

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, MAY 28, 2025
8:30 AM

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

Others Present: Timothy L. Bryant, CEO/General Manager
Kirk deViere, Cumberland County Commission Chairman/Liaison (VIA WEBEX)
Adam Lindsay, Assistant City Manager
Media

Absent: Derrick Thompson, City Council Liaison
Sally Shutt, Assistant County Manager
Chancer McLaughlin, Hope Mills Town Manager

I. REGULAR BUSINESS

Chairman Christopher Davis called the meeting of May 28, 2025, to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

Chairman Davis led the Commission in the Pledge of Allegiance

APPROVAL OF AGENDA

Commissioner Donald Porter motioned to approve the agenda. Motion was seconded by Commissioner Richard King and unanimously approved.

II. CONSENT ITEMS

Commissioner Donald Porter motioned to approve the consent items. The motion was seconded by Commissioner Richard King and unanimously approved.

- A. Approve Minutes of meeting of May 14, 2025_
- B. Approve Cancellation of June 11, 2025, Commission Meeting due to APPA National Conference (June 8th through June 11th)
- C. Adopt PWC Ordinance # PWCORD2025-09 - Capital Project Fund (CPF) Budget Ordinance

Budget Ordinance # PWCORD2025-09 will be effective upon adoption. This ordinance establishes the 401 N Substation CPF to serve the industrial facility at the northern end of our electrical service territory.

- D. Adopt PWC Resolution # PWC2025.21 – Resolution to Declare Personal Property as Surplus and Authorize Sale of Property by Sealed Bid

Fayetteville Public Works Commission (“PWC”) owns equipment that is identified in our inventory as “Non-Stock, Grid Bridge Pad Mount Transformers, 150 KVA, totaling 3 each” (the “Equipment”). Staff has determined that PWC no longer has any use for the Equipment, that the Equipment should be sold at this time, and that the estimated value of the Equipment is at least thirty thousand dollars (\$30,000.00). Staff, therefore, requests that the Commission declare this Equipment to be surplus and authorize the sale of the Equipment via sealed bid in accordance with G.S. 160A-268.

END OF CONSENT

III. FY2026 RECOMMENDED BUDGET SUMMARY

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

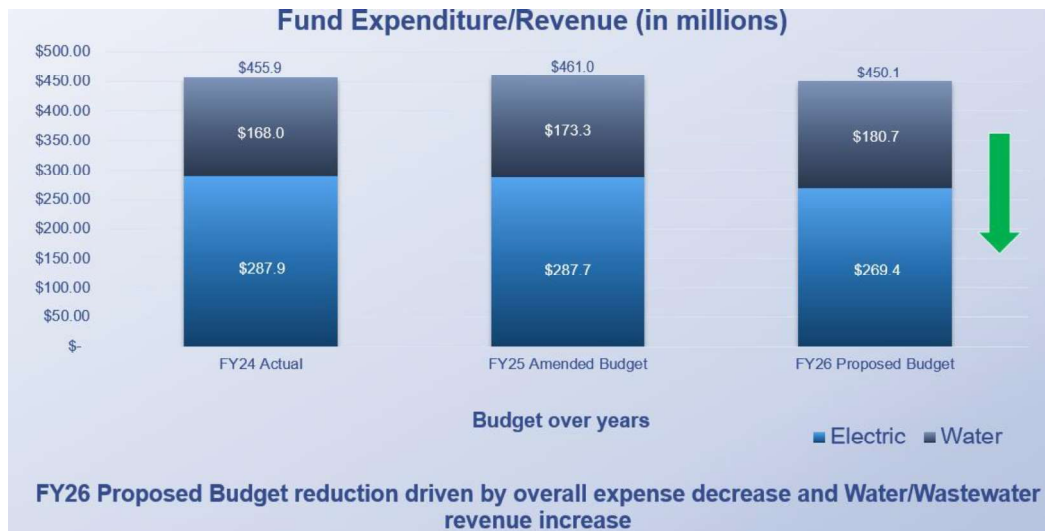
Mr. Timothy Bryant provided a brief recap of the recommended FY2026 PWC Operating Budget and Capital Improvement Plan (CIP).

Mr. Bryant stated the total proposed FY26 Budget is \$450,098,600, which represents a 2.4% reduction from the FY25 budget.

