system of internal controls.

### 1. Purpose

- a. The purpose of this policy is to best assure the accuracy, reliability, efficiency and usefulness of records and reporting; the proper recording and safeguarding of assets; policies and procedures are being followed; internal controls are adequate; all laws and regulations are being obeyed and fraud is being detected and prevented.
- b. This policy applies to all facets of the operation and reporting of the activities of the Fayetteville Public Works Commission (PWC). It does not replace, but rather supplements, standing policies and procedures. Additional information related to internal control processes and definitions can be found in the Finance Operating Procedures of the Finance Section in this manual.

### 2. Guidelines

#### a. Introduction

- i. A system of internal control is a system designed, implemented, and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting effectiveness and efficiency of operations, and compliance with applicable laws and regulations. (AICPA SAS 145).
- ii. Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. It comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. (GAO GAS 2024).
- iii. Internal control consists of the following five interrelated components:
  - (1) Control environment,
  - (2) Risk assessment,
  - (3) Control activities,
  - (4) Information and communication,
  - (5) Monitoring activities.
- iv. Objectives and components are directly related. Objectives can be viewed as the goals to be achieved while components are the means to achieve those objectives. Control objectives and components of internal control are discussed in more detail below. The following discussion defines three objectives of Management in the development of a system of internal control.

#### b. Control Objectives

- i. The three categories of control objectives described previously are what the PWC strives to achieve. These distinct but somewhat overlapping categories have differing purposes and allow a directed focus to meet the needs of the PWC and others regarding each separate purpose.
  - (1) **Reliability of financial reporting.** Management is responsible for preparing financial statements. Management has both a legal and professional

responsibility to be sure that the information is fairly prepared in accordance with Generally Accepted Accounting Principles (GAAP). Information concerning the operations and financial condition of the PWC must be accurate in order to be useful.

- (2) **Efficiency and effectiveness of operations.** Controls within the PWC are meant to encourage efficient and effective use of its resources, including personnel, to optimize its goals. Good internal controls should also provide for a more streamlined operational system. Unnecessary duplication of effort or inefficient processing of work can be detected by a good internal control system. Controls help to ensure that information is accurate for internal decision-making. These controls include those associated with both reliable financial reporting and efficient operations.

- (a) The physical assets of the PWC can be stolen, misused, or accidentally destroyed unless they are protected by adequate controls. The same is true for other assets such as accounts receivables, records, (e.g., general ledger, journals etc.) and other important documents (e.g., the bond order and grant agreements). Safeguarding information stored electronically has also become increasingly important. With the expansion of electronic commerce, customers' expectations for "electronic enterprise" will be raised. The subsequent increase in electronic transactions and electronic access will require increased security for electronic information resources.

- (3) **Compliance with applicable laws and regulations.** A good system of internal controls should identify applicable laws and regulations and provide reasonable assurance that the PWC complies with those laws and regulations. These laws and regulations include The Local Government Budget and Fiscal Control Act (G.S. 159), other general statutes, grant agreements, City ordinances, etc.

**c. Limitations of PWC's Internal Control**

- i. Internal control, no matter how well designed and operated, can provide only reasonable assurance to Management and the Board of Commissioners regarding achievement of the PWC's control objectives. The likelihood of achievement is affected by limitations inherent to internal control. These include the realities that human judgment in decision-making can be faulty and that breakdowns in internal control can occur because of such human failures as simple error or mistakes. Additionally, controls can be circumvented by the collusion of two or more people or Management override of internal control.
- ii. Another limiting factor is that the cost of the PWC's internal control should not exceed the benefits that are expected to be derived. Although the cost-benefit relationship is a primary criterion that should be considered in designing internal control, the precise measurement of costs and benefits usually is not possible. Some controls are necessary regardless of cost to ensure compliance with statutory requirements. Accordingly, Management makes both quantitative and qualitative estimates and judgments in evaluating the cost-benefit relationship.

### **3. Procedure/Process Steps**

- a. The following sections discuss specific areas of internal control. Certain essential tasks are identified in each area of operation. These are not intended to be exhaustive lists, but rather are intended to provide guidance in each area.

#### **i. General Internal Controls That Affect the Control Environment**

- (1) The following is a discussion of basic internal controls that are an essential part of the operation of the PWC as a whole.
  - (a) The PWC should have an organization chart that clearly defines the lines of authority and responsibility.
  - (b) Up-to-date job descriptions should be on file for each position within the PWC.
  - (c) Monthly financial reports should be prepared on a timely basis and should be reviewed and understood by Management and the Board of Commissioners.
  - (d) All employees should take annual, uninterrupted vacations. Other adequately trained employees should perform the tasks of those employees on vacation.
  - (e) All personnel performing fiscal functions must be adequately trained. Any staff member in this area who is not adequately trained should be receiving appropriate in-house training or enrolled in the proper course(s) to ensure that any deficiencies are eliminated.
  - (f) Management should maintain channels of communication for people to report violations of the Code of Conduct. Anonymity is to be permitted. Persons who report suspected improprieties are to have immunity from reprisals.
  - (g) The internal audit staff should be adequately trained and have the proper resources and authority to effectively evaluate the PWC's policies and procedures.
  - (h) Management should take steps, in a timely manner, to implement suggestions for improvement made by the auditor and report corrective actions to the Board of Commissioners.

#### **ii. Internal Control in the Accounting System**

- (1) The following is a discussion of the basic internal controls that are applicable to the PWC's accounting system.
  - (a) All journals, ledgers, and other accounting records should be kept up to date at all times and should be balanced.
  - (b) All subsidiary records should be periodically reconciled to the control accounts. This reconciliation should be documented and maintained on file.
  - (c) A written accounting procedures manual should be maintained and contain the following: a uniform chart of accounts with explanations

as to what items are charged to each account; approval authority for financial transactions; and guidelines for controlling expenditures, such as purchasing requirements and travel authorizations.

- (d) All journal entries should be approved, explained, and properly supported with the correct documentation.
- (e) Duties should be segregated as much as possible between custody of the assets and recording of the transactions.
- (f) The PWC should maintain and follow records filing, retention, and disposal guidelines in compliance with the Public Records Laws, G.S.132, and the guidelines established by the Record Services Branch, Division of Archives and History, Department of Cultural Resources.
- (g) All accounting records should be maintained in a secure place. Computerized accounting systems should be controlled with the use of passwords and other safeguarding procedures.
- (h) All expenditures made in excess of appropriations and other deviations from the adopted budget should be investigated and resolved.
- (i) Established reserves should be properly identified and recorded.

**iii. Internal Control Procedures – General and Statutory**

- (1) The following is a discussion of general and statutory controls that apply to the PWC's operations.
  - (a) The following transactions should always be approved in the minutes of the meetings of the Board of Commissioners:
    - (i) contracts to buy or rent land or other real estate.
    - (ii) formal bid awards
    - (iii) intergovernmental agreements
    - (iv) contracts of an unusual nature
    - (v) any other major contract
  - (b) All minutes of the Board of Commissioners should be maintained in final form in the permanent records of the PWC.
  - (c) The PWC's official records should be maintained in a fireproof location.
  - (d) All funds remaining unclaimed for one year should be escheated to the State as required by G.S. 116B.
  - (e) The PWC should develop, adopt, and approve its budget according to NC General Statutes, prior to submission to City Council. The accounting system should show in detail the revenues and expenditures as they are shown in the budget.

- (f) All employees who handle public moneys or have access to inventories must be bonded either individually or under a blanket bond (G.S. 159-29).
- (g) The finance officer and deputy finance officers must be bonded or properly insured and may not be less than the greater of the following:
  - (i) \$50,000
  - (ii) An amount equal to 10% of the units annually budgeted funds, up to \$1 million dollars according to NC General Statutes 159-29.
- (h) A complete schedule of insurance coverage and limits should be maintained, showing expiration dates, premiums, co-insurance clauses, and other essential information.
- (i) Periodic updates should be given to the Board of Commissioners regarding insurance coverage, deductibles, and costs. Independent, professional advice should be utilized on coverage, as necessary.

**iv. Internal Controls for Federal and State Grants and Programs**

- (1) The PWC often receives Federal and/or State funds to carry out specific programs and grants. These programs are executed directly by the PWC. The PWC must ensure that controls are in place to provide reasonable assurance that funds are recorded and expended in compliance with program requirements while adequately safeguarding any assets associated with the program.
- (2) A responsible employee appointed by the PWC's Chief Finance Officer (CFO) should monitor activities under grant programs (draws, advances, and deposit of funds; expenditures; matching of funds; and filing of financial reports) for compliance with grant contracts, applicable regulations, and matching requirements. Monitoring, to be effective, usually requires some or all of the following policies and procedures:
  - (a) Separate accounts for identifying receipts and expenditures by grant.
  - (b) Budget categories for grant receipts and expenditures by grant.
  - (c) Documentation of a time schedule for filing financial reports with grantors.
  - (d) Reconciliation of grant financial reports that have been prepared, reviewed, and approved by a responsible official before filing with supporting account records.
  - (e) Review of eligibility determination.
  - (f) Written notification to employees when grant provisions or related regulations impose requirements that differ from the governmental unit's normal policies and procedures.
  - (g) If applicable, monitoring the indirect cost allocation plan and approval of allocations and requests for reimbursements.

**v. Internal Control in Cash Receipts**

- (1) Proper internal control over cash receipts is essential because, if uncontrolled, cash is the easiest of all assets to misuse without detection. Access to cash must be limited; therefore, it must be controlled immediately upon receipt.
  - (a) Control of incoming cash should be established at the earliest possible point, which is through the depository, by mail, or acceptance by a cashier. All checks should be restrictively endorsed upon receipt.
  - (b) Any payments received by the cashiers should be controlled at the point of collection, and appropriate receipts issued.
  - (c) Cash collection should be centralized to the maximum extent possible without hindering operations.
  - (d) Deposit slips for deposits that are not sent to the bank electronically should be prepared in duplicate. The bank validated duplicate should be compared to the Cashier's Daily Report and the deposit totals received from the bank to verify that this money was deposited. Electronic deposits should be compared daily to the emails and reports, the Cashier's Daily Reports and the deposit totals received from the bank to verify that this money was deposited.
  - (e) Bank deposits must be made daily (G.S. 159-32). Someone other than the person who prepared the deposit should take deposits to the bank. All deposits should be made in official depositories.
  - (f) Cash maintained on the premises should be kept to a minimum. All cash maintained should be in either a cashier's change fund or a petty cash fund. In either case, the staff member directly responsible for the cash should maintain the cash under strict sole control. No one else should have access to the cash. Cashiers should never work out of each other's cash drawers. Cashiers should reconcile their change funds at the end of each day and maintain written records of each reconciliation bearing their signatures as evidence that the reconciliation was performed. Staff members, other than those responsible for the cash, should conduct periodic surprise cash counts for both change funds and petty cash funds. These counts should be documented and include the reconciler's signature. Any significant discrepancies in a cash reconciliation should be reported to the CFO. The CFO should receive a monthly report of cash over and short.
  - (g) Back-up keys to the cash boxes should be maintained by a supervisor or a designee under dual control at all times, so that cash can be obtained in case of emergencies or unexpected absences. When necessary to use the keys, they should be signed in and out by both staff members having control over the keys. Any cash that is accessed by these staff members should be counted under dual control prior

to the cash being used, and the amount of cash on hand should be reconciled to the last reconciliation performed by the staff member normally responsible for the cash. A written record of the reconciliation should be maintained and signed by both staff members.

**vi. Internal Control Over Deposits in Financial Institutions**

- (1) In addition to providing a deterrent to misuse, a good internal control system over deposits held in financial institutions should detect quickly any errors made by those institutions. As a deterrent to misuse, the CFO must be prepared as a part of his/her stewardship responsibilities over public funds, through good internal controls, to ensure the accuracy of deposits held in financial institutions.
  - (a) All deposits must be in institutions authorized by the Board of Commissioners.
  - (b) All funds held by financial institutions must either be insured by the FDIC or fully collateralized in accordance with G.S. 159-31(b).
  - (c) The financial institutions that hold the PWC's funds should be instructed to notify the Board of Commissioners, or their delegate, of any unusual transactions occurring on the account.
  - (d) Current signature cards and other documents required by the institution(s) should be maintained on file with the PWC's financial institution(s) at all times. These documents should be in strict accordance with the authorizations to sign checks as approved by the Board of Commissioners.
  - (e) All bank statements should be reconciled promptly by a staff member independent of the cash receipts and disbursements functions.
  - (f) A reconciliation report with proper documentation should be submitted to the CFO in a timely manner.

**vii. Internal Control in Petty Cash**

- (1) While petty cash funds are generally immaterial to the financial condition as a whole, they are easy targets for misuse of funds. Good internal control over petty cash funds can help to prevent such a misuse.
  - (a) Petty cash funds should be maintained on the impress basis at the minimum effective amount. One individual should be responsible for the fund and should maintain sole control over it. Back-up, dual control access to the fund should be available in the event of an emergency.
  - (b) Petty cash vouchers should be required for all petty cash disbursements. These vouchers should be signed by the payee and should be approved by the payee's supervisor.

- (c) All petty cash funds should be replenished at month-end at a minimum. Someone other than the fund custodian should cancel all petty cash vouchers when the fund is replenished.
- (d) All petty cash funds should be subject to a surprise cash audit from time to time.

**viii. Internal Control in Revenues**

- (1) Internal controls over revenues primarily focus on two areas: proper billing and proper recognition of the revenue earned.
  - (a) Records should be updated on a timely basis to prevent incorrect billing of amounts due.
  - (b) There should be, to the greatest extent possible, a separation of duties between the collections, billing, and receivables functions.
  - (c) All partial payments must be included in the daily deposit.
  - (d) All subsidiary records should be reconciled with the control accounts on a monthly basis.
  - (e) All delinquent accounts should be listed periodically and reviewed by the appropriate employee.
  - (f) Billings should be based on usage as determined by accurate and timely meter readings.
  - (g) Assignments of meter readers should be periodically rotated on a surprise basis.
  - (h) Procedures should be in place to identify irregular usage patterns. Any irregularities identified in this manner should be thoroughly investigated, **corrected (as needed) and documented.**
  - (i) Rate changes should be tested and verified for accuracy before the new rates take effect and re-verified after the new rates take effect.

**ix. Internal Control in Cash Disbursements**

- (1) Two important aspects of the cash disbursement function that must be controlled are:
  - (a) Checks must be signed by authorized personnel,
  - (b) Check signers should be independent of the accounts payable function.
- (2) Pre- numbered checks must be used for check disbursements.
- (3) The unused check supply should be locked up at all times.
- (4) Accounts Payable checks should be printed by someone not authorized to create accounts payable vouchers.
- (5) The dollar value and check number of disbursements made by check are electronically sent to the Commission's authorized financial institution. The financial institution monitors checks presented for payment to verify the



check information matches the electronic file. The financial institution notifies designated Finance employees of any discrepancies.

- (6) Voided checks should be indicated on the check register. The checks themselves should be sufficiently defaced so that no one could use them. Methods of defacing voided checks include writing "VOID" across the payee and signature lines of all copies of the check using permanent ink, and/or by punching holes through the account number at the bottom of the check. Voided checks should be maintained on file in numerical order.
- (7) Blank checks should never be signed in advance.
- (8) Checks should never be made payable to cash.
- (9) The check preparer should be someone other than the authorized signor.
- (10) Cash disbursements may also be made electronically (ACH). The ACH file should be transmitted to the paying institution by someone not authorized to create accounts payable vouchers.
- (11) Accounts Payable personnel should review documentation supporting the disbursement. Documentation review should include the following:
  - (a) Amounts and payees on documentation (purchase orders and invoices) should agree to the checks.
  - (b) Documentation should be stamped "Processed for Payment" to prevent duplicate payments.
  - (c) Vendor payments should be disbursed for maximum cash management and process efficiency but not after they are due.
  - (d) All purchase orders and contracts or checks and documents supporting electronic payments should have properly signed pre-audit certificates (G.S. 159-28). Pre-audit approvals are done electronically by the CFO and the Controller.
- (12) A receiving document (manual or electronic) should be prepared by an authorized individual when goods or services are received and matched to the purchase order. This purchase order would eventually be matched to the corresponding invoice to facilitate payment authorization.
- (13) Two signatures are required on all checks per G.S. 159-25(b). The second signature should be that of someone not having access to the accounting records. The Commission may waive the requirement of this subsection if the Commission determines that the internal control procedures of the PWC will be satisfactory in the absence of dual signatures. If facsimile signatures are used, they should be adequately controlled. If the facsimile is two signatures, the plate and/or digital image should be under dual control at all times. Any employee having access to the facsimile signature plate or digital image should be properly bonded.
- (14) Employee expense reports should be properly completed before payment. Reports should be ~~signed~~ submitted electronically by the employee, and approved by the appropriate person(s) as required by the procedure and supported by all required documentation.

- (15) All checks should be mailed or distributed by someone other than the person who prepared the checks.
- (16) Disbursements should only be made to authorized vendors.
- (17) Before making disbursements to a vendor, the PWC should obtain the necessary IRS Form 1099 information, if needed.
- (18) All items that are outstanding for a lengthy or irregular amount of time should be investigated.
- (19) All wire or other electronic transfers should be made by persons authorized by the CFO. Written evidence of authorizations should be maintained for independent verification. These authorizations should be kept current.

**x. Internal Control in Payroll Disbursements**

- (1) In addition to all control procedures that apply to cash disbursements, the following procedures apply specifically to payroll disbursements.
- (2) Each employee should have a personnel file that includes the following, at a minimum:
  - (a) hiring authorization
  - (b) salary history
  - (c) hours authorized to work.
  - (d) Federal and State withholding forms
  - (e) insurance and retirement deduction information
  - (f) authorization for all other payroll deductions
- (3) Any changes in an employee's status should be supported by the appropriate documentation in the employees' personnel file.
- (4) Payroll disbursements should be handled like other cash disbursements except that a time sheet prepared by the employee and approved by the appropriate supervisor (controlled by the timekeeping system) will be the supporting documentation for disbursement. Payroll disbursements are made through a direct deposit of funds by ACH directly to the employee authorized financial institution(s).
- (5) Written personnel policies and procedures should be on file and updated periodically.

**xi. Internal Control in Travel Expenditures**

- (1) There should be a written procedure for requesting travel, advances, reporting travel expenses, and settlement of differences.
- (2) All travel advances should be approved by a department head and the appropriate Division Officer via the system's iExpense process and effectively controlled.
- (3) All employees are required to give an adequate accounting of actual expenses incurred as required by the travel procedure.
- (4) All reimbursed travel expenses should be made in accordance with the travel procedure.

- xii. Where personal vehicle business mileage is the only reimbursement being requested, complete and attach the "Business Use of Personal Vehicle" form and refer to the Travel Policy for supporting travel documents to request reimbursement through iExpense and a map from start destination to end destination. Otherwise, use and attach the "Employee's Expense Statement" for reimbursement through iExpense.

**xiii. Internal Control in Accounts Receivable**

- (1) The primary control in the receivable function is the segregation of duties for receipting cash and posting it to the accounts receivable ledger. Receivables should be reconciled periodically, and delinquent accounts should be reviewed by appropriate personnel. Duties should be segregated between the three sectors of the revenue cycle - billing, collections, and maintenance of the receivable records.
  - (a) On a periodic basis (at least monthly) a list of delinquent accounts should be prepared. A "cut-off" procedure should be in place to terminate services to delinquent customers. The list of delinquent customers should be reviewed by someone other than the staff members responsible for collections and accounts receivable to see that the procedure is being enforced.
  - (b) Daily posting of receipts to accounts receivable ledgers should be done by someone other than the staff member responsible for cash receipts.
  - (c) Subsidiary receivable ledgers should be reconciled at least monthly with the control ledgers and completed by someone other than the staff member posting the receivables.

**xiv. Internal Control in Investment Management**

- (1) According to G.S. 159-30(a), the CFO is responsible for managing investments subject to the law and to whatever additional restrictions and directions the Commission may impose. The CFO has the power to purchase, sell, and exchange securities on behalf of the Commission. The investment program should be so managed that investments and deposits can be converted into cash when needed. The CFO should, at the same time, see that securities and funds are protected from theft, fire, or other damage and that duties are properly segregated to prevent the misuse of funds. The investment function should operate efficiently, with as few people as possible having access to funds and investments.
  - (a) All investments should be in compliance with G.S. 159-30 unless special enabling legislation permits otherwise.
  - (b) An investment policy, approved by the Board of Commissioners, should be on file. The CFO or staff member fulfilling those duties should follow that policy and related procedures.
  - (c) Levels of acceptable risk should be included as part of the PWC's investment policy. The CFO should evaluate the credit and

safekeeping risks of all investments before investing the funds to ensure they comply with policy and related procedures.

- (d) Perfecting custody of investments is a vital cash management function. Adequate custody of investments decreases the possibility of suffering losses from investments of public funds. Although the statutes (G.S. 159-30(d)) require physical possession of securities, that is not possible in the "book-entry" environment. In these cases, the Attorney General has issued an opinion indicating that a custodial account should be established in the name of the unit with a trust company authorized to do business in North Carolina and who is a member of the Federal Reserve. Safekeeping by the broker or on the operating side of the bank is not acceptable.
- (e) Access to securities should be limited to personnel authorized by the governing Board.
- (f) Statements provided by safekeeping agents also should be reconciled to the investment records on a periodic surprise basis by a staff member independent of the investment function.
- (g) On an "as received" basis, broker confirmations and safekeeping receipts should be reconciled, and any discrepancies investigated. The PWC's investments should be reconciled to the confirmations and safekeeping receipts. Items that should be reviewed include amount, interest rate, purchase price/sale price, and purchase/sale date. Written evidence should be provided of such reconciliations.
- (h) Any approvals required by the PWC's written cash management procedures for purchases, sales, or other investment activities should be obtained, with written evidence of such approval provided.
- (i) A permanent record should be maintained on each investment reflecting principal, due date, interest payment dates, rate or amount of interest, seller, safekeeping agent, and ultimate disposal of the investment. This information should match that on the selling broker's confirmation and on the safekeeping receipt.
- (j) A system should be in place to ensure that all interest is credited as due for the proper amount and to the proper funds. In addition, an investment schedule should be maintained that calculates accrued interest amounts for each investment. These amounts should be analyzed for reasonableness, compared to market rates, and reconciled to the actual amounts paid.
- (k) Investments should be reported in compliance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which establishes accounting and financial reporting standards for all investments held by governmental external investment pools and certain investments held by other governmental entities. This statement requires governmental entities, including governmental external investment

pools, to report investments at fair value on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Governmental entities are permitted to report certain short-term money market investments at amortized cost when certain criteria are met, i.e., remaining maturity at time of purchase of one year or less. These investments include commercial paper, bankers' acceptances, U.S. Treasury obligations and agency obligations. Asset-backed securities, derivatives, and structured notes are not included. Certain financial institution deposits and repurchase agreements also are recorded at cost in most situations.

- (l) All underlying securities in repurchase agreement transactions should be held by a third-party safekeeping agent.

