

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 22, 2017
8:30 A.M.

Present: Evelyn O. Shaw, Chairwoman
Wade R. Fowler, Jr., Vice Chairman
D. Ralph Huff, Secretary
Darsweil L. Rogers, Treasurer

Others Present: David Trego, CEO/General Manager
Karen McDonald, City Attorney
Jay Reinstein, Assistant City Manager
Jim Arp, City Council Liaison
Melissa Adams, Hope Mills Town Manager
Media
PWC Staff

Absent: Michael Boose, County Liaison

CALL TO ORDER

Chairwoman Shaw called the meeting of Wednesday, February 22, 2017, to order.

APPROVAL OF AGENDA

Upon motion by Commissioner Rogers and seconded by Commissioner Huff, the agenda was amended by reversing the following presentation/public hearing.

III. PUBLIC HEARING ON PROPOSED WATER/WASTEWATER RATES
AND FEES

IV. PRESENTATION ON WATER/WASTEWATER RATES AND FEES

TO

III. PRESENTATION ON WATER/WASTEWATER RATES AND FEES

IV. PUBLIC HEARING ON PROPOSED WATER/WASTEWATER RATES
AND FEES

Upon motion by Commissioner Rogers and seconded by Commissioner Huff, the amended agenda was unanimously approved.

CONSENT ITEMS

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

- A. Approve Minutes of meeting of February 8, 2017
- B. Resolution PWC2017.03

Resolution for Designation of Applicant's Agent for FEMA and State Reimbursement Related to Hurricane Matthew.

Resolution formally authorizing Brenda Brown, PWC Controller and Ike Copeland, PWC Director of Legal, Risk and Procurement Services to execute and file applications for Federal and/or State Assistance on behalf of PWC as it relates to North Carolina Division of Emergency Management Disaster Number 4285.

Staff recommends the Commission approve Resolution PWC2017.03 which will enable PWC to receive FEMA and State disaster related funding.

Commissioner Rogers – What is the expected amount for the FEMA Reimbursement? Mr. Copeland stated our losses are approximately \$10M. Mr. Trego stated we would have to net out any insurance reimbursements from that amount.

END OF CONSENT

PRESENTATION ON WATER/WASTEWATER RATES AND FEES

*Presented by: David W. Trego, CEO/General Manager
J. Dwight Miller, Chief Finance Officer*

Mr. Trego, CEO/General Manager provided a summary of the Water/Wastewater Fees and Rates Recommendation. He stated staff considered the following factors when making recommendations related to water and wastewater rates.

These factors were to maintain planned levels of rehabilitation and replacement of water/wastewater infrastructure. He stated a lot of it is at the end of its useful life and we have a very active rehab and replacement program. There are upcoming NCDOT project relocations including Raeford Rd. (estimated \$15+ million for water and \$1.9 million for wastewater). This may be the largest NCDOT project we have dealt with in many years. Mr. Trego also stated we have depleted our Water/Wastewater Rate Stabilization Fund and have projected future Bond Funding issues. There are increased Operating Expenses at 3% in plan years. Fees and charges are based upon actual cost to provide services.

Overall Recommendations

- ▶ **April 2017:** Implement rates that will result in retail water revenues increasing 9.2% and wastewater revenues by 8.5%.

- ▶ **April 2018:** Implement rates that will result in retail water revenues increasing 9.1% and wastewater revenues by 3.9%.
- ▶ Increase Outside City differential from 65% to 70% in 2017 and 75% in 2018.
- ▶ Increase fees that are currently charged below the actual cost to provide.

