PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, AUGUST 26, 2026
8:30 AM

Present:	Richard W. King, Chairman Ronna Rowe Garrett, Vice Chairman Donald L. Porter, Secretary Christopher G. Davis, Treasurer
Others Present:	Timothy L. Bryant, CEO/General Manager Kirk deViere, Cumberland County Commission Chairman/Liaison Media
Absent:	Jodi Phelps, Assistant City Manager Faith Phillips, Assistant Cumberland County Manager Chancer McLaughlin, Hope Mills Town Manager

I. REGULAR BUSINESS

Chairman Richard King called the meeting of August 26, 2026, to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

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

A. Approve Minutes of meeting of August 12, 2026

B. Adopt PWC Ordinances – PWCORD2026-34 and PWCORD2026-35

- ➢ PWCORD2026-34 amends the Big Rockfish Sanitary Sewer Outfall CPF to re-allocate Series 2023 bond proceeds.
- ➢ PWCORD2026-35 establishes the Lead & Copper Service Line Inventory and Verification CPF under the Lead & Copper Rule Revision.

C. Adopt PWC Resolution # PWC2026.15 – Resolution to Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

The Fayetteville Public Works Commission ("PWC") owns a 2004 Hyundai Enclosed Cab Excavator R320LC-7, SN #N90110046 (the "Property"). The Property is aging and unreliable for PWC's current needs.

North Carolina General Statute ("NCGS") §160A-266 sets forth the methods by which the Commission can sell property. That statute provides in part that personal property valued at thirty thousand dollars ($30,000) or more may be sold by any method permitted thereby.

NCGS §160A-270 permits the Commission to sell property by authorizing the establishment of an electronic auction procedure or by authorizing the use of existing private or public electronic auction services.

PWC staff requests that the Commission declare the Personal Property as surplus and authorize the sale of the Property by electronic auction and the publishing of the notice of the auction solely by electronic means in accordance with NCGS §160A-270.

END OF CONSENT

III. POWER SUPPLY ADJUSTMENT (PSA) RECOMMENDATION
Presented by: Rhonda Graham, Chief Financial Officer
Jason Alban, Director of Financial Planning

Ms. Rhonda Graham presented Mr. Jason Alban, Director of Financial Planning. Mr. Alban provided PWC's recommendation for the Power Supply Adjustment.

Mr. Alban explained that annual reviews of power supply costs identified significant variances from projections, including a sizable energy catch-up and true-ups for energy and capacity charged by Duke Energy Progress (DEP). Because the costs exceeded 5% of the determinants used to set PWC's retail electric rates, staff recommended using a temporary PSA rather than permanently increasing base rates.

Financial Impact and Proposed Recovery

The documented shortfall resulted primarily from unusually high wholesale energy costs during the peak winter months:

- January and February 2026 costs were reported as 128% and 106% above baseline projections, respectively, contributing $14 million to PWC's impact during those two months.
- Energy costs during the first half of 2026 were reported as 50% higher than projected.

The total exposure was presented as $18.1 million, including a $14.8 million 2026 catch-up, approximately $600,000 in estimated interest, and a $2.7 million net 2025 true-up.

Management proposed using $5 million carried over through the electric rate stabilization fund to reduce the immediate recovery requirement to $13.1 million.

Staff recommended a 12-month PSA of $0.03 per kilowatt hour, beginning September 1, 2026, with an estimated average residential bill increase of $1.24 per month over the existing PSA. Staff attributed the variance to extreme winter weather, increased customer demand, unprecedented natural gas prices, and costly reliability purchases—not to increases in PWC's other operating costs.

Future mitigation

DEP was described as improving its modeling, simulations, and forecasting while combining the Carolinas utilities' planning and dispatch operations. Additional gas supplies expected in late 2027 were presented as a possible way to reduce exposure to winter pricing, although staff indicated that the benefits might be realized more fully in 2028 than in 2027. PWC and its consultant would continue reviewing DEP billing and true-ups and challenging them when warranted.

IV. PUBLIC HEARING FOR POWER SUPPLY ADJUSTMENT (PSA)

Commissioner Richard King stated at our board meeting on August 12, 2026, this hearing was set for today, August 26th, and PWC staff gave public notice of this hearing by publishing notice in a newspaper of general circulation serving this community, the Fayetteville Observer, on Sunday, August 16, 2026, and posted the same notice information, along with all relevant documents, on our website on Friday, August 14, 2026.

He asked Ms. Durant, Clerk to the Board if any written comments were submitted. She responded yes and indicated they will be incorporated into the Minutes (Appendix A).

Ms. Durant stated four citizens registered to speak although two were present. They were:

1. Whittaker Grannis, 203 Rush Road, Fayetteville
2. Erin Jackson, local housing provider

Mr. Grannis stated the proposed increase reflected PWC's dependence on Duke Energy and encouraged PWC to generate more of its own power to improve local control and independence. Ms. Erin Jackson expressed concern for working families, senior citizens, the disabled and those with low incomes as well as those outside the city limits who are required to pay higher water and wastewater rates. She asked for clarity regarding the new PSA and made additional requests.

