

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, FEBRUARY 11, 2026  
8:30 AM

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

Others Present: Timothy L. Bryant, CEO/General Manager  
Kirk deViere, Cumberland County Commission Chairman/Liaison (VIRTUAL)  
Jodi Phelps, Assistant City Manager  
Media (VIRTUAL)

Absent: Chancer McLaughlin, Hope Mills Town Manager

I. REGULAR BUSINESS

Chairman Richard King called the meeting of February 11, 2026, 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 Ronna Rowe Garrett, the agenda was unanimously approved.

II. CONSENT ITEMS

Upon motion by Commissioner Donald Porter, seconded by Commissioner Ronna Rowe Garrett, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of January 28, 2026
- B. Adopt PWC Resolution # PWC2026.02 - Resolution Approving Reduced Water Service Connection Fees for Customers in the Gray's Creek Water Main Extension Construction Project Area
- C. Approve award recommendation for the Annual Contract for Overhead Distribution to River City Construction, LLC, Washington, NC, the lowest responsive, responsible bidder and in the best interests of PWC in the total amount of \$6,641,135.02 and forward to City Council for approval.

The Annual Contract for Overhead Distribution is budgeted in account string 001.0820.0435.0000-00.690040.CPR000036

Bid Date: December 17, 2025

| <u>Conforming Bidders</u>                             | <u>Total Price</u> |
|---|--------------------|
| River City Construction, LLC, Washington, NC          | \$ 6,641,481.51    |
| Carolina Power & Signalization, LLC, Fayetteville, NC | \$ 8,058,135.02    |
| Pike Electric, LLC, Mount Airy, NC                    | \$ 9,134,314.91    |
| Lee Electrical Construction, LLC                      | \$10,376,606.16    |
| Infratech Corporation, Kennesaw, GA                   | \$12,513,569.63    |
| 5 Star Electric, LLC, Clay, KY                        | \$13,785,785.42    |

Non-Conforming Bidders

Directional Services, Inc. dba Cinterra, Hope Mills, NC  
Atlantic Power Constructors, Manchester, ME

**COMMENTS:** The bid notice was advertised through our usual channels on October 29, 2025, with a bid opening date of December 17, 2025. Bids were solicited from five (5) vendors, and eight (8) bids were received. The Electrical Engineering Department requests the rejection of bids that are non-conforming to specified bid requirements. **SDBE/SLS Participation:** River City Construction, LLC, Washington, NC, is not a small local or SDBE business. River City Construction, LLC, anticipates to self-perform this contract.

END OF CONSENT

III. ELECTRIC RATES AND PWC FEES PRESENTATION

Presented by: Rhonda Graham, Chief Financial Officer  
Jason Alban, Director of Financial Planning and Capital Projects

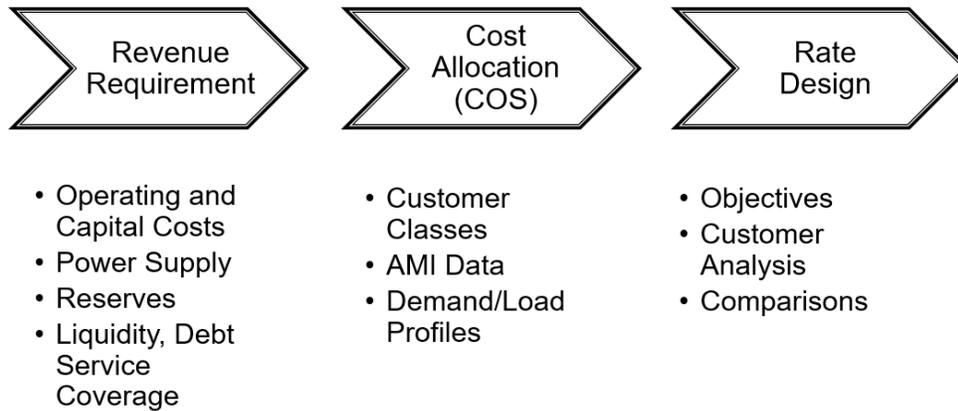
Ms. Rhonda Graham, Chief Financial Officer, presented Mr. Jason Alban, the Director of Financial Planning and Capital Projects. He will be presenting the staff's recommendations for the electric systems rates for the next two years, as well as providing an overview of the detailed work that goes in behind determining those rates.