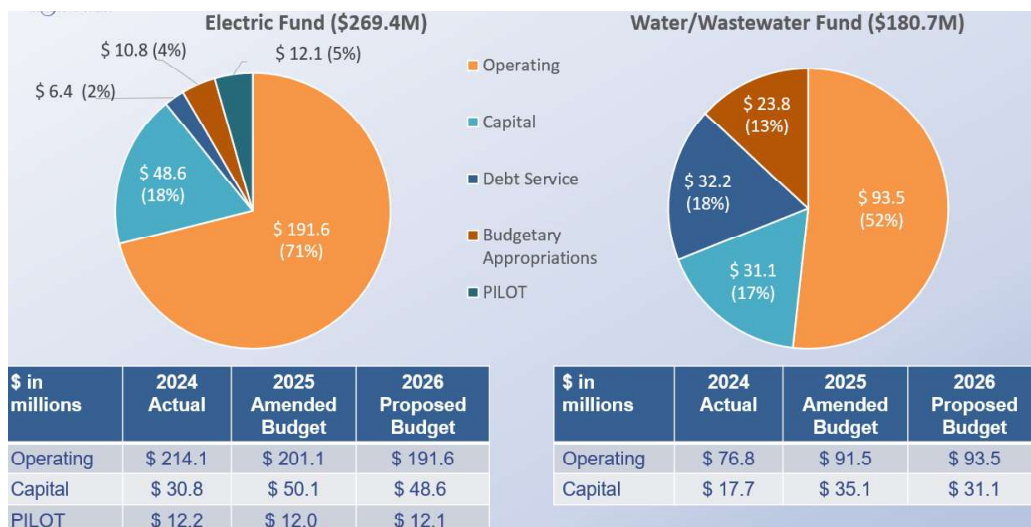
ELECTRIC & W/WW FUNDS SUMMARY					
Description	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Recommended
Electric Utility Operating Fund	\$242,386,935	\$257,083,808	\$237,572,500	\$229,634,200	\$220,879,200
Electric Capital Outlay	\$21,179,504	\$30,774,207	\$50,130,000	\$44,297,000	\$48,565,000
Total Electric Fund	\$263,566,439	\$287,858,015	\$287,702,500	\$273,931,200	\$269,444,200
Water/Wastewater Utilities Operating Fund	\$143,498,496	\$150,319,043	\$138,230,300	\$154,214,500	\$149,542,400
Water/Wastewater Capital Outlay	\$17,357,450	\$17,688,346	\$35,073,500	\$28,741,700	\$31,112,000
Total Water/Wastewater Fund	\$160,855,946	\$168,007,389	\$173,303,800	\$182,956,200	\$180,654,400
Total Electric & W/WW Funds	\$424,422,385	\$455,865,404	\$461,006,300	\$456,887,400	\$450,098,600
Total Budget	\$424,422,385	\$455,865,404	\$461,006,300	\$456,887,400	\$450,098,600

Proposed FY26 Budget represents a 2.4% reduction

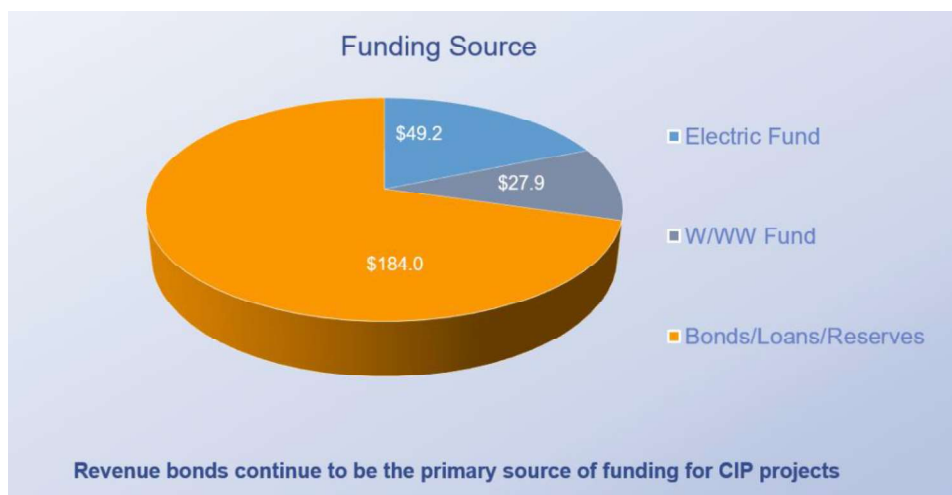
Mr. Bryant provided a three-year trend of the Fund Expenditures and Revenue. The FY26 reduction represents a reduction driven by tightening our expense belts across all areas as well as water/wastewater revenue increases.



The slide below provides a more detailed breakdown of the proposed budget.



The slide below provides the FY26 Capital Funding Source. Mr. Bryant a great deal of the CIP budget will be funded by revenue bonds (\$184M). The general fund, comprising the electric and water/wastewater fund will be used as a funding source of about \$49.2M and 27.9M, respectively.



Below is a detailed view of the Operating Budget. Mr. Bryant pointed out that the Human Resources budget increased is due to training being shifted into the PWC University which is in the Human Resources Division.

Division (\$ in millions)	FY23 Actual	FY24 Actual	FY25 Amended Budget	FY26 Proposed Budget	% Change
Management	\$4.5	\$5.7	\$6.5	\$5.5	(14.9%)
Communications	\$1.5	\$1.6	\$2.4	\$2.3	(0.1%)
Legal	\$8.4	\$8.2	\$11.0	\$10.1	(8.2%)
Customer Care	\$10.1	\$9.9	\$11.9	\$11.2	(5.9%)
Human Resources	\$2.3	\$2.3	\$2.3	\$2.9	25.2%
Information Technology	\$16.9	\$17.0	\$23.0	\$19.3	(16.0%)
Financial	\$6.1	\$6.1	\$6.7	\$6.5	(2.0%)
Water Resources	\$50.0	\$52.0	\$61.4	\$58.5	(4.7%)
Electric Non-Power Supply	\$29.8	\$34.4	\$46.8	\$43.0	(8.1%)
Total Divisions w/out Power Supply	\$129.5	\$137.1	\$172.0	\$159.5	(7.2%)
Electric Power Supply	\$136.6	\$150.3	\$119.9	\$113.7	(5.1%)
G&A	\$18.4	\$19.8	\$23.9	\$30.1	25.8%
Total PWC	\$284.5	\$307.2	\$315.7	\$303.3	(3.9%)

*Includes Operating Capital

FY 2026 Budget Ordinance (PWCORD2025-08)

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, 2025, and ending June 30, 2026, to meet the appropriations listed in Section 2.

