

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, DECEMBER 14, 2016  
8:30 A.M.

Present: Evelyn O. Shaw, Chairman  
Wade R. Fowler, Jr., Vice Chairman  
D. Ralph Huff, Secretary

Others Present: David Trego, CEO/General Manager  
Karen McDonald, City Attorney  
Jay Reinstein, Assistant City Manager  
Jim Arp, City Council Liaison (VIA TELECONFERENCE)  
Media  
PWC Staff

Absent: Darsweil L. Rogers, Treasurer  
John Ellis, Hope Mills Liaison  
Michael Boose, County Liaison

CALL TO ORDER

Chairman Shaw called the meeting of Wednesday, December 14, 2016, to order.

APPROVAL OF AGENDA

Upon motion by Commissioner Fowler and seconded by Commissioner Huff, the Agenda was amended by adding Resolution PWC2016-12 as Item VII and subsequent items were renumbered. The amended agenda was unanimously approved.

CONSENT ITEMS

Upon motion by Commissioner Fowler and seconded by Commissioner Huff the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of November 9, 2016
- B. Approve bid recommendation to award bid for purchase of 200,000 feet of I/O Underground Primary Distribution Cable, PWC Stock No. 1-065-510 (with option to purchase additional quantities within a one-year period upon agreement of both parties to Anixter, Inc., Wake Forest, NC in the total amount of \$352,800.00, the lowest responsive, responsible bidder and forward to City Council for approval.

The I/O Underground Primary Distribution Cable is a regularly stocked electric inventory item.

Bids were received as follows:

| <u>Bidders</u>                       | <u>Total Cost</u> |
|--------------------------------------|-------------------|
| Anixter Inc., Wake Forest, NC        | \$352,800.00      |
| Stuart C. Irby, Rocky Mount, NC      | \$408,000.00      |
| WESCO Distribution Inc., Raleigh, NC | \$408,400.00      |

*Comments: Bids were solicited from six (6) vendors with three (3) vendors responding. The I/O Underground Primary Distribution Cable was last purchased in August 2013 at a cost of \$1.851 per foot. The current bid price per foot is \$1.764. The cost of this cable fluctuates due to metals pricing.*

**END OF CONSENT ITEMS**

**ROBERT C. WILLIAMS BUSINESS CENTER UPDATE**

*Presented by: Susan Fritzen, Chief Corporate Services Officer  
Patrick Murray, Grant-Murray Real Estate*

David Trego, CEO/General Manager presented Patrick Murray of Grant-Murray Real Estate. Mr. Murray provided a brief update on the Robert C. Williams Center. Mr. Murray stated there are four tenants on the first floor; two tenants on the second floor; four tenants on the third floor; and no tenants on the fourth floor. There are 19,203 SF available, which consists of:

- Suite 101-D: 2,030 SF
- Suite 102: 1,709 SF
- Suite 302: 3,856 SF
- Suite 401: 11,608 SF

Mr. Murray stated Suite 303 was recently leased at \$18.00/SF. The current occupancy rate is 66%. Discussion ensued.

For comparison purposes, the vacant Festival Park Plaza suite is \$17.50/SF (5,484 SF). The current asking rate in the RC Williams Center is \$18.50/SF per vacant space.

Mr. Murray proposed using a “dynamic” pricing model. Which means each space is priced separately depending on its space characteristics.

Mr. Murray’s recommendations include:

| SUITE # | SQ. FOOTAGE | RECOMMENDED PRICE |
|---------|-------------|-------------------|
| 101-D   | 2030        | \$17.00           |

|     |        |         |
|-----|--------|---------|
| 102 | 1709   | \$17.50 |
| 302 | 3856   | \$17.25 |
| 401 | 11,608 | \$16.00 |

Discussion ensued regarding sale of the building and the rates of current tenants.

Upon motion by Commissioner Huff and seconded by Commissioner Fowler the pricing model presented was unanimously approved.

