

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, APRIL 8, 2020
8:30 AM

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

Others Present: David W. Trego, CEO/General Manager
Mitch Colvin, Mayor
Christopher Davis, City Council Liaison
Telly Whitfield, Assistant City Manager
PWC Staff

Absent: Melissa Adams, Hope Mills Town Manager/Liaison
Media

I. REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of Wednesday, April 8, 2020, to order. Considering this is a remote, teleconference meeting, a roll-call of Commissioners on the call was taken. The following Commissioners confirmed their attendance: Evelyn O. Shaw, Commissioner Wade R. Fowler, Jr., D. Ralph Huff, and Darsweil L. Rogers.

APPROVAL OF AGENDA

Upon motion by Commissioner Fowler, seconded by Commissioner Huff, the agenda was unanimously approved.

II. CONSENT ITEMS

Upon motion by Commissioner Rogers, seconded by Commissioner Fowler, Consent Items were unanimously approved.

A. Approve Minutes of meeting of March 25, 2020

B. Approve PWC Resolution # PWC2020.03 to declare personal property described as one (1) Excavator, 1996 John Deere, model 790 Elec, VI # FF790EX015511 as surplus and sell by public auction.

COMMENTS: North Carolina General Statute 160A-270 permits the sale of personal property with an estimated value of \$30,000 or more by public auction upon authorization by the governing board.

C. Approve PWC Resolution No. 2020.04 to declare personal property described as five (5) Substation Transformers (5000 KVA) and four (4) Substation Transformers (20 MVA).

This request is to have the Commissioners declare the Equipment to be surplus property and to authorize the sale of this property by sealed bid.

- GE/1971 Serial #G-852521-C (5000 KVA)
- GE/1973 Serial #H879327-A (5000 KVA)
- Penn Trans – US Trans/1989 Serial # 13892357-A (5000 KVA)
- Penn Trans – US Trans/1989 Serial # 12892357 – B (5000 KVA)
- Penn Trans – US Trans/1989 Serial # 12892357 – C (5000 KVA)

- GE/1973 Serial #G-860609 – A (20 MVA)
- GE/1973 Serial #860643 – A (20 MVA)
- ASEA/1983 Serial #A6719 (20 MVA)
- ASEA/1985 Serial #A6937 (20 MVA)

Staff has determined that there is no opportunity for PWC to reuse this Equipment for internal purposes and the value of the Equipment exceeds thirty thousand dollars (\$30,000.00).

COMMENTS: Upon approval by the Commission of the proposed sale of surplus property by sealed bid, a public notice of the sealed bid opportunity for the sale shall be publicly advertised for 14 days after which time any bids received shall be publicly opened. Bidders may bid on individual units or multiple units. The results of the bids will be provided to the Commission at their next scheduled meeting, at which time the Commission may award to the highest responsible bidder or reject all bids.

END OF CONSENT

III. GENERAL MANAGER REPORT

Governor's Executive Order Related to Utility Service and Disconnects

Mr. Trego stated the order included a two month stay on disconnections for residential customers only. It also allowed any unpaid balances accrued over that two month period, the utility must allow payment arrangement over a six month period with no penalties or interest. This is just for residential customers.

Mr. Trego stated PWC had an idea this was being considered. Two weeks prior to the Governor's Order, though we did not know the nature of the order, we voluntarily suspended all disconnects for non-payment. This included all residential and non-residential accounts. Once the Governor's Order came out, we had the parameters of the what we would have to do under the order. It applied to all utilities in the State, whether they were municipal, investor owned or the EMCs.

Mr. Trego stated obviously we will comply with the Order. He wanted to note we are looking to what we will do with our non-residential customers because they are not covered under the Order. The Order, allowing customers to not pay. A lot of our residential customers are worried about their economics and may take advantage of the Order by only paying partial bills or defer paying utility bills. It may have a dramatic impact of the revenues coming into

PWC. At the same time, we must continue to pay our bills and our Duke wholesale electric bill.

He has asked Rhonda Haskins, CFO, to develop a trend line as to what revenues are coming into PWC; how many customers are in arrears; and what they are. That will have an impact going forward as we map out our Days Cash requirements over this two month period and over the six month period.