Schedule A: Electric Fund

Electric Revenues	\$ 222,031,200
Operating and Other Revenues	15,162,800
BWGP Purchased Capacity Payment	2,500,000
Customer Contributions	14,395,000
Budgetary Appropriations	15,355,200
Total Estimated Electric Fund Revenues	269,444,200

Schedule B: Water and Wastewater Fund

Water Revenues	\$ 71,256,400
Wastewater Revenues	81,055,600
Operating and Other Revenues	14,744,200
Customer Contributions	2,586,500
Intergovernmental Revenue - Assessments	2,166,000
Budgetary Appropriations	8,845,700
Total Estimated Water and Wastewater Fund Revenues	180,654,400

Grand Total **\$ 450,098,600**

Section 2. The following amounts are hereby appropriated for the operations of the Fayetteville Public Works Commission and its activities for the fiscal year beginning July 1, 2025, and ending June 30, 2026, according to the following schedules:

Schedule A: Electric Fund

Operating Expenditures	\$ 191,335,200
Debt Service	6,666,700
Capital	48,565,000
Payment in Lieu of Taxes - City	12,064,900
Budgetary Appropriations	10,812,400
Total Estimated Electric Fund Expenditures	269,444,200

Schedule B: Water and Wastewater Fund

Operating Expenditures	\$ 93,318,600
Debt Service	32,424,000
Capital	31,112,000
Budgetary Appropriations	23,799,800
Total Estimated Water and Wastewater Fund Expenditures	180,654,400

Grand Total **\$ 450,098,600**

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:

Mr. Bryant stated the above budget ordinance is recommended for adoption by staff following the public hearing if it is the Commission's pleasure.

Commissioner Davis commented on the changing dynamics of our economic environment (national, statewide), with partnership shifts, and those things that are happening based on politics and the government. He stated tightening our belt and finding places where we can streamline our processes and require each department to take a harder look at how we do business so we can get the most out of our dollar for our customers is the Commission's goal. Commissioner Davis commended staff for the streamlined budget. Mr. Bryant stated this was an effort across all divisions, across all of our team members, all 657. He applauds each and every one of them for everything they do every single day to allow us to present this recommended budget for FY2026.

IV. PUBLIC HEARING ON THE PWC FY2026 OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN (CIP)

The Clerk to the Board, Venus Durant, informed the Commissioners there were no written comments. There was one speaker present, Mr. Ron Ross. Mr. Ross discussed Chemours and Dupont

Following the public hearing, Commissioner Donald Porter motioned to approve the FY2026 Operating Budget, Capital Improvement Plan and Service Regulations are recommended by our PWC Staff. Motion was seconded by Commissioner Richard King and unanimously approved.

V. DISCUSS PWC RESOLUTION # PWC2025.20 – RESOLUTION TO ADOPT TEN-YEAR CAPITAL IMPROVEMENT PROGRAM PLAN FOR FISCAL YEARS 2026 – 2035

Ms. Rhonda Graham explained the purpose of the above resolution, which is to adopt the 10-year Capital Improvement Plan for FY26 thru FY35 which was submitted to the Commission during the presentation of the CIP. She stated this does not commit funds for the ten years, it approves the plan itself. She stated though it is not required by the NC Division of Water Infrastructure, we received additional points for an adopted 10-year CIP when we go out for or apply for state revolving loans. It is indicative of our long-range planning and the state likes to see or wants to see that the plan has been approved by our board.

Commissioner Richard King motioned to accept (adopt) PWC Resolution PWC2025.20 – Resolution to Adopt Ten-Year Capital Improvement Program Plan for Fiscal Years 2026 thru 2035. Motion was seconded by Commissioner Donald Porter and unanimously approved.

VI. FY2025 3rd Quarter Financial Update (JANUARY - MARCH 2025)

Mr. Timothy Bryant stated this is just our quarterly update that we committed to providing to you all some time ago. So again, this is a look back at our performance through end of March 2025.

Ms. Graham stated today we will provide an overview of the financial performance for the 3rd Qtr. Focusing on our financial impacts; our revenue and expenses; multi-year trends and comparisons; our capital & debt; our overall financial health and our days cash levels and bad debt.

There are a few financial impacts that affected our 3rd Qtr. The primary driver of increase in revenue has been the new rates put into effect May of 2024.

Year to Date FY2025 Financial Impacts

- ▶ Rate Modification
 - New Water, Wastewater, and Electric Rates effective May 2024
- ▶ Bond Issuance
 - Series 2021 Bonds issued in November 2021 \$94.8M Par at 2.28% TIC*
 - Series 2023 Bonds issued in November 2023 \$169.4M Par at 4.68% TIC*
- ▶ Energy Catch Up
 - FY25: \$5.7M
 - FY24: \$4.9M

*True Interest Cost

Total Revenue and Expense



Ms. Graham noted the variance in the electric fund reflects the new contract with DEP and the impact on both revenue and expenses. Historically, Duke paid PWC a lease payment for the use of the Butler Warner Generation Plant (BWGP) based on certain usage factors. Now, beginning with the July 2024 bill, PWC receives a credit against the demand charge instead of a lease payment, which offsets our expenses as opposed to adding to revenue. On the right side, water and wastewater revenue is slightly higher than budget and higher than prior year while expenses are higher than prior year and are within budget.