Mr. Alban stated he will look at our review of the three phases of the rate process, the rates process as well as our proposed rates and rate comparisons, as well as the proposed fees and charges and a summary, as well as the customer impact.

Agenda

- Rates Process Review
- Proposed Rates
- Rate Comparison
- Proposed Fees & charges
- Summary

## Rates Process



▶ Engaged with NewGen Strategies throughout Rates Process

## Revenue Requirement

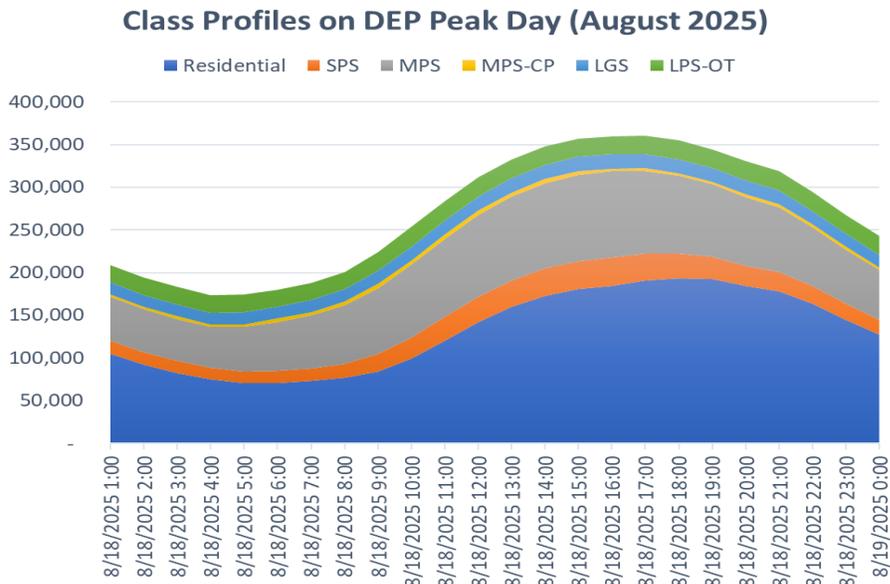
- 10-Year Financial Modeling Horizon
- KPIs and Rate Triggers for Electric Fund:
  - Operating Reserve > 120 days cash
  - Revenue Growth (2019: \$213.7M vs. 2026: \$220.7M—3.26% over last 7 Years)
- Key Drivers of Revenue Requirements
  - Purchased Power
  - Electrical Systems & Operating Expenses
  - Capital Projects
  - Coal Ash Rider
  - Appropriations & Transfers
- Revenue Requirements increasing to meet future need:

|          | Yr 1 – FY27 | %    | Yr 2 – FY28 | %    |
|----------|-------------|------|-------------|------|
| Electric | ~\$12.1M    | 5.5% | ~\$12.8M    | 5.5% |

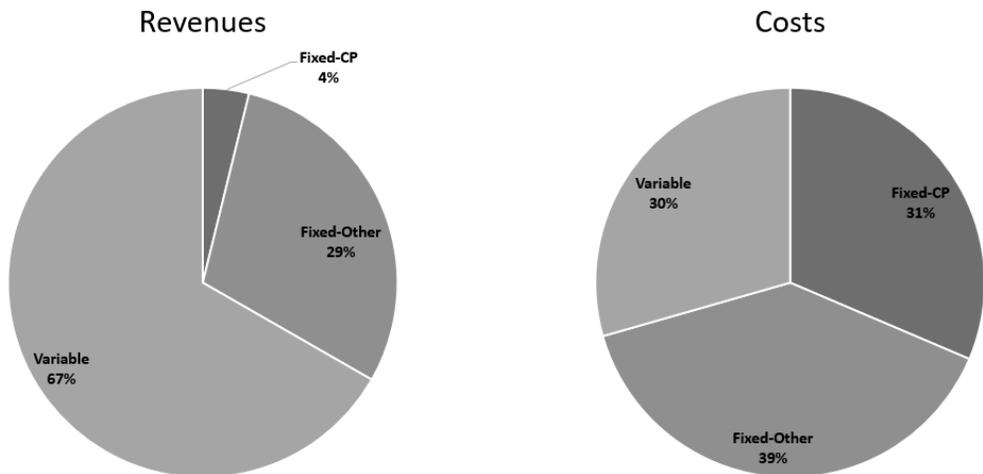
## Cost Allocation (COS)

- Functionalization of costs across Power Supply, Transmission, Distribution and Customer
- Cost allocations to customer classes and their contributions to Demand to determine accurate costs for serving each class.
- Review of fixed cost recovery in determining Basic Facility and Demand charges
- Continued use of PWC’s AMI (Advanced Metering Infrastructure) data, load profiles, and FERC accounting.
- Interclass equity and movement to COS by class.