#### STRATEGIC PLAN PRIORITY ACTION ITEMS UPDATE

*Presented by: Reggie Wallace, Chief Operating Officer – Electric  
Bobby Russell, Human Resources Officer*

Mr. Trego presented Reggie Wallace, Chief Operating Officer of the Electric Division and Bobby Russell, Human Resources Officer to update the Commission on several Strategic Plan Action Items.

Mr. Trego also introduced Jonathan (Jon) Rynne. Mr. Rynne is the new Chief Operating Officer of the Electric Division. Mr. Trego stated he has worked with Jon Rynne through our association with ElectricCities and the APPA. Mr. Trego stated Mr. Rynne comes to PWC from New Bern where he was the Director of Utilities which included electric, water and sewer. Mr. Trego stated (for comparative purposes with PWC) New Bern is involved in AMI metering and demand response. He stated New Bern is also part of the Purchase Power Agreement we have with Duke Energy.

Mr. Wallace stated there are three major areas where the Electric Division is responsible. They are: Evaluate Long Term Power Supply Options; Rehabilitate Aging Infrastructure; and ensure Cyber & Physical Security. He stated the most important area is to evaluate long term power supply options. He also stated we have a decision point in our power supply contract in 2019. The contract expires in 2024.

Commissioner Fowler asked how our long terms options are affected by the Atlantic Coast Pipeline project. Mr. Wallace replied the Atlantic Coast Pipeline will make a big difference in the cost of generation if PWC chooses to build. If we were to engage in a partnership with a third party, we would purchase the output or a portion of it, the pricing on Atlantic Coast Pipeline may significantly affect the overall cost of that option.

Mr. Trego stated there are a lot of different options and mix of options related to our purchased power going forward. If the Atlantic Coast Pipeline is not built, it simply modifies an option or removes an option going forward. Discussion ensued.

Evaluate Long Term Power Supply Options - Mr. Wallace stated we have funds in the 2017 budget for consultants to come in and evaluate our options. He stated our options range

from owning our own plant and generating our own electricity to purchasing power from a suite of companies; to another full requirements contract with another provider other than Duke (or with Duke); and there are numerous options in between. He stated we are looking for a company who has done this type of consulting in the past.

Mr. Wallace also stated PWC has met with a number of power providers and consultants. We have prepared a draft RFQ which will be sent out by the beginning of 2017. Mr. Wallace stated we are in the process of proceeding with our Community Solar Recommendation which may be located at the Butler Warner site as well. Mr. Brown stated the plan as of now is to give a presentation to the Commission in January.

Reggie Wallace stated we are placing funds in the FY2018 budget for transmission studies. Discussion ensued.

Rehabilitate Infrastructure – Mr. Wallace stated we needed to inventory, classify and prioritize the infrastructure itself. He stated this process was actually completed in FY2015 and it was recently updated in 2016. We now have a binder with an assessment of each substation and each transmission circuit which details the work which needs to be completed.

Mr. Wallace stated we are in the 4<sup>th</sup> year of our commitment to replace 100 of our sub-transmission poles every year. This process will take approximately 30 years. Replacing old wooden poles with steel poles will allow for more reliability. He stated we have identified a number of substation upgrades. Specifically in last year's budget we were planning to build the Bone Creek Substation. We have reassessed that decision because of the price of the property in that area and the I-295 corridor going through. We will expand and upgrade several substations. Four substations are scheduled. The POD2 upgrade will be completed in April 2017. In FY2018, we will upgrade the Lafayette Substation. In FY2019, the Fenix Substation will be upgraded, along with installation of a larger transformer and adding an additional distribution circuit, along with a link to another substation in the event of a failure. In FY2020 we will upgrade the Bordeaux Substation. This is one of the substations which supplies power to the hospital.

Commissioner Fowler asked if the improvement of the quality of the power is marketable for economic development. Mr. Wallace stated PWC's power's quality is generally very good and we get very few complaints on poor power quality from our residential customers. Power quality is more important to our commercial customers. As we can demonstrate we have good reliable power and there are not a lot of interruptions or disruptions, the commercial customers will consider it valuable. Commissioner Fowler stated it is very important that this message gets out to the economic development community.