FY2025 Q3 Performance Against Budget

Below is a high-level view of our major revenue and expense categories compared to budget. As you can see by the green indicators, we are either at or better than budget with exception of Coal Ash. We will also see that our change in net position is performing better than budget in both utilities. The major drivers of the increase in the change in net position are lower G&A and other operating expenses, which were down 20.9 % and 10.8 % respectively for the electric fund, and down 20.2% and 19.1% or the water and wastewater fund.

Electric Revenue	▲	1.8%	\$ 308
Electric Power Supply & Maintenance	▼	1.9%	\$ 1,784
Coal Ash	▲	5.3%	\$ 165
Electric G&A Expense	▼	20.9%	\$ 5,009
Electric Other Operating Expense	▼	10.8%	\$ 4,920
Electric Payment in Lieu of Taxes (PILOT)		0.0%	\$ -
Electric Change in Net Position	▲	86.9%	\$ 11,684
Water & Wastewater Revenue	▲	0.6%	\$ 671
Water/Wastewater G&A Expense	▼	20.2%	\$ 4,770
Water/Wastewater Other Operating Expense	▼	19.1%	\$ 4,601
Water/WW Aid, Grants, SDF	▲	170.6%	\$ 5,238
Water Change in Net Position	▲	79.2%	\$ 16,858
Days Cash Reserve	▲	158	
Net Bad Debt		<1.0%	

FY2025 Q3 Electric Sales Trends

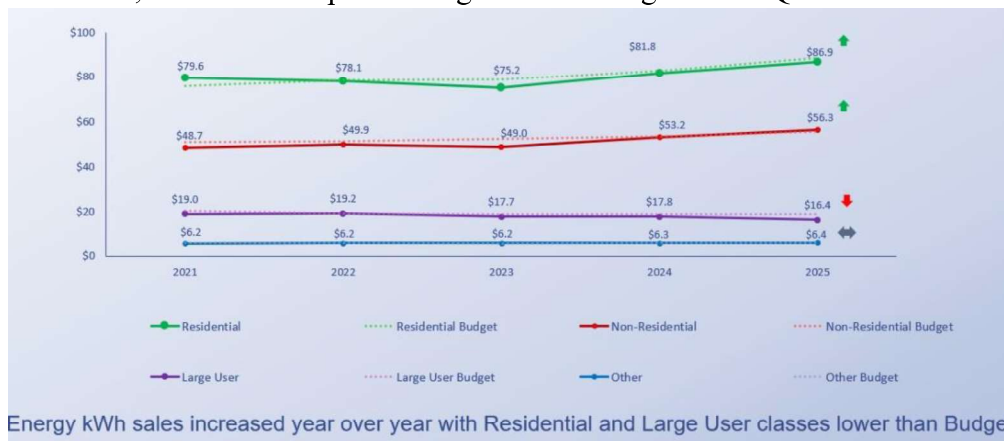
Electric KW sales reflected in the graph on the left were up 4.5 % from prior year, mainly due to the 2 % revenue adjustment and rates that took effect in May of 2024, as well as an increase in usage as reflected in the graph on the right.



Electric Revenue and Sales up 4.5% and 2.6%, respectively due to weather and rate adjustment.

FY2025 Q3 Revenue by Customer Class (Electric, \$M)

To break down the previous slide into its components, we have a five-year trend of revenue by customer class for the electric utility. Of note here, energy KWH sales were slightly lower than budget through the Q3, particularly in the residential reflected in green and large user classes reflected in purple. The colder temperatures hit in late December into January February timeframe. Therefore, we did see improved alignment to budget in the Q3.



Energy kWh sales increased year over year with Residential and Large User classes lower than Budget.

Electric Q3 Multi-Year Comparison

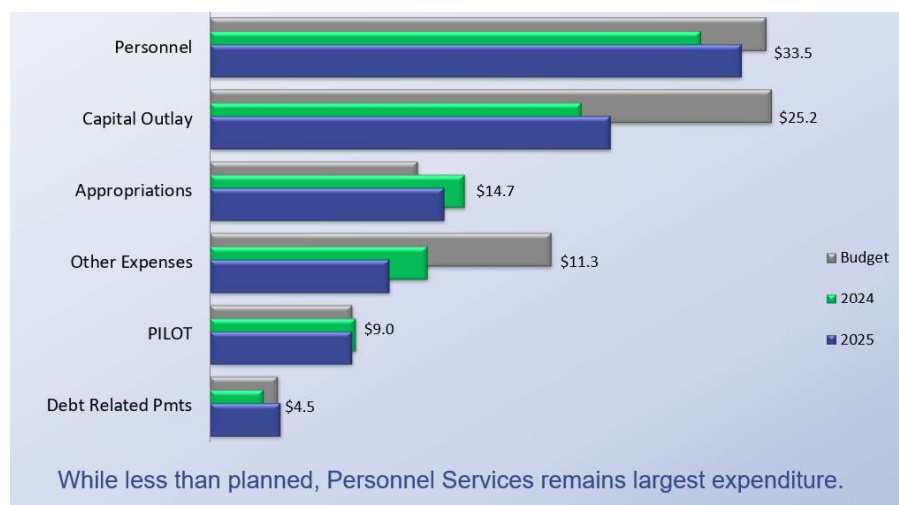
Electric sales revenue is 7.1 million higher than prior year, given the 2 % rate adjustment and increased usage. We can also see the net positive impact in other revenue and power supply and maintenance expenses due to the new contract with DEP. Other revenue is down while the reduction in power supply maintenance more than offset the decrease in revenue.

