

- **W/WW Fund Expenditures:** Total W/WW Fund Expenditures increased by \$999,600.
 - Operating Expenditures increased by \$403,600 and Capital increased by \$1,674,200 due to the encumbrance carryforward and budget carryover reserve items.
 - Total Budgetary Appropriations decreased by \$1,078,200 due to the decrease of the Appropriation to W/WW Net Position.

Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2025-33.

FY 2026 AMENDMENT #3 BUDGET ORDINANCE (PWCORD2025-33)

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

That the Fayetteville Public Works Commission Budget Ordinance adopted May 28, 2025 is hereby amended as follows:

Section 1. It is estimated that the following revenues and other financing sources will be available during the fiscal year beginning July 1, 2025, and ending June 30, 2026, to meet the appropriations listed in Section 2.

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Electric Revenues	\$ 230,532,000	\$ -	\$ 230,532,000
Operating and Other Revenues	15,162,800	-	15,162,800
BWGP Purchased Capacity Payment	2,500,000	-	2,500,000
Customer Contributions	14,395,000	-	14,395,000
Budgetary Appropriations	20,690,800	4,693,100	25,383,900
Total Estimated Electric Fund Revenues	\$ 283,280,600	\$ 4,693,100	\$ 287,973,700
<u>Schedule B: Water and Wastewater Fund</u>			
Water Revenues	\$ 71,256,400	\$ -	\$ 71,256,400
Wastewater Revenues	81,055,600	-	81,055,600
Operating and Other Revenues	14,744,200	-	14,744,200
Customer Contributions	2,586,500	-	2,586,500
Intergovernmental Revenue - Assessments	2,166,000	-	2,166,000
Budgetary Appropriations	8,845,700	999,600	9,845,300
Total Est Water and Wastewater Fund Revenues	\$ 180,654,400	\$ 999,600	\$ 181,654,000
Grand Total	\$ 463,935,000	\$ 5,692,700	\$ 469,627,700

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:

	Listed As	Revision	Revised Amount
<u>Schedule A: Electric Fund</u>			
Operating Expenditures	\$ 196,847,000	\$ 1,074,900	\$ 197,921,900
Debt Service	6,666,700	-	6,666,700
Capital	48,565,000	3,618,200	52,183,200
Payment in Lieu of Taxes - City	12,064,900	-	12,064,900
Budgetary Appropriations	19,137,000	-	19,137,000
Total Estimated Electric Fund Expenditures	\$ 283,280,600	\$ 4,693,100	\$ 287,973,700
<u>Schedule B: Water and Wastewater Fund</u>			
Operating Expenditures	\$ 93,318,600	\$ 403,600	\$ 93,722,200
Debt Service	32,424,000	-	32,424,000
Capital	31,112,000	1,674,200	32,786,200
Budgetary Appropriations	23,799,800	(1,078,200)	22,721,600
Total Est Water and Wastewater Fund Expenditures	\$ 180,654,400	\$ 999,600	\$ 181,654,000
Grand Total	\$ 463,935,000	\$ 5,692,700	\$ 469,627,700

Adopted this 10th day of September, 2025.