Rate Structure Philosophy

- ▶ **Rates better mirror the cost structure of our water/wastewater operations.**
 - ▶ Reflect ongoing fixed costs of operating and maintaining facilities in the Basic Facilities Charge
 - ▶ Reflect variable costs of operating and maintaining facilities in the per gallon usage charges
 - ▶ Continue gradual increase of “Outside City” rate differential
 - ▶ Recommendations by Rate Class are included in the packet provided to Commissioners

The following show increases in more commonly utilized rates

Recommendations – Facilities Charges

Water & Wastewater Basic Facilities Charges - All Rate Classes - Inside City

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
5/8” & 3/4” Meter	\$10.00	\$11.50	\$13.00
1” Meter	\$16.00	\$18.40	\$20.80
1-1/2” Meter	\$27.00	\$31.05	\$35.10
2” Meter	\$45.00	\$51.75	\$58.50
3” Meter	\$80.00	\$92.00	\$104.00
4” Meter	\$130.00	\$149.50	\$169.00
6” Meter	\$255.00	\$293.25	\$331.50
8” Meter	\$400.00	\$460.00	\$520.00

Water & Wastewater Basic Facilities Charges - All Rate Classes - Outside City

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
5/8” & 3/4” Meter	\$16.50	\$19.55	\$22.75
1” Meter	\$26.40	\$31.30	\$36.40
1-1/2” Meter	\$44.55	\$52.80	\$61.45
2” Meter	\$74.25	\$88.00	\$102.40
3” Meter	\$132.00	\$156.40	\$182.00
4” Meter	\$214.50	\$254.15	\$295.75
6” Meter	\$420.75	\$498.55	\$580.15
8” Meter	\$660.00	\$782.00	\$910.00

Council Liaison Arp asked what the impact to Industrial is and Commercial Development outside the City. Mr. Trego stated small businesses would need 5/8" or 3/4" meter. The 6" and 8" meters are typically industrial. It is all based on demand. Council Liaison Arp asked if there would be a consideration based on economic development reasons to offer an inside city rate as opposed to an outside city rate as an incentive? Commissioner Fowler stated it would have to be offered to all businesses and not just a select. Discussion ensued on options available as economic incentives to new development.

Mr. Trego went on to discuss recommended water usage charges for residential inside and outside city rates.

Recommendations - Usage Charges

Residential Water Per Gallon – Inside City

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
First 2,000 Gallons	\$0.00234	\$0.00236	\$0.00245
Next 3,000 Gallons	\$0.00278	\$0.00281	\$0.00291
Next 5,000 Gallons	\$0.00378	\$0.00382	\$0.00396
Each Add. Gallon	\$0.00452	\$0.00456	\$0.00473

Residential Water Per Gallon – Outside City

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
First 2,000 Gallons	\$0.00386	\$0.00401	\$0.00429
Next 3,000 Gallons	\$0.00459	\$0.00478	\$0.00509
Next 5,000 Gallons	\$0.00624	\$0.00649	\$0.00693
Each Add. Gallon	\$0.00746	\$0.00775	\$0.00828

He also discussed recommended wastewater usage charges for residential inside and outside city rates as well as wastewater flat rates for inside city and outside the city.

Residential Wastewater - Per Gallon

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
Inside City	\$0.00500	\$0.00525	\$0.00525
Outside City	\$0.00825	\$0.00893	\$0.00919

Wastewater Monthly Flat Rate

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
Inside City	\$34.50	\$34.60	\$35.05
Outside City	\$56.93	\$58.82	\$61.34

Non-Residential Water – Per Gallon

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
Inside City	\$0.00281	\$0.00283	\$0.00294
Outside City	\$0.00464	\$0.00481	\$0.00515

Non-Residential Wastewater – Per Gallon

	<u>Current</u>	<u>April 2017</u>	<u>April 2018</u>
Inside City	\$0.00500	\$0.00525	\$0.00525
Outside City	\$0.00825	\$0.00893	\$0.00919

Recommendations - Fees and Charges

		<u>Current</u>	<u>Proposed</u>
Lateral Charges	Water 1”	\$1720.00	\$2640.00
	Water 2”	\$1750.00	\$2758.00
	Wastewater 4”	\$2350.00	\$3424.00
	Wastewater 6”	\$2400.00	\$3784.00
Split Water Lateral	Initial Installation	\$ 360.00	\$ 464.00
	Existing Lateral	\$ 520.00	\$ 678.00
	2” Irrigation Jumbo	\$2100.00	\$3179.00
Water Meter Vault	2”	\$2100.00	\$2734.00
Consumptive Loss Application		\$ 200.00	\$ 355.00
Wastewater Elder Valve Installation		\$ 900.00	\$1250.00