	2021	2022	2023	2024	2025
Electric Sales Revenue	\$ 153,427	\$ 153,438	\$ 148,201	\$ 158,989	\$ 166,067
Percent Change		0.0%	-3.4%	7.3%	4.5%
Other Revenue	\$ 20,550	\$ 23,828	\$ 22,910	\$ 32,117	\$ 23,807
Percent Change		16.0%	-3.9%	40.2%	-25.9%
Power Supply & Maintenance	\$ 107,738	\$ 106,595	\$ 109,543	\$ 107,939	\$ 92,938
Percent Change		-1.1%	2.8%	-1.5%	-13.9%
Coal Ash	\$ 8,197	\$ 5,319	\$ 5,704	\$ 5,159	\$ 3,285
Percent Change		-35.1%	7.2%	-9.6%	-36.3%
G&A Expense	\$ 14,786	\$ 16,061	\$ 16,819	\$ 17,683	\$ 18,915
Percent Change		8.6%	4.7%	5.1%	7.0%
Other Operating Expenses	\$ 28,488	\$ 33,056	\$ 34,137	\$ 37,624	\$ 40,659
Percent Change		16.0%	3.3%	10.2%	8.1%

Power Supply Contract changes drove net positive impact.

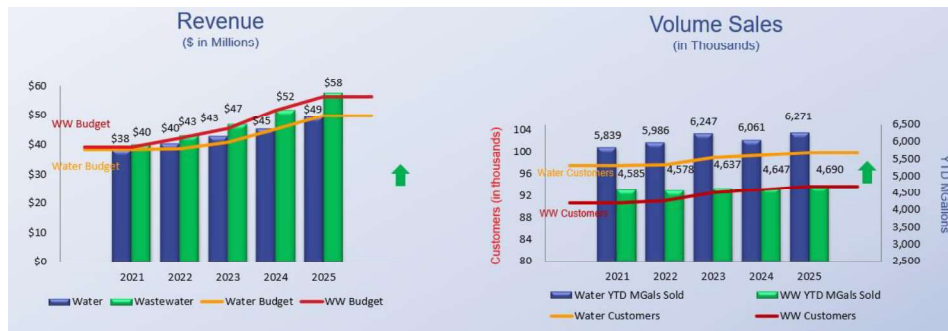
Ms. Graham discussed the Q3 Multi-Year Purchased Power Trends. Among other highlights, she stated as of March the cost per megawatt hour was \$54.08, which was down 15.4%.

FY2025 Q3 Electric Fund Expenditures



FY2025 Q3 Water/Wastewater Sales

Ms. Graham stated Revenue in our water and wastewater utilities increased in the Q3 with water up 9.4 % and wastewater up 11.2 percent over prior year. The new rates in May of 2024, as well as increased usage overall major customer classes drove the increase in revenue. Usage drove volumes sales up 3.5 % for water and wholesale usage up 15.2 %.



FY2025 Q3 Revenue by Customer Class (Water/Wastewater, \$M)

Ms. Graham stated the slide below breaks down our sales further into customer classes and shows a five-year trend for water and wastewater. It also shows how we performed to budget with all customer classes meeting our or slightly exceeding budget with the exception of residential water which was down 3.4 %.



Water/Wastewater Q3 Multi-Year Comparison

Sales revenues increased due to rate adjustment and volume sales while expenses were up from prior year. Other revenue increased \$1.9M with \$1.5M increase due to interest income. The increase in G&A of \$1.2M includes increases again in medical and other post-employment benefit expenses of about \$682,000. The increase in other operating expenses of \$1.5 million reflects the increase in consulting and contractual services related to projects like the Anaerobic Digester project and sludge. Aids, Grants and SDFs decreased year over year by \$1.8M with \$1.3M reduction in customer contributions and a \$454,000 decrease in system development fees with large projects such as Hope Loop, Ridge Subdivision and Gates Four Block Q occurring last year.