**b. Internal Control in Accounts Payable, Expenditures, Encumbrances, Purchasing, and Contracting**

- i. G.S. 159-28(a) states that "no obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year." Internal controls in the expenditures, encumbrances, purchasing, and contracting areas should ensure that all transactions are properly documented and made in accordance with the authorized budget. Within the expenditure function, purchasing and contracting require special procedures.
  - (1) Expenditures should be controlled using the budget ordinance. For any annually budgeted fund, all expenditures must be budgeted, and there must be sufficient budgeted revenues or available fund balance to cover each expenditure.
  - (2) All budget appropriations in the current year should be recorded in the appropriate expenditure account.
  - (3) All expenditures must be charged against an appropriation account. The exact timing of the accounting entry will vary depending on the type of transaction.
  - (4) An effective year-end cut-off procedure should be in place for all liabilities, including accounts payable.
  - (5) All accounts payable subsidiary records are reconciled to the general ledger on a monthly basis by the system. The Accounts Payable Supervisor verifies that the reconciliation program has been properly generated and is correct.
  - (6) Any adjustments to recorded accounts payable should be fully documented and approved by the CFO or the Controller.
  - (7) Any debit balances in accounts payable should be investigated thoroughly.

- (8) Pre-numbered purchase orders should be used for purchases. The purchase order numbers are system generated. Voided purchase order forms are noted within the system and the number cannot be used.
- (9) The approval of invoices for payment should be independent of the purchasing function. The pre-audit certificate (G.S. 159-28) should be signed by the CFO or the Controller. The pre-audit is done electronically by the CFO and the Controller via the approval process within the system.
- (10) Invoices and other supporting documentation should be thoroughly reviewed before payment is approved. The documentation should provide evidence that the item was received and billed as ordered.
- (11) A report for outstanding purchase orders is available and can be electronically generated as needed to facilitate monitoring of outstanding orders.
- (12) All department purchases should be requisitioned or approved by staff designated by the division's Officer. This designation should be in writing.
- (13) Department heads should be provided a detailed list of expenditures, with comparisons to the budget on a monthly basis. Not only will this allow the managers to keep track of their budgets, but it serves as a good check for errors.
- (14) Those contracts requiring public bids per G.S. 143-128 through 133 should be handled as required by the statutes. Complete documentation should be maintained on the bids and the awarding of the contract.
- (15) Blanket authorizations are permitted to enter into contracts to purchase goods and services. These authorizations should be very specific as to the maximum dollar amount, type of assets being purchased, and other terms of such contracts.
- (16) The use of open-ended/blanket purchase orders and/or procurement cards, require specific controls to ensure compliance with the pre-audit statute, G.S. 159-28. Department heads should review and approve these purchases made by their staff.
- (17) No contracts or purchase orders should be made with persons forbidden by law to sell to the PWC (G.S. 14-234).

**ii. Internal Control in Inventory and Fixed Asset Management**

- (1) It is essential that all inventories and fixed assets be adequately controlled to prevent their misuse. It is the responsibility of each department or area supervisor to see that the supplies storage facility is adequately controlled and that physical counts are conducted on a periodic basis. However, controls should be cost-effective. Some departments may have a very limited amount of inventory, while certain departments may have significant inventories on hand. Not all procedures may be applicable to insignificant inventories as they are not cost effective. The costs of inventory tracking should be weighed against the potential benefits.

- (a) PWC should inventory and control in its general ledger all major classes of materials and supplies if material.
- (b) Perpetual inventory systems should be maintained for all major classes of inventory.
- (c) Custodial responsibilities should be clearly defined. For areas with significant inventories, this responsibility should be included in the appropriate job descriptions.
- (d) Inventory should be controlled with physical barriers, such as locked cabinets or storehouses.
- (e) Physical inventory counts should be made once a year at a minimum. The count should be made by an independent staff member or members (one or more who have no control over the inventory even in back-up situations). Counts should be conducted from "scratch" (i.e., not using the previous year's count sheets). All counts should be recorded in writing and should be signed or initialed by the person(s) performing the counts. Once the count is complete, it should be reconciled to the perpetual inventory records and the general ledger. This reconciliation should be evidenced in writing.
- (f) Records should be maintained showing all additions, withdrawals, and transfers of inventory. Persons receiving the inventory should initial the records. For transfers and withdrawals, the person releasing the inventory should initial as well.
- (g) An adequate requisition system should be in place for all issuing stores. These requisitions should be approved by the department head or other designated person.
- (h) Significant inventories should be insured against loss.
- (i) Persons having control of inventory should only have access to the inventory system and not the general accounting records.
- (j) Provisions should be made for obsolete or inactive inventory. Periodic reports should be sent to Senior Management concerning obsolete items.
- (k) A workable system should be in place to maintain optimum quantities of inventory at all times.
- (l) Adequate accounting records should be maintained that identify and classify all fixed assets.
- (m) Adequate guidelines should be established and followed to distinguish between expensed items and capital additions.
- (n) Random physical inventories of fixed assets should be taken on a periodic basis by independent parties. Inventory counts should be taken from "scratch" - not using the previous year's count lists. Count sheets should be initialed by the person(s) taking the inventory. The

count should be reconciled to the accounting records, with written evidence of the reconciliation maintained.

- (o) All fixed assets should be tagged or identified in the accounting records by a control number, as applicable. Tags should be pre-numbered, with all numbers accounted for, and should identify the assets as belonging to the PWC. Tags should be affixed in a permanent manner.
- (p) All property, other than real property, should be held in the name of the PWC. All deeds on real property should be properly recorded and stored in a secure place and held in the name of the City of Fayetteville.
- (q) All fixed assets purchased, transferred, sold, scrapped, or destroyed should be recorded as such in a timely manner in the accounting system. This facilitates proper valuing of assets and helps to prevent loss or misuse.
- (r) All sales of surplus property should be conducted in accordance with G.S. 160A, Article 12 (municipalities).
- (s) All purchases made with Federal grant funds should be identified as such and accounted for by the source of the funds.
- (t) Adequate insurance coverage (including self-insurance) must be maintained on all real and personal property. An independent review of insurance coverage should be conducted annually.

### **iii. Internal Control Over Interfund Transfers or Loans**

- (1) While interfund transfers are permissible with the approval of the Board of Commissioners, there are certain statutory restrictions to which the PWC must adhere. There also are several standard procedures that should be followed. Some restrictions and procedures also apply to interfund loans.
  - (a) All transfers and loans from the following funds should be checked for legality and propriety:
    - (i) capital reserve fund (G.S. 159-22)
    - (ii) capital project fund for bond issue proceeds [G.S. 159-13(b) (19)]
    - (iii) debt service funds (G.S. 159-13)
    - (iv) enterprise funds [G.S. 159-13(b) (14)]
  - (b) Interfund loans that will remain outstanding for more than one fiscal year must be approved by the Board and should be included in the budget. Authorization for interfund loans should include provisions for the method and time of payment.

### **iv. Internal Control Over Current Liabilities, Bonds Payable, and Other Long-Term Debt**

- (1) Internal control procedures for liabilities and debt outstanding are primarily statutory requirements that must be met.
  - (a) Detailed records of all outstanding contracts should be maintained.



- (b) All amounts withheld from contract payments upon completion of a project should be reflected on the books (retainage).
- (c) All bid and other deposits held by the PWC should be adequately controlled.
- (d) Each bond issue should be approved in the minutes of the meetings of the Board of Commissioners.
- (e) All proceeds from a bond issue must be used in accordance with the stated purpose of the issue.
- (f) Separate accounting records should be maintained for each bond order as required by G.S. 159-26(b) (6).
- (g) The PWC should be in compliance with all debt service and other fiscal requirements of revenue bond resolutions.
- (h) All bond order and secondary market disclosure requirements should be complied with, and appropriate IRS forms filed.
- (i) All proceeds from bond issues subject to arbitrage rebate requirements should be accounted for separately from the PWC's other funds to facilitate tracking of the investment earnings.
- (j) All lease-purchase agreements, installment contracts to purchase land or other fixed assets, and contracts involving the purchase of realty and assumption of existing debt should be properly reflected on the financial records as long-term debt and fixed assets.
- (k) All contracts should be approved by the Local Government Commission if the Commission's approval is required (G.S. 160A- 20, G.S. 159-148).
- (l) The PWC should meet the arbitrage rebate requirements for all tax-exempt financing.

**v. Internal Control in an Electronic Data Processing (EDP) Environment**

- (1) There are several internal controls that are essential in the EDP environment. First is the segregation of duties to ensure accurate input, processing, and output of data. Second is the physical control of the hardware. Third is the physical control of the software and data files. Control over software and data files is vital to maintain the integrity of the accounting records.
  - (a) All computer hardware should be included in the fixed asset inventory. All hardware should be clearly identified as property of the PWC and should be tagged.
  - (b) Hardware should be adequately protected against damage. Surge protectors should be used on all electrical hook-ups. Adequate insurance should be maintained to cover damage of the equipment.
  - (c) Purchasing of computer equipment should be centralized in order to prevent purchasing of incompatible equipment. Purchases should always be made from reputable dealers.

- (d) All software should be identified as property of the PWC. The PWC should comply with all licensing requirements. Inventories of all software should be maintained. Adequate documentation of the operation of all software programs should be kept on file and updated when necessary.
- (e) Back-up copies of all software should be maintained both on and off-site.
- (f) Back-up copies of all data files should be maintained. Off-site storage of critical data is necessary for full protection against loss.
- (g) All back-ups maintained on-site should be kept in fireproof facilities. Data files and software should be adequately protected against damage. ~~Diskettes, tapes, CDs,~~ Data storage devices to include but not limited to backup tapes and ~~and~~ flash drives should be properly stored when not in use - protected from extreme temperature changes, dust, and magnetic fields. In addition, all ~~diskettes, tapes, CDs, and flash drive~~ data storage devices should be properly labeled.
- (h) ~~Diskettes, tapes, CDs, and flash drives~~ Data storage devices containing sensitive data should be maintained under the control of the staff member responsible for the related function.
- (i) Access to the equipment, software, and data should be controlled. ~~Diskettes, tapes, CDs, and flash drives~~ Data storage devices can be locked away; some keyboards also have a lock function. An independent verification should be made ~~from time to time~~ periodically to ensure that computers and/or software are not being used for personal business without express authorization.
- (j) A disaster recovery plan should be in place. Part of this plan should include alternatives for computing resources, either through contract or reciprocal agreement, in the event of a complete loss of critical computer hardware. This plan should be coordinated with the PWC's overall emergency management operations.
- (k) An independent verification should be made periodically to ensure that application programs are functioning properly.
- (l) The PWC should have maintenance agreements on file for the hardware or should have made an express decision to self-insure for repairs and maintenance costs.

## **10.1 Investment of Public Funds Policy**

**Policy Statement:** It is the policy of the Fayetteville Public Works Commission (PWC) to invest public funds in a manner which will provide the highest return with the maximum security while meeting the daily cash flow demands of the PWC and conforming to all state and local statutes governing the investment of public funds.

### **1. Purpose**

- a. This investment procedure applies to all cash-related assets included within the scope of the PWC's audited financial statements and held directly by the PWC. Funds of the PWC will be invested in compliance with the provision of North Carolina General Statutes 159-30.

### **2. Applicability**

- a. This policy and related procedures apply to all employees and officials of the PWC.

### **3. Responsibilities**

- a. **Chief Executive Officer/General Manager:** Responsible for overseeing the activities of the Chief Financial Officer.
- b. **Chief Financial Officer (CFO):** Responsible for investing the funds of the PWC; holds the authority for placement of purchase and sell orders with dealers and financial institutions.
- c. **Controller and Director of Financial Planning:** Responsible for the day-to-day operations of the PWC's investment portfolio.

### **4. Guidelines**

#### **a. Objectives**

- i. The PWC's investment objectives, in priority order, are:
  1. Safety
  2. Liquidity
  3. Yield
- ii. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the PWC shall be undertaken in a manner that seeks to ensure the preservation of capital in the total portfolio. The objective will be to mitigate credit risk and interest rate risk.

#### **1. Credit Risk**

- A. The PWC will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
  - B. Limiting investments to the types of securities listed in Section C of this Procedure.
  - C. Pre-qualifying the financial institutions and broker/dealers with which the PWC will do business in accordance with Section D.
  - D. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one

individual issuer will be minimized.

## 2. Interest Rate Risk

A. The PWC will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- 1) Structuring the investment portfolio so that securities mature to meet cash requirements for the ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- 2) Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this procedure (see Section F, Investment Pools/Mutual Funds).

3. **Liquidity:** The PWC Chief Financial Officer (CFO) shall assure that funds are constantly available to meet immediate payment requirements including payroll, accounts payable and debt service.

4. **Yield:** The **shorter-term portion of the** investment portfolio shall be designed with the objective of regularly exceeding the average return on 90-day U.S. Treasury Bills. (The 90-day T-bill is considered a benchmark for risk-free investment transactions and therefore represents a minimum standard for the portfolio's rate of return.)

### b. Prudence

- i. Investments shall be made with judgement and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise, in the management of their own affairs, not for speculation, considering safety of capital as well as the probable income to be received.
- ii. The standard of prudence to be used by investment officials shall be the "prudent person" described above and shall be applied in the context of managing an overall portfolio. The CFO, acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk and performance provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments. (This is a realistic standard of knowledge and professional expertise to expect from a reasonably well-informed person who will be responsible for managing the PWC's investments.)

### c. Investment Diversification

- i. The investments shall be diversified by:
  1. limiting investments to avoid over concentration in securities from a

- specific issuer or business sector (excluding U.S. Treasury securities),
  - 2. limiting investments in securities that have higher credit risks,
  - 3. investing in securities with varying maturities, and
  - 4. continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.
- ii. Relative safety and liquidity of each investment type determine the appropriate percentage of the portfolio. Investments are arranged approximately by level of risk, with the safest investments first. Investments denominated in foreign currency are not allowable investments under NCGS 159.30.
  - iii. The funds of the PWC may be invested in the following instruments, as allowed by North Carolina General Statutes 159-30 (see Figure 1).

**FIGURE 1**

<b>INSTRUMENT</b>	<b>MAXIMUM % OF PORTFOLIO</b>
U.S. Treasury Obligations (Bills, Notes, Bonds)	100%
U.S. Government Agency Securities (Allowed by State Statutes)	80%
North Carolina Capital Management Trust (Local Government Pool)	100%
State of North Carolina, NC Local Government and NC Public Authority (Securities with AAA Rating or Better)	60%
Certificates of Deposit (Banks and Savings and Loan Associations)	50%
Banker's Acceptances (BA'S)	40%
Commercial Paper (CP) (Rates in the A1/P1 Tier by a nationally recognized rating agency)	50%
Other Classes of Securities Allowed Under NCGS 159.30	30%

**d. Diversification By Maturity**

- i. Maturities should be selected in consideration of the PWC's cash flow requirements and not to exceed 10 years.
- ii. Investments in Treasuries and Agencies may be purchased with maturities exceeding three (3) years. All others (with maturities greater than 3 years) are prohibited.
- iii. Length of Maturity is calculated to be the number of days from the date of the purchase of the investment to the maturity date of the investment.

**e. Qualified Institutions**

- i. The PWC shall maintain a listing of all authorized broker/dealers and financial

institutions, which are approved for investment purposes. Every dealer and financial institution is required to complete and sign an Investment Trading Relationship Agreement. Any firm is eligible to apply to provide investment services to the PWC and will be added to the list upon execution of the Investment Trading Relationship Agreement by the CFO who will make additions or deletions to the list.

- ii. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following:
  - 1. Audited financial statements demonstrating capital adequacy.
  - 2. Proof of Financial Industry Regulatory Authority (FINRA) membership (not applicable to Certificate of Deposit counterparties)
  - 3. Proof of state registration
  - 4. Completed broker/dealer Investment Trading Relationship Agreement (ITRA)
  - 5. Certification via ITRA of having read and understood and agreeing to comply with the PWC's Investment of Public Funds Procedure
- iii. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the CFO.

f. **Investment Pools/Mutual Funds**

- i. A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The following information should be available to the CFO.
  - 1. A description of eligible investment securities, and a written statement of investment policies and objectives.
  - 2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
  - 3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
  - 4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
  - 5. A fee schedule, and when and how is it assessed.
  - 6. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

g. **Safekeeping And Collateralization**

- i. Investment securities purchased by the PWC shall be in the name of the PWC and delivered by either book entry or physical delivery and held in third party safekeeping by a bank designated as primary agent. The trust department of the bank designated as primary agent may be considered to be a third party for the purposes of safekeeping of securities purchased from that bank. The purchase and sale of all securities will be on a delivery versus payment basis. The primary

agent shall issue a safekeeping receipt to the CFO listing the specific instrument, rate, maturity, and other pertinent information.

- ii. Deposit-type securities (i.e., certificates of deposit and checking accounts) shall be 100% collateralized as required by North Carolina General Statutes.

**h. Reporting Requirements**

- i. The CFO shall provide the Board of Commissioners with a monthly investment report, which will provide, at a minimum, the following information:
  - 1. CUSIP/Account Number
  - 2. Issuer/Financial Institution
  - 3. Type of Investment
  - 4. Yield to Maturity
  - 5. Effective Rate of Return
  - 6. Purchase Date
  - 7. Maturity Date
  - 8. Cost/Book Value
  - 9. Par Value
  - 10. Investment Type Percent of Portfolio
- ii. The monthly investment report shall include all investments held in the PWC's portfolio as of the end of the month. Market values shall be reported semi-annually.

**i. Review and Adoption**

- i. This procedure may be reviewed and amended by the Board of Commissioners of the PWC at any time.

### **11.1 Principles of Sound Financial Management Policy**

**Policy Statement:** The Fayetteville Public Works Commission's (PWC's) policy is to establish and document a policy framework and set forth guidelines for overall fiscal planning and management.

#### **1. Purpose**

- a. The purpose of this policy is to guide PWC's decision making in the areas of budget, fund balance, capital improvement planning, debt management, rate setting, risk management, investments, cash management, and the proper recording, classifying, and summarizing of financial transactions and events. These principles are also intended to demonstrate to customers, the credit rating industry, municipal bond investors, auditors, the IRS, the City of Fayetteville, the NC Local Government Commission, and other regulatory agencies and interested parties that PWC is committed to fiscal integrity and to be the most financially sound utility. Adherence to adopted financial policies promotes sound financial management which can improve bond ratings, lower the cost of capital, manage interest rate risk exposure, and preserve financial flexibility.

#### **2. Applicability**

- a. This policy and related procedures apply to all employees and officials of the PWC.

#### **3. Responsibilities**

- a. **Chief Financial Officer:** Responsible for administering and monitoring compliance with the requirements of this procedure.

#### **4. Procedure/Process Steps**

- a. Procedures related to the Principles of Sound Financial and Operational Management policy are included in section 10.2 Principles of Sound Financial and Operational Management Procedure.

#### **5. Effective Date**

- a. The effective date of this policy is July 1, 2024.



### **12.1 Post Issuance Compliance Policy**

**Policy Statement:** The Fayetteville Public Works Commission's (PWC's) policy is to comply with all federal tax laws and regulations applicable to tax-exempt and direct pay subsidy bonds and other obligations issued by the City of Fayetteville, North Carolina for the benefit of the PWC (hereinafter referred to as "Debt").

#### **1. Purpose**

- a. The purpose of this Policy is to set forth the processes and procedures for ensuring compliance with this procedure, specifically as it relates to: (a) compliance with arbitrage and arbitrage rebate requirements relating to Debt, (b) allocation and tracking of the investment and expenditure of Debt proceeds, and (c) monitoring the use of Debt-financed facilities to ensure compliance with private use limitations.

#### **2. Procedure/Process Steps**

##### **a. General**

##### **i. Consultation with Bond Counsel**

- (1) The PWC shall consult with its bond counsel regarding the processes and procedures described in this procedure to the extent necessary to ensure compliance herewith. The CFO shall also request bond counsel to provide guidance and training to the CFO and other PWC personnel as necessary on issues regarding compliance with this procedure and the applicable federal tax laws and regulations governing Debt.

##### **ii. Training of Personnel**

- (1) The CFO shall be responsible for training all PWC personnel responsible for ensuring compliance with all or any part of this procedure, including the importance of the records retention requirements described below. In addition, when any PWC personnel are designated to serve as a new CFO under this procedure, the resigning CFO or bond counsel to the PWC shall meet with the new CFO to acquaint such person with the Debt subject to this procedure and the tax documentation and records relating thereto, and to provide the training necessary to ensure continued compliance with the policies and procedures set forth herein.

##### **iii. Compliance with Tax Certificates**

- (1) This procedure is designed to provide general procedures regarding post-issuance tax compliance applicable to all Debt issues. In addition to compliance with this procedure, the CFO shall take such further actions as may be necessary to comply with any specific policies, procedures or requirements set forth in the tax certificate relating to each specific Debt issue. In furtherance of this requirement, the CFO should be familiar with any such additional procedures or requirements that may be set forth in the tax certificate for a particular Debt issue and keep appropriate records to evidence compliance with any such additional procedures or requirements.

**b. Tax-Exempt Debt**

**i. Arbitrage and Arbitrage Rebate**

- (1) **Arbitrage Rebate, Yield Restriction and Yield Reduction Payments:** If arbitrage rebate or yield reduction payment calculations are required for any issue of Debt, the PWC shall retain a third-party arbitrage rebate services firm to perform such arbitrage rebate or yield reduction payment calculations or otherwise develop the skills and expertise necessary to make such calculations. All necessary calculations shall be made to ensure that the PWC has satisfied its arbitrage rebate or yield reduction payment obligations, if any. The PWC shall also perform the necessary calculations to determine whether the Debt (or any portion of the proceeds of such Debt) qualifies for any exception to arbitrage rebate. In the event the PWC owes arbitrage rebate or has a yield reduction payment liability to the Internal Revenue Service (IRS), the PWC shall timely submit to the IRS Form 8038-T, "Arbitrage Rebate Yield Reduction or Penalty in Lieu of Arbitrage Rebate," as applicable, together with an amount equal to the outstanding arbitrage rebate or yield reduction payment liability. The PWC shall also monitor the investment and expenditure of Debt proceeds to ensure compliance with any applicable yield restriction requirements and take such actions as may be necessary to restrict the yield on such proceeds to the permitted yield or, if applicable, make the required yield reduction payments.
- (2) **Monitoring Refunding Escrows:** Escrow funds related to refunded Debt shall be established so that the escrow agent or bond trustee shall have the primary responsibility, in accordance with the instructions provided in the documents creating the escrow, to initiate all actions required to remain in compliance with yield limitations related to refunding escrow accounts, including the reinvestment of proceeds to maintain yield requirements.
- (3) **Debt Service Monitoring:** The CFO shall verify that all payments made for fixed-rate and variable rate debt issues match the required payments under the terms and conditions of the applicable financing documents. The CFO shall also verify that all payments made and/or received under interest rate swaps or similar derivative agreements match the payment requirements of the applicable documents establishing such interest rate hedging or derivative arrangements.
- (4) **Interest Rate Hedges:** The PWC shall either (a) utilize a third-party swap advisor or bidding agent to bid out interest rate swaps or similar derivative agreements and shall endeavor to receive at least three bids to ensure such agreements reflect fair market value or (b) negotiate interest rate swaps or similar derivative agreements and obtain appropriate certifications from a third-party swap advisor to ensure such agreements reflect fair market value. Additionally, the PWC shall consult with its bond counsel with respect to all interest rate swaps or similar derivative agreements related to an outstanding or prospective Debt issue prior to the date on which such agreement is entered into in order to confirm compliance with applicable federal tax laws and regulations relating to interest rate hedges.

