

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, OCTOBER 22, 2025
8:30 AM

Present: Ronna Rowe Garrett, Vice Chairwoman
 Donald L. Porter, Secretary
 Christopher G. Davis, Treasurer - (VIA WEBEX)

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

Absent: Richard W. King, Chairman
 Chancer McLaughlin, Hope Mills Town Manager

I. REGULAR BUSINESS

Vice Chairwoman Ronna Garrett called the meeting of October 22, 2025, to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

Vice Chairwoman Garrett led the Commission in the Pledge of Allegiance.

APPROVAL OF AGENDA

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

II. CONSENT ITEMS

Commissioner Donald Porter motioned to approve the Consent Items as presented by staff. Motion was seconded by Commissioner Christopher Davis and unanimously approved.

- A. Approve Minutes of meeting of October 8, 2025_
- B. Approve cancellation of November 26th and December 24th Commission Meetings
- C. Approve purchase award recommendation for purchase of Granular Carbon Media for P. O. Hoffer & Glenville Lake Water Treatment Facilities to Calgon Carbon Corporation, Moon Township, PA, the lowest responsive, responsible bidder and in the best interests of PWC in the total amount of \$15,213,853.35 and forward to City Council for approval.

P.O. Hoffer & Glenville Lake Water Treatment Facilities Granular Activated Carbon Media Procurement is budgeted in the following account strings:

- 216.0000.0435.2409182-06.700030..CPR1000531

- 216.0000.0435.2409183-06.700030..CPR1000532

Bid Date: September 23, 2025

COMFORMING BIDDERS

TOTAL PRICE

Calgon Carbon Corporation, Moon Township, PA
Norit Americas, Inc, Marshall, TX

\$15,213,853.35
\$18,979,687.80

NON-COMFORMING BIDDERS

Carbon Activated Corporation, Compton, CA
Sentinel Water Solutions, State College, PA

COMMENTS: The bid notice was advertised through our usual channels on August 20, 2025, with a bid opening date of September 23, 2025. Bids were solicited from (5) vendors, and four (4) were received. The PWC Procurement Department and Water Resources Engineering requests the rejection of the bids that are non-conforming to the bid submission requirements and bid specifications. **MWDBE / SLS Participation:** Calgon Carbon Corporation, Moon Township, PA, is not a Small Local Supplier or MWDBE business. Calgon Carbon Corporation will self-perform the entirety of this project.

END OF CONSENT

III. FY2025 4th QUARTER FINANCIAL UPDATE (APRIL – JUNE 2025)

Presented by: Rhonda Graham, Chief Financial Officer

Mr. Timothy Bryant presented Ms. Rhonda Graham, Chief Financial Officer. Ms. Graham stated she will provide an overview of the FY25 year-end unaudited results.

She stated our auditors are waiting for the final compliance supplement from the Office of Management and Budget, which is currently delayed due to the government shutdown. The auditors are scheduled to join us at our next commission meeting to provide the audit opinion provided that Mr. Bittner receives the compliance supplement and can complete the audit by then. If there are any changes between today and the completion of the audit, staff will bring an update with these numbers.

Ms. Graham stated during the presentation we will provide the following:

- Highlights and Performance
- Net Position and Revenue
- Purchased Power and Other Expenses
- Payment in Lieu of Taxes (PILOT)
- Bad Debt
- Capital and Debt
- Coal Ash Reserve and Rate Stabilization

FY25 Performance Highlights

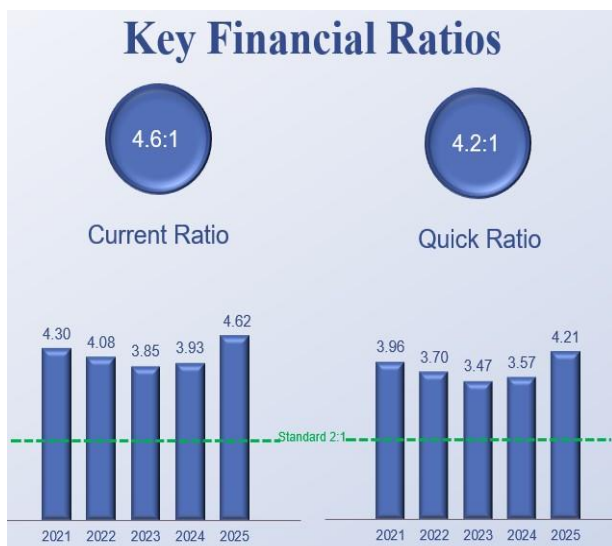
- Net position as of June 30, 2025, was \$1.3B
- Net position increased \$94.2M
 - Electric fund increased \$25.4M
 - Water/Wastewater Fund increased \$68.8M

- PWC maintained AA rating

FY25 Financial Impacts

- ▶ Economic Impacts
 - Mark to market adjustment \$4.2M
 - Interest rates peaked with some volatility
 - Inflation and supply chain
- ▶ Rates
 - New Water/WW Rates effective May 2025
 - New Electric Rates effective May 2025
- ▶ 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
 - Series 2024 Refunding Bonds February 2024 \$76.4M Par with \$5.3M NPV Savings
- ▶ Major Projects
 - Butler Warner Turbine Overhauls
 - Solar Compliance Resources
 - PO Hoffer/Glenville Lake WTF Reliability
 - Line 54" Outfall - Research Drive to I-95
- ▶ Purchase Power
 - Energy Catch-Up \$5.7M
 - Energy and Capacity True-up \$2.3M
- ▶ Weather Impacts
 - Average rainfall up from prior year
 - Average monthly temperature decreased slightly from prior year