	2021	2022	2023	2024	2025
Water Sales Revenue	\$ 37,889	\$ 40,108	\$ 42,586	\$ 44,892	\$ 49,064
Percent Change		5.9%	6.2%	5.4%	9.3%
Wastewater Sales Revenue	\$ 39,922	\$ 42,706	\$ 46,656	\$ 51,630	\$ 57,293
Percent Change		7.0%	9.2%	10.7%	11.0%
Other Revenue	\$ 5,839	\$ 6,515	\$ 7,217	\$ 10,437	\$ 12,320
Percent Change		11.6%	10.8%	44.6%	18.0%
G&A Expense	\$ 14,484	\$ 15,654	\$ 16,359	\$ 17,597	\$ 18,806
Percent Change		8.1%	4.5%	7.6%	6.9%
Other Operating Expense	\$ 55,580	\$ 58,277	\$ 64,290	\$ 68,527	\$ 70,047
Percent Change		4.9%	10.3%	6.6%	2.2%
Aid, Grants, SDF	\$ 11,069	\$ 5,553	\$ 13,457	\$ 10,080	\$ 8,309

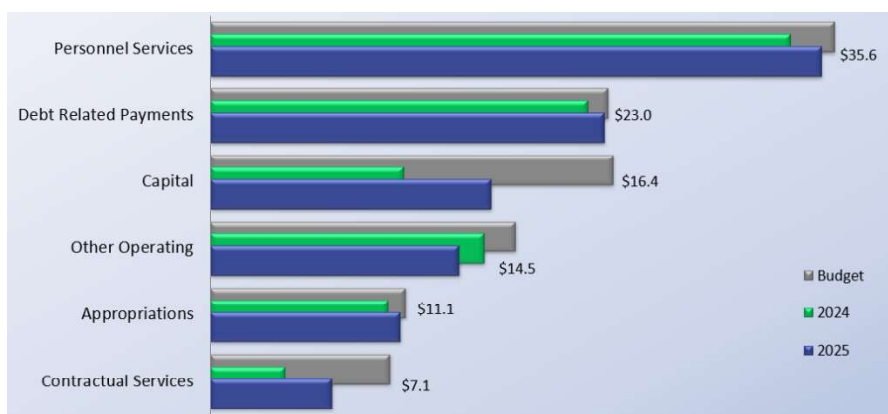
Water/Wastewater Year over Year Comparison

Our change in New Position for the Q3 for the water and wastewater utilities performed better than planned due to a slight increase in revenue as well as lower operating expenses due to timing.

(\$ in Thousands) (Percent of Revenues)	Year to Date				
	Budget		Actual	Last Year	
Total Sales Revenue	\$ 105,685	1%	\$ 106,357	\$ 96,521	10%
Total Other Revenue	10,742	15%	12,320	10,437	18%
Total Operating Expenses	98,224	-10%	88,854	86,124	3%
Operating Results	\$ 18,203	64%	\$ 29,823	\$ 20,834	30%
Assessments, Aid, Grants, SDF	3,071	171%	8,309	10,079	-18%
Change in Net Position	\$ 21,274	79%	\$ 38,132	\$ 30,913	23%

FY2025 Water/Wastewater Fund Expenditures

While less than planned. Personnel services remains largest expenditure. Included in this is also \$651,000 increase in medical & OPEB costs. So generally, we split those pretty much 50/50 between the electric and water funds. Therefore, you are seeing it in both funds.



Capital Expenditures and Debt Service

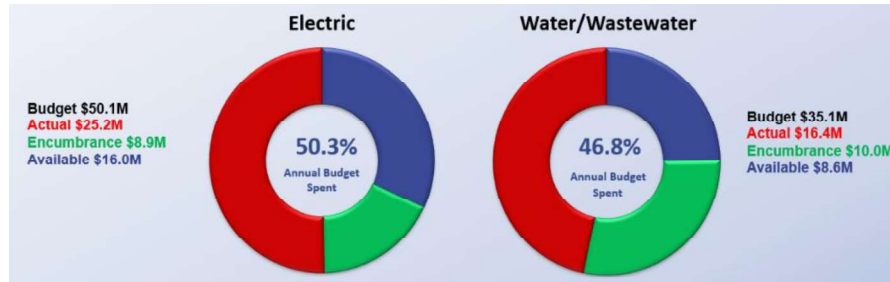
Project execution timing driving capital underrun.

Capital expenditures through the Q3 were \$41.6 million, which was higher than prior year with work being done on the Gas Turbine 4 and 6 major overhauls at the Butler Warner Generation Plant. Generators step up transformers, gas line replacement and substation protection and control systems in the electric divisions. The water division's main contributors were the sanitary sewer manhole rehab, utility improvements in the City and Ramsey Street, water transmission main improvements. Another standout is the \$3.2M in the finance division, which reflects capital outlay for the Gateway project, which is our ERP implementation.

(\$ in Thousands) 3rd Quarter FY 2025	Year to Date		
	Budget	Actual	Last Year
Electric Systems Division	\$ 30,340	\$ 22,284	\$ 22,153
Water Resources Division	18,095	13,309	9,870
Legal Division	588	220	170
Customer Division	1,850	1,049	1,083
Financial Division	4,663	3,207	12
Information Technology Division	3,317	1,532	1,374
Total Capital Expenditures	\$ 58,853	\$ 41,600	\$ 34,662
Electric Debt Service:			
Principal Payments	\$ 1,254	\$ 1,254	\$ 1,154
Interest and Other Finance Costs	3,243	3,419	2,394
Water Debt Service:			
Principal Payments	11,376	11,376	11,871
Interest and Other Finance Costs	11,824	11,666	11,780
Total Debt Service	\$ 27,697	\$ 27,714	\$ 27,200

FY2025 Q3 General Fund Capital Expenditures

Overall, 48.8% of total General Fund capital spent through the end of the 3rd quarter.