- (5) **Reissuance Monitoring:** The CFO shall monitor any proposed changes to be made to the terms of the Debt subsequent to its issuance, including changes to the interest rate, principal payments, maturity, security, interest rate hedges or liquidity (the “Modifications”), and shall review such Modifications with bond counsel to determine whether or not they would result in the Debt being treated as a new issue for tax purposes (a “reissuance”). In the event of a reissuance, the CFO, in consultation with bond counsel, shall take such actions as are necessary to maintain the tax-exempt status of the Debt.
- (6) **Records Retention:** The PWC shall maintain, or cause to be maintained, records relating to arbitrage compliance monitoring for Debt for the entire term of the applicable Debt plus six years, or, in the case of Debt refunded by one or more subsequent issues, for the combined term of the refunded and refunding Debt plus six years. Documents to be maintained include the following types of information: any calculations or reports generated internally or by an arbitrage rebate services firm relating to the calculation of the bond yield or investment yields and the calculation of the potential rebate and yield reduction payment liability, interest rate hedging documents, documentation related to the investment of Debt proceeds, escrow receipts and subscriptions, investment agreements, credit enhancement documents, documentation related to the bidding of financial products, and bank statements for all funds associated with a Debt issue.
- (7) **Remedial Action:** In the event that the CFO determines that the PWC has failed to comply with any arbitrage or arbitrage rebate requirements, the CFO shall promptly notify the General Manager of the PWC and, in consultation with bond counsel, shall recommend any remedial action(s) necessary to avoid the Debt being declared taxable by the IRS, as described in the Treasury Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described under Notice 2008-31.

**ii. Allocation and Tracking of Debt Proceeds**

- (1) **Deposit and Investment of Proceeds:** Upon closing of a Debt issue, the proceeds of the Debt shall be deposited with the bond trustee or a third-party financial institution and invested in permitted investments purchased at fair market value. In all cases, a separate and unique account in the PWC’s financial reporting system shall be established to track deposit, investment, and expenditure activity related to proceeds of each specific issue of Debt. If necessary, the PWC shall establish separate accounts or subaccounts to account for certain proceeds of a particular issue of Debt that are to be used for separate purposes (i.e., separate construction fund and debt service reserve fund).
- (2) **Records Retention:** The PWC shall maintain, or cause to be maintained, records relating to the allocation and tracking of Debt proceeds for the entire term of the applicable Debt plus six years, or, in the case of Debt refunded by one or more subsequent issues, for the combined term of the refunded and refunding Debt plus six years. The CFO shall also be

responsible for communicating the records retention policies to any departments or employees involved in the expenditure and allocation of Debt proceeds, and such departments or employees shall be responsible for adhering to the requirements outlined by the CFO with regards to records retention for expenditure of Debt proceeds. Records may be maintained in paper and/or electronic form. The CFO shall obtain and retain, or caused to be obtained and retained, documentation from prior Debt issues if that documentation is available. Specifically, the information to be retained is as follows:

- (a) **Design and Construction Contracts:** Design and construction contracts and supporting documentation relating to each project financed by the Debt.
- (b) **Project Files:** Project files, including architects' and engineers' pay applications, appraisals, etc.
- (c) **Bank and Trustee Statements:** All bank and/or bond trustee statements evidencing the deposit, investment, and expenditure of Debt.
- (d) **Invoices and Payment Information:** Invoices, checks, and other payment information, including (1) the Debt issue to which such proceeds relate, (2) vendor names and other identification numbers, (3) invoices, purchase orders and small purchase numbers and (4) check amounts, **dates**, and numbers. The CFO shall also maintain, or caused to be maintained, a spreadsheet or other statement detailing the deposit, investment and expenditure activity for each account or subaccount established for each Debt issue and reconcile the spreadsheet or statement to the PWC's financial system periodically.
- (e) **Tracking of Working Capital Expenses:** Documentation of working capital expenses financed with Debt proceeds including salaries, start-up expenses, and other non-capitalized expenditures.
- (f) **Financing Documentation:** Documentation related to the Debt issue, including a copy of the closing transcript for the financing. Documentation to be retained, either as part of the transcript for a financing or otherwise, shall include, as applicable, the authorizing resolution(s), Tax Certificate, copy of IRS Forms 8038-G, 8038, 8038B or 8038-TC (together with proof of filing), the certificate as to the "issue price" of the obligations, a copy of the offering document for the Debt issuance, any escrow agreements or verification reports, any official reimbursement declarations relating to the Debt, and the opinion of bond counsel as to the tax-exempt status of the Debt.

### iii. Use of Debt-Financed Facilities

- (1) **Monitoring Private Business Use:** To ensure compliance with laws and regulations for private business use of Debt- financed facilities, the CFO, along with personnel from other departments as required, shall establish processes to identify, monitor and track any private use of Debt-financed

facilities, including leases, management contracts, output contracts, transmission contracts, swapping and pooling contracts, distribution contracts, take-or-pay contracts, naming rights agreements, and other similar agreements providing special legal entitlements to the private user, and shall take all necessary actions to correct any non-compliance with private use limitations.

- (2) **Education and Outreach Regarding Private Business Use:** The CFO shall be responsible for training appropriate PWC personnel in identifying, monitoring, and tracking private use, and confirming compliance with the applicable federal laws and regulations related to private business use of Debt-financed facilities.
- (3) **Consultation with Bond Counsel:** The CFO shall consult with bond counsel as necessary to determine what constitutes private use of Debt-financed facilities and to appropriately measure the percentage of private use allocable to any such facilities in order to comply with the federal laws and regulations.
- (4) **Private Business Use Records Retention:** The CFO shall maintain, or cause to be maintained, records relating to private use of Debt-financed facilities for the entire term of the applicable Debt plus six years, or, in the case of an issue refunded by one or more subsequent issues, for the combined term of the refunded and refunding Debt plus six years.
- (5) **Remedial Action:** In the event that the CFO determines that the PWC is at risk for exceeding the permissible level of private use of Debt-financed facilities, the CFO shall promptly notify the General Manager of the PWC and, in consultation with bond counsel, shall recommend any remedial action(s) necessary to avoid the Debt being declared taxable by the IRS, as described in the Treasury Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described under Notice 2008-31.

**c. Direct Pay Subsidy Debt (Build America Bonds, Recovery Zone Economic Development Bonds and Other Tax Credit Bonds)**

**i. Restriction on Premium**

- (1) The PWC shall work with its underwriter and/or financial advisor when issuing direct pay subsidy Debt to ensure that none of the maturities are issued with more than a de minimis amount of premium.

**ii. Subsidy Filings**

- (1) For each direct pay subsidy Debt, a schedule shall be developed by the CFO calculating the applicable subsidy amount related to each interest payment. This schedule should correspond to the final debt service schedule for the Debt determined after the sale is finalized. The schedule should also indicate the applicable filing window for each interest payment. The CFO shall, during that window, complete the 8038-CP form, send it to the bond trustee (if applicable) to ensure accuracy, have the form executed by an appropriate authorized signatory, and mail the form, certified return receipt, to the IRS. The CFO shall document that the form has been

submitted and shall monitor the appropriate account to ensure that payment is received prior to the interest payment due **date and** follow up if needed. The CFO shall ensure proper filings as required by this subsection.

**iii. Compliance with Applicable Policies and Procedures**

- (1) The PWC shall comply with the policies and procedures outlined in Section C. above to direct pay subsidy Debt in the same manner required for tax-exempt Debt to the extent applicable.

**d. Annual Review**

- i. The CFO shall conduct compliance reviews at least annually to ensure ongoing compliance with this procedure.

**3. Effective Date**

- a. The effective date of this policy is July 1, 2024.

### **13.1 Rate Making Policy**

**Policy Statement:** The Fayetteville Public Works Commission's (PWC's) policy is to allow its customers to be heard when the PWC board considers whether to establish or revise rents, rates, fees, charges, and penalties in order to help ensure that such rents, rates, fees, charges, and penalties are consistent with the best interest of the City of Fayetteville and PWC's customers and in compliance with PWC's financial obligations. The rents, rates, fees, charges, and penalties established by the PWC board are not subject to supervision or regulation by any bureau, board, commission, or other agency of the State or any political subdivision.

#### **1. PROCEDURES**

- a. PWC may establish and revise schedules of rents, rates, fees, charges, and penalties for the use of or the goods or services furnished or to be furnished by PWC in accordance with Chapter VIA of the Charter of the City of Fayetteville, using the following procedures:
  - i. Except as otherwise provided in section (d), PWC shall hold a public hearing on the matter before PWC establishes or revises its rents, rates, fees, charges, or penalties (collectively, the revision), as authorized under Charter Sections 6A.7 and 6A.10. A notice of the hearing shall be given at least once in a newspaper having general circulation in the area, not less than **ten** days before the public hearing. The hearing may be held concurrently with the public hearing on the proposed budget ordinance. The published notice of hearing shall identify the date, time, and place of the public hearing and provide at least the following information:
    - (1) the hearing will be held in connection with PWC's proposed revision.
    - (2) details of the proposed revision are available on PWC's website and in the office of PWC's Clerk for public inspection.
    - (3) customers may submit written comments prior to the hearing or appear at the hearing to speak if they register in advance of the hearing with PWC's Clerk.
    - (4) the manner in which customers may register to speak at the hearing; and
    - (5) the manner in which written comments may be submitted.
- b. Prior to or upon publishing the notice of hearing, the proposed revision shall be filed in the office of PWC's Clerk, where the revision shall remain available for public inspection until the PWC board adopts, modifies, or rejects the proposed revision.
- c. The public hearing shall be conducted in accordance with Section 4.2 of PWC's Bylaws. At the public hearing, each PWC customer who has registered to speak may appear and be heard on the proposed revision, subject to the limitations set forth in Section 4.2 of PWC's Bylaws.
- d. The PWC board shall vote on the proposed revision after the conclusion of the public hearing, and such vote may be taken either at the same meeting in which the public hearing occurred or any meeting held thereafter.
- e. The provisions of section (a) requiring a public hearing and prior notice of the hearing shall not apply to:
  - i. action required to be taken for PWC by the Local Government Commission, in accordance with G.S. 159-181(c).

- ii. action required to be taken by PWC to revise its rents, rates, fees, charges, or penalties if the revision is required to be implemented immediately as a result of a catastrophic event or to avoid impairing the ability of PWC to comply with applicable law or its contractual obligations relating to its outstanding bonds or other indebtedness; or
- iii. nonstandard utility services that are provided as needed or through bilateral agreements between PWC and a customer or third party.

**2. EFFECTIVE DATE**

- a. The foregoing policy and procedures supersede all previous procedures regarding the revision of rents, rates, fees, charges, and penalties and was effective on July 1, 2024.



## **14.2 Procurement Policy**

**Policy Statement:** The Fayetteville Public Works Commission's (PWC's) policy is to maintain an enterprise-wide purchasing program that complies with all legal requirements applicable to public purchasing and procurement, receives maximum value for each dollar spent, ensures PWC receives all required goods, equipment, and services at the time and place needed, maximizes the use of local and diverse suppliers to the extent allowed by law, and promotes good and effective vendor relations, cultivated by the informed and fair buying practices and strict adherence to ethical standards. When feasible, competitive bids are to be obtained, regardless of the dollar amount of the purchase.

### **1. Procedure/Process Steps**

- a. PWC's Procurement Department shall provide assistance as needed to all departments in order to ensure that this policy is implemented and PWC adheres to all purchasing requirements and limitations imposed by law and by applicable state and federal funding programs.
- b. Competitive Bidding**
  - i. PWC shall utilize a formal or informal competitive bidding process in accordance with North Carolina law.
  - ii. Contracts that are not subject to bidding requirements include, but are not limited to:
    - (1) Service Agreements, including demolition services (however, certain services may be subject to qualification-based selection as detailed below).
    - (2) Contracts for the purchase of real property; and
    - (3) Operating leases (but not capital leases) by which PWC secures access to or the right to use or control personal property, unless the lease includes an option to purchase.
- c. Local and Minority Business Involvement**
  - i. The Procurement Department shall conduct market research and outreach regularly in order to identify local and minority businesses for consideration in PWC's procurement to the extent allowed by law. Departments within PWC shall utilize this information in the development of potential bidders lists for procurement actions to the extent allowed by law. When appropriate and consistent with applicable law, departments within PWC shall obtain quotes for goods and services under \$30,000, and departments should ensure that capable, local, and minority businesses are provided opportunities to engage in competition.
- d. Supply Chain Management Strategic Planning**
  - i. The Procurement Staff shall participate in proactive, detailed, cross-functional strategic planning in order to facilitate PWC securing "best value" goods and services at the lowest feasible transaction costs in a manner that enables PWC to better meet strategic objectives and continue to deliver cost-effective and efficient utilities for PWC's customers.
- e. Market Research**
  - i. The Procurement Department shall perform market research regularly and update it in a cross-functional and collaborative manner. Research should focus on areas such as current and projected availability of products or services; the extent of competition in the

market; the range of product or service performance characteristics; future industry, technology, and macro-economic trends; price trends and current market prices; supply base assessment; and types of available distribution and management systems.

**f. Forecasting**

- i. The Procurement Department shall work together with other departments within PWC to forecast future demand to the best of the organizations' ability and to communicate this information throughout the supply chain to optimize performance. Forecasts for core goods and services, those critical to PWC's business success, should receive priority focus. Similarly, forecasts and changes to forecasts should be shared with suppliers when deemed appropriate by the department responsible for the purchase, and suppliers also encouraged to share PWC demand forecasts with their suppliers.

**g. Qualification-Based Selection**

- i. PWC shall select firms to provide all architectural, engineering, surveying, construction management at risk services, design-build services, and public-private partnership construction services on the basis of demonstrated competence and qualification for the type of professional services required without regard to fee, other than unit price information, at the initial selection stage in accordance with the G.S. 143-64.31, and thereafter negotiate a contract for those services at a fair and reasonable fee with the best qualified firm. A firm eligible for selection that is a resident of the State of North Carolina, as determined by the firm's principal place of business and payment of taxes, shall be granted a preference over a nonresident firm, in the same manner, on the same basis, and to the extent that a preference is granted in awarding contracts for these services by the other state to its resident firms over firms resident in the State of North Carolina. PWC shall engage in good faith efforts to notify minority firms of the opportunity to submit qualifications for consideration.

**h. Use of Procurement Cards**

- i. The Procurement Card (P-Card) Program is designed to let end users of goods, services, and travel expenses purchase directly from vendors, thus increasing efficiency and reducing transaction costs. PWC's general criteria for using a P-Card are:
  - (1) An eligible item must cost less than the single transaction limit (including tax and freight). Goods or services that cost more than the transaction limit may not be broken into smaller purchases (parceling) to meet the single transaction dollar limit.
  - (2) Items in the following categories are ineligible regardless of cost: computer hardware (CPUs, monitors, printers, hard drives, etc.), software, inventory or stock items, furniture, office equipment, cash advances **or cash equivalents such as gift cards**, and any item for the cardholder's personal use or the personal use of another party (including gifts to departing employees).
  - (3) **Personal Protective Equipment (PPE) purchased with P-Cards must have documented prior approval from the Safety Department and be included as part of the iExpense backup.**
- (a) Exceptions:
  - (i) The Procurement Department staff may use P-Cards rather than issuing a purchase order for any of the foregoing items as long as the use of the P-Card

is consistent with an approved requisition and the amount is within the purchaser's authorized transaction limits and compliant with all applicable statutory requirements.

- (ii) The IT Division staff is authorized to use P-Cards for computer hardware (including but not limited to CPUs, monitors, printers, and hard drives) and software, subject to all applicable statutory restrictions.
- (4) P-Cards for Accounts Payable purchases may only be used as a method of payment to approved vendors for pre-audited expenditures (instead of issuing a check or ACH payment).
- (5) A cardholder may use a P-Card for eligible reasonable expenses incurred on business travel, such as food, lodging, and transportation. Alcoholic beverages and entertainment are ineligible expenses and may not be purchased using a P-Card.
- (6) A PWC cardholders shall not give his or her P-Card number to a vendor for use in an ongoing arrangement in which a vendor delivers goods at a predetermined price on a recurring basis for a specified time period (in a manner similar to a blanket purchase order).
- (7) An itemized receipt is required to support each P-Card purchase. If a meal is purchased, the names and business **purpose**/affiliation(s) of the person(s) who attended the meal must be provided with the receipt.
- (8) Delegation of authority is only permitted in regard to card transactions in certain situations. Delegation must be first-hand (cardholder gives card directly to designee) and the cardholder must have access to their card at all times. Examples of approved delegation would be when an office assistant orders supplies, makes travel reservations on behalf of the cardholder, or in an emergency, orders goods or services from the office per instructions of the card holder.

**i. Orders**

- i. PWC shall purchase goods from vendors by using a signed Purchase Order to be issued by the Procurement Department. The signed Purchase Order serves as PWC's agreement to pay the vendor for specified goods to be delivered to PWC, and the Purchase Order shall either be issued with PWC-generated terms and conditions or default to the standard terms and conditions imposed by North Carolina's Uniform Commercial Code, as set forth in North Carolina General Statutes Chapter 25. A Purchase Order issued for the purchase of goods also serves to encumber funds for internal accounting purposes in compliance with the pre-auditing requirement imposed by North Carolina General Statutes Chapter 159 against which vendor invoices are charged.
- ii. PWC shall obtain services from vendors through the use of a fully executed Service Agreement, except in specific transactions for which this requirement is waived in writing by PWC's CEO or the CEO's designee. A Purchase Order is used for services after a fully executed Service Agreement is obtained, and the only purpose a Purchase Order serves is to encumber funds for internal accounting purposes in compliance with the pre-auditing requirement imposed by North Carolina General Statutes Chapter 159 against which vendor invoices are charged.

- iii. Any request for the issuance of an emergency Purchase Order must be submitted by an officer, director, or department manager or the designee of any of them to the Procurement Manager.

**j. Contracts**

- i. All contracts must be submitted to PWC's Procurement Department for approval routing and pre-audited and signed by the Chief Finance Officer or duly authorized designee in accordance with North Carolina General Statutes Chapter 159. All contracts requiring PWC board approval must be reviewed by PWC's General Counsel. A PWC employee shall not permit a contractor to start work or a vendor to initiate a service or sale until the contract for such transaction has been fully executed by PWC and the counter-party and pre-audited.

**k. Ethical Standards**

- i. PWC's Commissioners and employees must lawfully and responsibly manage the public's monies at all times. Each of them shall refrain from acts which are improper or give the appearance of impropriety. All procurement activities must be conducted in accordance with all applicable laws, specifically including but not limited to G.S. 14-234 and 133-32, as well as all applicable regulations and policies and federal and state funding program requirements.
- ii. Each PWC employee having knowledge of a conflict of interest or potential conflict of interest or upon discovering a conflict of interest or potential conflict of interest is expected to disclose promptly such conflict of interest or potential conflict of interest either to PWC's Ethics Hotline or to PWC's Procurement Manager and at least one of the following additional employees: the General Counsel, the Chief Internal Auditor, or the Officer of the Division engaged in the transaction in which the conflict or potential conflict arises. Any attempts by any person or entity to influence improperly or unlawfully the decision of a PWC employee with regard to PWC business should be reported to PWC's Ethics Hotline or to PWC's CEO/General Manager and Procurement Manager.

**2. Effective Date**

- a. The effective date of this policy is July 1, 2024.

## Exhibit B - Policies to be Rescinded

### Policies included in Exhibit B:

Policy	Page #
Anti-Harassment	2
Code of Conduct	3
Substance Abuse	8
Safety	16

Please note: The above Policies will be rescinded and converted to procedures in the new Policy and Procedure Manual.

## 1.1 Anti-Harassment

### 1. Purpose

- a. The purpose of this procedure is to outline PWC's position on discrimination, harassment, and retaliation; define prohibited conduct; and provide guidance on what procedures must be followed in response to reports that this procedure has been violated.

### 2. Definitions

- a. **Unacceptable Discrimination** – This includes failing to promote, hire, or transfer an individual because of race, gender, color, age, national origin, religion, disability, veteran status, or any other characteristic protected by law.
- b. **Harassment** – Harassment can take many forms and includes, but is not limited to, slurs, jokes, statements, gestures, pictures or cartoons regarding an employee's sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, family care leave status, or veteran status. Examples of inappropriate and unacceptable behavior prohibited by this procedure include, but are not limited to, improper or inappropriate harassing comments, harassing gestures, or dissemination and/or publication of harassing and derogatory materials in the workplace that are based upon a person's gender, race, color, age, national origin, religion or disability, veteran status, or any other characteristic protected by law.
- c. **Sexual Harassment** – Sexual Harassment is defined as unwelcome or unwanted advances, requests for sexual favors, and any other verbal or physical conduct of a sexual nature when:
  - i. Submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, retention, promotion, or other aspects of employment; or
  - ii. This conduct reasonably could be expected to and does interfere with an individual's employment or creates an intimidating or hostile work environment.

### 3. Responsibilities

- a. **Chief Executive Officer/General Manager:** Periodically review this procedure and reaffirm that harassment, discrimination, and retaliation will not be tolerated. Continually assess and be aware of the climate regarding discrimination, harassment, and retaliation. Direct prompt, decisive action to investigate all complaints of violations of this procedure and ensure that the situation is either resolved at the lowest possible level, or if necessary, take formal disciplinary or administrative action. Ensure that all who make complaints, report violations of this procedure, or participate in investigations of procedure violations are protected from acts or threats of reprisal.
- b. **Officers, Directors, Managers, Supervisors:** Report all violations of this procedure, including work-related discrimination, harassment, or retaliation by any PWC personnel or any person doing business with PWC to the Human Resource Officer immediately. The Human Resource Officer is responsible for investigating the matter in a thorough, prompt, and confidential manner.
- c. **All Employees:** Report any conduct in violation of this procedure to the appropriate Officer, Director, Manager, Supervisor, or to the Human Resource Officer. PWC emphasizes that an

employee is not required to complain first to the supervisor if the supervisor is the individual violating the procedure or if the employee is otherwise uncomfortable discussing the issue with their supervisor.

#### **4. Guidelines**

- a. PWC assures all employees a workplace environment free of unlawful harassment, discrimination, and retaliation.
- b. PWC will not retaliate in any way against anyone who makes a good faith complaint, nor will PWC permit any employee to engage in any type of retaliatory conduct.

#### **5. Procedure/Process Steps**

- a. Any employee who believes they have been harassed or discriminated or retaliated against in violation of this procedure shall report the incident within ten (10) days of the occurrence to any one or more of the following persons: Officer, Director, Manager, Supervisor, or Human Resources Representative.
- b. Upon a complaint being made, PWC will investigate the complaint in a prompt and thorough manner. Investigations and findings will be concluded in thirty (30) days from the time the complaint is logged.
- c. If the complaint is substantiated, within ten (10) days of the conclusion of the investigation, PWC will impose counseling and/or discipline as warranted by the findings of the investigation.