For non-residential customers, even though the Governor's Order does not require us to do anything. We can go through our normal termination process with our non-residential customers. Yet we want to maintain as much flexibility as we can for those customers. We are in the process of modifying what we do. We have a lot of deposits for some of the customers, allowing them to use that deposit to perhaps defer a portion of their bill to keep them on-line.

Mr. Trego stated he wanted to remind the Commissioners, and we will stress this that the Cares Act, passed by Congress has \$350 billion dollars in small business loans that can turn into a grant. Though while maintaining payroll has received most of the press regarding it, another item the small business loan/grant can do is pay for utility bills. We are trying to put a process in place that if there is a non-residential customer who is in arrears and they have applied for the small business loan/grant we will give them extra flexibility until they receive the money through the Cares Act. At that time because they are having money that is earmarked for the utilities, we can get our payment and keep them on, and keep that small business viable in our community. We will work with our small business customers, keep them on when we can, but also be in mind of our Days Cash.

Commissioner Huff commented on the issues small businesses have in preparing and submitting paperwork in order to receive the loan or grant. He stated the process changes even as applications are being submitted. Additional discussion ensued.

Update on PWC's Efforts Regarding the Coronavirus

Mr. Trego stated PWC continues to react to the Coronavirus. We continue to Work from Home or Report from Home. There are over ½ of our employees who would normally report to the office are Working from Home or Reporting from Home. We are rotating some employees, because there are some things that must be done in the office.

We are taking actions with spreading the risk around with our field forces. We have already staggered some shift starts. There are some employees' who responsibilities are reporting from home or are working off shifts. Their basic responsibilities are responding to emergencies, like a broken water line or an electric outage. We have other crews who are reporting from home. We have cut back from doing non-essential maintenance, and only responding during critical work. We are taking actions to keep our workforce safe and taking actions to do those essential services that are required for the safety and reliability of our system. We are continuing those efforts, and Mr. Trego stated our employees have again, like they have under other emergencies responded and are doing a great job.

He went on to state there is a lot of anxiety out there, because with a hurricane you can see it coming offshore, but with this there are a lot of unknowns, and with unknowns there may be

fear. Mr. Russell sent out a memo to the employees outlining the actions PWC is and will do to keep our employees safe.

Commissioner Huff asked about PWC's response to employee issues regarding their concerns and issues. Mr. Trego stated PWC follows the health department guidelines. We are trying to be as flexible and responsive as possible. The first thing that happened were closed schools, so we had a number of employees who had young school students at home that they were not expecting. When we did our first trounce of Working from Home or Reporting from Home, they were considered. We have flexibility within the workforce; we can call in another employee if one must take time to take time of a parent (as an example). He also stated Mark Lawler has done a great job in getting laptops to employees so they can do everything from their computer at home as they would have done in the office. We have ensured employees are comfortable with going to their supervisor or to HR and ask for the accommodation and we will work with them within the flexibility we have to accommodate them. Additional discussion ensued.

Commissioner Shaw asked how is PWC regarding protected supplies. Are employees stocked with those supplies? Mr. Trego stated we have cutback on discretionary maintenance work to restrict the amount the time our employees are out in the public. We are responding to emergencies and to inspections we must do in a certain timeframe. Mr. Russell stated the Warehouse has done a great job in getting ample supplies of personal protective equipment for our employees. Ike Copeland's group, Risk Management, has also done a great job in putting together protective liquids for the trucks; sanitizing their trucks; ensuring there are sanitizers in the administrative buildings as well as in the plants. Commissioner Shaw asked if we are encouraging our employees to use masks within the workplace. Mr. Russell stated we have not mandated that yet, but some of our employees are doing so when they go about within the building.