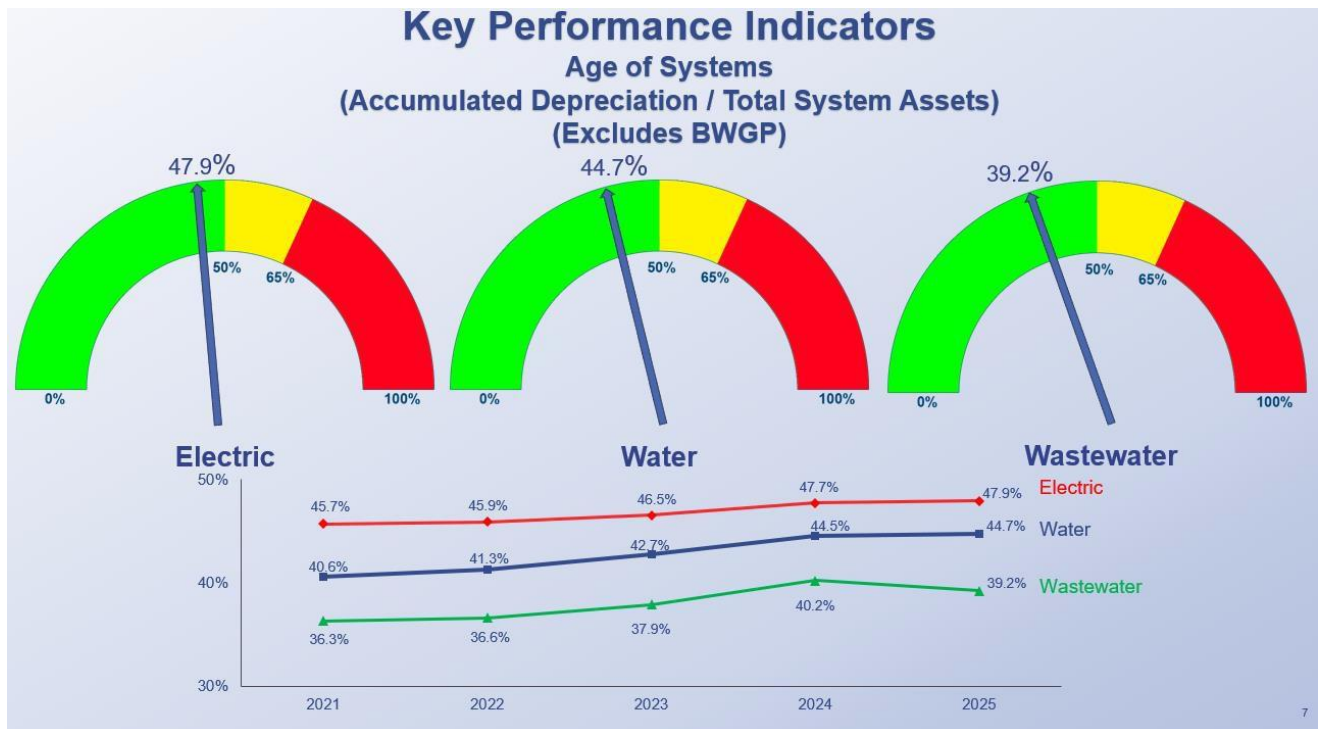
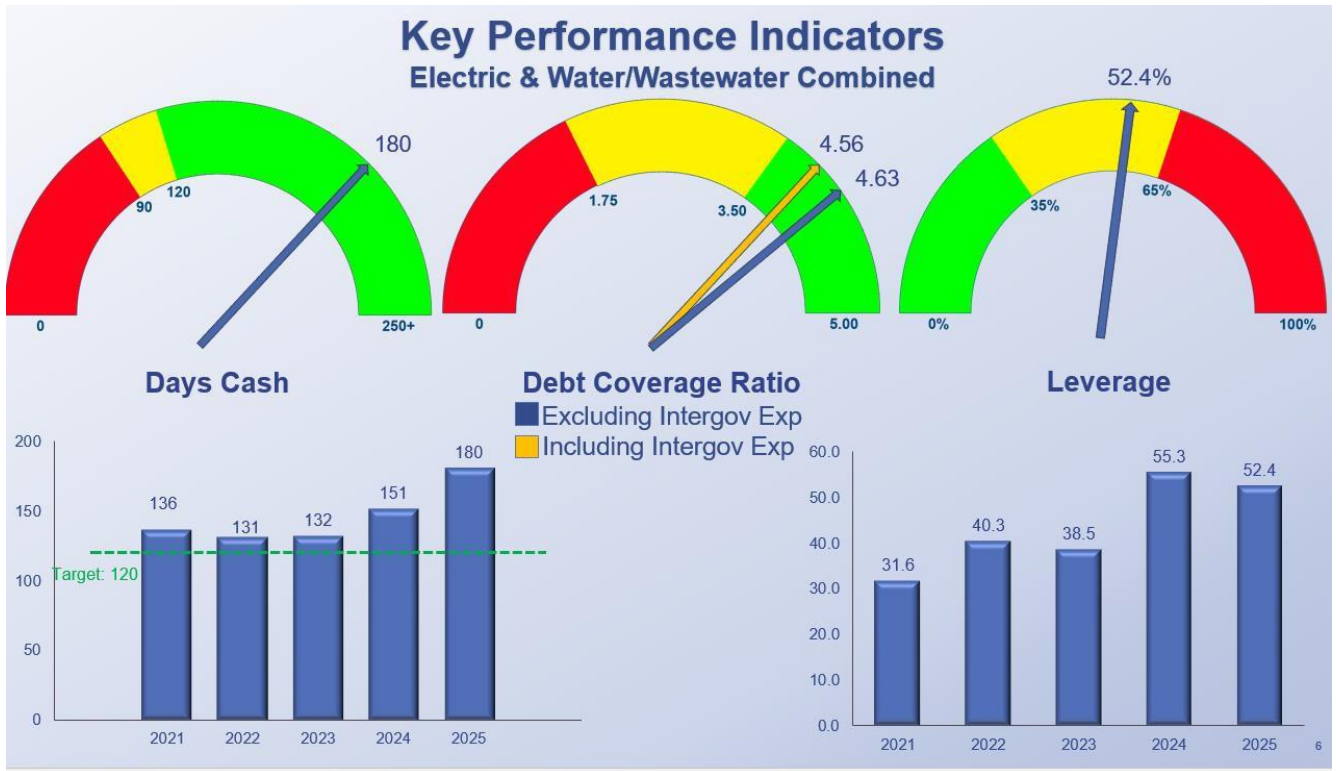
Highlights