### **1.3 Code of Conduct**

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#### **1. Purpose**

- a. The purpose of this procedure is to help define personal conduct/behavior and/or job performance that is unacceptable and deserving of immediate disciplinary consideration. The standards discussed below are listed for general information and to guide conduct on a day-to-day basis. It would not be possible to list every situation that could arise that would result in discipline or immediate termination. Therefore, it is important to understand that various other situations may arise that would result in discipline or immediate termination. Likewise, it is important to understand that each problem that may arise will present a unique set of circumstances, and, therefore, the company's response will be based on the particular situation presented and the relevant surrounding circumstances, including, where appropriate, the employee's past performance, conduct, and disciplinary history.

#### **2. Definitions**

- a. Examples of unacceptable performance or conduct that may result in disciplinary action or immediate termination include:
  - i. Stealing, misappropriation, or unauthorized use or operation of company property (including machines, tools, or other equipment), the property of company employees, or others.
  - ii. Excessive waste of company materials, supplies, or resources.
  - iii. Disclosure of confidential or proprietary information.
  - iv. Conducting personal business on company time or with company resources

## Exhibit B-Policies to be Rescinded

- v. Destruction or damage of company property, property of company employees, or others.
- vi. Fighting, assault, or battery; use of abusive, intimidating, or threatening language; horseplay or practical jokes; or disorderly conduct while on company property or business.
- vii. Failing to display respect toward or cooperation with co-workers, supervisors, or management.
- viii. Falsifying company-related or business-related documents (including timesheets) or providing false employment-related information or making omissions from such information.
- ix. Refusing or failing to perform assigned duties; follow company policies, procedures, or rules (including but not limited to safety rules and regulations); or follow direction from a supervisor or manager.
- x. Failing to wear appropriate protective equipment or working attire.
- xi. Working unauthorized overtime.
- xii. Having in your possession firearms, weapons, or explosive while on company property or business.
- xiii. Endangering the safety or rights of another employee or person.
- xiv. Failing to meet expectations during the initial or other probationary period.
- xv. Performing your job unsatisfactorily.
- xvi. Failing to properly report tardiness or absences.
- xvii. Taking unauthorized breaks or excessive time for breaks, including leaving early or returning late from breaks.
- xviii. Leaving the work area or company property during working hours without authorization.
- xix. Having excessive or unauthorized tardiness or absences.
- xx. Failing to return to work upon expiration of vacation, leave, or other authorized time off.
- xxi. Failing to submit to drug or alcohol test, as requested, or other interference with such test.
- xxii. Being under the influence of or possessing, using, distributing, selling, or manufacturing alcohol, illegal drugs, or other controlled or intoxicating substances on company business or property or in company-supplied vehicles or during working hours (including meal breaks).
- xxiii. Causing unauthorized work delays or stoppage.
- xxiv. Sleeping or loitering during working hours.
- xxv. Posting, defacing, or altering materials on company bulletin boards without proper authorization.
- xxvi. Violating no solicitation/distribution rule.
- xxvii. Negligence that results or has the potential to result in personal injury or property damage.



- xxviii. Working another job (whether for another employer or self-employment) while on a leave of absence or other paid or unpaid time off without prior approval.
- xxix. Participating in acts of unlawful discrimination or harassment.
- xxx. Gambling on company property or during working hours (including meal breaks) or while on company business.
- xxxi. Creating or contributing to unsanitary conditions or unacceptable housekeeping.
- xxxii. Dishonesty.
- xxxiii. Conviction of a felony/arrest.
- xxxiv. Failing to report an on-the-job accident within 24 hours after occurrence.
- xxxv. Repeated failure to satisfy legitimate claims by creditors.
- xxxvi. Driving a company vehicle or personal vehicle on company business without an appropriate license.

### 3. Responsibility

- a. **Chief Executive Officer/General Manager:** Acts as the final authority for approval or disapproval of rules governing conduct.
- b. **Division Officers, Directors, Managers, and Supervisors:** Ensure the adherence to all policies and procedures governing the expected conduct and performance of all employees under their supervision. Advise employees regarding any perceived or real conduct that is unacceptable, discuss corrective action when possible, and take immediate action within the framework of the disciplinary process.
- c. **Human Resource Officer:** Counsels Officers, Directors, Managers, and Supervisors concerning employee conduct and performance; advises, upon request, as to resolution; monitors all actions regarding discipline for consistency of application and thoroughness of documentation; advises employees of their employment status, rights to the grievance process and explains policies and procedures.
- d. **Employees:** Familiarize themselves with the pre-employment conditions and policies governing conditions of employment including those factors listed under conduct that is unacceptable.

### 4. Guidelines

- a. The guidelines below are not intended to be a complete list of acceptable and unacceptable actions, merely examples to help employees determine how PWC expects them to act. If any employee is unsure about whether or not they have a possible conflict of interest, they should consult the appropriate PWC official.

#### i. Personal Financial Interest

- (1) The personal financial interests of all employees and those of their immediate families must not adversely affect or conflict with PWC's best interests or the proper performance of their job responsibilities. To maintain independent judgment and action, employees must avoid any potential conflict of interest or appearance of such a conflict that may arise from personal financial interest.

- (2) If any employee or a member of their immediate family has a personal financial interest in an organization which has or is attempting to establish a business relationship with PWC or which competes with PWC, they have a responsibility to disclose the relationship. Nominal ownership of common stock of a publicly owned corporation will not itself be considered a conflict and need not be disclosed. Significant ownership of stock would mean that the percentage owned would be sufficient as to be able to influence the decisions of the company. More than ten percent (10%) would be considered significant. Lower levels could also qualify, depending on the circumstances.

**ii. PWC Funds**

- (1) Employees who have responsibilities for handling PWC funds should exercise the utmost care in fulfilling their duties. PWC funds must only be deposited and maintained in accounts authorized by the Commissioners of PWC. Proper documentation and approval are required for the disbursement of any PWC funds.
- (2) Employees with responsibility for PWC funds must comply with PWC procedures at all times and avoid even the appearance of impropriety.

**iii. Accounting and Record Keeping**

- (1) PWC is required to maintain a system of internal accounting controls to provide reasonable assurance that assets are safeguarded, and the books and records accurately reflect the authorized transactions of the PWC. Management has the responsibility of ensuring all employees adhere to these policies and controls.

**iv. Computer Passwords and IDs**

- (1) The computer systems used by PWC, and its employees contain information that is critical to our customers and PWC. It is the responsibility of all employees having access to these computer systems to help protect the information stored on the systems from accidental or intentional loss, error, unauthorized access, unauthorized modification, or disclosure to unauthorized persons. Access to and usage of these systems must go through the proper authorization process.
- (2) Each authorized user of these systems is accountable for their own password and user ID, and it is their responsibility to maintain the secrecy of their passwords and IDs.

**v. Memberships**

- (1) The PWC has a long-standing commitment to be a good civic neighbor. We support and encourage employee involvement in community activities and professional organizations. We also expect that these interests will be pursued in a reasonable manner that will reflect favorably upon the employee and the PWC. Involvement with these types of activities should not adversely affect the attention to PWC duties or the quality of work performed for the PWC.
- (2) Before accepting a position on the board of directors or as an officer with another company or nonprofit organization, an employee should consult with their supervisor and/or another appropriate PWC official.

**vi. Gifts and Favors**

- (1) No official or employee shall knowingly accept from any person, firm, or corporation a gift whether in the form of money, things, favor, loan, or promise that would not be offered or given to said official or employee if they were not an official or employee.
- (2) It is improper for an employee or a family member to request or accept anything that could be construed as an attempt to influence the performance of duties or to favor a supplier or competitor contrary to the best interest of the PWC. Nominal advertising items or souvenirs or meals furnished at banquets are permitted. It is also improper for an employee to offer gifts or entertainment beyond that of a nominal value. This includes gifts, payments, loans, travel, or other benefits of value from any existing or potential customer, supplier, competitor, or government agency, its officials, or personnel. In some cases, such as when dealing with a bank or government official, this action would be a criminal offense punishable by fine and imprisonment.
- (3) Gifts of nominal value motivated by commonly accepted business courtesies may be accepted or offered. However, any gift that could cause obligation to the donors/recipients or influence the business relationship with the donor/recipient should not be accepted/offered. Acceptance of such gifts is specifically prohibited by the North Carolina General Statutes.

**vii. Use of PWC's Name**

- (1) PWC will make available to all employees any Company discounts with suppliers or other businesses which may be passed on to employees. However, an employee should not use the PWC's name or purchasing power to obtain personal discounts or rebates unless the discounts are made available to all employees.

**viii. Responsibility of Safeguarding Assets**

- (1) All employees are responsible for protecting PWC assets, and managers are specifically responsible for establishing and maintaining appropriate internal controls to safeguard PWC assets against loss from unauthorized use or disposition. PWC assets are to be used only as they are specifically intended to be used and are not to be used in an abusive manner.
- (2) It is improper for an employee to offer the use of PWC assets to a member of the public or to an employee or agent of another company. It is also improper for an employee to use company assets or resources for personal gain or benefit.

**ix. Confidential/Proprietary Information**

- (1) No official or employee shall, without prior formal authorization of the public body having jurisdiction, disclose any confidential information concerning any other official or employee, or any other person, or any property or governmental affairs of the city. Whether or not it shall involve disclosure, no official or employee shall use or permit the use of any such confidential information to advance the financial or personal interest of themselves or any other person.
- (2) In the course of employment, employees may have access to information that is confidential, privileged, or of a competitive value to the PWC. All employees must

protect the confidentiality of such information. The use or disclosure of such information is for PWC purposes only and not for personal benefit or the benefit of others.

- (3) All employees must exercise the utmost care when dealing in confidential information. If an employee is unsure whether information is of a confidential nature, it is best that discretion is used. If you have questions, you should consult your supervisor.

**x. Media/Public Discussion**

- (1) In the course of an employee's duties, they may be questioned by a representative of the news media. Unless responding to such inquires is among their authorized duties, the media representative should be politely referred to the appropriate PWC spokesperson.

**xi. Employee Relations**

- (1) PWC is committed to providing a work environment that is free from discrimination and/or harassment. It is company procedure to be an equal opportunity employer in hiring and promoting practices, benefits, and wages. Managers and supervisors have the responsibility of enforcing this procedure. They must be sure to treat all employees equitably and fairly. They must not discriminate against or sexually harass any employee. If an employee feels they have been discriminated against or sexually harassed, they should contact a PWC Officer or a Human Resources Officer.

## 1.9 Substance Abuse

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**1. Purpose**

- a. The purpose of this procedure is to promote a drug-free and alcohol-free environment. Drug and alcohol use among PWC employees could have a negative impact on fitness and performance, thereby threatening the safety and health of the public and/or other employees. PWC is committed to safeguarding the health of its employees, providing a safe place for its employees to work, and supplying its customers with the highest quality service possible.

**2. Definitions**

- a. **Controlled Substance:** For purposes of this procedure, the terms drug(s), illegal drug(s), and controlled substances shall mean those substances listed in Schedule I-IV of the United States or North Carolina Controlled Substances Act, as well as those listed by the Department of Transportation regulations on controlled substance testing, which are not lawfully prescribed to the individual in question. Controlled substances include, but are not limited to, cocaine, marijuana, LSD, amphetamines, barbiturates, opioids, and PCP.
- b. **Drug Test:** A urinalysis screen to determine whether an individual has used controlled substances.
- c. **Alcohol Test:** An evidential breath test to determine the level of alcohol in a volume of breath in terms of grams of alcohol per 210 liters of breath.
- d. **Safety Sensitive Position:** Those jobs with PWC which involve functions that, if performed improperly while under the influence of alcohol or drugs, could pose a severe and immediate risk to the health or safety of the employee holding the job, other employees, or members of

the general public. Positions deemed to be “safety-sensitive” are listed below. Safety-sensitive positions covered by DOT drug and alcohol testing regulations are also subject to testing requirements under this procedure.

- e. **Substance Abuse Professional:** A licensed physician (medical doctor or doctor of osteopathy), or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission), with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol-related disorders.
- f. **Medical Review Officer (MRO):** A licensed physician (medical doctor or doctor of osteopathy), responsible for receiving laboratory results generated by an employer’s drug testing program, who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual’s confirmed positive test results together with their medical history and any other relevant biomedical information.
- g. **Specimen Sample Define:** A specimen sample is a sample of urine or breath.

### 3. Responsibility

- a. **Divisions Officers, Department Managers, and Supervisors:** Ensure that the provisions of this procedure are compiled with within their respective Division Departments and Sections.
- b. **Human Resources Department:** Responsible for fair and equitable treatment of all employees regarding disciplinary actions and second chance program eligibility for violations of this procedure.
- c. **Medical Department:** Responsible for administering the testing and notifying the Human Resources Officer and Division HR Advisor of a positive test result for disciplinary action to be determined.

### 4. Guidelines

- a. **Prescription and OTC Drug Use**
  - i. Employees who are prescribed medication or use “over the counter” medication must obtain medical advice on whether such medication could impact their ability to safely perform their job. If so, the employee must report the prescription or OTC medication use to the PWC Medical Department, so that a determination can be made whether the employee can safely perform their job. The condition causing the need for such medication need not be reported, and the kind of medication need only be reported when such information is necessary for safety evaluation.
- b. **Prohibited Conduct**
  - i. **A violation of this procedure occurs when an employee or applicant:**
    - (1) Unlawfully possesses, manufactures, distributes, dispenses, sells, purchases, or uses any illegal drugs or alcohol while on PWC property; while in a PWC owned, rented, or leased vehicle; while at work; during working hours or while engaged in PWC business.
    - (2) Reports to work, either during regular or on call hours, under the influence of illegal drugs or alcohol; or is under the influence of illegal drugs or alcohol while on PWC property, while at work, during working hours or while engaged in PWC business. “Under the influence of illegal drugs” includes testing positive for any

controlled substance. "Under the influence of alcohol" includes a breath alcohol result of .02 or greater as measured by a breath alcohol test for employees in safety sensitive positions, and .04 greater for all other employees.

- (3) Manufacturers, distributes, dispenses, possesses, sells, purchases, or uses illegal drugs off PWC property and/or adversely affects the employee's work performance, theirs, or other's safety at work, or PWC's standing in the community.
- (4) Fails a drug or alcohol test. The positive threshold for drug tests will be those limits set under the DOT testing program. The positive threshold for alcohol tests is .04 or more on a breath alcohol test, or the equivalent on a blood alcohol test.
- (5) Fails to report a conviction under any Federal or State criminal drug statute to PWC within five (5) calendar days of such conviction.
- (6) Fails to notify the supervisor of the use of any prescribed medication(s) which could interfere with the safe performance of the employee's normal job duties.
- (7) Refuses to sign a written consent form prior to a drug and/or alcohol test pursuant to this procedure.
- (8) Refuses to submit a breath or urine specimen for drug and/or alcohol testing requested pursuant to this procedure, or switches or adulterates any specimen sample submitted for testing, fails to immediately report for testing, delays the testing or refuses to cooperate in a timely manner with testing.
- (9) Fails to satisfactorily complete the requirements of any drug or alcohol treatment or counseling program in which the employee is enrolled as a condition of continuing employment with PWC.
- (10) Refuses to sign the Acknowledgment and Agreement with testing Procedure Form agreeing to abide by the terms of this procedure.
- (11) Drives a PWC vehicle within four hours after using alcohol or uses alcohol after an accident before post-accident testing has been completed.
- (12) Violates any other requirement of this procedure.

ii. **Circumstances for Testing**

(1) **Applicants for Employment**

- (a) All applicants for employment must pass a drug test before working.

(2) **Employees**

- (a) All Employees are subject to the testing listed below. When an employee is required to have a Commercial Driver's License as part of their job, a completed, comparable test under the DOT Driver Drug and Alcohol policy can, in PWC's discretion, substitute for a test under this procedure. In most instances, employees subject to the Department of Transportation's Drug and Alcohol testing program will not be tested under this procedure; however, PWC reserves the right to conduct such tests if it determines that to be appropriate.

- (i) Reasonable Suspicion: Any employee may be required to undergo a drug and alcohol test when there is reasonable suspicion, based on objective facts and reasonable judgement from those facts in light of experience, that the employee is under the influence of alcohol or controlled substances in violation of this procedure. Reasonable suspicion will normally exist when:
  - 1. There is evidence that an employee is performing in an impaired manner or incapable of performing assigned duties.
  - 2. PWC receives a report of illegal drug or alcohol use by an employee while at work, provided by a reliable and credible source.
  - 3. PWC receives credible information that an employee is involved in the unauthorized possession, sale, solicitation or transfer of alcohol or illegal drugs while working, or conviction of a drug possession crime.
  - 4. The employee exhibits a pattern of excessive absenteeism, tardiness, deterioration in work performance, abnormal conduct or erratic behavior at work which would cause a prudent person to believe that the employee was under the influence of alcohol or under the influence of controlled substances.
  - 5. The facts or information on which the test will be documented in writing. If possible, more than one person will observe and document the behavior. Managers must obtain approval for a reasonable cause test from the Human Resources Department.
- (ii) **Post-accident:** Employees shall be required to take a drug and alcohol test when any of the following criteria are met: (Additionally, CDL drivers will follow DOT guidelines)
  - 1. The employee is involved in a vehicular accident while operating a PWC owned vehicle, motorized equipment, or any vehicle while on PWC business or is involved in a work-related accident, regardless of the cost of damages.
  - 2. The employee is involved in a vehicular accident while operating a PWC owned vehicle, motorized equipment, or any vehicle while on PWC business or is involved in a work-related accident and there is a reasonable basis for PWC to believe that the employee's drug or alcohol use caused or contributed to the accident.
  - 3. While operating a PWC owned vehicle, motorized equipment or any vehicle on PC business, an employee in a safety sensitive position is involved in an accident that causes property damage or injury requiring medical attention.
  - 4. **Note:** For purposes of this procedure, "property damage" means damage to property owned by PWC or the general public. Following any accident, the employee's supervisor must immediately contact the Safety Department so that arrangements can be made for testing. Failure to immediately contact the Safety Department and/or take other steps to ensure that testing can occur in a timely



manner may be construed as a refusal to test. If the Nurse is not available, the employee's supervisor shall contact or report to the PWC off-site medical care provider for testing. If the employee is unable to consent to the test due to injuries or loss of consciousness, they shall authorize release of records from post-accident medical treatment which reveal the presence or absence of illegal drugs and/or alcohol in their system at the time of the accident.

5. **Return to Duty and Follow up:** If an employee who tested positive is not dismissed, then that employee must be immediately removed from any safety sensitive function, is not allowed to operate a vehicle while conducting PWC business, and cannot operate a vehicle while conducting PWC business or perform safety sensitive functions until:
  - a. He/she undergoes evaluation by a Substance Abuse Professional.
  - b. A Substance Abuse Professional verifies the employee's compliance with and completion of any recommended treatment.
  - c. A Substance Abuse Professional certifies in writing that the employee is fit to return to normal duties.
  - d. The employee passes a return-to-duty alcohol and drug test.
  - i. Note: In order to assure that the employee remains free of substance abuse, PWC reserves the right to require up to twelve (12) unannounced specimen samples for drug and/or alcohol testing during a period of one year after the employee has returned to work.
6. **Safety Sensitive Positions:** Employees in safety sensitive positions will be subject to random drug testing. The selection of safety sensitive employees for random testing will be made by a fair and equitable, scientifically valid method, such as a random number table or a computer based random number generator matched with social security numbers, payroll identification numbers or other comparable identifying numbers. Under the selection process, each employee shall have an equal chance of being tested. Employees in safety sensitive positions which require possession of a Commercial Driver License will be included in the DOT Random testing program, and based upon that testing, will ordinarily not be tested under the Random program of this procedure. However, PWC reserves the right to test any employee in a safety sensitive position under this procedure if it deems such testing appropriate. When an employee is selected for random testing, they shall promptly report to provide the appropriate sample accompanied by their Manager or Supervisor.



**5. Procedure/Process Steps**

**a. Specimen Sample Collection**

- i. PWC's on-site nurse shall generally supervise collection of specimen sample(s).
- ii. If PWC's nurse is unable to collect a specimen sample, the employee will be taken by their supervisor or crew leader to an approved outpatient facility.
- iii. A specimen sample shall be taken by a qualified person at an outpatient facility designated by PWC.

**b. Refusal to Submit Specimen Sample**

- i. An employee who refuses to submit a specimen sample required within the parameters of this Procedure shall be subject to immediate dismissal for willful misconduct.
- ii. Conduct that constitutes a refusal shall include: refusal to take the test, inability to provide sufficient quantities of breath or urine to be tested without a valid medical explanation after said employee has received notice of the requirement for testing, tampering with or attempting to adulterate the specimen or collection procedure, not reporting to the collection site promptly, leaving the scene of an accident without a valid reason before tests have been conducted, or conduct that clearly obstructs the testing process.

**c. Test Procedures**

- i. Controlled substance screening shall be conducted by an outside, qualified independent testing laboratory certified by SAMSHA, HHS, or CAP, and selected and approved by PWC. Alcohol screening shall be conducted by breathalyzer performed by a qualified person as designated by PWC.
- ii. If the MRO directs that a re-collection take place due to a negative dilute result, PWC will do so immediately.
- iii. If the MRO does not give an instruction for immediate sample re- collection on a negative dilute result, PWC will require the employee or applicant to re-test within 24 hours and provide instruction on how to avoid a dilute specimen.

**d. Confirmation Procedure**

- i. In the event the employee tests positive on the initial controlled substance screening, PWC shall require the same testing laboratory to conduct a second test of the same specimen sample.
- ii. The second test shall be the Gas Chromatography/Mass Spectrometry (GCMS) test, or other equivalent test procedures.

**e. Chain of Custody Procedures**

- i. Custody and security of specimen samples will be thoroughly documented.

**f. Confidentiality of Results**

- i. Results of drug tests and alcohol tests will be handled in a confidential manner.
- ii. Test results will be received by the PWC's Human Resources Department and will become a part of the employee's confidential file and may be shared with managers and

supervisors within the employee's chain of command as well as the PWC's Risk Management Department.

- iii. The test results may be maintained by the lab and the MRO.
- iv. PWC may release the results of drug and/or alcohol tests to its worker's compensation carrier, other insurance carriers, the Industrial Commission, the division of the NC Department of Commerce responsible for unemployment claims, and/or in the event of litigation brought by the employee or based on their conduct.
- v. The results will not be released to law enforcement authorities unless PWC is compelled by law to do so.

**g. Right to Re-Test**

- i. Any employee who tests positive for illegal drugs pursuant to this procedure has the right to have a second test run on the specimen which produced the positive result, at their own expense, and at a laboratory certified by HHS, SAMSHA or CAP.
- ii. Employees should notify PWC's Human Resources Department in writing of their desire for a second test, and PWC will help them contact the laboratory that conducted the first test.
- iii. PWC retains full discretion to use the results of the first test in making employment decisions.