Above proposed Fees and Charges go into effect July 1, 2017 - All other Fees and Charges remain unchanged

Typical Customer Impacts - Increase in April 2017

Residential Inside City Rate - 5000 Gallons

Water \$1.63

Wastewater \$2.75

Non-residential - Inside City Rate (5/8” meter) 10,000 Gallons

Water \$1.70

Wastewater \$4.00

Non-residential - Inside City Rate (2” meter) 30,000 Gallons

Water \$7.36

Wastewater \$14.25

Mr. Trego stated staff recommends Commission approve the following after the public hearing:

- ▶ Changes in water rates in Rate Schedules R.C.1 through R.C.12
- ▶ Changes in wastewater rates schedules in Rate Schedules R.D.1 through R.D.8
- ▶ Changes in Charges on the Schedule of Fees, Deposits and Charges

As presented to the Commission and made available to the public for viewing in person and on the PWC website via the Public Notice for the February 22, 2017 Public Hearing on PWC's water and wastewater rates pursuant to the requirements of North Carolina Statute 160A-314

Mr. Trego provided residential, commercial and industrial rate comparisons based on current and proposed PWC Water and Wastewater Rates. He stated some municipalities have not published their proposed rate increases for this year, as such, this matrix may change.

Water	Residential 5,000 Gal		Wastewater	Residential 5,000 Gal
OWASA-Orange Co	\$39.13		Cary	\$51.82
Harnett Co	\$34.25		Hoke Co	\$48.00
Wilmington	\$31.26		OWASA-Orange Co	\$44.40
Hoke Co	\$28.00		Harnett Co	\$41.25
Greenville	\$27.80		Greenville	\$40.00
Raleigh	\$26.90		PWC-Proposed	\$37.75
Cary	\$25.87		Wilmington	\$37.35
PWC-Proposed	\$24.65		Raleigh	\$35.43
PWC-Current	23.02		PWC-Current	\$35.00

Water	Commercial 90,000 Gal		Wastewater	Commercial 90,000 Gal
OWASA-Orange Co	\$611.41		Cary	\$903.91
Durham	\$540.52		OWASA-Orange Co	\$636.92
Harnett Co	\$487.00		Greenville	\$622.14
Cary	\$486.31		Raleigh	\$559.53
Wilmington	\$433.54		Durham	\$539.98
Raleigh	\$420.96		Wilmington	\$526.80

Hoke County	\$349.75	PWC – Proposed	\$524.25
Greenville	\$328.94	Harnett County	\$509.50
PWC-Proposed	\$306.45	PWC-Current	\$495.00
PWC-Current	\$297.90	Hoke County	\$458.64

Water	Industrial 1,500,000 Gal	Wastewater	Industrial 1,500,000 Gal
Durham	\$9,220.63	Cary	\$14,732.70
OWASA-Orange Co	\$8,907.33	OWASA-Orange Co	\$9,875.28
Harnett Co	\$7,900.00	Greenville	\$9,620.57
Cary	\$7,772.70	Raleigh	\$8,784.00
Raleigh	\$6,525.46	Durham	\$8,348.51
Wilmington	\$5,827.63	Harnett Co	\$8,100.00
Hoke County	\$5,637.25	Hoke County	\$7,367.64
Greenville	\$4,672.32	Wilmington	\$7,203.75
PWC-Proposed	\$3,659.50	PWC-Proposed	\$6,059.50
PWC-Current	\$3,400.00	PWC-Current	\$6,040.00

Council Liaison Arp asked if these costs will also include the Annexation Phase V areas but no change to the installation costs. Mr. Trego stated any customer who comes inside the city and takes services will be billed at the inside rates because they are part of the annexed areas. He went on to state, when we modeled our cash flows, since that is funded mostly through bonds, those cash flows were modeled over the life of the bonds so the costs are included in the consideration of the rates.