Highlights

(\$ in Millions)

Operating Revenues	\$398.2
Power Supply and Generation	126.2
Other Expenses	189.8
Payment in Lieu of Taxes	12.0
Change in Net Position	94.2
Unrestricted Cash and Investments	185.1
Total Assets	1,991.4
Total Net Position	\$1,295.7



Net Position (\$ in Millions)



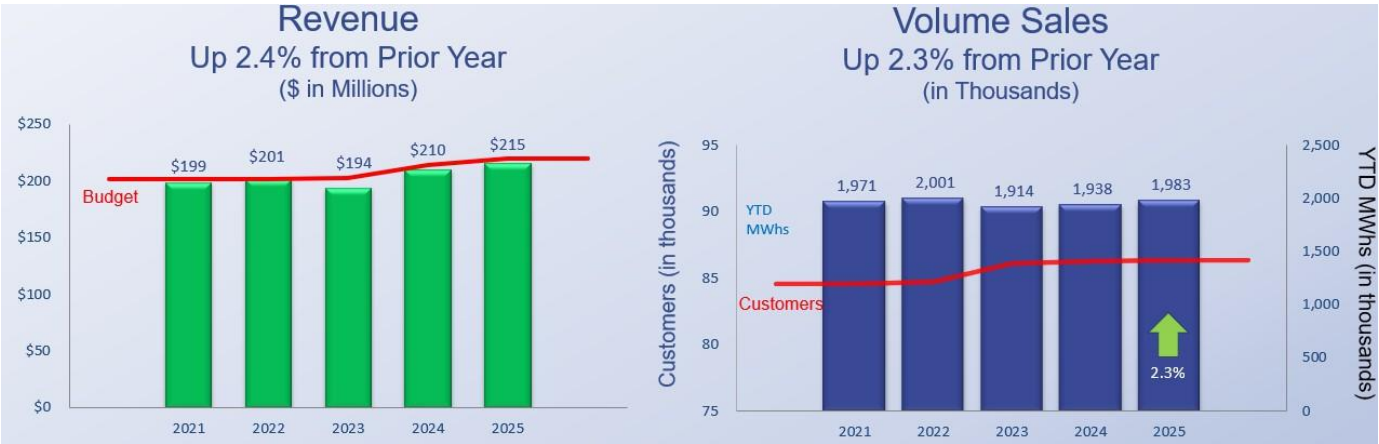
Balance Sheet (\$ in Thousands)

Electric Fund			Water and Wastewater Fund		
	2024	2025		2024	2025
Assets			Assets		
Current Assets	\$ 285,410	\$ 267,460	Current Assets	\$ 327,135	\$ 313,936
Other Assets	5,130	6,041	Other Assets	1,938	3,621
Capital Assets	362,695	397,767	Capital Assets	902,786	1,002,606
Deferred Outflows	13,565	12,655	Deferred Outflows	16,789	15,631
Total Assets and Deferred Outflows	\$ 666,800	\$ 683,923	Total Assets and Deferred Outflows	\$ 1,248,648	\$ 1,335,794
Liabilities			Liabilities		
Current Liabilities	44,053	37,257	Current Liabilities	49,550	57,523
Non Current Liabilities	125,258	125,272	Non Current Liabilities	488,415	499,858
Deferred Inflows	5,046	3,583	Deferred Inflows	1,656	529
Net Position	492,443	517,811	Net Position	709,027	777,884
Total Liabilities and Net Position	\$ 666,800	\$ 683,923	Total Liabilities and Net Position	\$ 1,248,648	\$ 1,335,794