ELECTRIC & W/WW FUNDS SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2026	AMD #1 FY 2026	AMD #2 FY 2026	AMD #3 FY 2026	AMENDED BUDGET FY 2026
ELECTRIC FUND:					
REVENUES	\$239,694,000	\$0	\$8,500,800	\$0	\$248,194,800
CONTRIBUTIONS AND/OR GRANTS	14,395,000	0	0	0	14,395,000
APPR. FROM RATE STABILIZATION FUND	8,000,000	7,859,300	0	0	15,859,300
TRANSFER FROM REPS	903,800	0	0	0	903,800
TRANSFER FROM COAL ASH RESERVE	2,909,000	0	0	0	2,909,000
TRANSFER FROM BUDGET CARRYOVER RES	25,000	0	0	4,010,700	4,035,700
APPR. FROM ELECTRIC NET POSITION	3,517,400	(1,623,400)	(900,300)	682,400	1,676,100
TOTAL REVENUES ELECTRIC	\$269,444,200	\$6,235,900	\$7,600,500	\$4,693,100	\$287,973,700
EXPENDITURES					
EXPENDITURES	\$69,062,100	\$0	\$0	\$1,074,900	\$70,137,000
PURCHASED POWER & GENERATION	121,031,700	5,511,800	0	0	126,543,500
BOND INTEREST EXPENSE	4,179,300	0	0	0	4,179,300
BOND INTEREST AMORTIZATION	(260,900)	0	0	0	(260,900)
OTHER FINANCE COST	29,600	0	0	0	29,600
INTEREST - LEASES	106,400	0	0	0	106,400
PAYMENT IN LIEU OF TAXES - CITY	12,064,900	0	0	0	12,064,900
CAPITAL EXPENDITURES	48,565,000	0	0	3,618,200	52,183,200
BOND PRINCIPAL PAYMENTS	2,487,400	0	0	0	2,487,400
PRINCIPAL PAYMENT-LEASES	1,366,300	0	0	0	1,366,300
APPR. TO RATE STABILIZATION FUND	2,230,700	0	7,600,500	0	9,831,200
TRANSFER TO REPS RESERVE	2,380,800	0	0	0	2,380,800
TRANSFER TO ANNEX PH V RESERVE - CITY	4,700,900	0	0	0	4,700,900
TRANSFER TO COAL ASH RESERVE	0	724,100	0	0	724,100
TRANSFER TO ELECTRIC SUBSTATION REBUILD	1,500,000	0	0	0	1,500,000
TOTAL EXPENDITURES ELECTRIC	\$269,444,200	\$6,235,900	\$7,600,500	\$4,693,100	\$287,973,700
WATER & WASTEWATER FUND:					
REVENUES	\$167,056,200	\$0	\$0	\$0	\$167,056,200
CONTRIBUTIONS AND GRANTS	2,586,500	0	0	0	2,586,500
INTERGOV REVENUE	2,166,000	0	0	0	2,166,000
APPR. FROM ANNEX PH V RES. FUND	8,495,700	0	0	0	8,495,700
TRANSFER FROM BUDGET CARRYOVER RES	350,000	0	0	999,600	1,349,600
TOTAL REVENUES WATER & WASTEWATER	\$180,654,400	\$0	\$0	\$999,600	\$181,654,000
EXPENDITURES					
EXPENDITURES	\$92,170,600	\$0	\$0	\$403,600	\$92,574,200
BOND INTEREST EXPENSE	14,749,000	0	0	0	14,749,000
BOND INTEREST - AMORTIZATION	(1,415,500)	0	0	0	(1,415,500)
LOAN INTEREST EXPENSE	240,900	0	0	0	240,900
OTHER FINANCE COST	1,236,300	0	0	0	1,236,300
INTEREST - LEASES	84,800	0	0	0	84,800
CAPITAL EXPENDITURES	31,112,000	0	0	1,674,200	32,786,200
BOND PRINCIPAL PAYMENTS	13,617,800	0	0	0	13,617,800
LOAN PRINCIPAL PAYMENTS	3,816,300	0	0	0	3,816,300
PRINCIPAL PAYMENT-LEASES	1,242,400	0	0	0	1,242,400
APPR. TO RATE STABILIZATION FUND	250,000	0	0	0	250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,407,000	0	0	0	2,407,000
TRANSFER TO ANNEXATION PHASE V RESERVE	2,166,000	0	0	0	2,166,000
TRANSFER TO NCDOT RESERVE	12,182,500	0	0	0	12,182,500
TRANSFER TO TRANS EQUIPMENT CPF	406,000	0	0	0	406,000
TRANSFER TO DIRECTED GRANT PROJECT FUND	55,000	0	0	0	55,000
APPR. TO W/WW NET POSITION	6,333,300	0	0	(1,078,200)	5,255,100
TOTAL EXPEND. WATER & WASTEWATER	\$180,654,400	\$0	\$0	\$999,600	\$181,654,000
TOTAL ELECTRIC & W/WW	\$450,098,600	\$6,235,900	\$7,600,500	\$5,692,700	\$469,627,700

