

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, DECEMBER 10, 2025
8:30 AM

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

Others Present: Kirk deViere, Cumberland County Commission Chairman/Liaison (virtual)
Derrick Thompson, City Council Mayor Pro Tem/Liaison
Adam Lindsay, Assistant City Manager
Media

Absent: Timothy L. Bryant, CEO/General Manager
Chancer McLaughlin, Hope Mills Town Manager

I. REGULAR BUSINESS

Chairman Richard King called the meeting of December 10, 2025, to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

Chairman King led the Commission in the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Upon motion by Commissioner Donald Porter, seconded by Commissioner Christopher Davis, the agenda was unanimously approved.

II. AWARD PRESENTATIONS

NC ONEWATER DISTRIBUTION SYSTEM OF THE YEAR–OVERALL WINNER &
NC ONEWATER COLLECTION SYSTEM OF THE YEAR–LARGE SYSTEM

Presented by: Misty Manning, Chief Operations Officer, Water Resources

Ms. Manning stated PWC was recognized at the NC One Water Annual Conference on November 4th, which is the North Carolina affiliation chapter for AWWA and the WEF.

These awards highlight PWC's commitment to proactive maintenance and asset management. They mean a lot, not only because we were being recognized by our peers, but they are based upon criteria regarding our proactive maintenance of our infrastructure as well as our asset management program and other aspects.

She stated this recognizes our continued commitment to excellence here at PWC and our Water Resources Division as well. The awards are a direct result of the work that our team does every day to maintain our system and provide safe, reliable, affordable drinking water and wastewater services.

III. CONSENT ITEMS

Upon motion by Commissioner Christopher Davis, seconded by Commissioner Donald Porter, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of November 12, 2025
- B. Adopt PWC Resolution # PWC2025.41 - Declare Equipment as Surplus and Authorize Sale of Property by Sealed Bid

Fayetteville Public Works Commission owns equipment that is identified in our inventory as “Transformers, Overhead, 2235 KVA, totaling 75” (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.

- C. Adopt PWC Resolution # PWC2025.42 – 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 “Transformers, 1-Phase Pad Mount, 2229.5 KVA, totaling 40” (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.

- D. Adopt PWC Resolution # PWC2025.43 – Resolution Opposing the Fuquay Varina Interbasin Transfer (IBT) and Request for Additional Comment
- E. Approve construction award recommendation for the Readvertisement Water Main Replacement & Rehabilitation to Insituform Technologies, LLC, Southington, CT, the lowest responsive, responsible bidder and in the best interests of PWC in the total amount of \$8,979,370.00, and forward to City Council for approval.

The Readvertisement Water Main Replacement & Rehabilitation is budgeted in 217.0000.0435.2600070-11.700030..CPR1000085

Bid Date: September 11, 2025

CONFORMING BIDDER

Insituform Technologies, LLC, Southington, CT

TOTAL PRICE

\$8,979,370.00

NON-CONFORMING BIDDER

Mainlining America, LLC, Livingston, NJ

COMMENTS: The bid notice was advertised through our usual channels on September 11, 2025, with a bid opening date of October 16, 2025. Bids were solicited from three (3) vendors, and two (2) bids were received.

The PWC Procurement and Water Resources Engineering Department requests the rejection of the bid submitted by Mainlining America, LLC, as it was non-conforming to the specified bid requirements. **MWDBE / SLS Participation:** Insituform Technologies, LLC, is neither a small nor local supplier, nor a MWDBE business. Insituform Technologies, LLC plans to subcontract 26.6% of this project to MWDBEs

END OF CONSENT

IV. 1st QUARTER FINANCIAL REPORT (JULY 2025 – SEPTEMBER 2025)

Presented by: Rhonda Graham, Chief Financial Officer

Ms. Graham stated she will discuss the FY26, first quarter (Q1) financial performance.