Council Liaison Arp also asked if the proposed annexation of Shaw Heights has been a consideration in PWC’s funding models as we projected into the out years. Mr. Trego stated no. Staff is currently drawing up rough estimates for the Commission to consider. Discussion ensued.

Mr. Trego stated Shaw Heights is a standing agenda item on the Joint Staff Meetings with the City.

Commissioner Fowler asked Mr. Noland to update the Commission on the process PWC has gone through maintaining our infrastructure (rehabilitating and replacing pipes). Mr. Noland stated this certainly reflects the need for PWC and a lot of other utilities to

start/continue investing in replacing and rehabilitating lines that have been in the ground 40-60 years and longer. He stated this is a very expensive endeavor, working with the oldest, most at risk first.

Mr. Noland went on to state PWC's assets are valued at over \$1 billion. He stated 75% of that figure is associated with water and wastewater. We have 2 water plants; 2 wastewater plants; 1,300 miles of sewer; the same for wastewater; the associated tanks; and 85 lift stations. There is a lot of infrastructure with a definite age to it and the infrastructure is very expensive to replace and refurbish. This maintenance does not increase customers, but it ensures our infrastructure is sound and reliable and capacity is available if the City wants to bring an industry in; or if an area is annexed; or if county wide water is offered. He also stated PWC made the commitment to spend over \$200 million in infrastructure for the annexed areas. Though some of the cost is shared with assessments and some is factored in with the City's participation. Additional discussion ensued.

Council Member Arp commented on the PWC Rate Comparison on the Industrial side. He stated our rates are significantly lower than our surrounding communities and we should market this very aggressively.

Chairwoman Shaw stated she believes she is speaking for all the Commissioners when she states they can very clearly visualize the rationale for the rate recommendation that Mr. Trego and Mr. Noland have communicated. She stated she can visualize one of the big pipes breaking down and all that goes into repairing it while the customer waits for it to be repaired. She stated staff's rationale is very clear.

PUBLIC HEARING ON PROPOSED WATER/WASTEWATER RATES AND FEES

There was one speaker:

1. Mr. Dominic Mancino –2045 Grey Goose Loop, Fayetteville, NC 28306
Concerns over street light malfunctions, which causes them to remain on during the daytime

There being no more speakers, the public hearing was declared closed by Chairwoman Shaw.

Following the public hearing, the Mr. Trego reviewed the staff's recommendations for approval the Water Rates, Wastewater Rates and Changes in Charges on the Schedule of Fees, Deposits and Charges.

Upon motion by Commissioner Rogers and seconded by Commissioner Fowler, the Commission unanimously voted to accept staff's recommendation to approve the following:

1. Changes in the Water Rates in Rate Schedules R.C.1 through R.C.12 and;
2. Changes in the Wastewater Rates Schedules in Rate Schedules R.D.1 through R.D.8 and;
3. Changes in Charges on the Schedule of Fees, Deposits and Charges.

BUDGET ORDINANCE AMENDMENT – PWCORD2017-03

*Presented by: David W. Trego, CEO/General Manager
J. Dwight Miller, Chief Finance Officer*

Mr. Trego stated one part of the budget amendment is encompassed in a recommendation from staff to use the Wholesale Power Cost Adjustment to give our electric customers a credit. Mr. Trego reminded the Commission the Wholesale Power Cost Adjustment (WPCA) was created after we began to take service under the current Power Supply Agreement with Duke Energy

The WPCA was designated to provide a mechanism for PWC to either charge or refund customers as needed, if the end-of-year true-up of wholesale electric charges with Duke resulted in a substantial credit or charge. Mr. Trego stated PWC only utilized this one other time in FY2015 to recover \$3.8 Million. Subsequent true-ups have resulted in small credits to PWC that were used in the creation & funding of the Coal Ash Reserve or were placed in the Rate Stabilization Fund and were not refunded through the WPCA.