Cyber and Physical Security – Mr. Wallace stated the Commission directed staff to upgrade security on all our substations. We will be complete with the upgrades by the end of the fiscal year. The upgraded technology allows us to not only send information to our internal dispatch department but also allows us to dispatch the police if necessary.

SERC and NERC required all utilities that own any transmission to complete an Inherent Risk Assessment. Mr. Wallace stated we completed the Inherent Risk Assessment which identifies PWC as a low impact customer. This means any action we are capable of taking, intentionally or unintentionally, will likely have a low impact on the bigger transmission system that serves everybody in the country. He stated if your impact is considered low, you will have fewer requirements you have to meet and less money you have to spend. So this is good for PWC. We want to be as reliable as we can be and be reasonable as to the expenses we have to incur.

Another part of the cyber and physical security is reacting to the NERC (North American Reliability Council) alerts that are issued. These come out sporadically. An event occurs somewhere in the United States or the world. They send out an alert to all the utilities in the United States which states these are the lessons we can learn from the event and asks which actions we will take to address the issues. We will caucus to form our response within the required completion time. We will send this response to NERC and then they will come in to inspect and track our progress. Mr. Wallace stated he has received tremendous help from the Information Systems Department on the cyber side of this because a lot of the issues that will affect our electric transmission system will also affect our internal network. The policy and controls that are in place are applicable to what we are doing on the transmission system as well. We have responded to our latest NERC alert and are now awaiting their response or another round of questions.

Homeland Security issues updates periodically (weekly or daily). The Electric Information Sharing and Analysis Center issues updates on what has happened at other utilities. These are lessons that have been learned or near miss events. Another utility may have had a threat at their facility. It was mitigated and in the process learned there is new technology, new techniques or different individuals involved. A lot of these events involve cyber security and more often physical security. These updates are intended to inform us and to ensure we have the proper security in place to prevent intrusions to our systems.

Mr. Wallace stated updates to cyber and physical security is constantly ongoing. Mr. Trego stated this portion of cyber security is just the piece that Electric is responsible for. There is a lot more that is going on through Susan Fritzen's group (Information Systems).

Mr. Russell updated the Commission on the seven Action Items Human Resources have been tasked with. These Action Items are:

1. Conduct pay study to evaluate pay scale. Review longevity.
2. Offer pay and benefits to attract hard-to-fill positions. Educate COF regarding the different needs at PWC.
3. Expand in-house training capabilities – prepare employees for future PWC job requirements.
4. Facilitate talks between FTCC & Nash Community College to offer classes under the existing line worker program.
5. Expand succession planning further into organization.
6. Evaluate human resources policies set by the Board
7. Ensure employee workloads are manageable throughout PWC

Mr. Russell stated the pay scale study was completed in April-May of this year. The results indicated we needed to catch up to the market. We made the shift differential in the pay scales to accommodate the jobs throughout PWC and moved 'hot jobs' as well as 'non-hot jobs' back into a marketable position to make us competitive (internally and externally).

Offer Pay and Benefits to attract hard to fill jobs. Mr. Russell stated this year we decided to keep our medical plan as is, though we had some discussions regarding our medical plan for retirees. Our medical plan states if you retire at 30 years you can keep your medical plan you can take the medical plan with you until you reach age 65. This action helped us to retain employees in their current positions at PWC.

Educate City of Fayetteville regarding different PWC needs is ongoing. The COF is looking to compare their positions to what PWC offers, but it is not always an apple to apple comparison. They are requesting for PWC to submit to them our salaries for each position as they look to complete salary comparisons.

Mr. Russell stated we are in the process of looking at every job at PWC and what the training requirements are for those opportunities. When we get into the Succession Planning aspect, the employee will know what the development needs are for a position and the training they should take to move from one job to the next. This is a way to build the PWC University platform as well as build a career tracking/career pathing type of process. This allows employees can take a look at future job openings and future career aspirations.