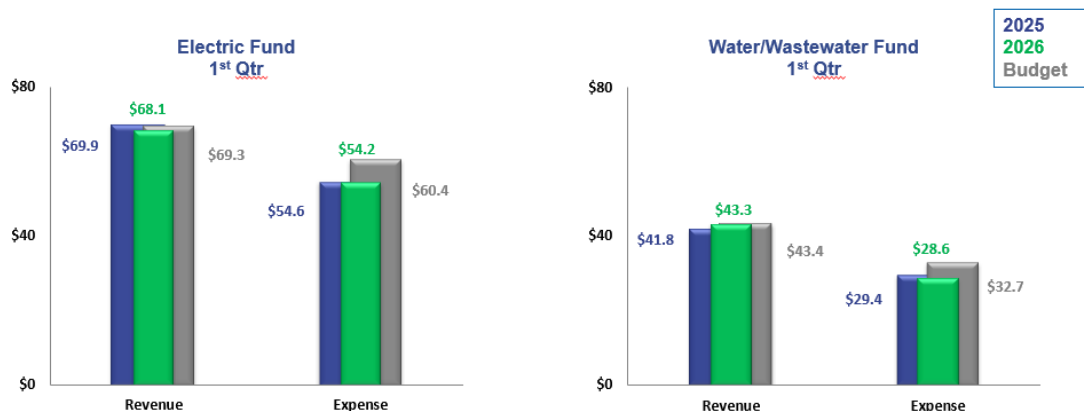
- Financial Impacts
- Revenue & Expense Results
- Multi-Year Trends/Comparisons
- Capital & Debt Service
- Overall Financial Health
- Unrecoverable Receivables
- Q&A

FY2026 Financial Impacts

- ▶ **Rate Modification**
 - New Water, Wastewater, and 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*
- ▶ **Energy Catch Up**
 - FY 2026: \$2.8M
 - FY 2025: \$3.2M

*True Interest Cost

Total Revenue and Expense



Electric fund revenue and expense below budget while W/WW revenue in line with expectations and expense lower than budget.

FY26 Q1 Performance Against Budget

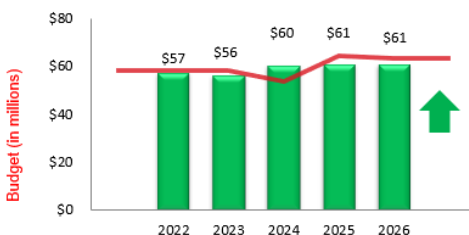
(Major Areas, \$K)

Electric Revenue	▼	1.8%	\$ 1,234
Electric Power Supply & Maintenance	▼	7.2%	\$ 2,624
Coal Ash	▼	0.3%	\$ 2
Electric G&A Expense	▼	28.8%	\$ 2,507
Electric Other Operating Expense	▼	7.1%	\$ 1,037
Electric Payment in Lieu of Taxes (PILOT)		0.0%	\$ -
Electric Change in Net Position	▲	83.0%	\$ 4,933
Water & Wastewater Revenue	▼	2.6%	\$ 1,047
Water/Wastewater G&A Expense	▼	30.7%	\$ 2,698
Water/Wastewater Other Operating Expense	▼	5.7%	\$ 1,367
Water/WW Aid, Grants, SDF	▲	178.7%	\$ 1,950
Water Change in Net Position	▲	49.9%	\$ 5,919
Days Cash Reserve	▲	191	
Net Bad Debt		<1.0%	

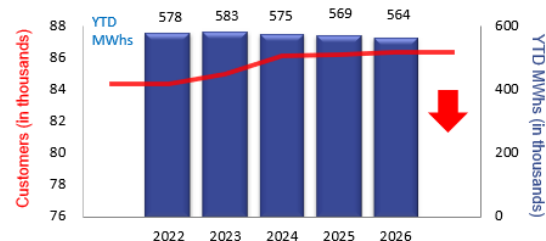
Strong net position reflects timing of operating expenditures and receipt of customer contributions.