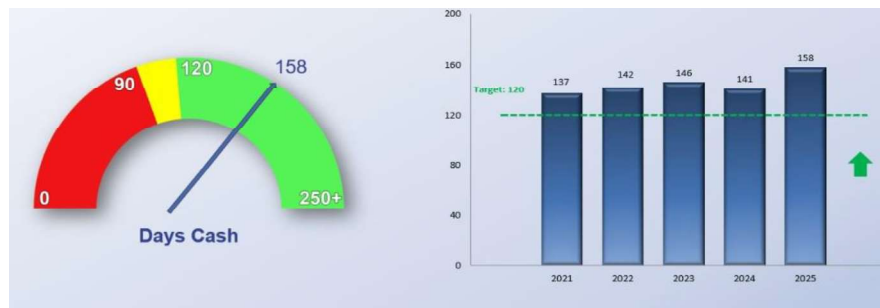
FY2025 Q3 Total Capital (General Fund & CIP)

In addition to General Fund Capital spend (\$41.6M), and additional \$71.0M spent in other funds for a total spend of \$112.6M



FY 2025 Q3 Financial Health

Our Days Cash has been performing around 150 days so far this year and was at 158 as of the end of the Q3, and is above our internal target of 120 days. The increase was due to transfers from the fuel reserve to the general fund and increased sales. The cash levels allow PWC to maintain our current bond ratings and allow us to fund future projects and service debt.



FY 2025 Q3 Unrecoverable Accounts Receivable

Our unrecoverable accounts receivable or bad debt percentage to sales is at .37 %, which remains under our target of 1 %. We have seen a slight uptick in bad debt due to non-residential bankruptcies in our community. Excluding these write-offs, our bad debt percentage would be .3%



In summary PWC continues to look for ways to further reduce our expenses going along with the theme of earlier today in your comments to keep costs down for our ratepayers as evidenced by the decrease in expenses from budget thus far this year. Though capital expenditures are below budget. They are higher than prior year as we continue to invest in our infrastructure and IT functionality. Our change in net position remains strong, exceeding budget and prior year.

Staff responded to comments and questions from Commissioners.

VII. PROPOSED ECONOMIC DEVELOPMENT RIDER UPDATE
Presented by: Timothy Bryant, CEO/General Manager

Mr. Bryant provided the agenda for this discussion, which was purpose of the rider, the proposed rider amendment and the next steps.

Incentive Rider Purpose

- Incentive (discount) supports economic development efforts of qualifying new or existing Electric Large General Service industrial/commercial customers with minimum 1MW load and 40% load factor
- Incentive term is 5-years (60 months) with minimum 75 full-time equivalent employees or \$400K capital investment
- Staff recommends 15% increase to the current incentive

Proposed Economic Development Rider

- Incentive increases from \$0.0100/kWh to \$0.0115/kWh discount in the first year and declines over five years
- Percentage reductions to the current energy rate are below:

Year	Current	Current \$	Proposed	Proposed \$
Year 1	20.6612%	\$0.0100	23.7603%	\$0.0115
Year 2	16.5289%	\$0.0080	19.0083%	\$0.0092
Year 3	12.3967%	\$0.0060	14.2562%	\$0.0069
Year 4	8.2645%	\$0.0040	9.5041%	\$0.0046
Year 5	4.1322%	\$0.0020	4.7521%	\$0.0023

Proposed amendment enhances PWC competitiveness locally and nationally.

Next Steps

- June 25, 2025 – Public Hearing (adoption of Rider)
- July 1, 2025 – Effective Date of Rider amendment (if, approved)
- New Rider will be available online and via the PWC Clerk

Staff responded to comments and questions from Commissioners.

Commissioner Donald Porter motioned to set a Public Hearing for the Economic Development Rider Proposed Amendment. Motion was seconded by Commissioner Richard King and unanimously approved.

VIII. GENERAL MANAGER REPORT

Safety

Mr. Bryant stated there are no significant safety incidents to bring to the Commission's attention at this time.

People

Mr. Bryant welcomed the next generation of PWC team members that began this week. He stated we will host the interns from colleges and universities from all across the state, as well as IKON students from May 27th thru August 1st. We look forward to showcasing the students and the work

that they performed this summer at a later commission meeting where you get to meet each and every one of them as you have done in the past. We have 15 students on board.

Recently a team of our PWC line workers participated in the Spring 2025 North Carolina Association of Municipal Electric Systems Conference and Rodeo on May 13th thru May 15th in Rocky Mount. Mr. Bryant commended the team for their showing in the rodeo and for sharpening their skills for the competition and for bringing their skills back home to help deliver better services for our customers.

Mr. Bryant stated as a reminder, our FY26 benefits open enrollment begins next week thru June 13th. He encouraged all employees to ensure they take they go through the open enrollment process.

Our electric line worker volunteers will be supporting the Navajo Tribal Utility Authority Light Up Navajo Mutual Aid Project coming in the next couple of weeks through the end of June. Mr. Bryant stated he is looking forward to going out and visiting our team members as they literally light up dark sections and areas of the Navajo Nation in delivering energy to generations that have never experienced electric light quite honestly in their lives.

Leadership Fayetteville

Mr. Bryant congratulated Mr. Tyler Patton, Mr. Timothy Smith, and Ms. Tiffany Brisson for graduating from Leadership Fayetteville.