Mr. Russell stated PWC has already spoken to Robeson Community College. Both Robeson and FTCC are ready to go. FTCC already has a pole yard in place for their telecommunications program. They have no problem with adding power lines on top of their telecommunications lines. He stated we have a site visit planned by the first of January to see how they can implement a program similar to Nash and Forsyth's.

Mr. Russell stated PWC visited and recruited several workers from Forsyth Community College. They have a nine week program which stays full. Discussion ensued.

Commissioner Fowler asked how PWC compares to the contractor field for linemen pay. Mr. Russell responded we are very competitive on the total package aspect. The other aspect is a lot of the contractors do not consider safety as a priority. Mr. Trego stated when we are looking at entry level line workers we go to Nash Community College. But when we are looking for more advanced line workers, typically we can get them from the contractors. Though the contractors may offer them more money, they do not guarantee work for twelve months and the worker may have to travel all over the state or the country. Discussion ensued.

Robeson County does not have a program as of yet, but they have plenty of land. He stated we want to continue to push FTCC and Robeson County understands. Mr. Trego stated there is the possibility of a partnership between FTCC and Robeson.

Nash and Forsyth are the only community colleges that offer this type of program and they are located on the other side of the state. There is nothing on this side of the state offering the lineman program. Robeson and Fayetteville Tech are excited about starting a program on this side of the state. Mr. Trego also stated PWC will reach out to other regional municipal co-ops in the area like Lumbee River and South River to give FTCC a feel of how this program may benefit them.

Mr. Russell discussed Succession Planning. He stated last year we asked the Officers to bring forth who their successors would as well as their direct report successors. We then asked the employees to self-elect their desired positions within PWC. There were 113 employees who self-elected. The next step was to go back to the Officers and look at the empty boxes and see if they agree that the employee who self-elected could fill the empty space. The next step is to place development plans around those individuals after speaking with them to make sure they understand all the components and necessary requirements to fill the position.

This will be a very robust exercise for us going forward. It ties to our development plan of expanding opportunities within the organization. When we have individuals to retire we will have an adequate workbench to backfill their positions. Mr. Trego stated we have a very good balance of promoting from within and externally. He stated 60% of our positions are filled from within and 40% from the outside. The national average is 30% internally and 70% externally. Commissioner Huff stated his organization does the same and it is amazing to see how an employee grows from a clerical position to a management position.

Mr. Russell stated the next action is to evaluate human resources policies as set by the Board. He stated there are new policies we need to take a look at as our young workforce come into play. We will look at our flexible working policies. We will revamp and look at all the human resources policies that come into play as they relate to our employees. He stated times are changing and we need to change some of the policies with the times. It may be the relocating of employees from here to working at home or differing work schedules. There are new technologies that will allow us to get a lot of work done and not be onsite. He noted Hurricane Matthew. It would have been good if some of the call center employees could have been able to handle calls from home versus having to come into the workstation on site to get work done.

Mr. Russell stated another goal is to ensure employee workloads are manageable throughout PWC. He stated whenever there is a vacancy or an organizational change we take a look at the workload the employee is under to make sure they are not being overwhelmed by the work that needs to be done. He stated we are currently at 95% capacity. This year we have had about twenty employees to retire. This typically happens around December 1<sup>st</sup> thru January 1<sup>st</sup>. He stated this is an ongoing process and his ultimate goal is to be fully staffed.

FINANCIAL REPORT – JULY THROUGH OCTOBER 2016 (4 MONTH UPDATE)

*Presented by: Dwight Miller, Chief Finance Officer  
Brenda Brown, Controller*

Dwight Miller, Chief Finance Officer presented Brenda Brown, PWC Controller. Ms. Brown presented the Four Month Financial Recap for the period ending October 2016.

Ms. Brown noted the Electric Sales increased 1.7%. Operating Expenses for Electric increased 15.5%. The City Transfer Pilot is Payment in Lieu of Taxes (which also includes the Economic Development Transfer) increased 15.7%. Water Sales are up 3%. Wastewater Sales are up 3.9%. Wastewater G&A Expenses decreased 9.5%. Bad Debts are .6%. The Days Cash Reserve is 138.53 days.