FY2026 Q1 Electric Sales Trends

Revenue Actuals
(\$ in Millions)

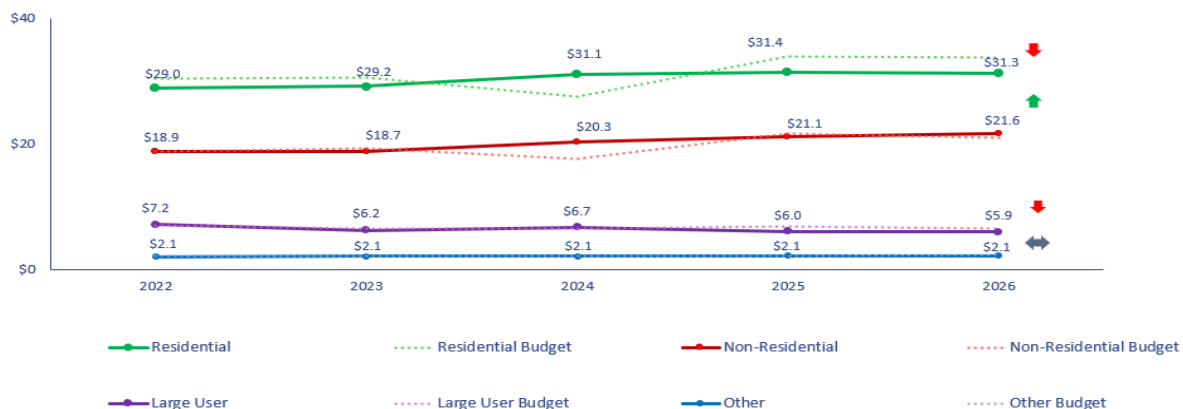


Volume Sales
(\$ in Thousands)



Electric Revenue up 0.5% and Sales down 0.9%, respectively due to rate adjustment and milder weather.

FY2026 Q1 Revenue by Customer Class (Electric, \$M)



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

Electric Q1 Multi-Year Comparison (\$K)

	2022	2023	2024	2025	2026
Electric Sales Revenue	\$ 57,069	\$ 56,210	\$ 60,170	\$ 60,648	\$ 60,940
Percent Change		-1.5%	7.0%	0.8%	0.5%
Other Revenue	\$ 12,065	\$ 11,069	\$ 12,781	\$ 9,207	\$ 7,138
Percent Change		-8.3%	15.5%	-28.0%	-22.5%
Power Supply & Maintenance	\$ 40,797	\$ 43,138	\$ 40,666	\$ 35,142	\$ 33,666
Percent Change		5.7%	-5.7%	-13.6%	-4.2%
Coal Ash	\$ 1,732	\$ 1,889	\$ 1,954	\$ 1,267	\$ 760
Percent Change		9.1%	3.4%	-35.2%	-40.0%
G&A Expense	\$ 4,486	\$ 4,910	\$ 5,560	\$ 6,157	\$ 6,186
Percent Change		9.5%	13.2%	10.7%	0.5%
Other Operating Expenses	\$ 10,028	\$ 10,328	\$ 11,700	\$ 12,043	\$ 13,571
Percent Change		3.0%	13.3%	2.9%	12.7%

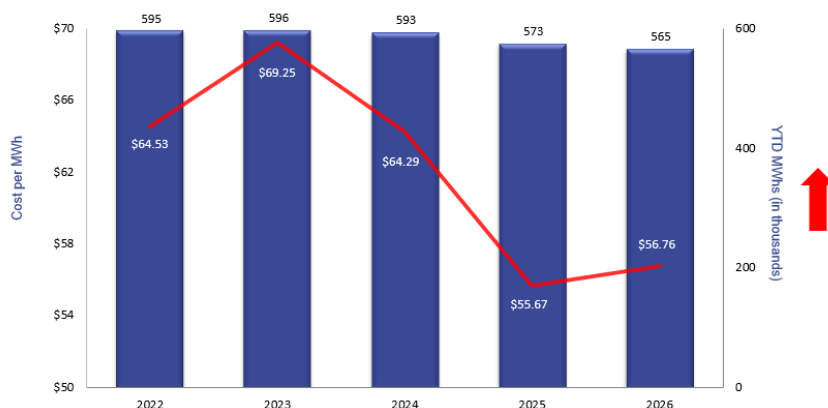
Lower Power Supply costs partially mitigated lower revenue.

