

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, JUNE 24, 2020
VIA VIDEOCONFERENCE
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
Christopher Davis, City Council Liaison
PWC Staff

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

I. REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of Wednesday, June 24, 2020, to order. Considering this is a remote, video-conference meeting, a roll-call of Commissioners was taken. The following Commissioners confirmed their attendance: Evelyn O. Shaw, Wade R. Fowler, Jr., D. Ralph Huff, and Darsweil L. Rogers.

APPROVAL OF AGENDA

Mr. Trego requested for an item to be added to the agenda, entitled ‘Request Public Meeting for Clean Water State Revolving Fund Low Interest Loan on July 22, 2020’, as Item III, and all other item number moved down by one.

The Chairwoman requested the pleasure of the Commission, and by a vote of 4-Aye, 0-Nay the amended agenda was approved.

II. CONSENT ITEMS

Upon motion by Commissioner Fowler, seconded by Commissioner Huff, Consent Items was unanimously approved by a vote of 4-Aye, 0-Nay

A. Approve Minutes of meeting of June 10, 2020

B. Approve to Cancel July 8, 2020, PWC Commission Board Meeting

END OF CONSENT

III. REQUEST PUBLIC MEETING FOR CLEAN WATER STATE REVOLVING FUND LOW INTEREST LOAN ON JULY 22, 2020

Mr. Trego stated the State has modified its requirements related to loans going through the Clean Water State Revolving Fund. It requires before those funds are allocated and final approvals are given, we have a public meeting to discuss the loan itself and allow for public comment. Basically, during this public meeting we will review the project, the alternatives, the costs and the funding. He stated more importantly for the purpose of the public meeting, we will discuss the rate impacts that are allocated with the loan.

Mr. Trego stated staff is requesting for the Commission to set a public meeting for the Clean Water State Revolving Fund to occur on July 22, 2020, and staff will advertise as required.

Commissioner Huff motioned to accept staff's recommendation and hold a public meeting for the Clean Water State Revolving Fund on July 22nd. The motion was seconded by Commissioner Fowler and unanimously approved by a vote of 4-Aye, 0-Nay.

IV. CONSIDER APPROVAL OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF FAYETTEVILLE AND FAYETTEVILLE PUBLIC WORKS COMMISSION (FPWC)

Chairwoman Shaw reminded the Commissioners they received a copy of the agreement, and there has been a minor technical change. Mr. Trego stated none of the substantive issues have changed in the agreement that was forwarded to the Commissioners. But, under Section 2, the Advances Against the PILOT, he stated just because of the timing that is necessary for the City to submit a request for an advance, the Commission to approve and for PWC to send the funds to the City, we had to modify the date that the first payment would be made for any requests as of June 30th, considering we will not have a meeting the second Wednesday in July, all of the other times are the same.

Commissioner Fowler asked about the concerns that were raised about the airport funding. Commissioner Shaw stated the concern that was raised about the airport funding, was already addressed in an article of the agreement. She stated so everyone would be comfortable that the City would not have to come back and forth to the Commission for a waiver for funds that we could very clearly see were exempt. She asked Mr. Trego and Attorney West to include those exempt items in the document.

Mr. Trego stated we already included as an exemption (as in the Mayor's May 8th letter) the part of the FAST funds that reduced the general fund obligation to FAST. We included a second item in addition to other qualifiers that basically exempted the airport funds. The City does not contribute from the general fund to the airport. Those funds have no impact on the general fund in reducing the budget gap.

Commissioner Shaw stated we know that Mr. Trego, Ms. Haskins, and Mr. West can clearly identify any fund buckets that would be categorized as exempt. We know they will hold FAST to the agreement.

Commissioner Rogers asked based on the clarifications staff has articulated, is it their belief that City staff will recommend to City Council that they authorize the Mayor to execute this agreement. Commissioner Shaw stated while she cannot speculate with any degree of certainty what City staff may or may not do, she believes we have adequately addressed all their concerns. There would be no reason that she can foresee that they would not recommend Council to authorize the Mayor to execute the document.

Commissioner Rogers asked Council Member Davis if he foresees concerns whereby the Council will have an issue with the agreement. CM Davis responded, he does not. Based on their last conversation, and great help from Chairwoman Shaw and the work with the Mayor, the work that has been done to address the last two issues (the waivers) were the last things that were in place and we support the Mayor's intent to execute this without any further deliberations.

There being no additional questions regarding the matter of the Interlocal Agreement between the City of Fayetteville and PWC, Commissioner Fowler motioned to approve the agreement, and Commissioner Huff seconded. The agreement was unanimously approved by a vote of 4-Aye, 0-Nay.