Electric Comparison thru October: Ms. Brown stated the Electric Sales have been steady. The increase from last year to this year is 1.7%. Power Supply costs decreased 2.4% over last year. G&A Expenses decreased 3.2%. Other Operating Expenses increased 15.5%. The City Transfer has increased 15.7%.

Mr. Trego stated Duke gives us an estimate of the power supply costs in December and bills us accordingly. There is a true-up once they receive their audited financials. Since this is only thru October we have not gone through the true-up procedure yet.

Ms. Brown also pointed out that previously the City shared in the Annexation costs, but they do not anymore. Ms. Brown stated the difference equates to \$1.33 Million.

Ms. Brown stated Revenues for Electric are basically consistent. Purchased electric power has increased 4.3%. The cost per megawatt hour is \$65.16. The electric margin as a percent of total sales is 37.4%.

Water and Wastewater comparison thru October: Ms. Brown stated Sales have increased 3.0% and 3.9% respectively. G&A Expenses have decreased by 9.5%. Other Operating Expenses are relatively the same as last year. Grants and Transfers have increased 10.3%. Water Volume Sales has increased approximately \$3 million. The Water/Wastewater Revenues are relative the same from last year. The change is attributed to rate increases over last year.

Commissioner Huff requested more explanation on the budget and actual figures. He noted the budget and actual figures varied on both years comparison (2016 and 2017). Ms. Brown stated the budget has contractual services in it in which we did not get to this year. The POs are there, but they have not been completed.

Ms. Brown stated The Water Margin Report is at 80.8%. The Wastewater is basically the same at 83.0%.

The Fleet Maintenance Fund Comparison: Ms. Brown stated the City Sales/PWC Sales is 75%/25%. Operating Expenses are consistent. Revenues are also consistent. Transfers are related to transfers from the Electric Fund and the Water Fund. The actual transfer is completed at year-end.

Capital and Debt Service through October for Electric, Water and Fleet: The Water and Wastewater expenditures are close to budget, although we had more capital expenditures

this year than last year. The Electric Capital Expenditures are close to last year. Fleet budgeted for a bay extension for the first quarter, but it was placed on hold due to Hurricane Matthew. Ms. Fritzen noted the budgeted item was for design and not construction.

The Debt Interest Expense for Water and Wastewater is increased slightly due to the new debt issued last year. The debt interest payments are scheduled to be paid in December.

The Electric and Water Bad Debt is .6%. It is running less than the average for the past two years. Commissioner Fowler asked why the Bad Debt was increased in years FY2015 - FY2017. Ms. Brown responded the system posts the bad debt and previously we would post it manually and apply more discretion. Commissioner Fowler asked if this drop that we now see is because we are installing more AMI meters and it is easier to cut off for non-payment. Mr. Miller responded yes, the AMI is helping to improve this figure. He also stated when we converted over to the new system we delayed cut-offs which caused a jump in this figure.

Ms. Brown stated our Operating Reserve is 138.53 thru October. Our target is 120 days, which we also met in 2016.

Commissioner Huff asked if we have a slide which shows through October for the Revenues and Expenses. Ms. Brown replied she will include it in the next presentation.

Commissioner Shaw thanked Ms. Brown for the presentation.

## GENERAL FUND AMENDMENT AND PROJECT FUND AMENDMENTS

*Presented by: Dwight Miller, Chief Finance Officer*

*Rhonda Haskins, Director of Budget and Financial Planning*

*Recommendation: Staff recommends the Commission adopt the attached budget ordinance amendments.*

Upon motion by Commissioner Fowler and seconded by Commissioner Huff the following budget fund amendments were unanimously approved.

- ❖ PWCORD2016-14 is the Electric and Water/Wastewater (W/WW) General Funds FY 2017 amendment #3 increasing the Electric Fund budget \$1.4 million to \$251.5 million and the W/WW Fund \$289K to \$102.2 million:
  - Increase capital expenditures by \$1.1 million for 2 project carryovers that were budgeted and encumbered in FY 2016 and were not completed.
  - Increase capital expenditures \$320,900 for capital replacements that were damaged/destroyed during the hurricane. This includes what we are currently replacing at this time and may not represent other needed replacements not yet quantified.
  - Increase operating expenses \$204,600 for hurricane related expenses. This may not represent additional expenses not yet quantified.