Electric Year over Year Comparison

(\$ in Thousands) (Percent of Revenues)	Year to Date				
	Budget		Actual	Last Year	
Total Sales Revenue	\$ 63,579	-4%	\$ 60,940	\$ 60,648	0%
Total Other Revenue	5,732	25%	7,138	9,207	-22%
Power Supply and Maintenance	(36,290)	-7%	(33,666)	(35,142)	-4%
Coal Ash	(762)	0%	(760)	(1,267)	-40%
Available Operating Revenues	\$ 32,259	4%	\$ 33,652	\$ 33,446	1%
Other Operating Expenses	(23,302)	-15%	(19,758)	(18,200)	9%
Operating Results	\$ 8,957	55%	\$ 13,894	\$ 15,246	-9%
Aid to Construction & Grants	5	-100%	-	23	-100%
Intergovernmental Transfer	-	0%	-	-	0%
City PILOT/Econ Dev	(3,017)	0%	(3,016)	(2,992)	1%
Change in Net Position	\$ 5,945	83%	\$ 10,878	\$ 12,277	-11%

Lower operating expense positively affected change in net position compared to budget.

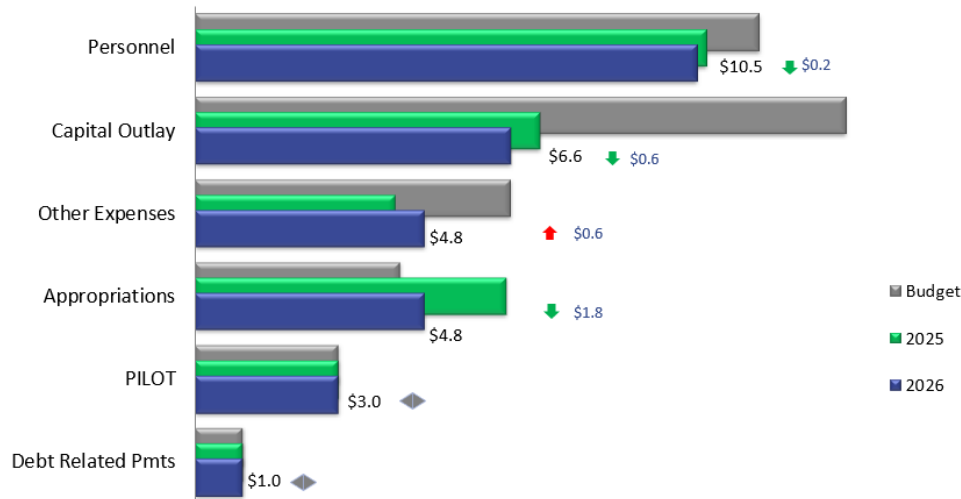
Q1 Multi-Year Purchased Power Trends



Power Supply Contract amendment (BWGP Demand Credit) drove significant reduction in MWh Cost.