Mr. Trego went on to state, last year as well as this year Power Supply costs have been lower than estimated by Duke due to continued lower fuel prices. PWC anticipates, based on preliminary numbers from Duke, to receive a true-up credit between \$1 and \$1.5 million for power purchased in calendar 2016.

Because of lower wholesale power costs & anticipated true-up credit, both the Electric Rate Stabilization Fund and the Coal Ash Reserve are ahead of targets presented to the Commission when Electric Rates were set in 2016.

Staff is recommending \$5 million refund to customers using WPCA. He stated included in this budget amendment is approximately \$1.1 Million for FY2017. He stated staff will reflect the \$3.9 Million in the budget that will be presented to the Commission for next year (FY2018).

The refund will be targeted to occur over a 12 month period and the average residential customer using 1,000 kWh a month would see a credit of about \$2.73 per month until the \$5 million is refunded.

Commissioner Rogers asked for clarification on when the refund will begin. Staff stated the refund will begin in April of this year. He also asked for verification in FY2018 that the refund will be part of the WPCA. Staff stated yes.

Mr. Trego stated this part of the amendment does not need to be approved separately. If the Commission approves the Budget Ordinance, this is part of it.

Rhonda Haskins, Director of Financial Planning, gave an overview of the budget recommendations. She stated part of the PWCORD2017-03 is to give back \$1.1 Million Mr. Trego just discussed.

Upon motion by Commissioner Fowler and seconded by Commissioner Huff, the Budget Amendment #4 (PWCORD2017-03) was unanimously approved.

STRATEGIC PLAN PRIORITY ACTION ITEMS UPDATE

Presented by: Bevan Grice, Director of Customer Service

Mark Cannady, Supervisor, Procurement

Ike Copeland, Director of Legal, Risk Management and Procurement

Bevan Grice, Director of Customer Service highlighted the efforts of the Customer Service Department.

He stated staff has a bill delivery report that all areas view. It gives staff a status of when each cycle bills. It keeps everyone informed and has been a very positive tool for Corporate Development, Finance and Customer Programs.

Mr. Grice also discussed Call Center Stats. He compared FY2016 to FY2013. Mr. Grice stated FY2014 and FY2015 were transitional years. He noted staff stopped taking payments over the phone which reduced the number of calls received (467,570 calls in 2016 compared to 564,100 calls in 2013).

Mr. Grice stated the percentage of calls answered versus those offered has increased 4.4%. The average call handle time has also increased 1.52 minutes per call. This is the amount of time it takes for a CSR to assist a customer.

The average answer delay has increased +.39. It was .33 seconds and now it is 1.12 minutes, though this figure has decreased since 2015. Self-service payments increased 4.1%. He stated over 58% of payments are self-service.

Commissioner Rogers noted the increased time CSRs are on the phone with the customers. He inquired why. Mr. Grice stated it is due to the new system. He also stated staff has been added to the call center. A typical CSR will answer approximately 80 calls a day. Mr. Trego mentioned part of the increase in time that the CSRs spend on the phone is due to receiving more information from the customers which helps us on the back end in decreasing calls.

Mr. Grice stated staff added Spanish to our IVR (Interactive Voice Response) system. We also have a feature which allows customers to pay by text through their cell phones. He stated we also added mobile payments. Customers are notified by email that their bills are ready and once they are notified they can hit a button to pay their bill. He mentioned 46% of e-bills are opened by a mobile device.

In the near future, customers will receive the refund of their deposits automatically after 36 months of good credit. It is now refunded manually.

As a result of Hurricane Matthew Lessons Learned, staff is researching the possibility of CSRs working from home during storms or possibly representatives working from home at any time.

Mr. Grice responded to Commissioner Shaw's inquiry concerning customer refunds of deposits. He noted that if the customer leaves the PWC before 36 months, the refund is applied toward the bill and any overage is given back to the customer. He also responded to additional questions from Commissioners and discussion ensued.

Mark Cannady, Supervisor in Procurement Services gave an overview of his department's strategic initiatives.