- It is anticipated that FEMA reimbursements will be approved and the budget will be amended for this revenue source at the time such approval is known.
- ❖ PWCORD2016-15 is amendment #1 to the NCDOT Capital Project Fund (CPF) to close out completed NCDOT projects. A list of projects supporting this amendment is provided.
- ❖ PWCORD2016-16 is amendment #2 to the NCDOT Capital Project Fund (CPF) to add new projects from the CIP. A list of projects supporting this amendment is also provided.
- ❖ PWCORD2016-17 is amendment #1 to the 2014 Person Street SS State Revolving Loan CPF to close out this completed project fund.
- ❖ PWCORD2016-18 is amendment #1 to the Clean Fuel Advanced Technology Grant CPF to close out this completed project fund.
- ❖ PWCORD2016-19 is amendment #5 to the Annexation Phase V – Areas 8 - 13 CPF to close out this completed project fund.
- ❖ PWCORD2016-20 is amendment #2 to the Series 2014 W/WW Revenue Bond CPF to increase the 2014 bond proceeds of \$431,155 remaining from the Annexation CPF closed above.

(See Ordinances PWCORD2016-14 thru PWCORD2016-20 on pages \_\_\_\_\_ of the Minutes

#### RESOLUTION PWC2016.12

*Presented by: David Trego, CEO/General Manager*

Mr. Trego stated as a result of the new charter we needed to revise our processes and procedures related to our pre-audit process. He stated Mr. Miller formed and disseminated the new process to staff in September and it was implemented. Mr. Trego stated we became aware of two instances where certain expenditures on certain jobs were done prior to the pre-audit process being completed. Dwight Miller requested for our internal auditor to look into the issue. Mr. Trego stated he also had a conversation with our internal auditor and has come to the conclusion that there was no willful misconduct but an oversight in implementing the new policy. However it violated the pre-audit requirement. Under those requirements for the payments to be processed the Commission has to approve them because they were not pre-audited. He stated the dollars were in the budget for these but they did not meet the requirement which states; work cannot start until the pre-audit is complete, he executes the document, and the PO is extended. Mr. Trego stated in both cases the contractor was already onsite doing other work for us and the contractor began completing work on these projects before all the paperwork was completed.

Dwight Miller has reissued his memo to staff and Mr. Trego has requested for the Chief Officers to re-emphasize this procedure to their staff so we will not have a recurrence of this oversight. He noted when there is an emergency staff needs to communicate it to Mr. Miller and Mr. Trego and they can act for the good of the business.

Mr. Trego stated approval for the payments (\$55,000 and \$4,116) is required by statute by resolution.

Commissioner Huff motioned for the payment to be approved for the two vendors and for the resolution authorizing the payment to be signed. Commissioner Fowler seconded and it was unanimously approved.

(See Resolution PWC2016.12 on page(s) \_\_\_\_\_ of the Minutes

## GENERAL MANAGER REPORT

### *Bond Offer*

Mr. Trego stated we went out earlier than anticipated with our last Bond Offer because we saw an advantage. We were concerned about rate increases in the future and we were able to get a very good rate. Since that time there has been a 100 basis point rate increase in municipal bonds. He stated the idea we go out earlier because we did not believe the market could get lower was a very good move. Mr. Trego also stated we did the auction again this year which shaved several basis points off.

### *Atlantic Coast Pipeline*

Mr. Trego updated the Commission on the Atlantic Coast Pipeline. He recently received a project update from them. He stated there have been certain areas where they have had to take a look at rerouting portions of this pipeline. Instead of having the pipeline in service in 2018, they plan to have it in service in 2019. Mr. Trego stated he mentions this timeline because it is one of the strategic items. This timeline still fits well because our power supply agreement does not end until 2024. If building our own power plant or repowering Butler Warner was in the cards their current timeline would still fit well and we can potentially utilize this line which is approximately 5 miles from the plant.