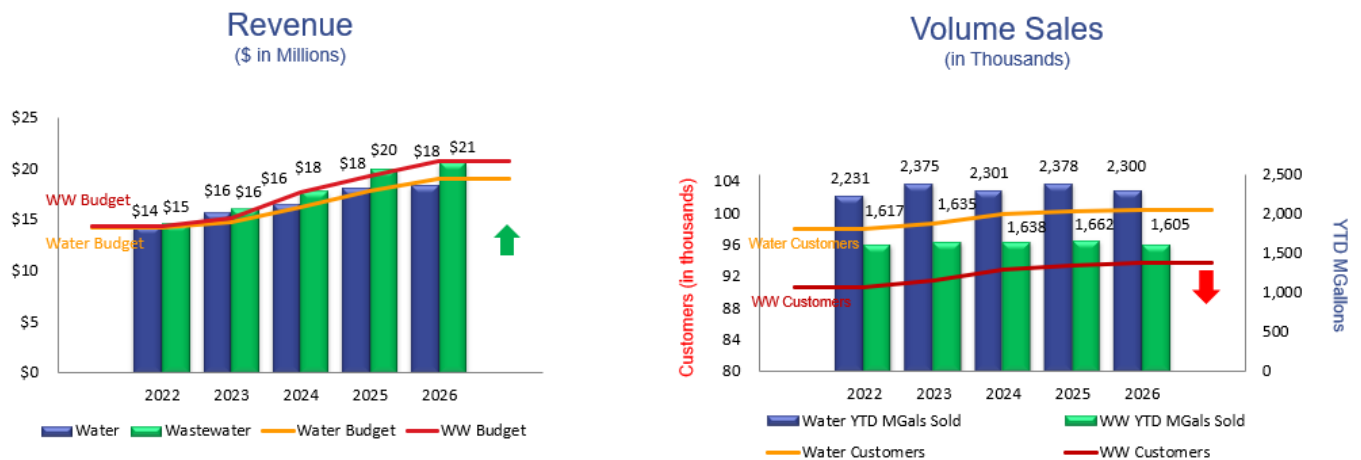
FY2026 Q1 Electric Fund Expenditures

(\$M Excluding Power Supply)



While less than planned, Personnel Services remains largest expenditure.

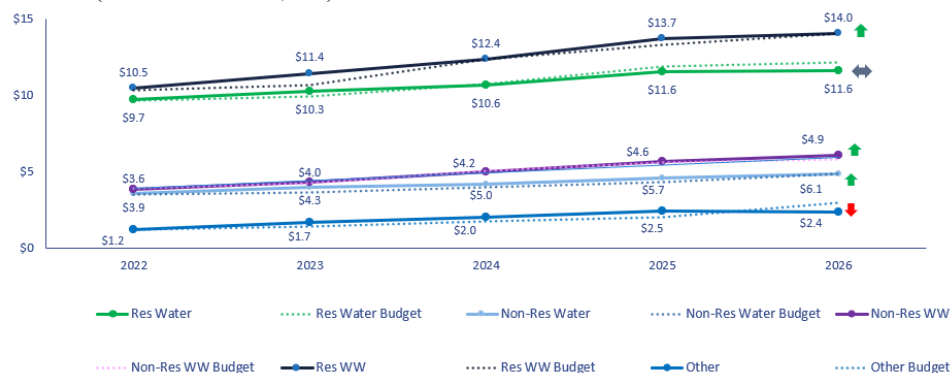
FY2026 Q1 Water/Wastewater Sales



W/WW revenue up 1.8% and 3.0% respectively with Water and Other fell short of budget.

FY2026 Q1 Revenue by Customer Class

(Water/Wastewater, \$M)



Overall W/WW Sales increased year over year. Residential Water and Other fell short of budget.

Water/Wastewater Q1 Multi-Year Comparison (\$K)

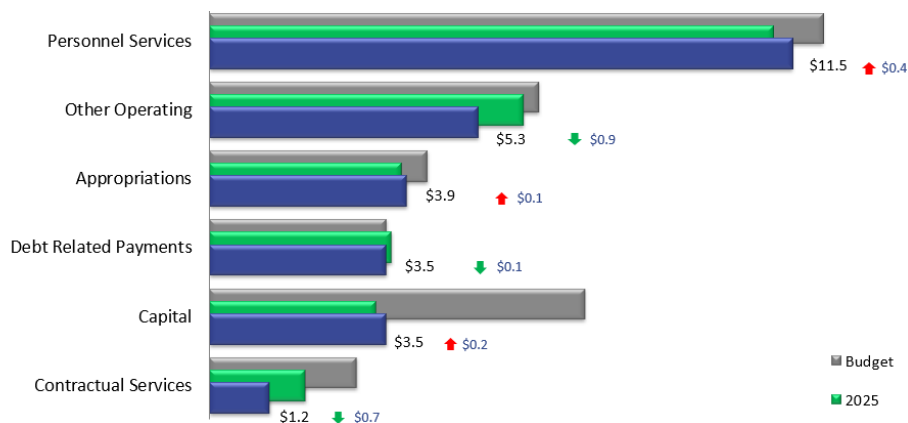
	2022	2023	2024	2025	2026
Water Sales Revenue	\$ 14,236	\$ 15,586	\$ 16,334	\$ 17,940	\$ 18,290
Percent Change		9.5%	4.8%	9.8%	2.0%
Wastewater Sales Revenue	\$ 14,534	\$ 15,980	\$ 17,748	\$ 19,805	\$ 20,403
Percent Change		9.9%	11.1%	11.6%	3.0%
Other Revenue	\$ 2,008	\$ 2,263	\$ 3,325	\$ 4,035	\$ 4,638
Percent Change		12.7%	46.9%	21.4%	14.9%
G&A Expense	\$ 4,291	\$ 4,838	\$ 5,739	\$ 6,351	\$ 6,082
Percent Change		12.7%	18.6%	10.7%	-4.2%
Other Operating Expense	\$ 17,837	\$ 20,785	\$ 20,945	\$ 23,029	\$ 22,520
Percent Change		16.5%	0.8%	9.9%	-2.2%
Aid, Grants, SDF	\$ 2,271	\$ 3,708	\$ 3,248	\$ 376	\$ 3,042