He stated their main component is to improve local vendor capacity. They are accomplishing this by identifying and implementing best practices to engage vendors. He stated his department is seeking to engage entrepreneurs in those areas we are not receiving the local participation. We are also quantifying local spending in an effort to increase it annually.

Mark Cannady stated staff held their first "Building Business Rally" on July 22, 2016. Over 35 businesses were represented and PWC made them aware of upcoming projects. Other agencies were also invited to attend and staff registered several new vendors.

Mr. Cannady stated staff regularly attend and promote Chamber Small Business events. He stated staff began four years ago, conducting "Doing Business" educational classes with CEED and FTCC. Mr. Cannady stated he started with one class and now have expanded to offering three classes. He stated a new series of classes will be initiated after April 6th.

On April 6th, staff will hold its second Building Business Rally. Mr. Trego and Mr. Cannady expanded on the format for this building business rally. It will be focused on the smaller businesses. They expect the City and County to participate and are looking for other municipalities to also participate. Discussion ensued on the advertising avenues for the building business rally.

Mr. Cannady stated PWC has opened a Plan Room. It is a resource for contractors to review plans and specifications for projects. Local opportunities are being stressed. He also stated staff is promoting pre-bid meetings so vendors can network with one another. It is a great avenue for smaller businesses to see what the larger businesses are doing.

He stated currently \$1.2M is spent locally. Locally is defined as within Cumberland County. Discussion ensued on naming a local spending goal.

Procurement is unbundling several of the larger projects (Murray Fork Slope and FEMA/Insurance Projects) to allow smaller contractors to bid.

Mr. Cannady stated staff has updated their website by providing easy access from the main page. There is also an online vendor application. Vendors can now view current as well as past bid opportunities. There are guides for "Doing Business" online as well as an Outreach Calendar. Discussion ensued.

He stated staff updated our Small Business/Minority Organization contact list. We are also advertising on the Chamber's website and we can directly solicit through the email to their

members. Mark Cannady stated staff is exploring hiring a consultant to assist with vendor outreach efforts.

Ike Copeland, Director of Legal, Risk Management and Procurement Services, discussed Cyber Security. He stated his presentation is supplemental to what Corporate Development/Corporate Services has already provided on Cyber Security. The day to day functions of cyber and physical security reside in another area. His component deals with the insurance, risk financing piece; when something happens what do you do and how do you deal with it?

Mr. Copeland stated historically we have looked at cyber and physical security, particularly with cyber security we have followed it for years. Ten years ago when you talked about cyber security people knew it was an issue but they did not know what to do with it. Things have changed since then. We have had a lot of incidents. We know how important it is on a personal as well as corporate professional level.

So what is PWC doing from a risk management standpoint? Mr. Copeland stated as it ties back to other strategic initiatives, staff discussed Cyber Risks issues with other governmental entities with similar exposures. We talked to our peers, our insurance brokers and carriers. He stated his staff developed a partnership with our IT department. He and Mr. Rao had an in-depth conversation about the risk exposures here at PWC. He went out to the market to research the insurance that is available and the costs associated with it.

About 10 years ago they did an assessment just like that one and the cost was about \$600,000. That is because no one knew what cyber risks were really all about.

Staff has participated in several AWWA/APPA Webinars and training sessions on Cyber Risk. It wasn't just one or two people but a group of individuals across the industry. They also participated in a webinar series of 7 – 8 classes. It was very beneficial in which APPA sponsored and continues to sponsor.

They have also signed into several organizations which let them know when there is an attack on an organization like PWC. This information allows staff to be proactive and shore up their defenses. Mr. Copeland stated he believes staff is in-tuned to what is going on in the utility industry and they are preparing to put up preventive walls to reduce the risk.

Lastly, PWC has procured Cyber Insurance Coverage as a result of Finance, Operations and Corporate Services working together to complete the application. They procured the services of Worthers Insurance and they insure a lot of utilities. They have the information and knowledge and are able to do apples to apples comparisons with PWC based on our utility size and our exposures. Mr. Copeland explained how insurance is rated. In the past the cost would have been \$600,000. Today coverage is \$50,000.