Customer Engagement

Mr. Bryant stated our customer satisfaction survey is in progress. We expect to get those final results back in the next few weeks.

Running the Business

As it has been alluded to a couple of times long this morning, on May 19, 2025, the Cumberland County Board of Commissioners denied approval of PWC's rezoning request to site the Carver Falls Solar Farm. This action by Cumberland County Commissioners is greatly disappointing.

With the PWC team led by the electrical engineering department, they worked alongside the county's planning and inspections department to address the county and local resident concerns resulting in a county planning and zoning committee unanimous recommendation for project approval. The engineers along with the county staff do this work and presented what should have been an easy vote by the County Commission to support PWC and all of our customers. Nonetheless, the County Commission rejected PWC's \$9.5M capital investments, it's 30% federal investment tax credit which expires on December 31, 2025, and customer community infrastructure that would have directly lowered customer bills from all electric customers, but more specifically 83,000 electric customers based on the objection of one adjacent property owner who appears to live in Wilmington, NC. The adjacent property owner raised concerns dealing with dealing and other issues, however the matters were substantially mitigated and discussed with the landowner and the Commission by our engineering team members and our contractors. As communicated to the Commissioners and the adjacent property owner, following the County Commission's zoning approval PWC would still have to get the solar site plan reviewed and approved by the NCDEQ to further ensure compliance with state and federal citing requirements. Though these details were shared with the County

Commission, the Commissioners rejected the engineering and the good of the community over the voice of one resident. Additionally, 100 construction jobs were rejected during the buildout of this solar farm and associated economic impact of the construction workers sourcing local materials, goods and supplies during the 6-to-8-month buildout. Once in operation this solar farm would lower PWC's OEM cost; purchased power costs as well as minimizing the number of renewable energy certificates that PWC must purchase on the market to comply with NC Clean Energy Efficiency Portfolio Standard Requirements. The Carver Falls Renewable Energy Credits equate to \$41,000. This PWC team along with the County Planning Team did everything right.

Mr. Bryant responded to Commissioner Porter's question. He said we must do what is best for PWC every time. Customers first.

Commissioner Garrett stated she also shares Mr. Bryant's disappointment on the outcome of the solar farm. She would like to know the options we are considering on what is next on this issue. Mr. Bryant stated we will have a closed session regarding Carver Falls amongst other things this morning.

Commissioner King stated he is concerned about the solar farm because of how it will affect our customers. That is why the board is here to make sure the rate stays down for our customers. He is fine with the Q3 budget summary. He believes the rider amendment is a good idea as well.

IX. COMMISSIONER/LIAISON COMMENTS

Assistant City Manager Adam Lindsay

Mr. Lindsay stated the City is just a step behind PWC in budget deliberations. They had a couple new work sessions and a public hearing last evening. They are looking to move forward in June to have their budget adopted.

Cumberland County Chairman Kirk DeViere

County Chairman DeViere stated they are beginning their budget process. It was briefed to them last week. They will begin their budget workshops this week. Their public hearing will be on June 5th. He stated he is always available and will have conversations around any issue that is important to the county.

He stated, "lastly, I'll address the solar farm. Commissioners and CEO Bryant, I appreciate your comments and concerns. I spoke to you both the chairman and the CEO the following day and we talked about several things, including communication, including partnerships. And so, I look forward to having continued conversations, not just about the path forward on a project like this, but also our partnerships and how we're moving forward. I know our staff are continuing to talk, but I think it's important that when we have items like this, that boards talk. And that leaders talk, that is important, and we do it in a respectful way, in a way that we can continue to work together that does not damage a relationship. So, I look forward to those conversations as always, I am always available. I think this commission knows that. I know each one of you personally, and I know that we all want what is in the best interest for this community. And we stand ready to continue to have those conversations. We need a community that thrives, we need a PWC that can provide the services that they do across this county and that can be an assistance and a partner in economic development

in our community. So, I stand ready to continue to have those conversations. I also learned that nothing in life is a slam dunk, always, always communicate and sometimes over communicate. So, I look forward to those conversations. Mr. Chairman, thank you and I appreciate the opportunity to be with you this morning.”

Commissioner Donald Porter

No Comments

Commissioner Ronna Rowe Garrett

No Comments

Commissioner Richard King

No Comments

Commissioner Christopher Davis

No Comments

X. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - April 2025
- B. Uncollectible Accounts Report – April 2025
- C. Investment Report - April 2025
- D. Financial Statement Recaps
 - Electric Systems
 - Water/Wastewater
- E. Career Opportunities
- F. Actions by City Council during the meeting of May 12, 2025, related to PWC:
 - Bid Recommendation - Two (2) Prefabricated Concrete Relay Control Houses for the Cliffdale and Yadkin Substations

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

Commissioner Donald Porter motioned to enter Closed Session Pursuant to NCGS 143-318.11(A)(3) for Legal Matters. Motion was seconded by Commissioner Richard King and unanimously approved at 9:41 a.m.

There being no additional discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Richard King, and unanimously approved by Commission returned to open session at 10:26 a.m.

XII. ADJOURNMENT

There being no further discussion, upon motion by Commissioner Donld Porter, seconded by Commissioner Richard King, and unanimously approved, the meeting adjourned at 10:26 a.m.