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Sales revenues increased due to rate adjustment and expenses are down from prior year.

FY2026 Water & Wastewater Fund Expenditures



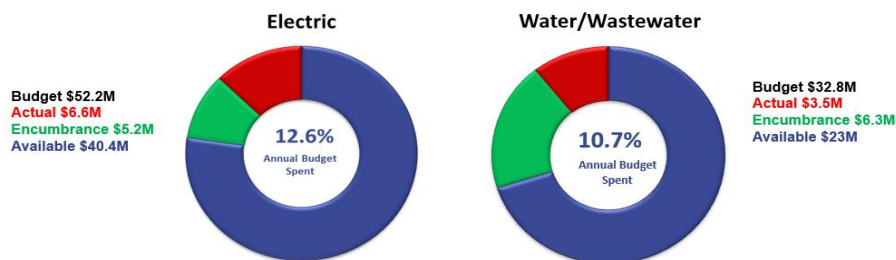
While less than planned, Personnel Services remains largest expenditure.

Capital Expenditures and Debt Service

(\$ in Thousands) 1st Quarter FY 2026	Year to Date		
	Budget	Actual	Last Year
Electric Systems Division	\$ 12,387	\$ 5,877	\$ 6,370
Water Resources Division	5,918	2,761	2,486
Legal Division	241	273	20
Customer Division	805	474	201
Financial Division	1,437	633	340
Information Technology Division	254	77	1,064
Total Capital Expenditures	\$ 21,042	\$ 10,095	\$ 10,482
Electric Debt Service:			
Principal Payments	\$ -	\$ -	\$ -
Interest and Other Finance Costs	998	996	1,013
Water Debt Service:			
Principal Payments	-	-	-
Interest and Other Finance Costs	3,459	3,451	3,603
Total Debt Service	\$ 4,458	\$ 4,447	\$ 4,616

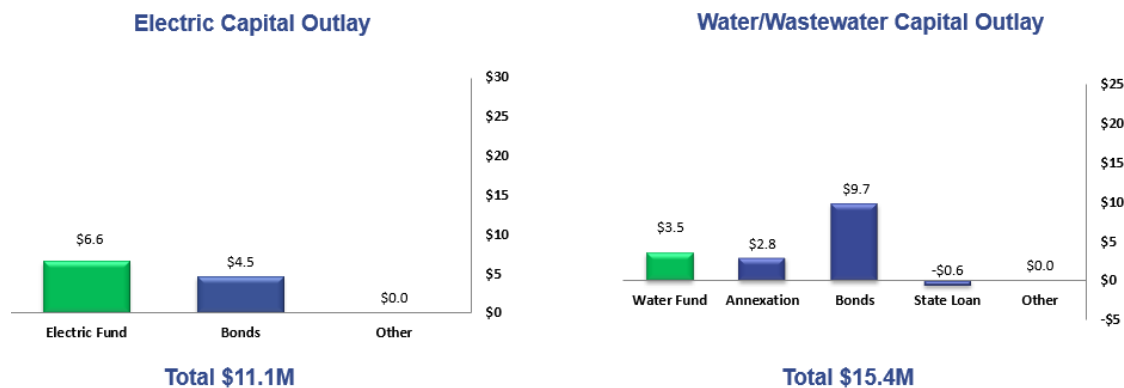
Project timing is driving capital variance.