**h. Consequences of Violations**

- i. Any employee who violates the terms or spirit of this procedure will be subject to disciplinary action, up to and including immediate termination of employment.
- ii. A positive drug or alcohol test creates a presumption, for unemployment purposes, that the employee was impaired by drugs or alcohol during work hours in violation of this Procedure.
- iii. Any employee who refuses to submit a test, has a verified positive drug or alcohol test result or, if in a safety sensitive position, has an alcohol test of 0.02 or greater, shall be removed immediately from any safety sensitive function and will be required to leave the workplace immediately.
- iv. Time away from work as a result of these acts shall be without pay pending further disciplinary action.
- v. Any employee in a safety sensitive function who has an alcohol test of .02 or greater, but less than .04 shall not be permitted to return to work until 24 hours have passed since the administration of the test.
- vi. In lieu of or in addition to taking disciplinary action against an employee, PWC may require the employee to satisfactorily participate in the Second Chance Program, described below. This privilege will not be granted to job applicants.
- vii. Violations of this procedure may also prompt violations in other PWC policies, procedures, and Code of Conduct, thus producing collective disciplinary action(s).

**i. Second Chance Program**

- i. An employee who has been employed for more than 180 days in a full- time position prior to taking a drug or alcohol test may avoid termination of employment following a positive test result when all of the following conditions are met:
- ii. PWC determines that the employee should be offered a Second Chance. This decision will be entirely within PWC's discretion, based upon the circumstances surrounding the failed test and other relevant factors, including but not limited to, employment history and performance.
- iii. The employee must go to a health care professional who is experienced in treating substance abuse ("Substance Abuse Professional") for an evaluation and must follow all recommendations of that substance abuse professional, including without limitation, rehabilitation, counseling, or participating in therapy. All charges and expenses are the employee's responsibility, if not covered by the employee's insurance. A leave of absence in accordance with PWC policies may be granted for reasonable periods when an employee is unable to work due to treatment for substance abuse (alcohol or drugs).
- iv. The employee must consent to the Substance Abuse Professional advising PWC concerning the employee's compliance with the recommendations made by that substance abuse professional, on a weekly basis.
- v. The Substance Abuse Professional must certify to PWC that the employee can return to work within a reasonable period of time. PWC will make reasonable efforts to return the employee to their job prior to the alcohol/drug test, but cannot make any guarantees, and reserves full discretion to assign the employee to a different job, at the commensurate, regular pay for that job. If the employee's job involved operation of a motor vehicle or heavy machinery, PWC may decline to return the employee to that position until it has adequate assurance that the likelihood of drug or alcohol abuse on the job is negligible. An employee who is absent under the Family and Medical Leave Act ("FMLA") leave procedure will be returned to work in the same or similar position.
- vi. In addition to adhering to recommendations of the Substance Abuse Professional, the employee must agree to "follow-up" drug and alcohol testing on randomly selected dates at least six times in the year following their return to work. These follow-up tests are in addition to any other test authorized under this procedure. A positive result on any drug or alcohol test following return to work will result in termination. The Second Chance program may only be used once by an employee.

**j. Safety Sensitive Positions**

- T/D SYSTEM OPERATOR
- T/D SR. SYSTEM OPERATOR
- E/S PROJECT COORDINATOR
- E/S SR PROJECT COORDINATOR
- T/D SMART GRID CONTROLS TECHNICIAN
- FIBER OPTICS TECH FLEET SHIFT LEAD
- FLEET SHOP SUPERVISOR
- INVENTORY STOREKEEPER GENERATION PLAN
- WAREHOUSE MANAGER
- OCC HEALTH NURSE

- P/P APPRENTICE CONTROL OPERATOR
- P/P AUXILIARY OPERATOR
- P/P CHIEF OPERATOR
- P/P CONTROL OPERATOR
- POWERLINE FIELD SUPVR
- SR PROJECT COORD IN W/R FACILITIES MAINTENANCE
- STOCK CLERK IN WAREHOUSE
- SUBSTATION FIELD SUPERVISOR
- T/D OPERATIONS CENTER SUPERVISOR
- URBAN LINE CLEARANCE COORDINATOR
- UTILITY LOCATOR
- SR UTILITY LOCATOR
- W/R CHEMIST
- W/R CONTROL SYSTEMS ANALYST
- W/R ENVIR SYSTEM PROT SUPERVISOR
- W/R ENVIR SYSTEMS PROTECTION SPECIALIST
- W/R FAC MECH TECH
- W/R FAC OPER SUPVR
- W/R FACILITY MAINT COORDINATOR
- W/R FIELD SUPERVISOR
- W/R IE & C TECH
- W/R LAB ANALYST
- W/R LAB TECHNICIAN
- W/R LAND APPLICATION SPEC
- W/R LAND APPLICATION SUPERVISOR
- W/R SCADA SYSTEM SPECIALIST
- W/R SR FAC IE & C TECH
- W/R SR FAC MECH TECH
- W/R SR FAC WORKER
- W/R SR TREAT PLANT OPERATOR
- W/R TREAT PLANT OPERATOR
- W/R TREATMENT PLANTCOORDINATOR
- W/R WTRSHED ENVIR SPECIALIST
- W/R PROJECT COORDINATOR
- W/R SR. PROJECT COORDINATOR
- W/R SURVEY PARTY
- W/R CREWLEADER
- W/R SURVEY TECHNICIAN
- W/R FACILITIES MAINTENANCE SUPERVISOR

## 19.1 Safety

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### 1. Purpose

- a. The Fayetteville Public Works Commission's (PWC's) safety procedure is designed to reduce workplace injury, minimize financial loss, and to provide the safest possible working environment with appropriate safety equipment and procedures.

## 2. Responsibility

- a. **PWC Commissioners:** Responsible for general oversight and approval of PWC's Safety Procedure.
- b. **Chief Executive Officer/General Manager:** Responsible for the safety of PWC workers; making every effort to provide a safe work environment and eliminating the possibility of injury and illness; enforcing this procedure and the approval of programs, plans, and procedures to support the procedure.
- c. **Officers, Managers, Supervisors:** Responsible for ensuring that workers, under their supervision, follow this procedure; ensuring that workers use safe work practices and receive training to protect their safety; identifying hazards and encouraging workers to play an active role in hazard elimination; enforcing this procedure, that includes programs, plans, and procedures to support the procedure.
- d. **Safety Department:** Responsible for the safety of PWC workers; monitoring and reporting, to the Commission and CEO/GM, on PWC's compliance with all applicable safety laws, regulations and standards; making every effort to provide a safe work environment and eliminating the possibility of injury and illness; developing and updating programs, plans, and procedures for review and approval consistent with this procedure; and revision of this procedure to align with new or updated federal, state, local safety laws. The Safety Department shall develop, coordinate, administer and track safety training.
- e. **Safety Committee:** Responsible for supporting this procedure through all levels of leadership, creating a safe work environment; playing an active role in hazard elimination or mitigation to improve the Safety Program and procedure and the welfare of employees.
- f. **Employees:** It is the responsibility of each employee to report to their Supervisor or Manager, as soon as possible, any hazardous conditions, injury, incidents, or illness related to the workplace. Workers must protect their safety by complying with applicable federal, state, and local laws. Employees shall comply with this procedure and the programs, plans, and procedures developed in support of this procedure.

## 3. Guidelines

- a. The Safety Department will implement the Safety Procedure in order to:
  - i. Develop, approve, and implement programs, plans, and procedures required to comply with this procedure and all applicable safety laws, regulations, and standards.
  - ii. Develop and maintain a PWC Safety Program Manual and distribute to each employee.
  - iii. Measure PWC's safety performance and communicate that performance on a monthly basis to the Commission and all employees.
  - iv. Have a PWC Employee Safety Committee that supports leadership by playing an active role in hazard elimination or mitigation to improve the safety program and procedure.
  - v. Develop effective positive safety culture.
  - vi. Eliminate or mitigate hazards.
- vii. Support seven core elements that further support our Safety Program:
  - (1) Management Leadership
  - (2) Worker Participation

- (3) Hazard Identification and Assessment
- (4) Hazard Prevention and Control
- (5) Education and Training
- (6) Program Evaluation and Improvement
- (7) Communication and Coordination with Contractors

RONNA ROWE GARRETT, COMMISSIONER  
DONALD L. PORTER, COMMISSIONER  
CHRISTOPHER G. DAVIS, COMMISSIONER  
RICHARD W. KING, COMMISSIONER  
TIMOTHY L. BRYANT, 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

June 19, 2024

MEMO TO: Timothy Bryant, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Resolution Directing the Filing of State Revolving Loan Application - Water Service Lines Project and Resolution Accepting the American Rescue Plan Act (ARPA) Grant - Water System Asset and Inventory Assessment (AIA) Project

Attached are two resolutions for Commission action at its June 26, 2024 meeting and below is a summary explaining the purpose of each.

- PWC2024.08 - Resolution directing the filing of State Revolving Loan application for funding the Replacement of Water Service Lines project, which is currently estimated at approximately \$37.2 Million. The application for said loan is due no later than August 1, 2024 and must include the original of this resolution. Details of the loan will be forthcoming in the award letter should PWC be awarded the loan and resolution accepting the offer will be presented to the Commission at that time.
- PWC2024.09 - In April 2024, the North Carolina Department of Environmental Quality (DEQ) offered PWC a \$400,000 American Rescue Plan Act (ARPA) grant for the Water System AIA project. To accept the grant funding offer, PWC must adopt this resolution accepting the grant in the form provided by DEQ. DEQ administers the grant and PWC will make periodic draws throughout the project upon presenting supporting documentation of eligible payments.

Staff recommends that the Commission adopt attached resolution (PWC2024.08) directing Staff to file State Revolving Loan Application for the Replacement of Water Service Lines project and adopt attached resolution (PWC2024.09) to accept the American Rescue Plan Act (ARPA) Grant for the Water System AIA project.

**RESOLUTION OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION TO  
DIRECT THE FILING OF AN APPLICATION FOR STATE LOAN  
ASSISTANCE**

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

**WHEREAS**, The Fayetteville Public Works Commission (“COMMISSION”) has need for and intends to construct, plan for, or conduct a study in a project described as lead service line replacement and service line inventory, and

**WHEREAS**, The COMMISSION intends to request state loan and/or grant assistance for the project,

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

1. The COMMISSION will arrange financing for all remaining costs of the project, if approved for a State loan award.
2. The COMMISSION will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.
3. The COMMISSION agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the COMMISSION to make scheduled repayment of the loan, to withhold from the COMMISSION any State funds that would otherwise be distributed to the COMMISSION in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.
4. The COMMISSION will provide for efficient operation and maintenance of the projects on completion of construction thereof.
5. Timothy Bryant, CEO/General Manager of the COMMISSION, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the COMMISSION with the State of North Carolina for a loan to aid in the construction of the project described above, furnish such information as the appropriate State agency may request in connection with such application or the projects, to make the assurances as contained above, and to execute such other documents as may be required in connection with the application.



6. The COMMISSION has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the projects and to Federal and State grants and loans pertaining thereto.

**ADOPTED** this 26th day of June, 2024.

FAYETTEVILLE PUBLIC WORKS COMMISSION

---

Donald L. Porter, Chairman

ATTEST:

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Ronna Rowe Garrett, Secretary

**CERTIFICATION BY RECORDING OFFICER**

The undersigned duly qualified and acting Clerk to the PWC Board of the Fayetteville Public Works Commission does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the COMMISSION duly held on the 26th day of June, 2024; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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(Signature of Recording Officer)

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(Title of Recording Officer)

<u>Lead Service Line Replacement Program</u>	<u>Cost Estimate</u>
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Replacement of Water Service Lines	\$37,180,000
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**RESOLUTION OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION TO  
ACCEPT THE AMERICAN RESCUE PLAN ACT OFFER UNDER THE STATE  
FISCAL RECOVERY FUND**

**WHEREAS**, the American Rescue Plan Act (ARPA), funded from the State Fiscal Recovery Fund, was established in Session Law (S.L) 2021-180 and S.L. 2022-74 to assist eligible units of local government with meeting their drinking water and/or wastewater and/or stormwater infrastructure needs;

**WHEREAS**, the North Carolina Department of Environmental Quality (NCDEQ) has offered ARPA funding in the amount of \$400,000 to perform the work detailed in the submitted application for the project for which the Funding Offer and Acceptance set forth as Exhibit A attached hereto was granted (the Project); and

**WHEREAS**, the Fayetteville Public Works Commission (“COMMISSION”) intends to perform said project in accordance with the agreed scope of work, and

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

1. The COMMISSION does hereby accept the ARPA grant offer of \$400,000 as presented in Exhibit A;
2. The COMMISSION does hereby give assurance to NCDEQ that all Conditions and Assurances and other items contained in the Funding Offer and Acceptance (award offer) will be adhered to; has substantially complied, or will substantially comply, with all federal, State and local laws, rules, regulations, and ordinances applicable to the Project and to federal and State grants and loans pertaining thereto; and
3. Timothy Bryant, CEO/General Manager of the COMMISSION, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with the project; to make the assurances as contained above; and to execute such other documents as may be required by the NCDEQ, Division of Water Infrastructure.

Adopted this 26th day of June, 2024.

FAYETTEVILLE PUBLIC WORKS COMMISSION

---

Donald L. Porter, Chairman

ATTEST:

---

Ronna Rowe Garrett, Secretary

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

**Funding Offer and Acceptance**

**Legal Name and Address of Award Recipient**

Fayetteville PWC  
955 Old Wilmington Road  
Fayetteville, NC 28301

**Project Number:**

**AIA-D-ARP-0050**

**Recipient's UEID#:**

**UMXDRGNCMPQ7**

**Funding Program**

<b>Drinking Water</b> <input checked="" type="checkbox"/>	<b>Wastewater</b> <input type="checkbox"/>	<b>Both</b> <input type="checkbox"/>	<b>Total Grant Offered</b>
<b>Distressed</b> <input type="checkbox"/>	<b>Not Distressed</b> <input checked="" type="checkbox"/>		
ARPA Training Grant	<input type="checkbox"/>		
ARPA Asset Inventory & Assessment Grant (AIA)	<input checked="" type="checkbox"/>		<b>\$ 400,000</b>
ARPA Merger/Regionalization Feasibility Grant (MRF)	<input type="checkbox"/>		

**Project Description:**

Water System AIA

**Total Financial Assistance Offer:**

**\$ 400,000**

*\*ARPA-funded projects are exempt from both the grant fee and match requirements.*

Pursuant to North Carolina General Statute 159G:

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

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

For The State of North Carolina:

**Shadi Eskaf, Director, Division of Water Infrastructure  
North Carolina Department of Environmental Quality**

DocuSigned by:

*Victor A. D'Amato*

Signed on behalf of Shadi Eskaf

4/10/2024

-----52CD62E9DA6B44F-----  
Signature

\_\_\_\_\_  
Date

On Behalf of (Applicant):

Fayetteville Public Works Commission

Name of Representative in Resolution:

Timothy Bryant

Title (Type or Print):

CEO/General Manager

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## STANDARD CONDITIONS FOR ARPA GRANTS

1. Acceptance of this Funding Offer does not exempt the Recipient from complying with requirements stated in the U.S. Treasury's Final Rule for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and the SLFRF Compliance and Reporting Guidance not explicitly referred to in this document and any future requirements implemented by the U.S Treasury.
2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Recipient shall certify that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project using a certification form provided by DEQ.
3. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants, and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.
4. Subrecipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Subrecipients may access suspension and debarment information at: <http://www.sam.gov>. This system allows subrecipients to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.
5. Projects with a total cost of \$10,000,000 or more must meet U.S. Treasury requirements for prevailing wage rates, project labor agreements, and related requirements. Recipients can either certify meeting the requirements or provide plans and reports as the SLFRF Compliance and Reporting Guidance specifies.
6. The Uniform Guidance 2 CFR 200.317 through 2 CFR 200.327 gives minimum requirements for procurement, with 2 CFR 200.319(b) addressing engineering services procurement guidelines. ARPA-funded projects must also adhere to North Carolina State law, specifically NC General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying (A/E) Services. NCGS 143-64.32 cannot be used to exempt Recipients from a qualification-based selection for A/E. The State provides applicable certification forms that must be completed prior to receiving funds for any engineering services covered under this funding offer.
7. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).
8. Funds made available by the ARPA that are not disbursed to the entity accepting the funds in this document by December 31<sup>st</sup>, 2026, will no longer be available for the project. Unused Federal funds will revert from the State of North Carolina to the U.S. Treasury.

## STANDARD ASSURANCES FOR AIA GRANTS

1. The Recipient acknowledges that no disbursements will be made until applicable service agreements or contracts are submitted. The description of work listed on invoices must be included in the scope of work shown on the agreements or contracts.
2. The Recipient is responsible for paying for ineligible project costs as determined by the Division.
3. The Recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three (3) years following completion of the project.
4. All ARPA funds shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Recipient's compliance with the Standard Conditions and Assurances of this Award. The Recipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute. Requests for disbursements must be made using the Division's disbursement form.
5. All funds provided pursuant to North Carolina General Statute 159G must be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34, as amended. **The Recipient must expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State.** Please note that the State is not a party to any contract(s) and the Recipient is expected to uphold its contract obligations regarding timely payment.
6. The Recipient must provide summaries of project progress every other month during the project or as otherwise directed by the Division.
7. The Recipient must provide a digital copy of the final report in a universally readable format. If a project includes updating or developing a GIS database or shapefiles, at a minimum the current utility service boundaries must be provided as a polygon shapefile, including any service gaps within the boundary.
8. The Recipient must provide an executive level summary of the work performed, any conclusions made, and the next steps to be taken as a result of this work.
9. The Recipient must provide approved minutes or a resolution confirming the final report has been presented to the recipient's governing board.
10. A maximum of 95% of the grant will be paid prior to receipt of the documentation described in Standard Assurance Nos. 7, 8, and 9. After receipt of this documentation, the final disbursement request will be processed.

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

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

.....  
Signature

.....  
Date

**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) 2009 International 7400 VacCon Sewer Truck VIN#1HTWHAAT79J069263 (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. Following the adoption of this Resolution, Commission staff shall cause notice of the sale and information about the Personal Property to be posted on the GovDeals website at [www.govdeals.com](http://www.govdeals.com) at least ten (10) days prior to bid opening. The notice shall summarize the contents of this Resolution and specify the date and time end date of the auction.
3. The auction will be conducted electronically through the GovDeals website at [www.govdeals.com](http://www.govdeals.com), beginning no later than 9:00 a.m. on Friday, June 28<sup>th</sup>, 2024.
4. 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 Personal 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 Personal Property.
5. PWC shall reserve the right to withdraw the Personal Property from sale at any time and to reject all bids.
6. PWC’s Chief Administrative Officer is hereby authorized to execute conveyance documents on behalf of PWC to transfer title to the Personal Property to the winning bidder.
7. 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 26th day of June, 2024.

FAYETTEVILLE PUBLIC WORKS COMMISSION

\_\_\_\_\_  
Donald L. Porter, Chairman

ATTEST:

\_\_\_\_\_  
Ronna Garrett, Secretary



**PUBLIC WORKS COMMISSION  
ACTION REQUEST FORM**

**TO:** Timothy L. Bryant, CEO/General Manager

**DATE:** 6/13/2024

**FROM:** Candice Kirtz, Director of Supply Chain

.....

**ACTION REQUESTED:** Approve award for the purchase of Re-Bid Gas Turbine 6 Frame Size 5 Exhaust Plenum (PWC2324075).

**BID/PROJECT NAME:** Gas Turbine 6 Frame Size 5 Exhaust Plenum

**BID DATE:** June 6, 2024

**DEPARTMENT:** Electric Systems Support

**BUDGET INFORMATION:** 001.0170.802.2412071-01.343000.343000.CPR1000556

.....

BIDDERS	TOTAL PRICE	DELIVERY
Schock Manufacturing LLC, Owasso, OK	\$140,000.00	3 Weeks

.....

**AWARD RECOMMENDED TO:** Schock Manufacturing LLC, Owasso, OK

**BASIS OF AWARDS:** Lowest responsive, responsible bidder and in the best interests of PWC.

**COMMENTS:** The Commission is requested to approve the award for the purchase of a Gas Turbine 6 Frame Size 5 Exhaust Plenum to Schock Manufacturing LLC, the lowest responsive and responsible bidder, in the best interest of PWC. The initial bid notice was advertised through our usual channels on May 14, 2024, with a bid opening date of May 28, 2024. However, no bids were received from the initial advertisement, prompting a re-bid on May 28, 2024. The re-bid bid opening date was scheduled for June 6, 2024. Bids were solicited from three (3) vendors, and one (1) bid was received. The award is recommended to Schock Manufacturing LLC.

.....

**ACTION BY COMMISSION**  
**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**ACTION BY COUNCIL**  
**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**BID HISTORY**  
**GAS TURBINE 6 FRAME SIZE 5 EXHAUST PLENUM**  
**BID DATE: June 6, 2024**

**Advertisement**

- |    |             |                         |
|----|-------------|-------------------------|
| 1. | PWC Website | 5/14/24 through 5/28/24 |
| 2. | PWC Website | 5/28/24 through 6/6/24  |

**List of Prospective Bidders Notified of Bid**

1. Schock Manufacturing LLC, Owasso, OK
2. General Electric Company, Boston, MA
3. TTS Energy Services, Houston TX

**PWC Procurement Mailing List- Registered vendors via the PWC website and Industry registrants.**

**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

**MWDBE / SLS Participation**

Schock Manufacturing LLC is a not MWDBE or local business. Schock is the manufacturer of this purchase and intends to perform the contract with its own workforce.

**PUBLIC WORKS COMMISSION  
ACTION REQUEST FORM**

**TO:** Timothy Bryant CEO/General Manager

**DATE:** June 11, 2024

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

.....

**ACTION REQUESTED:** Approve the recommendation to reject all bids for the purchase of Prefabricated Relay Control Houses for Two (2) Substations: FTCC and Murray Ford Rd. (PWC2324070).

**BID/PROJECT NAME:** Prefabricated Relay Control Houses for Two (2) Substations: FTCC and Murray Ford Rd.

**BID DATE:** May 24, 2024

**DEPARTMENT:** Electric Systems Support

**BUDGET INFORMATION:** 001.0170.0802.0000000-00.690161.CPR1000364

.....

<b>BIDDERS</b>	<b>UOM</b>	<b>QTY</b>	<b>UNIT COST</b>	<b>TOTAL COST</b>
Birmingham Control Systems, Inc., Bessemer, AL	EA	2	\$399,995.00	\$799,999.00
Panelmatic, Brookfield, Ohio	EA	2	\$607,000.00	\$1,214,000.00

.....

**BASIS OF REJECTION:** Bids received were not in the best interest of PWC.

**COMMENTS:** The Commission is requested to reject all bids for the purchase of Prefabricated Relay Control Houses for two substations: FTCC and Murray Ford Rd. The bid notice was advertised through PWC's usual channels on April 30, 2024, with a bid opening date of May 24, 2024. Five vendors were solicited, and PWC received two bids, which were evaluated by the Procurement and Electric Systems Support departments. Both departments recommend rejecting the bids because they exceed the budget and are not in PWC's best interest. The Procurement Department will prepare a separate Action Request Form to increase the quantity of PWC2324035 Relay Control Houses that was approved by the Commission on April 10, 2024.