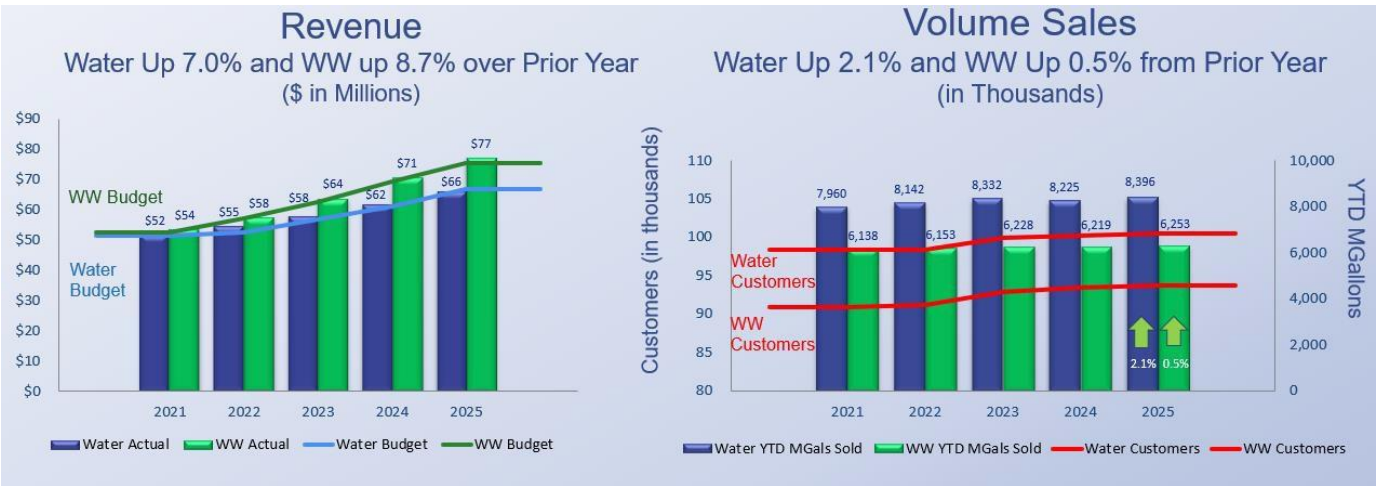
Income Statement (\$ in Thousands)

Electric Fund			Water and Wastewater Fund		
	2024	2025		2024	2025
Electric Sales Revenues	\$ 210,466	\$ 215,422	Total Water & Wastewater Sales	\$ 132,258	\$ 142,481
Other Operating Revenues	37,869	27,304	Total Operating Revenues	12,440	12,956
Power Supply and Maintenance	(150,187)	(122,133)	Available Operating Revenues	\$ 144,698	\$ 155,437
Coal Ash	(6,420)	(4,044)	Total Operating Expenses	(106,138)	(110,456)
Available Operating Revenues	\$ 91,728	\$ 116,549	Operating Income	\$ 38,560	\$ 44,981
Other Operating Expenses	(76,878)	(79,385)	Non-Operating Revenue (Expense)	(3,237)	(1,109)
Operating Income	\$ 14,850	\$ 37,164	Contributions	10,636	11,273
Non-Operating Revenue (Expense)	(5,833)	(7,246)	Transfers In (Out)	5,166	4,700
Contributions	64	150	PFAS Settlement	-	9,012
Transfers in (Out)	(5,166)	(4,700)	Change in Net Position	\$ 51,125	\$ 68,857
Change in Net Position	\$ 3,915	\$ 25,368			