FY2026 Q1 General Fund Capital Expenditures



12% of total General Fund capital spent through the end of the 1st Quarter.

FY2026 Q1 Total Capital (General Fund & CIP)



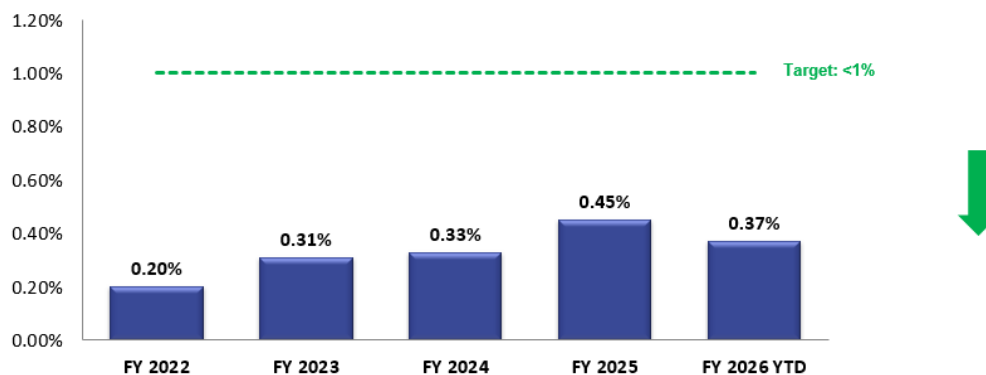
In addition to General Fund capital spend (\$10.1M), an additional \$16.4M spent in other funds.

FY2026 Q1 Financial Health



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

FY2026 Q1 Unrecoverable Accounts Receivable



Slight decrease in Bad Debt driven by increased assistance program contributions.

Ms. Graham stated in summary, PWC has started the year off well. Although revenues are slightly behind expectations due to lower usage. Our change in net position is better than planned. This was accomplished by lower purchase power costs, and timing of expenses such as contractual services. We continue to invest in our capital infrastructure with slightly less than last year, but we will typically see more traction in the coming quarter.

Commissioner King asked Ms. Graham what keeps her up; what bothers her the most. Ms. Graham replied that she is excited to see that our Change in Net Position is better than anticipated. But what really keeps her up at night is when we look forward to some of our capital expenditures that we have in our CIP (plant expansions, GAC). Our current debt load is about \$500 million, and as we start looking at the plant expansions and GAC, we will begin to see bond issuances in hundreds of millions of dollars. We here at PWC are looking at how we are prioritizing some of our projects to help contain our debt going forward.

Council Member Thompson commented that he wants PWC to be prepared for the expansion that will come into southwest Fayetteville. And that value will come to PWC.

The Commission thanked Ms. Graham for the in-depth presentation.

V. GENERAL MANAGER REPORT

Ms. Graham presented the General Manager's report on Mr. Bryant's behalf.

Safety

PWC team continues to work safely overall. The total recordable injury rate (TRIR) has increased to .68 because of a few minor injuries. As previously shared, we must stay focused on the work at hand and execute the work in accordance with pre-job briefing. Following safe work practices and situational awareness to even call stop when the job deviates from the pre-job briefing or scope changes is not only encouraged but expected. This focus is expected in the office environment as well, as we navigate slippery walking, working surfaces, and perform routine tasks, holding each other accountable and sharing near miss events will ensure that each one of us returns home from work safely each day.

People

Mr. Bryant states, I want to reiterate how proud that I am of the Water Resource team and support staff that helped in earning the NC One Water Distribution System of the Year and the Collection System of the Year Lare System.

Community and Customer Engagement

Please be reminded to be winter weather safe and prepared. As the temperature gets colder, customers are urged to protect pipes, outdoor spickets and sprinklers from freezing and sudden temperature drops. Get to know the location of shut off valves before the extreme weather is upon us. See faypwc.com for additional details on how to protect piping as well as save on electrical and water bills throughout the cold season.