Mr. Copeland explained the type and level of insurance PWC has procured and responded to questions from Commissioners.

Commission and staff also discussed the level of education employees receive regarding cyber security.

Discussion returned to Procurement Staff's goal of utilizing local vendors in the coming year. Following discussion staff was directed to return with the different measures utilized in determining local vendors' participation.

Council Liaison Arp commended the Commission for wanting to increase local vendors' participation. He also stated it may be a good idea in determining what the \$1.2M represents in total contracts. Council Liaison Arp stated the issue is trying to get vendors to come to the table to compete and if they are not competing they why are they not.

DISCUSSION AND ASSIGNMENT OF AD HOC COMMISSIONER COMMITTEES

Chairwoman Shaw stated when Commissioner Rogers was Chairman; he proposed a wonderful idea of forming ad hoc committees which would allow the Commissioners to meet more directly with some of the direct reports to Mr. Trego and other managerial staff.

She shared with the Commissioners a list of the various ad hoc committees that were originally suggested and the departments to which they were attached. She asked for them to study them and then return prepared to choose which committee each will participate in.

She stated the ad hoc committees would more than likely meet once a month. Mr. Trego reminded the Commission that a policy is already in place to allow the Commission to have this structure.

Commissioner Fowler stated that it is incumbent on the Commissioners to understand that these are just information gathering meetings and that direction should be given to Mr. Trego only. Chairwoman Shaw confirmed that the Commissioners understand that these ad hoc committees are informational only and for the benefit of the Commissioners. Mr. Trego also stated the policy delineates the limitations of the ad hoc committees.

GENERAL MANAGER REPORT

United Way

Mr. Trego stated he along with other staff members attended the United Way Luncheon on yesterday. PWC was fortunate to be presented with three awards. He stated we received:

Spirit of North Carolina Award - This is a statewide award.

Chairman's Award - This award is presented to businesses that have over 500 employees. It is a measure of the success of our overall campaign. The United Way takes into consideration the average gift; the total goal of the business; and total employee participation. PWC's participation was 99.5% this year.

Marquee Award - This is a county award and represents the entity that has the most givers over \$1,000 dollars. Mr. Trego stated this is truly an employee award.

FEMA

Mr. Trego also stated we are in the process of closing out the damage phase of the process. The next phase, which we have already begun, is identifying dollars for mitigation. These are improvements to the system so the next time a hurricane happens we do not have the same type of issues. It is a separate funding stream and we are competing for these dollars. Discussion ensued.

Rates

Mr. Trego stated with relation to our large user rates, we do have an inside and outside differential for our customer charge, but the 'per gallon' charge is a single charge, both inside and outside. So if there was a business just outside the city, that would obviously benefit the city by having a number of employees and being a large user, we already have consideration included in our rate structure.

Comments by Commissioners:

Commissioner Shaw asked if PWC has any involvement in the Country Club Lake matter that is going on with the dam and the breach. Mr. Noland stated we do not have a main in the dam and PWC does not have any liability associated with it.

Mr. Trego stated we have a number of facilities that are within some of those waterways. Some are close to the dam and some are not. We have inspected a number of them to ensure there has not been any damage related to the storm and any repairs are part of our FEMA reimbursements. Mr. Noland stated, in the past when we found it possible to remove mains (water or wastewater) from dams, we just moved them out. Discussion ensued.

REPORTS AND INFORMATION

- A. Monthly Cash Flow Report – January 2017
- B. Recap of Uncollectible Accounts – January 2017
- C. Investment Report - January 2017
- D. Position Vacancies:
- E. Approved Railroad Encroachment Agreement(s):
 - Encr. 18254 – Pipeline Crossing – S. Reilly Road
- F. Actions by City Council during meeting of February 13, 2017, related to PWC:
 - Approved Resolution to Abandon PWC Utility Easement - Downtown Lane Subdivision

ADJOURNMENT

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