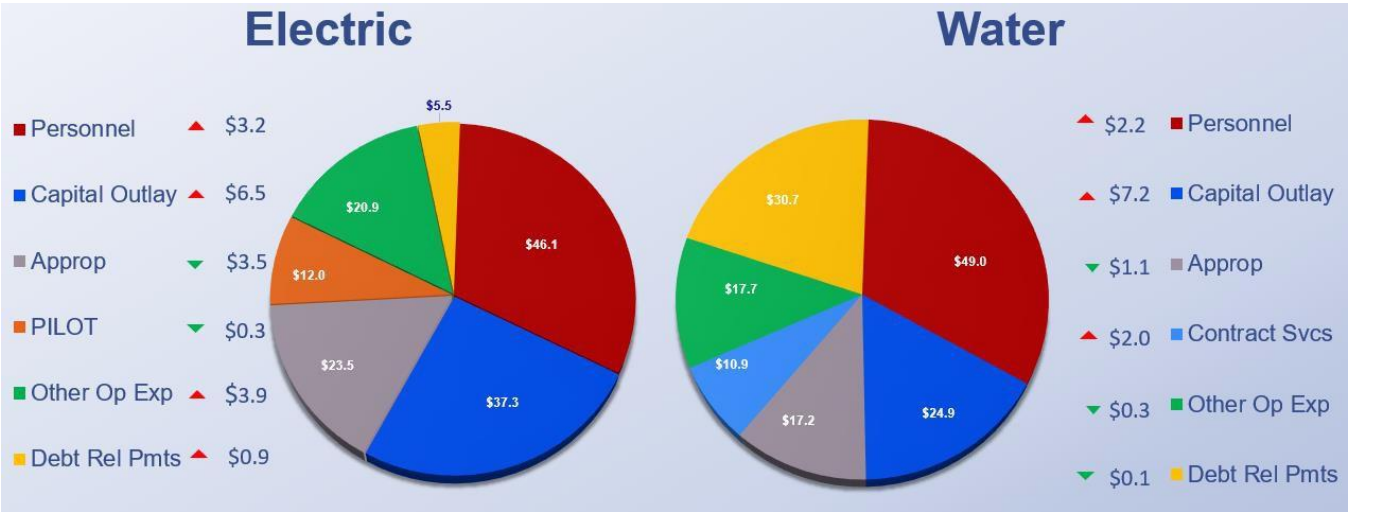
Electric Sales



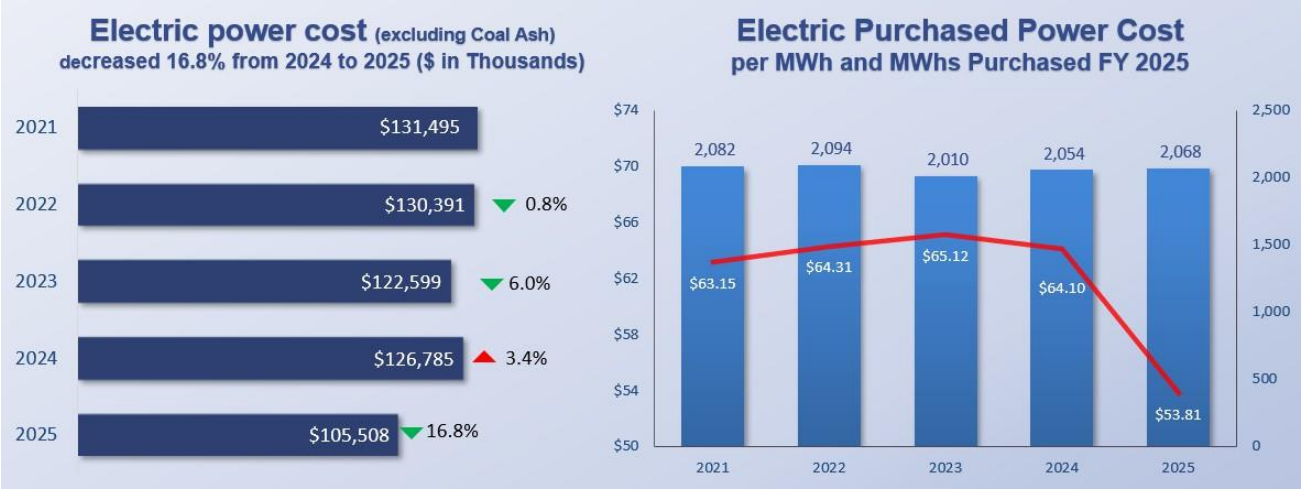
Water/Wastewater Sales



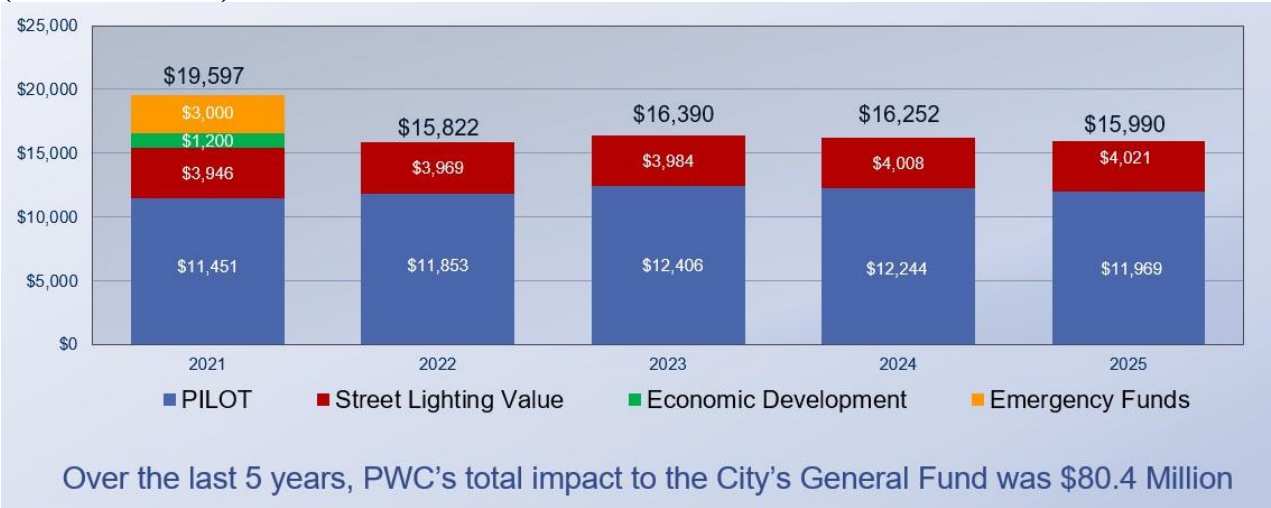
Expenditures (Excluding Power Supply)