Running the Business

Nearly 30 PWC team members along with another 170 community stakeholders attended last Thursday's NC Environmental Management Commission concerning the Fuquay Varina IBT Certificate Request Public Hearing held on the campus of FTCC.

PWC Team members also participated in last night's IBT hearing in Raleigh, and will be in Pittsboro tomorrow, December 11th. The PWC staff did a tremendous job activating stakeholders across Cumberland and Hoke Counties to take a stand against the transfer request of over six million gallons per day from the Cape Fear River to the Neuse River Basin. PWC will continue to rally stakeholders and advocate opposition to the request until the Environmental Management Commission (EMC) makes the Fuquay Varina IBT Request decision in the Spring of 2026.

VI. COMMISSIONER/LIAISON COMMENTS

County Commissioner/Liaison Kirk deViere

Commissioner deViere stated the County had their leadership meeting (organizational), and he will remain chairman for another year, and Commissioner Veronica Jones will remain the vice chair. This will provide a level of continuity that is also seen across the municipalities.

Commissioner deViere thanked PWC for all the work done on the IBT. He stated the County was at the meeting at FTCC. There were four commissioners as well as members of their team and staff, who spoke all on varying topics, focusing on key issues and facts. He and members of his team will

be in Pittsboro tomorrow evening. They have also engaged some of the state delegation and state officials up and down the river to try to engage other county commissioners to ensure they understand the impact. He thanked PWC again for mobilizing all who came out and stood up at the hearing. He has been to several smaller municipalities to encourage their resolutions in opposition to the transfer of water from Cape Fear to the Neuse River Basin.

He is committed to deepening the relationship between PWC and the County.

City Council Mayor Pro Tem/Liaison Derrick Thompson

Councilman Thompson thanked PWC for their sentiments of condolences in the loss of his sister. He stated it warms his heart that he is cared for not only as a councilman but as a person as well.

He stated he will continue as the liaison as well. He stated when you have likeminded leadership why break it up. Though it has been a challenging year, there has been a plethora of achievements in 2025. Let us continue to move forward together in 2026.

Commissioner Donald Porter

Commissioner Porter stated that last Thursday was gratifying, seeing all who came together for a unified purpose. He commended the staff on the great work. Though he does not know what the decision will be, he was very observant during the meeting. He stated the Fuquay Varina request is offensive because it is selfish and greedy.

Commissioner Christopher Davis

No Comments

Commissioner Ronna Rowe Garrett

Commissioner Garrett congratulated Chairman deViere for another year as chairman and as PWC's liaison. She also congratulated Mayor Pro Tem Thompson for a successful election and continuing to be PWC's liaison for another year.

She stated we all discussed leadership and continuity and the like, however one of the things she loves about this town is the diversity, not just in gender, race, income but the way we think and the mutual respect and admiration amongst the leadership. She believes that it comes from relationships and striving for better relationships. It is never perfect, but she believes we all desire the same and that is what is best for people, and sometimes when we come together and it is one voice it is a beautiful thing, however she really loves the diversity and thought and the ability to come to the table with different opinions.

Commissioner Richard King

Commissioner King stated he loves that the County, City and PWC are working together. We have a lot to do, and he just wants to be a part of it. He sees Fayetteville and the County growing. With the County, City, and water we are looking into will grow Fayetteville. We want to keep the developers in Cumberland County. He wants to see the community and PWC grow and that we all work together and continue to do so. Whenever people come together, they can move mountains.

VII. REPORTS AND INFORMATION

- A. Monthly Cash Flow Report - October 2025
- B. Recap of Uncollectible Accounts – October 2025
- C. Investment Report – October 2025
- D. Utility Payments by Payment Type – October 2025
- E. Personnel Report - November 2025
- F. LGRS Letter – November 2025
- G. Career Opportunities
- H. Actions by City Council during the meeting of November 25, 2025, related to PWC:
 - Adopted Resolution in Opposition to Interbasin Transfer (IBT) Certificate

VIII. ADJOURNMENT

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Christopher Davis, and unanimously approved, the meeting adjourned at 9:09 a.m.