Mr. Trego stated early on we targeted those workgroups where we knew maintaining 6 feet of distance would be difficult, such as some of our engineering offices; or our call center. Those were the first groups we targeted to have a portion of the workgroup to work from home. If you were to go to the call center now, you will see that there is less than half of the workgroup in the office, and there is about 12 – 13 feet of distance between them. We did that action early as soon as the CDC guidelines came out. He stated he has seen employees that when they are on the phones, they do not wear a mask, but when they are walking down the hallway, they put on a mask or a scarf to provide that extra protection. Mr. Russell stated as we have employees rotate from home back into the building, we are doing temperature checks and triage of all employees who are coming back into the building. He also stated we have ordered about 25 thermometers that are no touch. We will begin monitoring all those who are coming into the buildings (administrative as well as the plants).

Commissioner Fowler stated when they returned from Europe, they were in quarantine, and they were encouraged to take their temperature twice a day. He encouraged others to do the same. Mr. Trego stated we have had employees to do just that, going to the nurse to check their temperatures. He stated having our nurse, as part of our staff has paid big dividends to us. Additional discussion ensued.

Commissioner Shaw asked if we have any sense yet of how much extra money, we have expensed on COVID-19 preparation. Ms. Haskins responded we do not have a number yet,

but we are in the process of getting the numbers of the increase in the labor cost when we sequestered. We have spent approximately \$200,000 in disinfecting; and we expect to pay more. We placed an emergency order of computers for employees to work from home, getting the call centers up and running. We have created a tracking number for employees to use (about 10 days ago) if they are doing anything additional regarding the COVID-19. We will begin pulling the information from our financial system.

Mr. Trego stated we are doing this for a couple reasons. One is because some of the expenses may be FEMA reimbursable. Secondly, we will be layering on top of the Days Cash analysis the extra expenses we have already spent with additional expenses we may have to do above the normal budget process into the analysis. When we provide the Commissioners the trending of the Days Cash, we will take into consideration the revenue and expense impact of this issue. We have also asked the departments to put off discretionary work that does not impact reliability and safety. We will provide all this information to the Commissioners.

IV. COMMISSIONER/LIAISON COMMENTS

Council Member Davis

Thanked PWC for continuing to be on the front line of what is going on. He stated if there is anything they need to do, to please let him know.

Mayor Mitch Colvin

Mayor Colvin thanked the Commissioners for allowing them to join the meeting today. He stated it is very helpful for them as they have provided comfort for Fayetteville's citizens and PWC's ratepayers to have this communication and open dialogue. He went to on to state COVID-19 has caused a lot of anxiety and uncertainty in our community. They, as well as PWC, have been trying to mitigate from a response standpoint. Mayor Colvin stated it is just as important as we enter the next phase toward recovery as to how we work together collaboratively to bring our community back from a recovery standpoint. He thanked Chairwoman Shaw for the opportunity to speak with the Commissioners.

Commissioner Darsweil Rogers

Commissioner Rogers expressed his appreciation to Mr. Trego and his team in being very forward thinking. He stated when he considers all the best practice ideas out there, PWC has hit every mark.

Commissioner Evelyn Shaw

Commissioner Shaw also expressed appreciation for the PWC Leadership team for providing the services they provide for our ratepayers. She stated the Commissioners are available if they need their counsel.

Commissioner Shaw then addressed the Water/Wastewater rate increase which is to go into effect on May 1st. She stated after the session with the Commissioners given the COVID-19 environment and the economic downturn associated with it, it has come to her attention the

Commissioners are willing to stay the increase and the increase date for at least 30 days. Rather than take a formal vote, she asked for the Commissioners to evidence their consensus as they have shared. She stated we do not need to be in the position every thirty days to extend. Since COVID-19 is a very fluid situation, Commissioner Shaw asked for the Commissioners to give a consensus direction to the staff so they can provide the messaging they need to provide to our ratepayers that the water and wastewater rate increase will be stayed for 30 days from today's date.

Commissioner Rogers asked if this needs to be an agenda item. Commissioner Shaw stated she asked for a consensus which is why she did not ask for a formal vote. Mr. Trego stated he would defer to Mr. West. Based on Mr. Trego's conversation with Mr. West he believes there needs to be a formal vote of the Commission because the Commission took a formal vote to put the rates in place effective May 1st.

Mr. West stated Mr. Trego's summary is correct. The Commission needs to take a vote to modify the previous rate order. Discussion ensued.