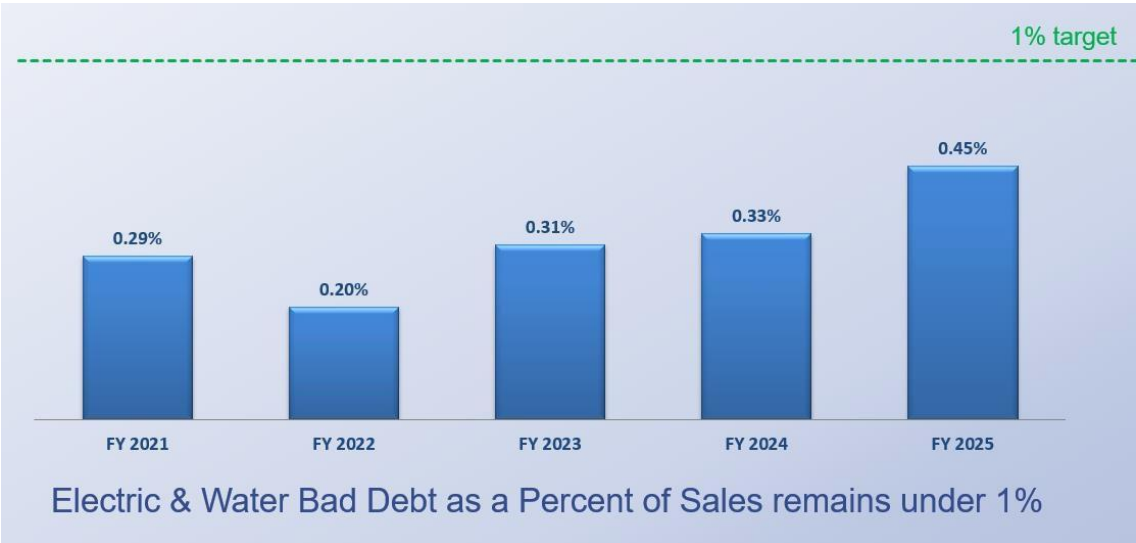
Purchase Power



Transfers to the City
(\$ in Thousands)

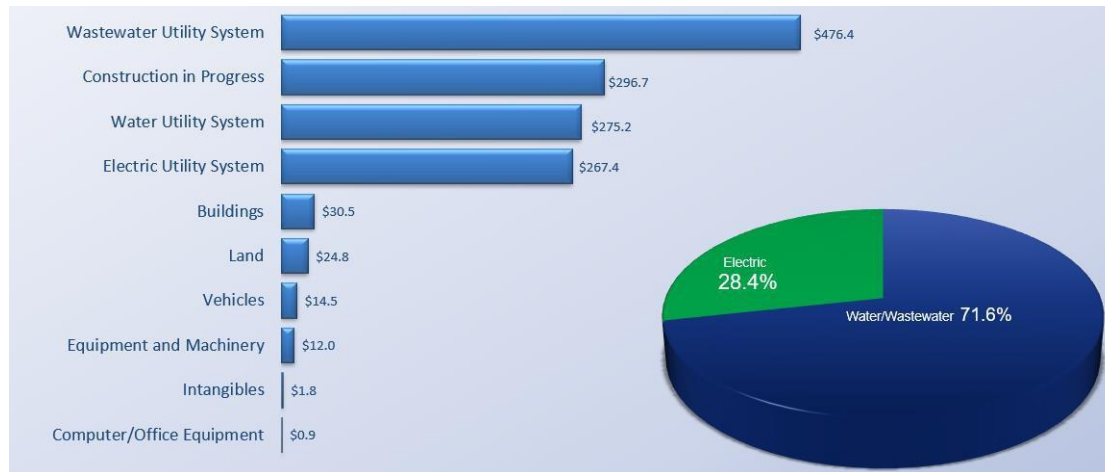


Bad Debt



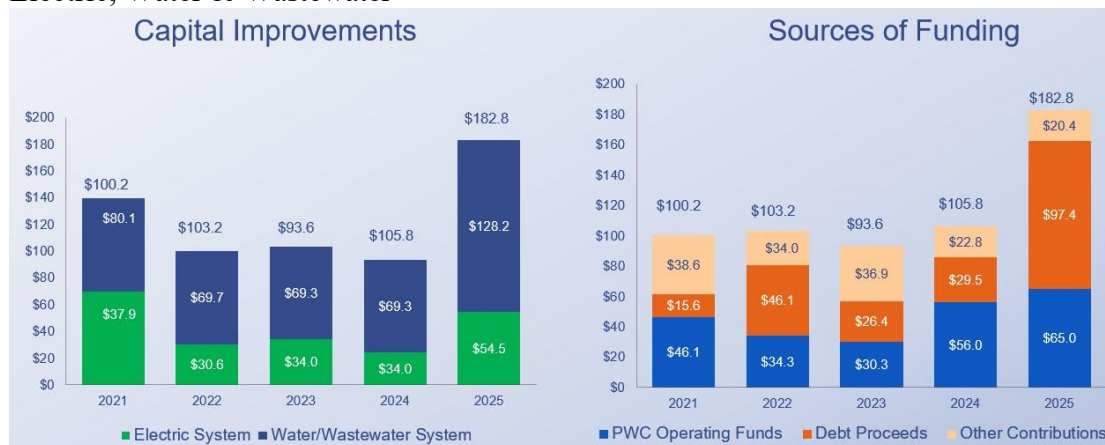
Capital Assets

Majority of PWC's Capital Assets are in the Wastewater Utility
(\$ in Millions)