## Cost of Service Allocation Methods



## Revenues & Costs – Fixed Cost Recovery



## Rate Design

- Remain competitive to other systems.
- Revenue Requirement: 5.5% per year
  - Meet long-term O&M and Capital needs.
- Close Revenue/Cost of Service Gap
  - Cap maximum rate adjustment at rate class level at 6.5%.
  - Address fixed cost recovery for non-Coincident Peak Electric classes.
- Continue focus on Economic Development
  - Large commercial/industrial customers

Proposed Rates – RES & Whole Home

| Residential             | Current   | Proposed FY27 | Proposed FY28 |
|-------------------------|-----------|---------------|---------------|
| <b>Facility Charges</b> |           |               |               |
| Single Phase            | \$24.00   | \$26.00       | \$28.00       |
| Three Phase             | \$30.00   | \$32.50       | \$35.00       |
| <b>Energy Charges</b>   |           |               |               |
| kWh - On                | \$0.14126 | \$0.14980     | \$0.15915     |
| kWh - Off               | \$0.09207 | \$0.09765     | \$0.10375     |
| Residential Whole Home  | Current   | Proposed FY27 | Proposed FY28 |
| <b>Facility Charges</b> |           |               |               |
| Single Phase            | \$36.00   | \$38.00       | \$40.00       |
| Three Phase             | \$42.00   | \$44.00       | \$46.00       |
| <b>Energy Charges</b>   |           |               |               |
| kWh - On                | \$0.14261 | \$0.16990     | \$0.18380     |
| kWh - Off               | \$0.09207 | \$0.09765     | \$0.10375     |
| kWh - Super Off         | \$0.05169 | \$0.04950     | \$0.05350     |

Proposed Rates – MPS

| Medium Power Service    | Current   | Proposed FY27 | Proposed FY28 |
|-------------------------|-----------|---------------|---------------|
| <b>Facility Charges</b> |           |               |               |
| Single Phase            | \$44.40   | \$46.50       | \$48.50       |
| Three Phase             | \$62.40   | \$65.00       | \$67.00       |
| <b>Demand Charges</b>   |           |               |               |
| Demand Charge           | \$16.99   | \$17.99       | \$19.25       |
| <b>Energy Charges</b>   |           |               |               |
| kWh - On                | \$0.05325 | \$0.06495     | \$0.07495     |
| kWh - Off               | \$0.04793 | \$0.04890     | \$0.04965     |

| Class             | Off-Peak Discount |
|-------------------|-------------------|
| Residential       | 35%               |
| SPS               | 34%               |
| MPS-Current       | 10%               |
| MPS-Proposed FY27 | 25%               |
| MPS-Proposed FY28 | 34%               |

Proposed Rates – CP Rates

- ▶ Formula Rate changes only:
  - Medium Power Service – Coincident Peak
  - Large General Service
  - Large General Service – Owning Transmission

- ▶ No changes to non-Formula Rate components

### Proposed Rates – LPSOT

| Large Power Service OT  | Current     | Proposed FY27 | Proposed FY28 |
|-------------------------|-------------|---------------|---------------|
| <b>Facility Charges</b> |             |               |               |
| Three Phase             | \$25,000.00 | \$25,000.00   | \$25,000.00   |
| <b>Demand Charges</b>   |             |               |               |
| Coincident Peak Charge* | \$16.92     | \$17.81       | \$18.29       |
| Demand Charge           | \$2.82      | \$2.90        | \$2.98        |
| <b>Energy Charges</b>   |             |               |               |
| Energy Charge*          | \$0.03035   | \$0.03143     | \$0.03271     |