Commissioner Huff asked how much it would cost to build a power plant. Mr. Trego responded if we built it for our total requirements (500 megawatts) it is about \$500 million. This figure is site specific. He also stated one of the considerations is the amount we have available in bonds. He stated financially we are in good shape to do it, but do we want to. Discussion ensued.

### *RC Williams Building*

Mr. Trego stated the federal congressional districts have been redrawn. Fayetteville will have new representation in this area, which includes Representative Hudson. His district (9) will now include parts of Fayetteville. Discussion ensued.

Mr. Trego stated the Mayor informed him that Representative Hudson is taking a look at opening an office in Fayetteville. Although the representatives have budgets for district offices they have made requests for municipals to have in-kind space for municipal offices. The Mayor has inquired if there is space in the RC Williams building for Representative Hudson if he wanted to open an office. Mr. Trego responded he will need to take the matter to the Commission since it is a policy level decision since that space is up for rent. Mr. Trego stated Representative Huff is looking at 101-D which rents for \$17.00 per sq. foot and we have expenses of approximately \$4.66 for heating/cleaning, etc.

Commissioner Huff requested to know the requested terms. Mr. Trego responded Representative Hudson wants to go month-to-month. He understands that though we are not actively looking to sell the building it may be sold. And he understands he can only have in-kind from a municipality. The day it is owned by someone else (private citizen or corporation) he must terminate.

The Commission, staff and City Attorney discussed Representative Hudson's request.

Per Commission direction, Mr. Trego will respond:

1. The space will be available on month to month basis and it will be a reciprocal cancellation and we will continue to market the space.
2. The expenses of approximately \$4.66 per sq. ft. will be required.
3. Mr. Miller will also check with the Bond Counsel regarding renting space.

More discussion ensued. Mr. Trego will get the additional information from the Mayor and then poll the Commissioners on their decision.

#### *Reggie Wallace's Retirement*

Mr. Trego presented to Reggie Wallace a retirement plaque for 22 years of service. Mr. Trego stated Reggie Wallace has been a colleague and a friend. He stated he is someone who epitomizes you can be a good guy and be successful. He is liked and he will be missed.

Commissioner Shaw congratulated Mr. Wallace on his retirement and Commissioner Fowler sang "Happy Trails to You".

Mr. Wallace stated he has five grandchildren and he may call to see if he can come to work to rest. Mr. Wallace stated it has been a real pleasure over this time. The opportunity to come back to Fayetteville and to PWC was welcomed. It also gave him an opportunity to be around his family at a time when he needed to be around them. He thanked everyone for everything they have done.

UNITED WAY UPDATE

Carolyn Justice-Hinson stated we care completing our campaign and will make our goal of \$109,000. She also stated are going to have at least 98% participation among our employees and we have added six new marque members. Discussion ensued.

Commissioner Shaw wished Merry Christmas and for everyone to be safe during the holiday season.

## REPORTS AND INFORMATION

The Commission acknowledges receipt the following reports and information.

- A. Monthly Cash Flow Report for October 2016
- B. Recap of Uncollectible Accounts
- C. Purchase Orders
- D. Monthly Incident Summary for November 2016
- E. Personnel Report for November 2016
- F. Position Vacancies
- G. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #18460 – fire hydrant and 6” RJDJ file line at USHWY 401 Bypass and US401 Business
  - Encr. #18466 – 12” water main tap @ US-401 BYP and SR-1400 (Freedom Town Center
  - Encr. #18455 – 8” DI water main @ SR-1415 (Yadkin Rd)
- H. Approved Utility Extension Agreement(s):
  - Lowe’s Home Centers, LLC – water and/or sewer utility extension to serve Lowes of Hope Mills

## ADJOURNMENT

Upon motion by Commissioner Fowler, seconded by Commissioner Huff and unanimously approved the meeting was adjourned at 10:24 a.m.