After the public comments, Chairman King closed the hearing and entertained a motion.

Commissioner Ronna Rowe Garrett motioned to approve the Power Supply Adjustment as recommended by PWC staff. Motion was seconded by Commissioner Donald Porter and unanimously approved.

V. CONSIDERATION OF PWC ORDINANCES – PWCORD2026-32 & PWCORD2026-33

Ms. Graham stated the purpose of PWCORD2026-32 – FY27 Electric & Water/Wastewater Fund Budget Amendment #2 is to adjust for ten months of estimated Power Supply Adjustment (PSA) revenue, beginning September 2026. The PSA will cover increased DEP power supply costs incurred above determinants used to set PWC's retail electric rates.

PWCORD2026-33 – Capital Project Ordinance Amendment – Electric Utility System Rate Stabilization Fund Amendment #61 amends the Electric Rate Stabilization Fund (ERSF) budget ordinance. The Electric General Fund (GF) will transfer an estimated $9,344,600 to the ERSF over nine months beginning October 2026. This is to transfer the billed revenue from the Power Supply Adjustment (PSA) beginning September 2026.

Upon motion by Commissioner Donald Porter and seconded by Commissioner Ronna Rowe Garrett, PWC Ordinances PWCORD2026-32 and PWCORD2026-33 were unanimously approved.

VI. GENERAL MANAGER REPORT

Safety

Mr. Bryant emphasized seasonal hazards associated with shorter daylight hours, wet leaves, cooler mornings, changing weather, and storms. Electric crews were reminded to focus on job-site planning, minimum approach distances, hazardous-energy controls, traffic hazards, and fall hazards. Water crews were asked to maintain attention to trenching, excavation, confined-space precautions, equipment awareness, slip prevention, and housekeeping.

People

Mr. Bryant recognized PWC employees for maintaining electric, water, and wastewater services; responding to customers; supporting financial stewardship; maintaining fleet readiness; and contributing to public health, quality of life, and customer trust.

Mr. Bryant highlighted National Water Quality Month and announced the publication of its 2025 annual drinking water quality report. The report communicates required testing results and PWC's stated commitment to providing drinking water that exceeds federal standards.

Community Engagement/Customer Engagement

Mr. Bryant also noted the completion of a drinking-water extension project serving schools in the Grays Creek area, marked by a ribbon-cutting ceremony on August 14, 2026.

PWC's new online account manager portal went live on August 24, 2026. New features included self-service options for starting, stopping, and transferring service; requests for permanent extensions; proactive text alerts about billing and usage; and availability in 14 languages, compared with English only previously. Since launch, PWC reported more than 10,000 logins and more than 2,300 payments, along with increased mobile-app use. Customers were encouraged to use the portal's live-chat feature for assistance during the transition.

VII. COMMISSIONER/LIAISON COMMENTS

County Chairman/Liaison Kirk DeViere

County Commissioner DeViere thanked those who attended the Chamber event yesterday. It was great to hear words from across the community. He also commented on the schools returning from the summer break.

Commissioner Donald Porter

Commissioner Porter also commented on the Chamber State of the County event yesterday. He commended Mr. Bryant on his comments. He commended the public hearing speakers and stated their comments were valuable.

Commissioner Ronna Rowe Garrett

Commissioner Garrett expressed appreciation for the public comments. She also indicated that staff would follow up with Ms. Jackson regarding her concerns.

She stated that the board does not receive bonuses tied to rate increases and described its responsibility in making fiduciary and business decisions concerning rates, staffing, contracts, power purchases, cost control, and potential revenue streams.

Commissioner Christopher Davis

No Comments

Commissioner Richard King

Commissioner King acknowledged the burden of the proposed rate increase and stated they are working to control costs and identify additional revenue.

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VIII. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

A. Investment Report - July 2026
B. Career Opportunities
C. Actions by City Council during the meeting of August 10, 2026, related to PWC:
   - Approved Recommendation to reject all Bids for Inventory - Switch, 69KV 1200A, Unitized GOAB, Side Break Horizontal, 3-Way
   - Approved Recommendation to Reject All Bids for Two 230/66KV Autotransformer 134.4/179.2/224 MVA at 65C
   - Approved Sole Source Request – Specific Water Meters, Chambers and ERTs
   - Approved Bid Recommendation – Construction Award for the Readvertisement Replace Clarifier #3 Mechanism at the Rockfish Creek Water Reclamation Facility
   - Approved Bid Recommendation - Grading for the Point of Delivery 5
   - Approved Bid Recommendation - Two (2) 230KV SF6 Gas Breakers for POD 5
   - Approve Bid Recommendation - Lift Station 33 Cargill Lift Station Structural Repair
   - Approved Bid Recommendation - Relay Control Switchboards

IX. 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 Ronna Rowe Garrett, and unanimously approved at 9:10 a.m.

There being no further discussion, upon motion by Commissioner Ronna Rowe Garrett, and seconded by Commissioner Christopher Davis, the Commission returned to open session at approximately 9:28 a.m.

X. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(6) FOR PERSONNEL MATTERS

Commissioner Christopher Davis motioned to enter closed session pursuant to NCGS 143-318.11(A)(6) for Personnel Matters. Motion was seconded by Commissioner Ronna Rowe Garrett, and unanimously approved at 9:28 a.m.

There being no further discussion, upon motion by Commissioner Ronna Rowe Garrett, and seconded by Commissioner Christopher Davis, the Commission returned to open session at approximately 9:48 a.m.

XI. ADJOURNMENT

There being no further discussion, upon motion by Commissioner Christopher Davis, seconded by Commissioner Ronna Rowe Garrett, and unanimously approved, the meeting adjourned at 9:48 a.m.

APPENDIX A

PSA Public Hearing Written Comments
August 26, 2026

From: Travis Rose, 1618 Stonewood Drive, Fayetteville, (910) 723-3566

Comment: I object to this proposed Power Supply Adjustment, which would be the second increase in customers' electric costs since May.

My primary concern is that Duke Energy Progress reportedly underestimated PWC's energy costs by 50% during the first six months of 2026. January's costs were 128% above forecast and February's were 106% above forecast, contributing to an $18.1 million true-up. Those are not minor forecasting errors.

Duke Energy CEO Harry Sideris received approximately $13.57 million in total compensation for 2025. Upon becoming CEO, his annual salary increased from $900,000 to $1.3 million, a 44% raise. His incentive opportunities also increased substantially.

CEO compensation did not create the entire $18.1 million expense, but it raises a legitimate question: Who at Duke is held financially accountable when its forecasting is catastrophically wrong? The consequences currently appear to fall entirely on PWC customers.

PWC is reportedly Duke Energy Progress's largest North Carolina customer. Before approving this adjustment, please explain whether PWC audited or challenged Duke's calculations, what contractual remedies are available, and what PWC will demand from Duke to prevent another failure.

PWC also proposes deferring approximately $5 million. Please explain when customers will be expected to repay that amount and whether it will generate additional costs.

Finally, PWC says the Power Supply Adjustment can become a customer credit when costs are lower than projected. Please identify every occasion when that has actually occurred, including the dates and amounts. Saying it "can" become a credit is not meaningful transparency if it has never happened.

I ask PWC to use its substantial purchasing power to represent its customers, not simply accept Duke's true-up and pass every consequence downstream.

From: Paul Neale 20 Shillinglaw Circle, Fayetteville, (910) 257-9746

Comment: Please help me understand this second rate hike, in three months. I thought the May 2026, rate hike was for the exact same thing. To pay $16M in power costs to Duke Energy, plus $6M in debt service for capital projects, plus $4M, in operational and system maintenance expenses. That was an overall $26M, that raised our rates then. Now, another $18M, for PSA is needed, within three months? This is a $44M, total investment that us customers are going to have bear the brunt of for 2026. Plus, the rates are proposed to go up again in May 2027. So, are we looking at another PSA rate hike next September, once this upcoming rate hike terminates?

From: Nadia Minniti, 2711 Raeford Rd, Fayetteville, (910) 292-0171

Comment: PWC spends over $150,000 per fiscal year on sponsoring public events and charities. This money could be better allotted to fill the gap created by Duke's increased rates, which is what this new increase is trying to cover. Stop sponsoring events. Why not use that money to help lower rates, which helps more people.

From: Kris Price, 7232 Montoro Court, Fayetteville, (202) 579-2225

Comment: My name is Kris, and I am a homeowner, taxpayer, and PWC customer here in Fayetteville. I am writing regarding the Power Supply Adjustment being discussed at the August 26 hearing.

I understand that PWC has costs to cover and that the price of providing electricity can change. At the same time, families are dealing with higher costs for groceries, insurance, utilities, taxes, and everyday expenses. When another adjustment is being considered, I believe customers deserve a clear explanation.

I would appreciate PWC addressing a few questions:

1. How much will this adjustment cost the average residential customer each month?
2. What specifically caused the increase in power supply costs?
3. How long will the adjustment remain in place?
4. Were other options considered before passing the additional cost on to customers?

I am also concerned about the large data centers being proposed in Fayetteville and Cumberland County. I am not against responsible growth or new businesses coming to our area. However, these projects could require a tremendous amount of electricity.

If new generation, substations, power lines, or other infrastructure are needed to support these projects, will those costs be paid by the companies creating the demand, or could residential customers eventually share those costs?

Reliability matters as well. We already experience power outages from time to time. I would like to know how PWC plans to serve very large new customers while providing reliable service for the families and businesses already here.

I support Fayetteville growing and moving forward. I simply believe that growth should benefit our community without placing an unfair burden on existing residents.

Thank you for your time and for considering my concerns.

Kris