ELECTRIC FUND SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2026	AMD #1 FY 2026	AMD #2 FY 2026	AMD #3 FY 2026	AMENDED BUDGET FY 2026
ELECTRIC OPERATING REVENUE	\$236,063,000	\$0	\$8,500,800	\$0	\$244,563,800
OTHER ELECTRIC REVENUE	3,631,000	0	0	0	3,631,000
TOTAL OPERATING & OTHER REVENUE	\$239,694,000	\$0	\$8,500,800	\$0	\$248,194,800
CONTRIBUTIONS AND GRANTS	\$14,395,000	\$0	\$0	\$0	\$14,395,000
APPR. FROM RATE STABILIZATION FUND	8,000,000	7,859,300	0	0	15,859,300
TRANSFER FROM REPS	903,800	0	0	0	903,800
TRANSFER FROM COAL ASH RESERVE	2,909,000	0	0	0	2,909,000
TRANSFER FROM BUDGET CARRYOVER RES	25,000	0	0	4,010,700	4,035,700
APPR. FROM ELECTRIC NET POSITION	3,517,400	(1,623,400)	(900,300)	682,400	1,676,100
TOTAL ELECTRIC REVENUE	\$269,444,200	\$6,235,900	\$7,600,500	\$4,693,100	\$287,973,700
ELECTRIC DIVISION - DISTRIBUTION	\$34,579,000	\$0	\$0	\$597,700	\$35,176,700
ELECT. DIV. - PURCHASED POWER & GEN.	121,031,700	5,511,800	0	0	126,543,500
MANAGEMENT DIVISION	3,219,600	0	0	0	3,219,600
COMM. & COMMUNITY RELATIONS DIVISION	1,180,650	0	0	0	1,180,650
LEGAL DIVISION	4,424,900	0	0	78,800	4,503,700
CUSTOMER CARE DIVISION	5,735,900	0	0	0	5,735,900
HUMAN RESOURCES DIVISION	1,465,450	0	0	0	1,465,450
INFORMATION TECHNOLOGY DIVISION	8,965,650	0	0	398,400	9,364,050
FINANCIAL DIVISION	3,262,350	0	0	0	3,262,350
GENERAL & ADMINISTRATION	14,241,400	0	0	0	14,241,400
DEPRECIATION EXPENSE	22,560,400	0	0	0	22,560,400
AMORTIZATION - LEASES	1,705,000	0	0	0	1,705,000
OVERHEAD CLEARING	(8,346,000)	0	0	0	(8,346,000)
BOND INTEREST EXPENSE	4,179,300	0	0	0	4,179,300
BOND INTEREST - AMORTIZATION	(260,900)	0	0	0	(260,900)
OTHER FINANCE COST	29,600	0	0	0	29,600
INTEREST - LEASES	106,400	0	0	0	106,400
PAYMENT IN LIEU OF TAXES - CITY	12,064,900	0	0	0	12,064,900
TOTAL OPERATING & OTHER EXPENSES	\$230,145,300	\$5,511,800	\$0	\$1,074,900	\$236,732,000
NET OPERATING RESULTS	\$9,548,700	(\$5,511,800)	\$8,500,800	(\$1,074,900)	\$11,462,800
CAPITAL EXPENDITURES	\$48,565,000	\$0	\$0	\$3,618,200	\$52,183,200
BOND PRINCIPAL PAYMENTS	2,487,400	0	0	0	2,487,400
PRINCIPAL PAYMENT - LEASES	1,366,300	0	0	0	1,366,300
DEPRECIATION/AMORTIZATION ADJUSTMENT	(23,932,200)	0	0	0	(23,932,200)
TOTAL SUPPLEMENTAL EXPENDITURES	\$28,486,500	\$0	\$0	\$3,618,200	\$32,104,700
TOTAL EXPENSES & SUPPLEMENTAL EXP.	\$258,631,800	\$5,511,800	\$0	\$4,693,100	\$268,836,700
APPR. TO RATE STABILIZATION FUND	\$2,230,700	\$0	\$7,600,500	\$0	\$9,831,200
TRANSFER TO REPS RESERVE	2,380,800	0	0	0	2,380,800
TRANSFER TO ANNEX PHASE V RES - CITY	4,700,900	0	0	0	4,700,900
TRANSFER TO COAL ASH RESERVE	0	724,100	0	0	724,100
TRANSFER TO ELECTRIC SUBSTATION REBUILD	1,500,000	0	0	0	1,500,000
TOTAL BUDGETARY APPROPRIATIONS	\$10,812,400	\$724,100	\$7,600,500	\$0	\$19,137,000
TOTAL ELECTRIC EXPENDITURES	\$269,444,200	\$6,235,900	\$7,600,500	\$4,693,100	\$287,973,700