.....

**ACTION BY COMMISSION**  
**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**ACTION BY COUNCIL**  
**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**BID HISTORY**  
**PREFABRICATED RELAY CONTROL HOUSES FOR TWO (2) SUBSTATIONS: FTCC AND**  
**MURRAY FORD RD.**  
**BID DATE: MAY 24, 2024**

**Advertisement**

- |    |             |                           |
|----|-------------|---------------------------|
| 1. | PWC Website | 04/30/24 through 05/24/24 |
|----|-------------|---------------------------|

**List of Prospective Bidders Notified of Bid**

- |    |   |
|----|---|
| 1. | Robert W. Chapman & Co., Charlotte, NC 28217        |
| 2. | Utility Service Agency, Inc., Wake Forest, NC 27587 |
| 3. | Jake Rudisill Associates, Inc., Charlotte, NC 28204 |
| 4. | W.R. Daniels & Associates, Winston-Salem, NC 27106  |
| 5. | KVA, Inc., Raleigh, NC 27608                        |

**PWC Procurement Mailing List- Registered vendors via the PWC website and Industry Day registrants.**

**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

**MWDBE / SLS Participation**

N/A

**FAYETTEVILLE PUBLIC WORKS COMMISSION  
ACTION REQUEST FORM**

**TO:** Timothy Bryant, CEO/General Manager

**DATE:** June 13, 2024

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

.....  
**ACTION REQUESTED:** Approve award for two (2) additional purchases of relay control houses solicited under bid number PWC2324035.

**BID/PROJECT NAME:** Relay Control Houses

**BID DATE:** February 1, 2024

**DEPARTMENT:** Electric Systems Support

**BUDGET INFORMATION:** This project will be bond funded via the following account strings:  
103.0000.0802.2207988-05.690161..CPR1000471 & 103.0000.0802.2102564-05.690161..CPR1000421

.....  
**PWC 2324035**

**BIDDER/S**

VFP, Inc. Roanoke, VA

UOM	QTY	UNIT COST	TOTAL COST
EA	2	\$302,945.00	\$605,890.00

**PWC 2324070**

**BIDDER/S**

Birmingham Control Systems, Inc., Bessemer, AL  
Panelmatic, Brookfield, Ohio

EA	2	\$399,995.00	\$799,999.00
EA	2	\$607,000.00	\$1,214,000.00

.....  
**AWARD RECOMMENDED TO:** VFP, Inc. Roanoke, VA

**BASIS OF AWARD:** Lowest responsive, responsible bidder

**COMMENTS:** On April 10, 2024, the Commission approved an award recommendation for the purchase of relay control houses required for the reconstruction of the P.O. Hoffer 69 to 15 x 25kV Substation and the Cumberland Road 69 to 15 x 25kV Substation. The contract was awarded to the lowest responsive and responsible bidder, VFP, Inc., based in Roanoke, VA.

Subsequent to this award, the PWC Procurement Department solicited bids under bid number PWC2324070 for two additional relay houses. The lowest bid under PWC2324070 was \$194,109.00 higher than the awarded bid under PWC2324035. VFP, Inc. has agreed to provide the two (2) additional relay control houses to PWC at the same unit cost as in the initial contract under PWC2324035.

The Commission is requested to approve the award for the two (2) additional relay control houses to VFP, Inc.

.....  
**ACTION BY COMMISSION**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_

**DATE** \_\_\_\_\_

**ACTION BY COUNCIL**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_

**DATE** \_\_\_\_\_



## **BID HISTORY**

Relay Control Houses

**BID DATE: February 1, 2024, at 2:00 pm**

### **Advertisement**

1. PWC Website 12/20/2023 through 2/1/2024

### **List of Prospective Bidders Notified of Bid**

1. Tatman Associates, Inc., Solon, OH
2. Substation Enterprises, Inc., Alabaster, AL
3. Lekson Associates, Inc., Raleigh, NC
4. Jake Rudisill Associations, Charlotte, NC
5. Schweitzer Engineering Laboratories, Mt. Holly, NC
6. VFP, Inc., Roanoke VA

**PWC Procurement Mailing List- Registered vendors via the PWC website and Industry Day registrants.**

#### **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

**MWDBE / Local Participation**

VFP, Inc., Roanoke, VA is not a small local or MWDBE business. VFP, Inc.

**PUBLIC WORKS COMMISSION  
ACTION REQUEST FORM**

**TO:** Timothy L. Bryant, CEO/General Manager

**DATE:** 6/11/2024

**FROM:** Candice Kirtz, Director of Supply Chain

.....  
**ACTION REQUESTED:** Approve award for the purchase of Online Low Range Turbidimeter & UV-254 Replacement (PWC2324076).

**BID/PROJECT NAME:** Online Low Range Turbidimeter & UV-254 Replacement

**BID DATE:** May 30, 2024

**DEPARTMENT:** PO Hoffer Water Treatment Plant

**BUDGET INFORMATION:** 002.0630.0802.00000000-00.323000.32300.2406304968.000.00000.00000

.....  

<b>BIDDERS</b>	<b>TOTAL PRICE</b>	<b>DELIVERY</b>
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Swan Analytical USA, Inc.	\$149,005.00	2-3 Weeks
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.....

**AWARD RECOMMENDED TO:** Swan Analytical USA, Inc., Wheeling, IL

**BASIS OF AWARDS:** Lowest responsive, responsible bidder and in the best interests of PWC.

**COMMENTS:** The Commission is requested to approve the award for the purchase of an Online Low Range Turbidimeter & UV-254 Replacement to Swan Analytical USA, Inc., the lowest responsive and responsible bidder, in the best interest of PWC. The bid notice was advertised through our usual channels on May 16, 2024, with a bid opening date of May 30, 2024. Bids were solicited from two (2) vendors, and one (1) bid was received. The award is recommended to Swan Analytical USA, Inc.

.....

**ACTION BY COMMISSION**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**ACTION BY COUNCIL**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_  
**DATE** \_\_\_\_\_

**BID HISTORY**  
**ONLINE LOW RANGE TURBIDIMETER & UV-254 REPLACEMENT**  
**BID DATE: May 30, 2024**

**Advertisement**

- |                |                         |
|----------------|-------------------------|
| 1. PWC Website | 5/16/24 through 5/30/24 |
|----------------|-------------------------|

**List of Prospective Bidders Notified of Bid**

1. Swan Analytical USA, Inc., Wheeling, IL
2. Hach Company, Loveland, CO

**PWC Procurement Mailing List- Registered vendors via the PWC website and Industry registrants.**

**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

**MWDBE / SLS Participation**

Swan Analytical USA. is a not MWDBE or local business. Swan Analytical USA, Inc.is the manufacturer of this purchase and intends to perform the contract with its own workforce.

**PUBLIC WORKS COMMISSION  
ACTION REQUEST FORM**

**TO:** Timothy L. Bryant, CEO/General Manager

**DATE:** 6/11/2024

**FROM:** Candice Kirtz, Director of Supply Chain

.....

**ACTION REQUESTED:** Approve award for the purchase of Re-bid Lift Station Rehabilitation (PWC2324054)

**BID/PROJECT NAME:** Re-bid Lift Station Rehabilitation

**BID DATE:** May 2, 2024

**DEPARTMENT:** Water Resources Engineering

**BUDGET INFORMATION:** 002.0160.0435.0000000-00.80005.CPR1000390

.....

**BIDDERS**

**TOTAL PRICE**

Mechanical Jobbers Marketing, Inc.

\$397,400.00

Carolina Management Team

\$514,810.00

.....

**AWARD RECOMMENDED TO:**

Lift Station Rehabilitation – Mechanical Jobbers Marketing, Inc.

**BASIS OF AWARDS:** Lowest responsive, responsible bidders and in the best interests of PWC.

**COMMENTS:** The Commission is requested to approve the award for the Re-Bid Lift Station Rehabilitation project to Mechanical Jobbers Marketing, Inc., the lowest responsive and responsible bidder, in the best interest of PWC. The bid notice was advertised through our usual channels on April 11, 2024, with a bid opening date of May 2, 2024. Bids were solicited from three (3) vendors, and two (2) bids were received. The award is recommended to Mechanical Jobbers Marketing.

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**ACTION BY COMMISSION**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_

**DATE** \_\_\_\_\_

**ACTION BY COUNCIL**

**APPROVED** \_\_\_\_\_ **REJECTED** \_\_\_\_\_

**DATE** \_\_\_\_\_

**BID HISTORY**  
**RE-BID LIFT STATION REHABILITATION**  
**BID DATE: May 2, 2024**

**Advertisement**

- |                |                          |
|----------------|--------------------------|
| 1. PWC Website | 4/12/24 through 5/2/2024 |
|----------------|--------------------------|

**List of Prospective Bidders Notified of Bid**

1. Mechanical Jobbers Marketing, Inc., Lithonia, GA
2. Carolina Management Team, Highpoint, NC
3. Culy Contracting, Winchester, IN

**PWC Procurement Mailing List- Registered vendors via the PWC website and Industry Day registrants.**

**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**

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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

**MWDBE / SLS Participation**

Mechanical Jobbers Marketing, Inc., Lithonia, GA is A North Carolina-certified Minority-Owned business. They plan to use a WBE firm for storage and housing rental needs and are actively assisting this firm with their NC HUB Certification.



June 19, 2024

MEMO TO: Timothy Bryant, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: FY 2024 Electric and Water/Wastewater (W/WW) Fund Budget Amendment #8 PWCORD2024-06

Attached is a budget ordinance amendment #8 to the Electric Fund and W/WW Fund for Commission action at the June 26<sup>th</sup> meeting.

PWCORD2024-06 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$1,380,900 to \$309.6 million and the W/WW Fund is decreasing \$134,900 to \$156.6 million.

#### Electric Fund

- **Electric Fund Revenue:** Total Electric Fund Revenue increased by \$1,380,900.
  - Total Budgetary Appropriations increased by \$1,380,900 due to the net effect of decreasing the Appropriation from Rate Stabilization by \$141,500 and increasing the Appropriation from Electric Net Position by \$1,522,400 to support increased expenses below.
- **Electric Fund Expenditures:** Total Electric Fund Expenditures increased by \$1,380,900.
  - Operating Expenditures decreased by \$253,300 due to the transfer of funds to the PWC Foundation Reserve and GASB 96 lease adjustments.
  - Capital decreased by \$1,406,600 due to supply chain restrictions and project delays.
  - Total Budgetary Appropriations increased by \$3,040,800. This includes the increase of the Transfer to Budget Carryover Reserve by \$2,406,600, the increase of the PWC Foundation Reserve by \$339,800, and the increase of the Legal Reserve by \$294,400.

#### W/WW Fund

- **W/WW Fund Revenue:** Total W/WW Fund Revenue decreased by \$134,900.
  - Total Budgetary Appropriations decreased by \$134,900. This includes the increase of the Appropriation from Annexation Phase V Reserve by \$292,700, the decrease of the Transfer from Budget Carryover Reserve by \$1,060,500 due to equipment delays, and the increase of the Appropriation from W/WW Net Position by \$632,900.

- **W/WW Fund Expenditures:** Total W/WW Fund Expenditures decreased by \$134,900.
  - Operating Expenditures decreased by \$253,300 due to the transfer of funds to the PWC Foundation Reserve, GASB 96 lease adjustments, and project delays.
  - Capital decreased by \$2,532,800 due to supply chain restrictions and project delays.
  - Total Budgetary Appropriations increased by \$2,794,800. This includes the increase of the Transfer to Budget Carryover Reserve by \$2,532,800, the increase of the PWC Foundation Reserve by \$339,800, the increase of the Legal Reserve by \$264,300, and the decrease of the Appropriation to W/WW Net Position by \$342,100.

Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2024-06.

# **FY 2024 AMENDMENT #8 BUDGET ORDINANCE (PWCORD2024-06)**

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

That the Fayetteville Public Works Commission Budget Ordinance adopted May 24, 2023 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, 2023, and ending June 30, 2024, to meet the appropriations listed in Section 2.

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Electric Revenues	\$ 224,336,400	\$ -	\$ 224,336,400
Operating and Other Revenues	16,357,600	-	16,357,600
BWGP Lease Payment	12,517,500	-	12,517,500
Customer Contributions	2,243,300	-	2,243,300
Intergovernmental Revenue	-	-	-
Budgetary Appropriations	52,735,300	1,380,900	54,116,200
<b>Total Estimated Electric Fund Revenues</b>	<b>\$ 308,190,100</b>	<b>\$ 1,380,900</b>	<b>\$ 309,571,000</b>
<u>Schedule B: Water and Wastewater Fund</u>			
Water Revenues	\$ 60,814,400	\$ -	\$ 60,814,400
Wastewater Revenues	69,070,600	-	69,070,600
Operating and Other Revenues	12,869,200	-	12,869,200
Customer Contributions	3,446,500	-	3,446,500
Intergovernmental Revenue - Assessments	890,000	-	890,000
Budgetary Appropriations	9,656,200	(134,900)	9,521,300
<b>Total Est Water and Wastewater Fund Revenues</b>	<b>\$ 156,746,900</b>	<b>\$ (134,900)</b>	<b>\$ 156,612,000</b>
<b>Grand Total</b>	<b>\$ 464,937,000</b>	<b>\$ 1,246,000</b>	<b>\$ 466,183,000</b>

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, 2023, and ending June 30, 2024, according to the following schedules:

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Operating Expenditures	\$ 227,372,800	\$ (253,300)	\$ 227,119,500
Debt Service	4,415,100	-	4,415,100
Capital	39,865,900	(1,406,600)	38,459,300
Payment in Lieu of Taxes - City	12,243,800	-	12,243,800
Budgetary Appropriations	24,292,500	3,040,800	27,333,300
<b>Total Estimated Electric Fund Expenditures</b>	<b>\$ 308,190,100</b>	<b>\$ 1,380,900</b>	<b>\$ 309,571,000</b>
<u>Schedule B: Water and Wastewater Fund</u>			
Operating Expenditures	\$ 86,928,700	\$ (396,900)	\$ 86,531,800
Debt Service	28,757,000	-	28,757,000
Capital	25,041,800	(2,532,800)	22,509,000
Budgetary Appropriations	16,019,400	2,794,800	18,814,200
<b>Total Est Water and Wastewater Fund Expenditures</b>	<b>\$ 156,746,900</b>	<b>\$ (134,900)</b>	<b>\$ 156,612,000</b>
<b>Grand Total</b>	<b>\$ 464,937,000</b>	<b>\$ 1,246,000</b>	<b>\$ 466,183,000</b>

Section 3. That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2023, 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 26th day of June, 2024.

## ELECTRIC & W/WW FUNDS SUMMARY

DESCRIPTION	ADOPTED ORIGINAL BUDGET FY 2024	BUDGET AMD #1-7 FY 2024	BUDGET AMD #8 FY 2024	PROPOSED AMENDED BUDGET FY 2024
<b>ELECTRIC FUND:</b>				
REVENUES	\$243,210,400	\$10,001,100	\$0	\$253,211,500
CONTRIBUTIONS AND/OR GRANTS	2,243,300	0	0	2,243,300
INTERGOV REVENUE	2,666,700	(2,666,700)	0	0
APPR. FROM RATE STABILIZATION FUND	19,300,000	12,216,000	(141,500)	31,374,500
TRANSFER FROM REPS	1,380,500	0	0	1,380,500
TRANSFER FROM COAL ASH RESERVE	6,154,700	0	0	6,154,700
TRANSFER FROM BUDGET CARRYOVER RES	491,000	0	0	491,000
TRANSFER FROM CAPITALIZED INTEREST FUND	0	953,800	0	953,800
SERIES 2023 BOND PROCEEDS	0	2,618,100	0	2,618,100
ACCOUNTS RECEIVABLE - CITY	0	2,666,700	0	2,666,700
APPR. FROM ELECTRIC NET POSITION	0	6,954,500	1,522,400	8,476,900
<b>TOTAL REVENUES ELECTRIC</b>	<b>\$275,446,600</b>	<b>\$32,743,500</b>	<b>\$1,380,900</b>	<b>\$309,571,000</b>
EXPENDITURES	\$63,490,300	\$966,200	(\$134,000)	\$64,322,500
PURCHASED POWER & GENERATION	153,265,200	8,400,600	0	161,665,800
BOND INTEREST EXPENSE	972,600	2,043,800	0	3,016,400
BOND INTEREST AMORTIZATION	(169,500)	(17,800)	0	(187,300)
OTHER FINANCE COST	26,500	405,000	0	431,500
INTEREST - LEASES	47,700	0	(9,200)	38,500
PAYMENT IN LIEU OF TAXES - CITY	12,243,800	0	0	12,243,800
CAPITAL EXPENDITURES	29,568,000	10,297,900	(1,406,600)	38,459,300
BOND PRINCIPAL PAYMENTS	1,154,500	0	0	1,154,500
PRINCIPAL PAYMENT-LEASES	1,202,800	0	(110,100)	1,092,700
APPR. TO RATE STABILIZATION FUND	250,000	8,821,400	0	9,071,400
TRANSFER TO REPS RESERVE	2,380,800	0	0	2,380,800
BWGP START COST RESERVE	160,000	0	0	160,000
TRANSFER TO ANNEXATION PH V RESERVE - CITY FUND PORTION	5,166,500	0	0	5,166,500
TRANSFER TO COAL ASH RESERVE	2,810,000	1,885,300	0	4,695,300
TRANSFER TO TRANS EQUIPMENT CPF	2,568,500	0	0	2,568,500
TRANSFER TO LEGAL RESERVE	250,000	0	294,400	544,400
TRANSFER TO PWC FOUNDATION RESERVE	0	0	339,800	339,800
APPR. TO ELECTRIC NET POSITION	58,900	(58,900)	0	0
<b>TOTAL EXPENDITURES ELECTRIC</b>	<b>\$275,446,600</b>	<b>\$32,743,500</b>	<b>\$1,380,900</b>	<b>\$309,571,000</b>
<b>WATER &amp; WASTEWATER FUND:</b>				
REVENUES	\$142,754,200	\$0	\$0	\$142,754,200
CONTRIBUTIONS AND GRANTS	3,446,500	0	0	3,446,500
INTERGOV REVENUE	890,000	0	0	890,000
APPR. FROM ANNEX PH V RES. FUND	4,778,300	0	292,700	5,071,000
TRANSFER FROM CAPITALIZED INTEREST FUND	0	1,424,400	0	1,424,400
SERIES 2023 BOND PROCEEDS	0	1,953,500	0	1,953,500
TRANSFER FROM BUDGET CARRYOVER RES	1,500,000	0	(1,060,500)	439,500
<b>TOTAL REVENUES WATER &amp; WASTEWATER</b>	<b>\$153,369,000</b>	<b>\$3,377,900</b>	<b>(\$134,900)</b>	<b>\$155,979,100</b>
EXPENDITURES	\$85,333,600	\$309,600	(\$260,000)	\$85,383,200
BOND INTEREST EXPENSE	10,683,200	1,194,100	0	11,877,300
BOND INTEREST EXPENSE - ANNEX.	0	1,858,300	0	1,858,300
BOND INTEREST - AMORTIZATION	(1,072,600)	(26,600)	0	(1,099,200)
LOAN INTEREST EXPENSE	259,900	0	0	259,900
OTHER FINANCE COST	421,800	1,286,500	0	1,708,300
INTEREST - LEASES	47,700	0	(9,100)	38,600
CAPITAL EXPENDITURES	24,004,800	1,037,000	(2,532,800)	22,509,000
BOND PRINCIPAL PAYMENTS	11,870,600	0	0	11,870,600
LOAN PRINCIPAL PAYMENTS	2,281,800	0	0	2,281,800
PRINCIPAL PAYMENT-LEASES	1,237,800	0	(127,800)	1,110,000
APPR. TO RATE STABILIZATION FUND	250,000	0	0	250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,268,800	0	0	2,268,800
TRANSFER TO ANNEXATION PHASE V RESERVE	1,600,000	0	0	1,600,000
TRANSFER TO NCDOT RESERVE	9,031,000	0	0	9,031,000
TRANSFER TO TRANS EQUIPMENT CPF	1,602,500	0	0	1,602,500
TRANSFER TO LEGAL RESERVE	250,000	0	264,300	514,300

## ELECTRIC & W/WW FUNDS SUMMARY

DESCRIPTION	ADOPTED ORIGINAL BUDGET FY 2024	BUDGET AMD #1-7 FY 2024	BUDGET AMD #8 FY 2024	PROPOSED AMENDED BUDGET FY 2024
TRANSFER TO DIRECTED GRANT PROJECT FUND	55,000	0	0	55,000
TRANSFER TO PARTICIPATION RESERVE	270,000	0	0	270,000
TRANSFER TO AIA GRANT PROJECT FUND	350,000	0	0	350,000
TRANSFER TO PWC FOUNDATION RESERVE	0	0	339,800	339,800
APPR. TO W/WW NET POSITION	2,623,100	(2,281,000)	(342,100)	0
<b>TOTAL EXPEND. WATER &amp; WASTEWATER</b>	<b>\$153,369,000</b>	<b>\$3,377,900</b>	<b>(\$134,900)</b>	<b>\$156,612,000</b>
<b>TOTAL ELECTRIC &amp; W/WW</b>	<b>\$428,815,600</b>	<b>\$36,121,400</b>	<b>\$1,246,000</b>	<b>\$466,183,000</b>