Capital Improvements

Electric, Water & Wastewater



Capital Expenditures and Debt Service

(\$ in Thousands)	Fiscal Year 2025			
	Original Budget	Amended Budget	Actual	Last Year
Electric	\$ 37,506	\$ 43,224	\$ 33,118	\$ 28,280
Water & Wastewater	26,802	23,566	20,368	14,840
Legal	2,356	1,008	499	537
Customer Care	2,283	2,300	1,757	1,722
Finance	6,299	5,732	4,735	47
Information Technology	1,720	2,040	1,780	3,158
Total Capital Expenditures	\$ 76,966	\$ 77,870	\$ 62,256	\$ 48,584
Electric Debt Service:				
Principal Payments	\$ 1,254	\$ 1,254	\$ 1,254	\$ 1,154
Interest and Other Finance Costs	4,041	4,041	4,027	3,276
Water Debt Service:				
Principal Payments	13,658	13,658	13,575	14,157
Interest and Other Finance Costs	14,856	14,856	14,161	12,930
Total Debt Service	\$ 33,809	\$ 33,809	\$ 33,017	\$ 31,517

Debt Service (\$ in Millions)



Coal Ash Reserve & Rate Stabilization

Electric Rate Stabilization Fund

Fiscal Year Ended June 30	Deposits and Earnings	Withdrawals	Balance
Beginning Balance			\$ 46,040,362
2021	\$ 2,561,886	(\$7,970,771)	\$ 40,631,477
2022	\$ 11,786,970	(\$9,732,270)	42,686,177
2023	\$ 7,876,923	(\$13,798,565)	36,764,535
2024	\$ 10,570,492	(\$22,074,465)	25,260,562
2025	\$ 10,719,796	(\$13,630,060)	\$ 22,350,298
Total	\$ 43,516,067	\$ (67,206,131)	

Water/Wastewater Rate Stabilization Fund

Fiscal Year Ended June 30	Deposits and Earnings	Withdrawals	Balance
Beginning Balance			\$ 1,105,373
2021	\$ 250,226	\$ -	\$ 1,355,599
2022	221,116	-	1,576,715
2023	290,124	-	1,866,839
2024	365,606	-	2,232,445
2025	337,908	-	\$ 2,570,353
Total	\$ 1,464,980	\$ -	

Coal Ash Reserve

Fiscal Year Ended June 30	Deposits and Earnings	Withdrawals	Balance
Beginning Balance			\$ 228,310
2021	\$ 5,445,322	(\$5,443,998)	\$ 229,634
2022	\$ 17,087,146	(\$7,139,917)	\$ 10,176,863
2023	\$ 4,440,376	(\$7,628,331)	\$ 6,988,908
2024	\$ 4,669,397	(\$6,646,447)	\$ 5,011,858
2025	\$ 2,772,894	(\$4,213,596)	\$ 3,571,156
Total	\$ 34,415,135	\$ (31,072,289)	

Commissioner Porter thanked staff for communicating the value of the transfers to the City. He also asked when the Coal Ash will go away. Ms. Graham stated the Coal Ash will not truly go away, but we are ending the Coal Ash Rider.

Mr. Bryant stated as part of our Integrated Resource Plan (IRP) Update coming soon, you will see that Duke has changed its IRP as a result of pushing out the clean carbon date. They will keep some coal in play and continue to build more natural gas. So, we will still deal with Coal Ash, but we are taking it out of our bills.

Commissioner Davis asked if he has seen a drop in the Pilot Transfer of about \$300,000. Ms. Graham responded that the Pilot is a calculation based on the Electric Fund Net Position. So, if the net position drops periodically we will see the pilot drop. The FY25 Pilot was calculated on the FY24 Net Position. Mr. Bryant reiterated that the calculation is consistent.

Commissioner Garrett stated to Mr. Bryant and to the staff that she appreciates the first couple of slides, which show the net position, and the AA Rating. They offer the summary and then the financial details are after it. She does not feel the financial team gets the credit they are due. It is hard work. People think all we do is raise rates and we have a lot of money sitting up here and that is not really the case. It is an art. It is not a science to manage financials in a large corporation, but the story that she likes that staff always tell is the success, but also the partnerships.

She went on to say she agrees with Commissioner Porter that we need to educate the new elected officials on what we do and that it is our job to educate folks on responsibilities, not just for us, but what others do and educate ourselves on what others should or should not do.