\* Based on forecasted formula rate

### Proposed Rates – LGS5 (New)

| LGS > 5MW               | Proposed FY27 | Proposed FY28 |
|-------------------------|---------------|---------------|
| <b>Facility Charges</b> |               |               |
| Three Phase             | \$15,000.00   | \$15,000.00   |
| <b>Demand Charges</b>   |               |               |
| Coincident Peak Charge* | \$17.81       | \$18.29       |
| Demand Charge           | \$9.95        | \$9.95        |
| Primary Discount        | (\$0.90)      | (\$0.90)      |
| <b>Energy Charges</b>   |               |               |
| Energy Charge*          | \$0.03143     | \$0.03271     |

- ▶ LGS5 Customers are Eligible for PWC’s Economic Development Incentive, further supporting regional Economic Development
- ▶ Large Customers can also choose the LGSOT Rate

### Proposed Rates – Standby Rider

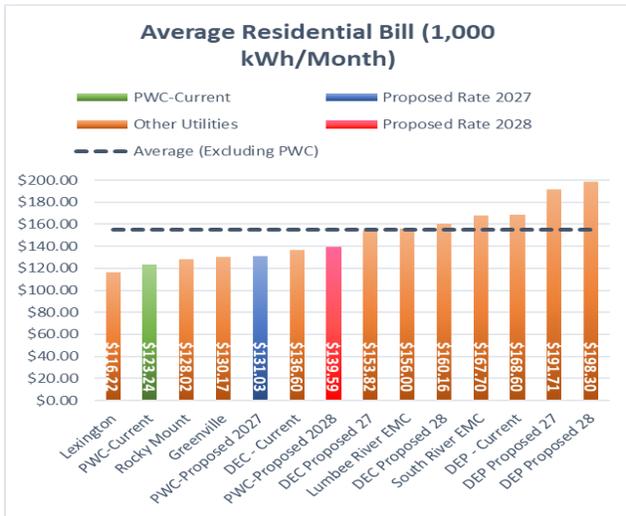
| Standby Rider Proposed Rates                                   |          |               |               |
|--|----------|---------------|---------------|
| Reservation Charges for Standby Service Capacity Charge per kW | Current  | FY27 Proposed | FY28 Proposed |
| Medium Power Service   | \$6.55   | \$6.55        | \$6.55        |
| Medium Power Service – Coincident Peak                         | \$6.55   | \$6.55        | \$6.55        |
| Large General Service  | \$7.15   | \$7.15        | \$7.15        |
| Large General Service – Over 5MW                               |          | \$7.15        | \$7.15        |
| Large General Service – Owning Transmission                    | \$7.33   | \$7.33        | \$7.33        |
| Large Power Service – Owning Transmission                      | \$7.33   | \$7.33        | \$7.33        |
| <b>Standby Credit per kW</b>                                   |          |               |               |
| Medium Power Service   | (\$6.55) | (\$6.55)      | (\$6.55)      |
| Medium Power Service – Coincident Peak                         | (\$6.61) | (\$6.55)      | (\$6.55)      |
| Large General Service  | (\$6.05) | (\$6.05)      | (\$6.05)      |
| Large General Service – Over 5MW                               |          | (\$7.15)      | (\$7.15)      |
| Large General Service – Owning Transmission                    | (\$2.82) | (\$5.88)      | (\$5.88)      |
| Large Power Service – Owning Transmission                      | (\$2.82) | (\$2.90)      | (\$2.98)      |