## ELECTRIC FUND SUMMARY

DESCRIPTION	ADOPTED ORIGINAL BUDGET FY 2024	BUDGET AMD #1-7 FY 2024	BUDGET AMD #8 FY 2024	PROPOSED AMENDED BUDGET FY 2024
ELECTRIC OPERATING REVENUE	\$240,639,600	\$10,001,100	\$0	\$250,640,700
OTHER ELECTRIC REVENUE	2,570,800	0	0	2,570,800
<b>TOTAL OPERATING &amp; OTHER REVENUE</b>	<b>\$243,210,400</b>	<b>\$10,001,100</b>	<b>\$0</b>	<b>\$253,211,500</b>
CONTRIBUTIONS AND GRANTS	\$2,243,300	\$0	\$0	\$2,243,300
REMITTANCES FROM CITY	2,666,700	(2,666,700)	0	0
APPR. FROM RATE STABILIZATION FUND	19,300,000	12,216,000	(141,500)	31,374,500
TRANSFER FROM REPS	1,380,500	0	0	1,380,500
TRANSFER FROM COAL ASH RESERVE	6,154,700	0	0	6,154,700
TRANSFER FROM BUDGET CARRYOVER RES	491,000	0	0	491,000
TRANSFER FROM CAPITALIZED INTEREST FUND	0	953,800	0	953,800
SERIES 2023 BOND PROCEEDS	0	2,618,100	0	2,618,100
ACCOUNTS RECEIVABLE - CITY	0	2,666,700	0	2,666,700
APPR. FROM ELECTRIC NET POSITION	0	6,954,500	1,522,400	8,476,900
<b>TOTAL ELECTRIC REVENUE</b>	<b>\$275,446,600</b>	<b>\$32,743,500</b>	<b>\$1,380,900</b>	<b>\$309,571,000</b>
ELECTRIC DIVISION - DISTRIBUTION	\$30,821,100	\$8,800	\$0	\$30,829,900
ELECT. DIV. - PURCHASED POWER & GEN.	153,265,200	8,400,600	0	161,665,800
MANAGEMENT DIVISION	4,143,700	0	(165,000)	3,978,700
COMM. & COMMUNITY RELATIONS DIVISION	856,200	0	0	856,200
LEGAL DIVISION	264,900	0	0	264,900
CUSTOMER CARE DIVISION	5,809,200	4,000	0	5,813,200
ADMINISTRATIVE DIVISION	14,078,400	805,800	0	14,884,200
FINANCIAL DIVISION	3,637,100	0	31,000	3,668,100
GENERAL & ADMINISTRATION	10,615,500	129,800	0	10,745,300
DEPRECIATION EXPENSE	20,462,200	0	0	20,462,200
AMORTIZATION - LEASES	1,212,600	0	(131,300)	1,081,300
OVERHEAD CLEARING	(6,905,300)	0	0	(6,905,300)
BOND INTEREST EXPENSE	972,600	2,043,800	0	3,016,400
BOND INTEREST - AMORTIZATION	(169,500)	(17,800)	0	(187,300)
OTHER FINANCE COST	26,500	405,000	0	431,500
INTEREST - LEASES	47,700	0	(9,200)	38,500
PAYMENT IN LIEU OF TAXES - CITY	12,243,800	0	0	12,243,800
<b>TOTAL OPERATING &amp; OTHER EXPENSES</b>	<b>\$251,381,900</b>	<b>\$11,780,000</b>	<b>(\$274,500)</b>	<b>\$262,887,400</b>
<b>NET OPERATING RESULTS</b>	<b>(\$8,171,500)</b>	<b>(\$1,778,900)</b>	<b>\$274,500</b>	<b>(\$9,675,900)</b>
CAPITAL EXPENDITURES	\$29,568,000	\$10,297,900	(\$1,406,600)	\$38,459,300
BOND PRINCIPAL PAYMENTS	1,154,500	0	0	1,154,500
PRINCIPAL PAYMENT - LEASES	1,202,800	0	(110,100)	1,092,700
DEPRECIATION/AMORTIZATION ADJUSTMENT	(21,505,300)	17,800	131,300	(21,356,200)
<b>TOTAL SUPPLEMENTAL EXPENDITURES</b>	<b>\$10,420,000</b>	<b>\$10,315,700</b>	<b>(\$1,385,400)</b>	<b>\$19,350,300</b>
<b>TOTAL EXPENSES &amp; SUPPLEMENTAL EXP.</b>	<b>\$261,801,900</b>	<b>\$22,095,700</b>	<b>(\$1,659,900)</b>	<b>\$282,237,700</b>
APPR. TO RATE STABILIZATION FUND	\$250,000	\$8,821,400	\$0	\$9,071,400
TRANSFER TO REPS RESERVE	2,380,800	0	0	2,380,800
BWGP START COST RESERVE	160,000	0	0	160,000
TRANSFER TO BUDGET CARRYOVER RESERVE	0	0	2,406,600	2,406,600
TRANSFER TO ANNEXATION PHASE V RES - CITY FD PORTION	5,166,500	0	0	5,166,500
TRANSFER TO COAL ASH RESERVE	2,810,000	1,885,300	0	4,695,300
TRANSFER TO TRANS EQUIPMENT CPF	2,568,500	0	0	2,568,500
TRANSFER TO LEGAL RESERVE	250,000	0	294,400	544,400
TRANSFER TO PWC FOUNDATION RESERVE	0	0	339,800	339,800
APPR. TO ELECTRIC NET POSITION	58,900	(58,900)	0	0
<b>TOTAL BUDGETARY APPROPRIATIONS</b>	<b>\$13,644,700</b>	<b>\$10,647,800</b>	<b>\$3,040,800</b>	<b>\$27,333,300</b>
<b>TOTAL ELECTRIC EXPENDITURES</b>	<b>\$275,446,600</b>	<b>\$32,743,500</b>	<b>\$1,380,900</b>	<b>\$309,571,000</b>

## WATER & WASTEWATER FUND SUMMARY

DESCRIPTION	ADOPTED ORIGINAL BUDGET FY 2024	BUDGET AMD #1-7 FY 2024	BUDGET AMD #8 FY 2024	PROPOSED AMENDED BUDGET FY 2024
WATER OPERATING REVENUE	\$60,814,400	\$0	\$0	\$60,814,400
SANITARY SEWER OPERATING REVENUE	69,070,600	0	0	69,070,600
OTHER OPERATING REVENUE	11,398,400	0	0	11,398,400
OTHER WATER & SAN. SEWER REVENUE	1,470,800	0	0	1,470,800
<b>TOTAL OPERATING &amp; OTHER REVENUE</b>	<b>\$142,754,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$142,754,200</b>
CONTRIBUTIONS AND GRANTS	\$3,446,500	\$0	\$0	\$3,446,500
REMITTANCES FROM CITY	890,000	0	0	890,000
APPR. FROM ANNEX PH V RES. FUND	4,778,300	0	292,700	5,071,000
TRANSFER FROM CAPITALIZED INTEREST FUND	0	1,424,400	0	1,424,400
SERIES 2023 BOND PROCEEDS	0	1,953,500	0	1,953,500
TRANSFER FROM BUDGET CARRYOVER RES	1,500,000	0	(1,060,500)	439,500
APPR. FROM W/WW NET POSITION	0	0	632,900	0
<b>TOTAL WATER &amp; WASTEWATER REVENUE</b>	<b>\$153,369,000</b>	<b>\$3,377,900</b>	<b>(\$134,900)</b>	<b>\$155,979,100</b>
WATER RESOURCES DIVISION	\$52,156,800	(\$400,000)	(\$126,000)	\$51,630,800
MANAGEMENT DIVISION	2,897,300	0	(165,000)	2,732,300
COMM. & COMMUNITY RELATIONS DIVISION	849,600	0	0	849,600
LEGAL DIVISION	264,900	0	0	264,900
CUSTOMER CARE DIVISION	5,346,200	0	0	5,346,200
ADMINISTRATIVE DIVISION	15,168,900	805,800	0	15,974,700
FINANCIAL DIVISION	3,572,100	7,000	31,000	3,610,100
GENERAL & ADMINISTRATION	11,954,200	(129,800)	0	11,824,400
DEPRECIATION EXPENSE - WATER	13,643,000	0	0	13,643,000
DEPRECIATION EXPENSE - SEWER	17,278,700	0	0	17,278,700
AMORTIZATION-LEASES	1,242,100	0	(144,400)	1,097,700
OVERHEAD CLEARING	(7,949,000)	0	0	(7,949,000)
BOND INTEREST EXPENSE	10,683,200	1,194,100	0	11,877,300
BOND INTEREST EXPENSE - ANNEX.	0	1,858,300	0	1,858,300
BOND INTEREST - AMORTIZATION	(1,072,600)	(26,600)	0	(1,099,200)
LOAN INTEREST EXPENSE	259,900	0	0	259,900
OTHER FINANCE COST	421,800	1,286,500	0	1,708,300
INTEREST - LEASES	47,700	0	(9,100)	38,600
<b>TOTAL OPERATING &amp; OTHER EXPENSES</b>	<b>\$126,764,800</b>	<b>\$4,595,300</b>	<b>(\$413,500)</b>	<b>\$130,946,600</b>
<b>NET OPERATING RESULTS</b>	<b>\$15,989,400</b>	<b>(\$4,595,300)</b>	<b>\$413,500</b>	<b>\$11,807,600</b>
CAPITAL EXPENDITURES	\$24,004,800	\$1,037,000	(\$2,532,800)	\$22,509,000
BOND PRINCIPAL PAYMENTS	11,870,600	0	0	11,870,600
LOAN PRINCIPAL PAYMENTS	2,281,800	0	0	2,281,800
PRINCIPAL PAYMENT-LEASES	1,237,800	0	(127,800)	1,110,000
DEPRECIATION/AMORTIZATION ADJUSTMENT	(31,091,200)	26,600	144,400	(30,920,200)
<b>TOTAL SUPPLEMENTAL EXPENDITURES</b>	<b>\$8,303,800</b>	<b>\$1,063,600</b>	<b>(\$2,516,200)</b>	<b>\$6,851,200</b>
<b>TOTAL EXPENSES &amp; SUPPLEMENTAL EXP.</b>	<b>\$135,068,600</b>	<b>\$5,658,900</b>	<b>(\$2,929,700)</b>	<b>\$137,797,800</b>
APPR. TO RATE STABILIZATION FUND	\$250,000	\$0	\$0	\$250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,268,800	0	0	2,268,800
TRANSFER TO ANNEXATION PHASE V RESERVE	1,600,000	0	0	1,600,000
TRANSFER TO NCDOT RESERVE	9,031,000	0	0	9,031,000
TRANSFER TO TRANS EQUIPMENT RES	1,602,500	0	0	1,602,500
TRANSFER TO BUDGET CARRYOVER RES	0	0	2,532,800	2,532,800
TRANSFER TO LEGAL RESERVE	250,000	0	264,300	514,300
TRANSFER TO DIRECTED GRANT PROJECT FUND	55,000	0	0	55,000
TRANSFER TO PARTICIPATION RESERVE	270,000	0	0	270,000
TRANSFER TO AIA GRANT PROJECT FUND	350,000	0	0	350,000
TRANSFER TO PWC FOUNDATION RESERVE	0	0	339,800	339,800
APPR. TO W/WW NET POSITION	2,623,100	(2,281,000)	(342,100)	0
<b>TOTAL BUDGETARY APPROPRIATIONS</b>	<b>\$18,300,400</b>	<b>(\$2,281,000)</b>	<b>\$2,794,800</b>	<b>\$18,814,200</b>
<b>TOTAL WATER &amp; W/W EXPENDITURES</b>	<b>\$153,369,000</b>	<b>\$3,377,900</b>	<b>(\$134,900)</b>	<b>\$156,612,000</b>

RONNA ROWE GARRETT, COMMISSIONER  
DONALD L. PORTER, COMMISSIONER  
CHRISTOPHER G. DAVIS, COMMISSIONER  
RICHARD W. KING, COMMISSIONER  
TIMOTHY L. BRYANT, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION  
955 OLD WILMINGTON RD  
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TELEPHONE (910) 483-1401  
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June 19, 2024

MEMO TO: Timothy Bryant, CEO/General Manager  
MEMO FROM: Rhonda Haskins, Chief Financial Officer  
SUBJECT: Capital Project Fund (CPF) Budget Ordinances

Attached are CPF budget ordinance amendments for Commission action at the June 26<sup>th</sup> meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective upon adoption:

- PWCORD2024-07 amends the Electric Rate Stabilization Fund to decrease the budgeted transfer to the Electric General Fund (GF) by \$141,535 for lower catch-up energy costs, consistent with the GF budget, and to update transfers and interest income to actuals as of FY24.
- PWCORD2024-08 amends the Annexation Phase V Reserve to increase the budgeted transfer to the Water and Wastewater General Fund (GF) by \$292,700 for debt service.
- PWCORD2024-09 amends the Electric Transportation Equipment Capital Project Fund to close out long lead time purchases made in FY24.
- PWCORD2024-10 amends the Series 2021 Electric Capital Project Fund to recognize interest income of \$23,932.
- PWCORD2024-11 amends the Series 2021 Water and Wastewater Capital Project Fund to recognize interest income of \$1,206,072.
- PWCORD2024-12 amends the Water Transportation Equipment Capital Project Fund to close out long lead time purchases made in FY24.

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



CAPITAL PROJECT ORDINANCE AMENDMENT  
ELECTRIC UTILITY SYSTEM RATE STABILIZATION FUND AMENDMENT #50  
PWCORD2024-07

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

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

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

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

	Listed As	Amendment	Revised
Transfer from Electric General Fund	\$ 88,454,226	-	\$ 88,454,226
Transfer from Electric General Fund - PSA	12,683,015	-	12,683,015
Transfer from Electric General Fund - True-Up Credits	14,947,753	-	14,947,753
Rate Stabilization Transfer	4,169,725	-	4,169,725
Interest Income	9,328,300	700,000	10,028,300
	<u>\$ 129,583,019</u>	<u>\$ 700,000</u>	<u>\$ 130,283,019</u>

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

	Listed As	Amendment	Revised
Transfer to Electric Fund - Pre-2013	\$ 5,000,000	\$ -	\$ 5,000,000
Transfer to Electric Fund - 2013 and forward	73,243,695	(141,535)	73,102,160
Tfer to Electric Fd-City Interlocal Agreement-COVID19	4,000,000	-	4,000,000
Transfer to Electric Fund - Duke Energy True-Up	13,577,411	-	13,577,411
Advance to Water/Wastewater Fund	9,800,000	(9,800,000)	-
Appropriated Net Assets	23,961,913	10,641,535	34,603,448
	<u>\$ 129,583,019</u>	<u>\$ 700,000</u>	<u>\$ 130,283,019</u>

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

Adopted this 26th day of June, 2024.

CAPITAL RESERVE FUND ORDINANCE AMENDMENT  
ANNEXATION PHASE V RESERVE FUND AMENDMENT #48  
PWCORD2024-08

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	\$ 35,820,465	\$ -	\$ 35,820,465
Transfer from PWC Electric Fund - City Portion	36,027,899	-	36,027,899
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	25,484,200	-	25,484,200
Interest Income	2,600,000	-	2,600,000
	<u>\$ 111,921,646</u>	<u>\$ -</u>	<u>\$ 111,921,646</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	\$ 40,503,701	\$ 292,700	\$ 40,796,401
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	614,659	-	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 30-31 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	37,539,901	(292,700)	37,247,201
	<u>\$ 111,921,646</u>	<u>\$ -</u>	<u>\$ 111,921,646</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 26th day of June, 2024.

CAPITAL PROJECT ORDINANCE - PARTIAL CLOSEOUT  
ELECTRIC TRANSPORTATION EQUIPMENT CAPITAL PROJECT FUND AMENDMENT #10  
PWCORD2024-09

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

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

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

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Transfer from Electric Fund	\$ 4,565,600	\$ (465,000)	\$ 4,100,600	\$ 410,441

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 4,565,600	\$ (465,000)	\$ 4,100,600	\$ 410,441

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

Adopted this 26th day of June, 2024.

# Electric Fund Transportation Equipment - Amendment #10

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	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	415,000	2024
2329	820	2015	Freightliner	M2-106	415,000	2024
2332	820	2014	Freightliner	M2-106	405,000	2024
2334	820	2017	International	4300	377,800	2023
2330	820	2015	Freightliner	M2-106	415,000	2025
5501	374	2008	Ford	F550	77,000	2023
2325	820	2014	Ford	F250	85,000	2024
2333	820	2015	Ford	M2-106	85,000	2024
	820		Ford	F250	85,000	2024
	820		Ford	F450	90,000	2024
	820		Class 7	Flatbed	180,000	2024
208	821	2008	Ford	F350	120,000	2024
1114	821	2014	Ford	F250	96,000	2024
<b>Total from Amendment # 9</b>					<b>\$ 4,565,600</b>	
Closeout Projects						
208	821	2008	Ford	F350	(120,000)	
	820		Ford	F250	(85,000)	
2333	820	2015	Ford	M2-106	(85,000)	
2325	820	2014	Ford	F250	(85,000)	
	820		Ford	F450	(90,000)	
<b>Total Closeout</b>					<b>\$ (465,000)</b>	
Revised Project List						
254	820	2009	International	7400	291,000	
2309	820	2012	International	4400	155,000	
2323	820	2014	Freightliner	M2-106	384,400	
2324	820	2014	Freightliner	M2-106	384,400	
2327	820	2014	Freightliner	M2-106	505,000	
2328	820	2015	Freightliner	M2-106	415,000	
2329	820	2015	Freightliner	M2-106	415,000	
2332	820	2014	Freightliner	M2-106	405,000	
2334	820	2017	International	4300	377,800	
2330	820	2015	Freightliner	M2-106	415,000	
5501	374	2008	Ford	F550	77,000	
	820		Class 7	Flatbed	180,000	
1114	821	2014	Ford	F250	96,000	
<b>Revised Total-Amendment # 10</b>					<b>\$ 4,100,600</b>	

CAPITAL PROJECT ORDINANCE AMENDMENT  
 SERIES 2021 ELECTRIC CAPITAL PROJECT FUND AMENDMENT #4  
 PWCORD2024-10

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

Section 1. The amendment authorized is to the Series 2021 Electric Capital Project Fund, adopted June 9, 2021 by PWC, for funding various electric infrastructure projects financed by the revenue bonds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the Bond Order including reimbursement declarations and within the funds appropriated herein.

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

	Current Budget	Amendment	Revised Budget
Proceeds from revenue bonds	\$ 7,244,230	\$ -	\$ 7,244,230
Interest Income	28,117	23,932	52,049
	<u>\$ 7,272,347</u>	<u>\$ 23,932</u>	<u>\$ 7,296,279</u>

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

	Current Budget	Amendment	Revised Budget
Project expenditures	\$ 7,272,347	\$ 23,932	\$ 7,296,279

Section 5: The PWC Chief Financial Officer will maintain sufficient specific detailed accounting records and will ensure the terms of the bond resolution are met.

Section 6: Funds may be advanced from the PWC General Fund and/or Electric Rate Stabilization Fund for the purpose of making payments as due and reimbursement requests will be made to the Trustee in an orderly and timely manner.

Section 7. Copies of the capital project fund ordinance shall be made available to the PWC budget officer and finance officer.

Adopted this 26th day of June, 2024.

CAPITAL PROJECT ORDINANCE AMENDMENT  
 SERIES 2021 WATER AND WASTEWATER CAPITAL PROJECT FUND AMENDMENT #4  
 PWCORD2024-11

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

Section 1. The amendment authorized is to the Series 2021 Water and Wastewater Capital Project Fund, adopted June 9, 2021 by PWC, for funding various water and wastewater infrastructure projects financed by the revenue bonds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the Bond Order including reimbursement declarations and within the funds appropriated herein.

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

	Current Budget	Amendment	Revised Budget
Proceeds from revenue bonds	\$ 61,832,329	\$ -	\$ 61,832,329
Interest Income	1,178,787	1,206,072	2,384,859
	<u>\$ 63,011,116</u>	<u>\$ 1,206,072</u>	<u>\$ 64,217,188</u>

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

	Current Budget	Amendment	Revised Budget
Project expenditures	\$ 63,011,116	\$ 1,206,072	\$ 64,217,188

Section 5: The PWC Chief Financial Officer will maintain sufficient specific detailed accounting records and will ensure the terms of the bond resolution are met.

Section 6: Funds may be advanced from the PWC General Fund and/or Electric Rate Stabilization Fund for the purpose of making payments as due and reimbursement requests will be made to the Trustee in an orderly and timely manner.

Section 7. Copies of the capital project fund ordinance shall be made available to the PWC budget officer and finance officer.

Adopted this 26th day of June, 2024.

CAPITAL PROJECT ORDINANCE AMENDMENT - PARTIAL CLOSEOUT  
WATER TRANSPORTATION EQUIPMENT CAPITAL PROJECT FUND AMENDMENT #5  
PWCORD2024-12

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

Section 1. The amendment for partial closeout authorized is to the Water Transportation Equipment Capital Project Fund, adopted June 8, 2022 by PWC, for funding transportation equipment which require long lead time purchases.

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

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Transfers from Water Fund	\$ 3,156,200	\$ (1,162,300)	\$ 1,993,900	\$ 1,152,984

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

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Project Expenditures	\$ 3,156,200	\$ (1,162,300)	\$ 1,993,900	\$ 1,152,984

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

Adopted this 26th day of June, 2024.

# Water Fund Transportation Equipment - Amendment #5

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
5501	374	2008	FORD	F550	88,100	2023
3308	620	2008	FORD	F750	202,200	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
3330	620	2011	FORD	F450	325,000	2024
3354	620	2016	INTERNATIONAL	DUMP TRUCK	217,000	2024
3358	620	2016	FREIGHTLINER	VACTOR TRUCK	600,000	2024
465	642	2007	CHEVY	7500	171,000	2024

**Total from Amendment # 4      \$ 3,156,200**

## Closeout Project

3338	620	2013	FORD	F450	(83,700)
3329	620	2010	FORD	F150	(47,000)
3344	620	2014	FORD	F250	(74,200)
3330	620	2011	FORD	F450	(325,000)
3327	620	2011	FORD	F350	(92,600)
3348	620	2015	FREIGHTLINER	114SD	(539,800)

**Total Closeout      \$ (1,162,300)**

## Revised Project List

5501	374	2008	FORD	F550	88,100
3308	620	2008	FORD	F750	202,200
3337	620	2011	FORD	F750	154,900
3341	620	2013	FORD	F750	157,400
3351	620	2015	INTERNATIONAL	7400	208,000
485	630	2009	FORD	F250	65,100
486	630	2009	FORD	F250	65,100
4115	630	2015	FORD	F250	65,100
3354	620	2016	INTERNATIONAL	DUMP TRUCK	217,000
3358	620	2016	FREIGHTLINER	VACTOR TRUCK	600,000
465	642	2007	CHEVY	7500	171,000

**Revised Total-Amendment # 5      \$ 1,993,900**



RONNA ROWE GARRETT, COMMISSIONER  
DONALD L. PORTER, COMMISSIONER  
CHRISTOPHER G. DAVIS, COMMISSIONER  
RICHARD W. KING, COMMISSIONER  
TIMOTHY L. BRYANT, 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

June 19, 2024

MEMO TO: Timothy Bryant, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Capital Project Fund (CPF) Budget Ordinances

Attached are CPF budget ordinance amendments for Commission action at the June 26<sup>th</sup> meeting and below is a summary explaining the purpose of each.

The following ordinances will be effective July 1, 2024 and reflect the FY25 activity from the FY25 Annual Electric and Water/Wastewater Operating and CIP Budget:

- PWCORD2024-13 amends the Electric Rate Stabilization Fund to recognize the FY25 transfer of \$3,896,000 consistent with the GF budget and an increase in estimated interest income of \$1,300,000 in recognition of higher interest rates for investment activity.
- PWCORD2024-14 amends the Water and Wastewater Utility Rate Stabilization Fund to recognize the FY25 transfer of \$250,000 consistent with the GF budget and an increase in estimated interest income of \$90,900 in recognition of higher interest rates for investment activity.
- PWCORD2024-15 amends the Annexation Phase V Reserve to recognize the FY25 appropriations from the GF of \$8,600,900, an increase in estimated interest income of \$1,907,800 in recognition of higher interest rates for investment activity and an appropriation to the GF of \$8,097,800 for debt service, all consistent with the GF budget.
- PWCORD2024-16 amends the NCDOT CPF to add new projects and update cost estimates for existing projects based on the FY25 CIP.
- PWCORD2024-17 amends the Substation Rebuild CPF to reduce project expenditures for substation projects anticipated to be funded with Revenue bonds and update cost estimate of existing project based on the FY25 CIP.
- PWCORD2024-18 amends the Electric Transportation Equipment Capital Project Fund to revise the FY25 estimates for long lead time purchases, making the budgeting, tracking and pre-audit requirements more manageable to staff.
- PWCORD2024-19 amends the Water Transportation Equipment Capital Project Fund to revise the FY25 estimates for long lead time purchases, making the budgeting, tracking and pre-audit requirements more manageable to staff.