WATER & WASTEWATER FUND SUMMARY

DESCRIPTION	ADOPTED	BUDGET	BUDGET	BUDGET	PROPOSED
	ORIGINAL BUDGET FY 2026	AMD #1 FY 2026	AMD #2 FY 2026	AMD #3 FY 2026	AMENDED BUDGET FY 2026
WATER OPERATING REVENUE	\$71,256,400	\$0	\$0	\$0	\$71,256,400
SANITARY SEWER OPERATING REVENUE	81,055,600	0	0	0	81,055,600
OTHER OPERATING REVENUE	12,126,200	0	0	0	12,126,200
OTHER WATER & SAN. SEWER REVENUE	2,618,000	0	0	0	2,618,000
TOTAL OPERATING & OTHER REVENUE	\$167,056,200	\$0	\$0	\$0	\$167,056,200
CONTRIBUTIONS AND GRANTS	\$2,586,500	\$0	\$0	\$0	\$2,586,500
REMITTANCES FROM CITY	2,166,000	0	0	0	2,166,000
APPR. FROM ANNEX PH V RES. FUND	8,495,700	0	0	0	8,495,700
TRANSFER FROM BUDGET CARRYOVER RES	350,000	0	0	999,600	1,349,600
TOTAL WATER & WASTEWATER REVENUE	\$180,654,400	\$0	\$0	\$999,600	\$181,654,000
WATER RESOURCES DIVISION	\$56,286,100	\$0	\$0	\$0	\$56,286,100
MANAGEMENT DIVISION	2,319,900	0	0	0	2,319,900
COMM. & COMMUNITY RELATIONS DIVISION	1,167,250	0	0	0	1,167,250
LEGAL DIVISION	5,247,100	0	0	5,200	5,252,300
CUSTOMER CARE DIVISION	5,429,900	0	0	0	5,429,900
HUMAN RESOURCES DIVISION	1,465,450	0	0	0	1,465,450
INFORMATION TECHNOLOGY DIVISION	8,965,650	0	0	398,400	9,364,050
FINANCIAL DIVISION	3,154,450	0	0	0	3,154,450
GENERAL & ADMINISTRATION	15,816,200	0	0	0	15,816,200
DEPRECIATION EXPENSE - WATER	14,543,300	0	0	0	14,543,300
DEPRECIATION EXPENSE - SEWER	16,596,000	0	0	0	16,596,000
AMORTIZATION-LEASES	1,501,200	0	0	0	1,501,200
OVERHEAD CLEARING	(9,169,200)	0	0	0	(9,169,200)
BOND INTEREST EXPENSE	14,749,000	0	0	0	14,749,000
BOND INTEREST - AMORTIZATION	(1,415,500)	0	0	0	(1,415,500)
LOAN INTEREST EXPENSE	240,900	0	0	0	240,900
OTHER FINANCE COST	1,236,300	0	0	0	1,236,300
INTEREST - LEASES	84,800	0	0	0	84,800
TOTAL OPERATING & OTHER EXPENSES	\$138,218,800	\$0	\$0	\$403,600	\$138,622,400
NET OPERATING RESULTS	\$28,837,400	\$0	\$0	(\$403,600)	\$28,433,800
CAPITAL EXPENDITURES	\$31,112,000	\$0	\$0	\$1,674,200	\$32,786,200
BOND PRINCIPAL PAYMENTS	13,617,800	0	0	0	13,617,800
LOAN PRINCIPAL PAYMENTS	3,816,300	0	0	0	3,816,300
PRINCIPAL PAYMENT-LEASES	1,242,400	0	0	0	1,242,400
DEPRECIATION/AMORTIZATION ADJUSTMENT	(31,152,700)	0	0	0	(31,152,700)
TOTAL SUPPLEMENTAL EXPENDITURES	\$18,635,800	\$0	\$0	\$1,674,200	\$20,310,000
TOTAL EXPENSES & SUPPLEMENTAL EXP.	\$156,854,600	\$0	\$0	\$2,077,800	\$158,932,400
APPR. TO RATE STABILIZATION FUND	\$250,000	\$0	\$0	\$0	\$250,000
APPR. TO ANNEXATION PHASE V RESERVE	2,407,000	0	0	0	2,407,000
TRANSFER TO ANNEXATION PHASE V RESERVE	2,166,000	0	0	0	2,166,000
TRANSFER TO NCDOT RESERVE	12,182,500	0	0	0	12,182,500
TRANSFER TO TRANS EQUIPMENT RES	406,000	0	0	0	406,000
TRANSFER TO DIRECTED GRANT PROJECT FUND	55,000	0	0	0	55,000
APPR. TO W/WW NET POSITION	6,333,300	0	0	(1,078,200)	5,255,100
TOTAL BUDGETARY APPROPRIATIONS	\$23,799,800	\$0	\$0	(\$1,078,200)	\$22,721,600
TOTAL WATER & W/WW EXPENDITURES	\$180,654,400	\$0	\$0	\$999,600	\$181,654,000