## Proposed Rates – Area Lights

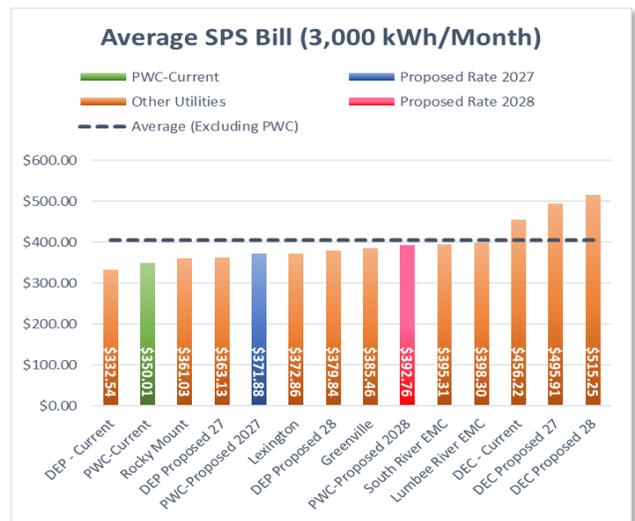
| LED Bulb Type           | Number on System | Current Rate | FY27 Rate | FY28 Rate |
|-------------------------|------------------|--------------|-----------|-----------|
| 50W                     | 5,748            | \$12.00      | \$12.50   | \$13.25   |
| 70W                     | 43               | \$16.00      | \$16.50   | \$17.25   |
| 130W                    | 1,345            | \$22.00      | \$23.00   | \$24.00   |
| 200W                    | 1,308            | \$28.00      | \$30.00   | \$31.50   |
| 240W                    | 1,417            | \$31.00      | \$33.00   | \$35.00   |
| 320W                    | 2,159            | \$41.00      | \$43.50   | \$46.00   |
| SINGLE PED LIGHT W/POLE | 141              | \$45.00      | \$45.50   | \$46.00   |
| TWIN PED LIGHTS W/POLE  | 18               | \$60.00      | \$61.00   | \$62.00   |
| QUAD PED LIGHTS W/POLE  | 18               | \$90.00      | \$92.50   | \$95.00   |
| Shroud                  | 18               | \$7.50       | \$7.60    | \$7.70    |
| 38 Ft Decorative Pole   | 47               | \$31.00      | \$31.25   | \$31.50   |

## Rate Comparisons

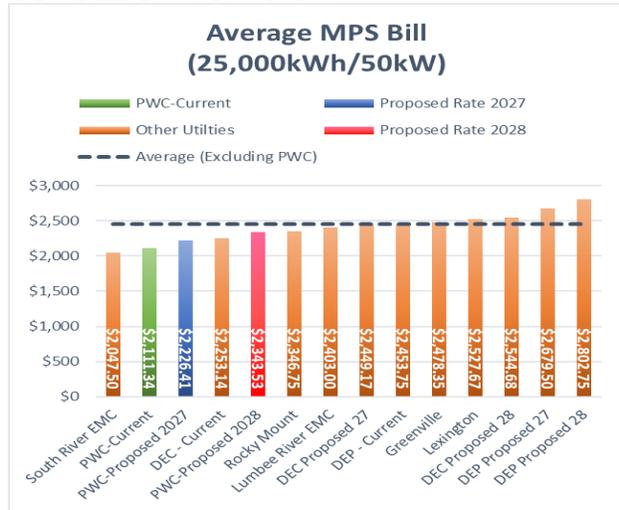
### Residential



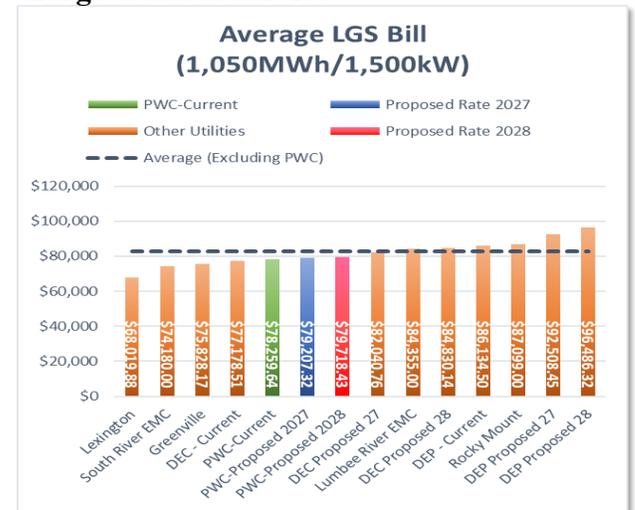
### Small Power Service



### Medium Power Service



### Large General Service



## Proposed Fees and Charges

### Summary

- ▶ Rates effective May 1 of 2026 and 2027:
  - Reflecting plan for 5.5% annual average system revenue growth
  - Additional LGS5 Rate with EDR
- ▶ Effective upon adoption:
  - Updated Service Regulations and Charges
  - Updated Fees & Charges
  - New System Impact Study Fees
    - New Fee would have recouped \$170k in cost over last two years.