Commissioner Rogers moved to amend the agenda to add a discussion on the timing of increasing our water rates. Commissioner Fowler seconded the motion, and it was unanimously approved. The previous Item V (Reports and Information) was moved to Item VI to accommodate the discussion.

Following Item V, (see below) Commissioner Shaw returned to the Commission/Liaison Comments. She wanted to ensure all Commissioners received the communication she emailed to them that she received from the City regarding a financial request. She stated the financial request was tied to certain subject matters the City felt was of immense importance to them as they asked for our help. The item was not on our agenda because as she shared with the Mayor who he called to determine if we had received the letter, she emailed the city clerk to inform her we did receive it. Also, the letter prompted certain conversations and questions amongst the Commissioners. Some of the questions would be for his staff (the Mayor's) that we would send to him directly, and other questions would be to our CEO and the financial team. We felt all the pieces of information should be gathered and sent to the Commissioners for a review and a discussion before we sent a normal response to the Mayor and the City Council. This is the reason it is not on the Agenda for discussion because we are in the information gathering period. As soon as we have all the information gathered which the Commissioners will need for an informed discussion, we will place the item on the agenda.

V. DISCUSSION REGARDING TIMING OF MAY 1, 2020 WATER & WASTEWATER RATE INCREASES

Commissioner Fowler suggested rather than tying ourselves to a strict 30 day limit, he suggested tying it to the reduction in the Stay in Place Order. The planned increase would occur once the restrictions are lifted on businesses and not to exceed 60 days. Mr. Trego asked if Commissioner Fowler suggested tying it to the Governor's Executive Order 124. Whatever the stay period is for disconnections would be the period that you would forgo the rate increase, which currently stops June 1st.

Commissioner Shaw stated the Governor's edict may end in June, but some are predicting that it might be until the end of summer before we see a real return or beginning of recovery of our economic system. Since we are tying it to the Governor's mandate, she asked if Commissioner Fowler is suggesting we tie it to whatever period of time, even if it is in the Fall or Winter? Commissioner Fowler clarified he suggested the extension be 60 days, and if we needed to come back to extend, then we would consider it.

Commissioner Fowler asked for Mr. West's input. Mr. West stated there are two executive orders that have been discussed. The first is 121 and the other is 124. He stated the Commissioners need to decide which order they are referencing. He also suggested the revised rate increase date occur on the 1st calendar day of the month after the order ends.

Mr. Trego suggested the Commissioners tie their delay to Executive Order 124. Discussion ensued.

Commissioner Fowler motioned to stay the Water and Wastewater rate increase until the 1st calendar day of the month after the Governor rescinds Executive Order 124, not to exceed 60 days. Motion was seconded by Commissioner Huff. Prior to the final vote, there was additional discussion.

Following the discussion, the Commission unanimously approved the stay of the Water and Wastewater rate increase until the 1st calendar day of the month following the day the Governor rescinds Executive Order 124.

VI. REPORTS AND INFORMATION

- A. Position Vacancies
- B. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. 18799 – repl. sewer main on SR2299 (Russell Street) & SR2311
 - Encr. 18851 – install 8” sewer main @ SR1400 and SR1593 (Hoke Loop Rd)
 - Encr. 18852 – install 8” sewer main @ SR1400 and SR1593 (Hope Loop Rd)
- C. Approved Natural Gas Encroachment Agreement(s):
 - EN2019-137 23 – install sewer main at Latner Cr; Balaam Rd; & Savannah Dr; Andalusian Dr;
- D. Actions by City Council during the meeting of March 23, 2020, related to PWC:
 - Approved Bid Recommendation – Maiden Lane Sanitary Sewer and Water Relocation – Phase II
 - Approved Bid Recommendation – LED Luminaires and LED Brackets
 - Approved Phase 5 Annexation Area 24, Section A Preliminary Assessment Resolution
 - Approved Phase 5 Annexation Area 24, Section BC Preliminary Assessment Resolution

VII. ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Fowler, and unanimously approved, the meeting was adjourned at 9:32 a.m.