Commissioner Garrett congratulated the team and Mr. Bryant. It is a great position to be in and there is a good news story and lots of threads to pull here. She stated she always likes to hone in on personnel. She noticed there is an increase in personnel. She stated Ms. Graham broke it down by water, sewer and electric. She even drilled further and said, here is the medical, here is the 401K and the pensions. Commissioner Garrett asked about the pension liability for the previous year. Mr. Bryant stated staff supplies it in their agenda packet. She also asked if there were cost of living increases that contributed to the increased personnel costs. Mr. Bryant stated no. We implemented a matching 401K program but that was insignificant in terms of the total dollars. He stated generally the cost of benefits are skyrocketing.

Commissioner Garrett thanked staff for the information and stated PWC is one of the best if not the best employer in Fayetteville.

IV. GENERAL MANAGER REPORT

Safety

Mr. Bryant stated the team continues to work safely on maintaining an industry low total recordable injury rate (TRIR) of 0.5. We remain focused on safe work practices including effective pre-job briefs and analysis, procedure adherence, and vehicle and equipment safety, new and near miss reporting and holding each other accountable for one another's safety to ensure that each one of us returns home from work safely each day.

People

Mr. Bryant stated he continues to be proud of our team members, each one of us and our team members work diligently every day to deliver outstanding services to our customers day-in and day-out as well as continuing to look for ways to increase our customer base. We continue to advance the continuous improvement culture by asking ourselves, do we have the right processes, skills, knowledge, and tools to do our jobs more efficiently. And then put those questions into actions to get incrementally better each day. This mindset shows that PWC's team is committed to not only our customers but also the broader public power and water wastewater community.

Community Engagement/Customer Engagement

Mr. Bryant is encouraging our customers to remain vigilant to changing weather patterns as we begin this transition from the tropical storm season to the fall and the winter storm season. Keep fire safety top of mind. Take the time now to inspect your furnaces and fireplaces and heating systems for proper working order. Additionally, with the pending time change that we are currently transitioning in and associated morning and evening low visibility with the dark mornings and dark evenings keep driving safety in mind especially in and around our PWC work crews and equipment. Also be vigilant and aware of wildlife traversing across these dark roads and afternoons, and particularly early mornings.

Running the Business

Mr. Bryant stated he is proud to share on yesterday the PWC team completed the Series 2025 revenue bond sale with Bank of America Securities at a power amount of \$156.4 million and at a true interest cost of 4.07 %. This true interest amount is six basis points lower than a Series 2023 bond sale. There were eleven total bidders and PWC maintains, as you saw in Ms. Graham's presentation, an AA stable rating. This bond sale will fund varying electric, water and wastewater projects across PWC demonstrating PWC's commitment to investing in our infrastructure to not only maintain our current operations but position Fayetteville and Cumberland County for economic growth and enhanced quality of life.

He stated at this time, he would also like to share PWC has not seen a significant impact due to the current federal government shutdown, however, as Ms. Graham pointed out, we do see significant cuts through federal and state utility assistance programs as we walk into this fall season.

The PWC team is working to identify different programs and associated funding to help customers pay their bills and to allow us to minimize our bad debt.

Mr. Bryant also reminded everyone to continue to remain cyber aware to keep the bad guys off of our critical networks. Those threat actions have gotten very sophisticated. Please follow our training that we have shared and continue to share. So before clicking on the link or answering a phone call or a text message, even if it is from someone you know, make sure you follow the training. By continuing to focus on our safety, our PWC team members and customers, the pursuit of excellence in doing what is right, we at PWC continue to demonstrate our commitment to our core values.

V. COMMISSIONER/LIAISON COMMENTS

City Council Liaison Derrick Thompson

Mr. Adam Lindsay, Assistant City Manager stated Council Member Thompson is on the line, but he cannot speak. He requested Mr. Lindsay to reiterate he values this partnership/relationship, and he will continue to tell City Council how important this relationship is.

County Chairman/Liaison Kirk deViere

County Chairman deViere stated there is no update from their side. If they can do anything please let them know. The County continues to look forward to working with PWC for clean, safe drinking water in our community.

Commissioner Christopher Davis

No Comments

Commissioner Donald Porter

He appreciated the breakfast we had for the team who participated in the Light Up Navajo training. He could see that all the team were appreciative for what was done that morning, other than the breakfast being good, culminating in coins. It does not take much to show people you care.

Commissioner Porter also thanked staff for the outage notices that go out. He is always focused on the reliability and how long it takes to get back on. He stated all the providers have outages, and we (PWC) know it is out before the customer does.

Commissioner Ronna Rowe Garrett

Commissioner Garrett also thanked the team for the breakfast for the Light Up Navajo participants. They are proud of what they do and so are we.

The government shutdown has had a huge impact and ripple effect. It is important to be in a good financial position. It has been a big year with unexpected turns and curves. She appreciates the team and the position we are in.

Commissioner Garrett thanked Bobby Russell for the great work he has done and his loyalty to PWC. She and the board wish him all the best in his retirement.

VI. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Recap of Uncollectible Accounts – September 2025
- B. Career Opportunities
- C. Actions by City Council during the meeting of October 13, 2025, related to PWC:
 - Approved Sole Source Request - Purchase and Install 32-Tap Vacuum Interrupting On-Load Tap Changer

VII. ADJOURNMENT

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Christopher Davis, and unanimously approved, the meeting adjourned at 9:19 a.m.