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

CAPITAL PROJECT ORDINANCE AMENDMENT  
ELECTRIC UTILITY SYSTEM RATE STABILIZATION FUND AMENDMENT #51 - Effective July 1, 2024  
PWCORD2024-13

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

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

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

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

	Listed As	Amendment	Revised
Transfer from Electric General Fund	\$ 88,454,226	250,000	\$ 88,704,226
Transfer from Electric General Fund - PSA	12,683,015	3,646,000	16,329,015
Transfer from Electric General Fund - True-Up Credits	14,947,753	-	14,947,753
Rate Stabilization Transfer	4,169,725	-	4,169,725
Interest Income	10,028,300	1,300,000	11,328,300
	<u>\$ 130,283,019</u>	<u>\$ 5,196,000</u>	<u>\$ 135,479,019</u>

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

	Revised	Amendment	Revised
Transfer to Electric Fund - Pre-2013	\$ 5,000,000	\$ -	\$ 5,000,000
Transfer to Electric Fund - 2013 and forward	73,102,160	-	73,102,160
Tfer to Electric Fd-City Interlocal Agreement-COVID19	4,000,000	-	4,000,000
Transfer to Electric Fund - Duke Energy True-Up	13,577,411	-	13,577,411
Appropriated Net Assets	34,603,448	5,196,000	39,799,448
	<u>\$ 130,283,019</u>	<u>\$ 5,196,000</u>	<u>\$ 135,479,019</u>

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

Adopted this 26th day of June, 2024.

CAPITAL PROJECT ORDINANCE AMENDMENT  
WATER AND WASTEWATER UTILITY SYSTEMS RATE STABILIZATION FUND  
AMENDMENT #24 - Effective July 1, 2024  
PWCORD2024-14

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

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

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

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

	Listed As	Amendment	Revised
Transfer from Water/Sewer General Fund	\$ 8,750,000	\$ 250,000	\$ 9,000,000
Interest Income	527,000	90,900	617,900
	<u>\$ 9,277,000</u>	<u>\$ 340,900</u>	<u>\$ 9,617,900</u>

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

	Revised	Amendment	Revised
Transfer to Water/Sewer General Fund	\$ 7,085,000	\$ -	\$ 7,085,000
Appropriated Net Assets	2,192,000	340,900	2,532,900
	<u>\$ 9,277,000</u>	<u>\$ 340,900</u>	<u>\$ 9,617,900</u>

Section 5.

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

Adopted this 26th day of June, 2024.

CAPITAL RESERVE FUND ORDINANCE AMENDMENT  
ANNEXATION PHASE V RESERVE FUND AMENDMENT #49 - Effective July 1, 2024  
PWCORD2024-15

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	\$ 35,820,465	\$ 2,336,900	\$ 38,157,365
Transfer from PWC Electric Fund - City Portion	36,027,899	4,700,000	\$ 40,727,899
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	25,484,200	1,564,000	27,048,200
Interest Income	2,600,000	1,907,800	\$ 4,507,800
	<u>\$ 111,921,646</u>	<u>\$ 10,508,700</u>	<u>\$ 122,430,346</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	\$ 40,796,401	\$ 8,097,800	\$ 48,894,201
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	614,659	-	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 30-31 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	37,247,201	2,410,900	39,658,101
	<u>\$ 111,921,646</u>	<u>\$ 10,508,700</u>	<u>\$ 122,430,346</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 26th day of June, 2024.

CAPITAL PROJECT ORDINANCE AMENDMENT  
 NCDOT CAPITAL PROJECT FUND AMENDMENT #19 - Effective July 1, 2024  
 PWCORD2024-16

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

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

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

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

	Current Budget	Amendment	Revised Budget
Interest Income	\$ 3,800,600	\$ -	\$ 3,800,600
Transfers from Water/Wastewater Fund	111,891,661	(4,355,000)	107,536,661
Transfers from Water/Wastewater Fund (Rider)	69,890,739	-	69,890,739
	<u>\$ 185,583,000</u>	<u>\$ (4,355,000)</u>	<u>\$ 181,228,000</u>

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 185,583,000	\$ (4,355,000)	\$ 181,228,000

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

Adopted this 26th day of June, 2024.

# NCDOT Project Listing - Budget Amendment #19

Project #	Description	Amount Outstanding
U-4405	Raeford Rd Widening - Water	\$ 20,100,000
U-4405	Raeford Rd Widening - Sewer	11,370,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Water	5,209,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Sewer	40,000
	Russell Street - Gillespie St to Cross Creek St	215,000
U-3422	Camden Road Widening - Water	20,800,000
U-3422	Camden Road Widening - Sewer	1,300,000
U-4403B	Ramsey St Widening - Water	23,200,000
U-4403B	Ramsey St Widening - Sewer	6,800,000
U-4403C	Ramsey St Widening - Water	40,300,000
U-4403C	Ramsey St Widening - Sewer	4,800,000
U-5798A	Gillis Hill Rd Widening - Water	3,300,000
U-5798A	Gillis Hill Rd Widening - Sewer	715,000
W-5806C	Rosehill Road Intersection Improvements	1,170,000
U-4709	Rockfish Rd, Golfview Dr to NC59 - Water	5,100,000
U-4709	Rockfish Rd, Golfview Dr to NC59 - Sewer	1,100,000
U-6073	Fisher Rd from Strickland Bridge Rd to NC 162 Bingham Dr -Water	7,032,000
U-6073	Fisher Rd from Strickland Bridge Rd to NC 162 Bingham Dr -Sewer	1,750,000
U-4900	Murchinson Rd Widening - Water	12,000,000
U-4900	Murchinson Rd Widening - Sewer	3,400,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Water	5,200,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Sewer	1,200,000
U-5798 (B)	Gillis Hill Road Widening - Water	2,000,000
	BP 6R006 New Culvert over Branson Creek on Raeford Rd -Water	120,000
	BP 6R006 New Culvert over Branson Creek on Raeford Rd -Sewer	80,000
U-4404	Cliffdale Road Widening - Water	2,000,000
U-4404	Cliffdale Road Widening - Sewer	1,000,000
U-4414	All American Freeway Widening from Owen Dr to Santa Fe - Water	2,781,000
U-4414	All American Freeway Widening from Owen Dr to Santa Fe - Sewer	1,501,000
<b>Total from Amendment #18</b>		<b>\$ 185,583,000</b>
New Projects & Increases/(Decreases) to existing:		
U-4405	Raeford Rd Widening - Water	\$ (3,350,000)
U-4405	Raeford Rd Widening - Sewer	(80,000)
	Russell Street - Gillespie St to Cross Creek St	(215,000)
U-3422	Camden Road Widening - Water	2,000,000
U-4403B	Ramsey St Widening - Water	(13,400,000)
U-4403B	Ramsey St Widening - Sewer	(300,000)
U-4403C	Ramsey St Widening - Water	(5,300,000)
U-4403C	Ramsey St Widening - Sewer	(800,000)
U-5798A	Gillis Hill Rd Widening - Water	400,000
U-5798A	Gillis Hill Rd Widening - Sewer	75,000
W-5806C	Rosehill Road Intersection Improvements	117,000
U-4709	Rockfish Rd, Golfview Dr to NC59 - Water	300,000

# NCDOT Project Listing - Budget Amendment #19

Project #	Description	Amount Outstanding
U-4709	Rockfish Rd, Golfview Dr to NC59 - Sewer	(240,000)
U-4900	Murchinson Rd Widening - Water	3,400,000
U-4900	Murchinson Rd Widening - Sewer	2,350,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Water	6,070,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Sewer	1,500,000
U-5798 (B)	Gillis Hill Road Widening - Water	400,000
	BP 6R006 New Culvert over Branson Creek on Raeford Rd -Water	(120,000)
	BP 6R006 New Culvert over Branson Creek on Raeford Rd -Sewer	(80,000)
U-4404	Cliffdale Road Widening - Water	3,000,000
U-4404	Cliffdale Road Widening - Sewer	1,000,000
U-4414	All American Freeway Widening from Owen Dr to Santa Fe - Water	(2,781,000)
U-4414	All American Freeway Widening from Owen Dr to Santa Fe - Sewer	(1,501,000)
U-6001	NC-59 Widening,Parkton road to US 301-Water	3,200,000
<b>Total Increases/(Decreases)</b>		<b>\$ (4,355,000)</b>
Revised Project List		
U-4405	Raeford Rd Widening - Water	\$ 16,750,000
U-4405	Raeford Rd Widening - Sewer	11,290,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Water	5,209,000
U-2519BA/BB	Fayetteville Outer Loop-S of US401 to S of Strickland Brdg - Sewer	40,000
U-3422	Camden Road Widening - Water	22,800,000
U-3422	Camden Road Widening - Sewer	1,300,000
U-4403B	Ramsey St Widening - Water	9,800,000
U-4403B	Ramsey St Widening - Sewer	6,500,000
U-4403C	Ramsey St Widening - Water	35,000,000
U-4403C	Ramsey St Widening - Sewer	4,000,000
U-5798A	Gillis Hill Rd Widening - Water	3,700,000
U-5798A	Gillis Hill Rd Widening - Sewer	790,000
W-5806C	Rosehill Road Intersection Improvements	1,287,000
U-4709	Rockfish Rd, Golfview Dr to NC59 - Water	5,400,000
U-4709	Rockfish Rd, Golfview Dr to NC59 - Sewer	860,000
U-6073	Fisher Rd from Strickland Bridge Rd to NC 162 Bingham Dr -Water	7,032,000
U-6073	Fisher Rd from Strickland Bridge Rd to NC 162 Bingham Dr -Sewer	1,750,000
U-4900	Murchinson Rd Widening - Water	15,400,000
U-4900	Murchinson Rd Widening - Sewer	5,750,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Water	11,270,000
U-5101(A)	Shaw Road to Stacey Weaver Dr - Widening - Sewer	2,700,000
U-5798 (B)	Gillis Hill Road Widening - Water	2,400,000
U-4404	Cliffdale Road Widening - Water	5,000,000
U-4404	Cliffdale Road Widening - Sewer	2,000,000
U-6001	NC-59 Widening,Parkton road to US 301-Water	3,200,000
<b>Revised Total-Amendment #19</b>		<b>\$ 181,228,000</b>

CAPITAL PROJECT ORDINANCE  
SUBSTATION REBUILD CAPITAL PROJECT FUND AMENDMENT  
AMENDMENT #13 - Effective July 1, 2024  
PWCORD2024-17

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

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

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

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

	Current Budget	Amendment	Revised Budget
Transfer from Electric Fund	\$ 67,906,000	\$ (50,769,000)	\$ 17,137,000
Interest Income	200,000	220,000	420,000
	<u>\$ 68,106,000</u>	<u>\$ (50,549,000)</u>	<u>\$ 17,557,000</u>

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 68,106,000	\$ (50,549,000)	\$ 17,557,000

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

Adopted this 26th day of June, 2024.



## Substation Rebuild CPF Project Listing - Budget Amendment #13

CIP Reference #	Description	Total
FY 24 - EL32	Distribution Substation 66-12 kV Power Transformer	18,167,000
FY 24 - EL38	POD IV 230-66kV Substation	19,014,000
FY 24 - EL39	POD V 230-66kV Substation	27,750,000
FY 24 - EL37	Amazon 66-12 kV Substation	3,175,000
	<b>Total from Amendment #12</b>	<b>\$ 68,106,000</b>
	Increases/(Decreases) to existing projects:	
FY 25 - EL32	Distribution Substation 66-12 kV Power Transformer	(610,000)
	POD IV 230-66kV Substation	(19,014,000)
	POD V 230-66kV Substation	(27,750,000)
	Amazon 66-12 kV Substation	(3,175,000)
	<b>Total Increases/(Decreases)</b>	<b>\$ (50,549,000)</b>
	Revised Project List	
FY 25 - EL32	Distribution Substation 66-12 kV Power Transformer	17,557,000
	<b>Revised Total -Amendment #13</b>	<b>\$ 17,557,000</b>

CAPITAL PROJECT ORDINANCE AMENDMENT  
ELECTRIC TRANSPORTATION EQUIPMENT CAPITAL PROJECT FUND AMENDMENT #11 - Effective July 1, 2024  
PWCORD2024-18

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby 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	\$ 4,100,600	\$ 686,000	\$ 4,786,600

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 4,100,600	\$ 686,000	\$ 4,786,600

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

Adopted this 26th day of June, 2024.

# Electric Fund Transportation Equipment - Amendment #11

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	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	415,000	2024
2329	820	2015	Freightliner	M2-106	415,000	2024
2332	820	2014	Freightliner	M2-106	405,000	2024
2334	820	2017	International	4300	377,800	2023
2330	820	2015	Freightliner	M2-106	415,000	2025
5501	374	2008	Ford	F550	77,000	2023
	820		Class 7	Flatbed	180,000	
1114	821	2014	Ford	F250	96,000	2024
<b>Total from Amendment # 10</b>					<b>\$ 4,100,600</b>	
Increases/(Decreases) to existing:						
289	820	2008	Chevy	8500	245,000	2026
2337	820	2018	International	7300	441,000	2030
<b>Total Increases/(Decreases)</b>					<b>\$ 686,000</b>	
Revised Project List						
254	820	2009	International	7400	291,000	
2309	820	2012	International	4400	155,000	
2323	820	2014	Freightliner	M2-106	384,400	
2324	820	2014	Freightliner	M2-106	384,400	
2327	820	2014	Freightliner	M2-106	505,000	
2328	820	2015	Freightliner	M2-106	415,000	
2329	820	2015	Freightliner	M2-106	415,000	
2332	820	2014	Freightliner	M2-106	405,000	
2334	820	2017	International	4300	377,800	
2330	820	2015	Freightliner	M2-106	415,000	
5501	374	2008	Ford	F550	77,000	
	820		Class 7	Flatbed	180,000	
1114	821	2014	Ford	F250	96,000	
289	820	2008	Chevy	8500	245,000	
2337	820	2018	International	7300	441,000	
<b>Revised Total-Amendment # 11</b>					<b>\$ 4,786,600</b>	

CAPITAL PROJECT ORDINANCE AMENDMENT  
WATER TRANSPORTATION EQUIPMENT CAPITAL PROJECT FUND AMENDMENT #6 - Effective July 1, 2024  
PWCORD2024-19

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby 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	\$ 1,993,900	\$ 1,261,000	\$ 3,254,900

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

	Current Budget	Amendment	Revised Budget
Project Expenditures	\$ 1,993,900	\$ 1,261,000	\$ 3,254,900

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

Adopted this 26th day of June, 2024.

# Water Fund Transportation Equipment - Amendment #6

AssetNumber	Dept	Year	Make	Model	Estimated Cost	Fiscal Yr
5501	374	2008	FORD	F550	88,100	2023
3308	620	2008	FORD	F750	202,200	2023
3337	620	2011	FORD	F750	154,900	2023
3341	620	2013	FORD	F750	157,400	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
3354	620	2016	INTERNATIONAL	DUMP TRUCK	217,000	2024
3358	620	2016	FREIGHTLINER	VACTOR TRUCK	600,000	2024
465	642	2007	CHEVY	7500	171,000	2024

**Total from Amendment # 5** **\$ 1,993,900**

## New Projects & Increases/(Decreases) to existing:

3325	620	2011	KENWORTH	T370	225,000	2026
3331	620	2011	FORD	F750	173,000	2026
3340	620	2012	FORD	F750	173,000	2026
3345	620	2015	FORD	F750	173,000	2026
3346	620	2015	FORD	F750	201,000	2026
6442	620	2007	HUDSON	TRAILER	51,000	2026
8017	620	2015	PROPATCH	ASPHALT TRAILER	265,000	2026

**Total Increases/(Decreases)** **\$ 1,261,000**

## Revised Project List

5501	374	2008	FORD	F550	88,100	
3308	620	2008	FORD	F750	202,200	
3337	620	2011	FORD	F750	154,900	
3341	620	2013	FORD	F750	157,400	
3351	620	2015	INTERNATIONAL	7400	208,000	
485	630	2009	FORD	F250	65,100	
486	630	2009	FORD	F250	65,100	
4115	630	2015	FORD	F250	65,100	
3354	620	2016	INTERNATIONAL	DUMP TRUCK	217,000	
3358	620	2016	FREIGHTLINER	VACTOR TRUCK	600,000	
465	642	2007	CHEVY	7500	171,000	
3325	620	2011	KENWORTH	T370	225,000	
3331	620	2011	FORD	F750	173,000	
3340	620	2012	FORD	F750	173,000	
3345	620	2015	FORD	F750	173,000	
3346	620	2015	FORD	F750	201,000	
6442	620	2007	HUDSON	TRAILER	51,000	
8017	620	2015	PROPATCH	ASPHALT TRAILER	265,000	

**Revised Total-Amendment # 6** **\$ 3,254,900**

## Customer Utility Payments By Payment Type

Payment Type	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Kiosk	933	969	866	889	952	898	857	757	749	740	826	739	879
Mail	14,376	14,537	13,841	14,606	17,496	14,219	18,326	13,218	14,648	14,263	13,935	13,225	12,721
Walk Ins	0	0	0	0	0	0	0	0	0	0	0	0	0
Drive Thru	4,478	4,576	4,265	4,538	4,415	4,489	4,473	4,089	4,306	4,487	4,122	4,457	4,364
Depository	334	356	380	273	337	305	342	273	320	321	270	326	315
Bank Draft	21,644	21,769	21,802	21,793	21,895	21,925	21,929	21,941	22,043	22,176	22,204	22,300	22,473
Bill2Pay IVR	16,325	16,611	15,668	16,451	16,843	16,726	15,747	15,770	16,102	16,685	16,514	16,707	16,669
Bill2Pay WEB	45,196	47,688	46,045	47,706	49,210	47,515	47,863	47,221	48,244	50,068	50,844	48,445	51,157
Western Union	3,035	3,137	3,011	2,886	3,155	3,048	2,885	2,635	2,538	2,636	2,645	2,821	3,068
Online Banking / EBox	9,365	9,877	8,439	9,933	9,310	9,061	9,255	8,912	8,937	9,222	8,809	9,283	9,229
Totals	115,686	119,520	114,317	119,075	123,613	118,186	121,677	114,816	117,887	120,598	120,169	118,303	120,875



# CAREER OPPORTUNITIES

## ELEC METER SVC TECH (10331)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

407

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

5/21/24

#### Posting Visibility

External

#### Workplace

On-site

#### Full or Part Time

Full time

#### Schedule

Monday-Friday 7:00am-3:30pm Overtime and on-call

#### Salary Range

\$25.30-\$33.33/hour



# CAREER OPPORTUNITIES

## DIRECTOR GEN RESOURCES (10334)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

419

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC BUTLER-WARNER GENERATION PLANT

#### Posting Date

5/23/24

#### Posting Visibility

External

#### Full or Part Time

Full time

#### Workplace

Hybrid

#### Schedule

Monday-Friday, 8:00am to 5:00pm; Extended hours as required.

#### Salary Range

\$149,380-\$196,809/exempt





# CAREER OPPORTUNITIES

## HR BUSINESS PARTNER (10336)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

412

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/3/24

#### Posting Visibility

External

#### Full or Part Time

Full time

#### Workplace

Hybrid

#### Schedule

Monday through Friday 8am to 5pm

#### Salary Range

412 - \$63,833.43 to \$84,100.54



# CAREER OPPORTUNITIES

## QA ENGINEER (10338)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

412x

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/7/24

#### Apply Before

6/21/24 5:00 PM

#### Posting Visibility

Internal and External

#### Workplace

Hybrid

#### Full or Part Time

Full time

#### Schedule

Monday through Friday 8am to 5pm extended hours as needed

#### Salary Range

412X - \$68,939.73 to \$90,828.09



# CAREER OPPORTUNITIES

## IT APPLICATIONS ANALYST (10339)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

413x

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/7/24

#### Apply Before

6/21/24 5:00 PM

#### Posting Visibility

Internal and External

#### Full or Part Time

Full time

#### Workplace

Hybrid

#### Schedule

Monday through Friday 8am to 5pm extended hours as needed

#### Salary Range

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



# CAREER OPPORTUNITIES

## CORPORATE PARALEGAL (10342)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

407

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/10/24

#### Apply Before

6/24/24 5:00 PM

#### Posting Visibility

Internal and External

#### Full or Part Time

Full time

#### Schedule

Monday-Friday 8:00AM-5:00PM

#### Salary Range

407 - \$25.30 to \$33.33 hourly



# CAREER OPPORTUNITIES

## FACILITIES MANAGER (10341)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

415x

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/10/24

#### Apply Before

6/24/24 5:00 PM

#### Posting Visibility

Internal and External

#### Full or Part Time

Full time

#### Workplace

On-site

#### Schedule

Monday-Friday 8:00AM-5:00PM

#### Salary Range

415X - \$95,879.81 to \$126,321.64



# CAREER OPPORTUNITIES

## SENIOR CUSTOMER SERVICE REP (10343)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

404

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/14/24

#### Apply Before

6/22/24 11:59 PM

#### Posting Visibility

Internal

#### Full or Part Time

Full time

#### Workplace

Hybrid

#### Schedule

Monday - Friday - 8:30am-5:30pm- extended hours as required

#### Salary Range

\$18.06 - \$23.80 hourly



# CAREER OPPORTUNITIES

## CUSTOMER SERVICE REP -CACC (10345)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

403

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/14/24

#### Apply Before

6/28/24 5:25 PM

#### Posting Visibility

Internal and External

#### Full or Part Time

Full time

#### Workplace

On-site

#### Schedule

MONDAY - FRIDAY 11AM-8PM

#### Salary Range

\$16.28 - \$21.45 HOURLY



# CAREER OPPORTUNITIES

## CUSTOMER SERVICE REP -CPC (10344)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

403

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/14/24

#### Apply Before

6/28/24 5:34 PM

#### Posting Visibility

Internal and External

#### Full or Part Time

Full time

#### Workplace

On-site

#### Schedule

MONDAY - FRIDAY 11AM-8PM

#### Salary Range

\$16.28 - \$21.45 HOURLY





# CAREER OPPORTUNITIES

## W/R FIELD SUPV (10346)

### Job Info

#### Organization

Fayetteville Public Works Commission

#### Job Grade

414

#### Locations

Fayetteville, NC, United States

#### Work Locations

PWC OPERATIONS COMPLEX

#### Posting Date

6/21/24

#### Apply Before

7/5/24 10:59 AM

#### Posting Visibility

Internal

#### Full or Part Time

Full time

#### Workplace

On-site

#### Schedule

Monday-Friday 7:00AM-3:30PM

#### Salary Range

414; \$78,933.01- \$103,994.24