### Estimated Residential Customer Impact

| Residential Electric            | kWh | Rate      | Current  | FY27 Rate          | FY27 Proposed | FY28 Rate          | FY28 Proposed |
|---------------------------------|-----|-----------|----------|--------------------|---------------|--------------------|---------------|
| Basic Usage - Energy (1000 kWh) |     |           | \$24.00  |                    | \$26.00       |                    | \$28.00       |
| On Peak                         | 150 | \$0.14126 | \$21.19  | \$0.14980          | \$22.47       | \$0.15915          | \$23.87       |
| Off Peak                        | 850 | \$0.09207 | \$78.26  | \$0.09765          | \$83.00       | \$0.10375          | \$88.19       |
| Monthly Bill                    |     |           | \$123.45 |                    | \$131.47      |                    | \$140.06      |
|                                 |     |           |          | <b>\$ Increase</b> | <b>\$8.02</b> | <b>\$ Increase</b> | <b>\$8.59</b> |
|                                 |     |           |          | <b>% Increase</b>  | <b>6.5%</b>   | <b>% Increase</b>  | <b>6.5%</b>   |

*\*Assumes 85% off peak and 15% on peak*

- ▶ Proposed FY27 and FY28 rates continue to deliver great customer value and are less than any other provider in Cumberland County.

### CUMBERLAND COUNTY COMPARISON

| Serving Cumberland County                | Residential Customer Using 1,000 kWh per Month* |        |           |          |
|--|---|--------|-----------|----------|
| PWC May '24                              | \$ 2.38   | 2.00%  | \$ 121.86 |          |
| PWC May '25 (\$2 Coal Ash Rider stopped) | \$ 1.59   | 1.31%  | \$ 123.45 |          |
| PWC May '26 Proposed                     | \$ 8.02   | 6.50%  | \$ 131.47 | \$ 11.99 |
| PWC May '27 Proposed                     | \$ 8.59   | 6.53%  | \$ 140.06 |          |
| Lumbee River EMC Jan '24                 | \$ 8.00   | 6.50%  | \$ 131.00 |          |
| Lumbee River EMC Jan '25                 | \$ 12.50  | 9.54%  | \$ 143.50 |          |
| Lumbee River EMC Jan '26                 | \$ 12.50  | 8.71%  | \$ 156.00 | \$ 33.00 |
| South River EMC Apr '24                  | \$ 6.00   | 4.67%  | \$ 134.45 |          |
| South River EMC May '25                  | \$ 13.30  | 10.28% | \$ 148.15 |          |
| South River EMC Mar '26                  | \$ 15.70  | 11.00% | \$ 163.40 | \$ 35.00 |
| Duke (DEP) Oct '23                       | \$ 8.20   | 5.60%  | \$ 154.84 |          |
| Duke (DEP) Oct '24                       | \$ 4.64   | 3.00%  | \$ 159.95 |          |
| Duke (DEP) Oct '25                       | \$ 4.59   | 3.30%  | \$ 163.84 | \$ 17.43 |
| Duke (DEP) Jan '27 Proposed**            | \$ 23.11  | 14.11% | \$ 186.95 |          |
| Duke (DEP) Jan '28 Proposed**            | \$ 6.59   | 3.53%  | \$ 193.54 | \$ 47.13 |

\*Source: Calculated by the PWC from data made available by the other utility providers or readily available from online media, articles and publications

\*\*Rate case currently before the North Carolina Utilities Commission

Mr. Alban stated customers can go online to access our Utility Assistance Resource.

Staff emphasized the importance of communicating rate changes effectively to customers.

- ▶ The importance of clear communication about upcoming changes to mitigate public pushback.
- ▶ The importance of acknowledging rising costs in the community while reinforcing commitment to providing value for service.

Staff responded to comments and questions from Commissioners. Commissioners emphasized this is not the first time they have seen this presentation. They were briefed and had discussions with staff in advance.

#### IV. APPROVE TO SET PUBLIC HEARING REGARDING ELECTRIC RATES AND PWC FEES FOR FEBRUARY 25, 2026

Commissioner Ronna Rowe Garrett motioned to set the Public Hearing Regarding Electric Rates and Fees for February 25, 2026. Commissioner Donald Porter seconded the motion motion was seconded by Commissioner Donald Porter and unanimously approved.

#### V. GENERAL MANAGER REPORT

##### Safety

Mr. Bryant stated team members and general public safety remain the key focus while we continue to deliver the best-in-class electric, water and wastewater services. Our total recordable injury rate (TRIR) is .65, however, to ensure we keep one another safe, we cannot rush or cut corners in executing any work tasks. He stated before every task we must consider fully reviewing the work scope at hand. Ensure that the required personal protective equipment and tools are worn and or available at the time of use and requirement. Make sure that our bodies and equipment that we use are prepared for the proper work technique and work method that needs to be implemented. If conditions change, we must stop and reevaluate the work and brief everyone involved before we proceed to make sure, we keep each other safe. And when we do all these things in accordance with our written procedures, we will definitely keep each other safe and allow everyone to go back home safer in the way that they showed up and work that day.

##### People

Mr. Bryant thanked the entire PWC team as we responded to our most recent winter storm Gianna since the last time the Commission met. Staff conducted pre-storm preparations, and demonstrated teamwork resilience, and flexibility. We were able to deliver a safe, reliable service to all our customers that they demand quite honestly, even as we dealt with those challenging weather conditions.

##### Community Engagement/Customer Engagement

Regarding the challenging weather conditions we have experienced, we want to point customers to our website to look at the various utility assistance resources that are available. We recognize it may be a challenging time for some of our customers due to the cold weather that we have just

experienced. Mr. Bryant also encouraged customers to leverage their available state, local and federal resources to allow us to help with utility assistance.

### Running the Business

Mr. Bryant stated as Jason Alban referenced and Commissioner King did as well, PWC staff continue to work diligently to reduce our cost of service. As we saw in this rates presentation, costs around us, challenges are going up. We have to continue to do our part to make sure we deliver the cost of service to our customers, which is of value. We can only do that by continuing to tighten our own belts and continually look forward to how we can continue to do so while expanding our growth and electric and water and wastewater sectors across Fayetteville, Cumberland County areas.

## VI. COMMISSIONER/LIAISON COMMENTS

### **County Commissioner/Liaison Kirk deViere**

Commissioner deViere stated they will begin budget workshops later this month. They will also begin some town hall meetings in Stedman and some other areas of the county to begin discussions about the district formation, as they are continuing in their process to establish water and sewer districts across the county.

Commissioner deViere apologized he could not be in person today.

### **Council Member/Liaison Derrick Thompson**

Council Member Thompson stated council and the mayor are the city. They are the face, and everyone looks toward them. When the rates increase take effect they will look to them first. It is his job as the liaison to tell his colleagues the purpose and the outcome. He has total confidence in PWC and the adjustments they make to ensure the operations work smoothly. He understands the numbers and can take them back to his colleagues.

Council Member Thompson stated that people do not get upset when you provide them with the information in advance because they already know when it is coming. But they will get upset when they do not have any warning when it is coming. He encouraged everyone to ensure we are doing the work, whether it is marketing or whatever it is to make sure we put this information out.

### **Commissioner Donald Porter**

Commissioner Porter stated he was glad to see the notice link in the presentation that directed customers to PWC's website, detailing Utility Assistance Resources available to customers. He stated there is also assistance available from DSS (Department of Social Services).

### **Commissioner Ronna Rowe Garrett**

No Comments

### **Commissioner Christopher Davis**

No Comments

**Commissioner Richard King**

Commissioner King stated he agrees we need to get the word out. We need to let everyone know this is happening. They may be upset and not understand. He stated we do not like it either. We do not want to increase rates. We are tightening our belts, but when you have a shortfall, you have to cover it.

Mr. Bryant stated we take rate increases very seriously. He wishes there was a focus around our community, around the cost of gas which goes up and down like a yo-yo, the cost of groceries and eggs. As we go through our communication campaign, you better believe we are going to communicate our changes and the requirements for our change, but he also wishes that Council Member Thompson and County Commissioner deViere would take back that everything has gone up around us, and the focus point that PWC being the only thing that is going up by this impact is not necessarily fair, but we own it. We are going to communicate it, and we are going to continue to share with our customers and everyone that will listen to why we do the things we do and how we are tightening our own belt to ensure we are providing outstanding value for the cost of service.

VII. REPORTS AND INFORMATION

- A. LGRS Letter – January 2026
- B. Career Opportunities

VIII. ADJOURN

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Ronna Rowe Garrett, and unanimously approved, the meeting adjourned at 9:10 a.m.