Following the vote to approve the Interlocal Agreement, Mr. Trego stated the agreement allows the City to request more waivers. He stated we allowed that door to stay open because we are not aware of what funding streams may or may not occur. We attempted to put in this agreement, the ability of the City to request a waiver in the relief funds category, if they receive funding down the road. Mr. Trego stated he received an email from Dr. Telly Whitfield, Assistant City Manager, that the City is requesting a waiver on certain items. Mr. Trego enumerated the incremental items relevant to waiver support, which totaled \$2,410,879.00.

Commissioner Shaw thanked Mr. Trego for the explanation of the waiver request. Commissioner Rogers asked, "Going forward will we have something somewhat clearer"? Mr. West stated going forward requests will be added to the Consent Agenda if that is agreeable with the Commission. The waiver must be approved by the Commission, and the document must be signed by a Commissioner or Mr. Trego, if authority to sign is delegated to him. Mr. Trego stated the mechanism itself is in the agreement. Mr. Trego from a functional standpoint we may see the waivers in two forms; a pre-waiver request; or after the funds have been received.

Commissioner Fowler stated his understanding of why we are offering the funds is to help mitigate the expenses in loss of revenue caused by COVID, and if they were to receive additional funds from elsewhere to help from the COVID costs, that would not be monies needed from PWC. He stated the issue with the airport makes sense because it does not impact the City's general fund. He stated it appears they now want a waiver from any money that comes in that helps with COVID that then puts the burden on our ratepayers. He has a responsibility to the ratepayers, and he is obligated under the state charter on how we do a transfer, but it appears a waiver is wanted for everything.

Council Member Davis stated his understanding is as it pertains to the budget and things that are locked into the budget the request for the additional waiver items pertain to that which

cannot be locked down. If there is something else that we can't quantify in terms of exactly how much it will be or when it will arrive, that is why we have the discussion about the process. He stated in his opinion, there is no desire to simply come back and forth to ask for more and more money. We know the COVID situation that cannot be dominated, fixed or completely preplanned by any of us. The main focus was to make for a process for discussion in case something else happened, that was undeniably, irrefutably needed. He stated there was no intent from Council to establish a 'honey hole' of some type. They recognize the burden PWC consistently takes on to help the city move forward, and PWC does not receive enough credit for it.

Mr. Trego discussed his understanding regarding this request. He stated it was mentioned in the Council meeting that these Cares dollars are being used to balance the City Budget both for FY2020 and FY2021. He stated one of the requested changes that the City wanted was a blanket exemption for items like reimbursement for expenses associated with PPE, and this request contains some of those.

He stated the funds they are requesting the waiver for are already baked into their budget. If they receive the funds for example from FEMA, it is not incremental revenue to them, that is extra money on top of money they have budgeted for. They have already budgeted for the money to make the modifications to City Hall to make it safe. Those funds are budgeted and our \$4M are also included in the budget to balance it. He stated in this case, with this waiver, he sees it differently than if they came to us after the first of the fiscal year stating they received a money to pay for PPE they budgeted for. In that case he would those funds are incremental revenue and the waiver should be considered in that light.

Attorney West stated he wanted to offer a quick clarification that may be relevant regarding to individual waivers. And just because four are presented we can take action on them individually. In the agreement itself, when the City gets relief funds, if they have not used the advance, the relief funds first goes to reduce the advance, not the \$4M which is essentially a grant or a transfer. So, one of the things you may want to consider is the purpose we gave \$4M and the purpose we are making the \$4.325M advance available. The \$4M may have been given as a way to make up for projected revenue shortfalls, and the advance may have been given to potentially offset additional COVID payments. To the extent they have not accessed the advance, if they were to receive, as an example \$2M in relief funds, the first thing that would happen is that the advance would be reduced from \$4.325M to \$2.325M. Additional discussion ensued.

Commissioner Huff motioned to approve the City of Fayetteville's request for a waiver in the amount of \$2,410,879.00, which includes funds from the following sources:

- Economic & Community Development – CDBG Cares Act - \$902,653
- Police – Coronavirus Emergency Supplemental Funding Program - \$408,226
- Cares Funding Passed from State through Cumberland County - \$900,000
- FEMA - \$200,000 (estimated)

Motion was seconded by Commissioner Rogers and unanimously approved by a vote of 4-Aye, 0-Nay.

V. COMMISSION CONSIDERATION OF FY2020 BUDGET AMENDMENT #4

If the Interlocal Agreement in Item III of the Agenda is approved by the Commission, the FY 2020 Budget will need to be amended (Amendment #4) to provide the City of Fayetteville an additional cash contribution of \$1 million in FY 2020.

Mr. Trego stated this budget amendment is directly associated with the approval of the agreement. The City has not voted on nor approved this. We are recommending, contingent upon the City approving this agreement, these amendments will be automatically put in place so we can facilitate the payment that needs to be paid, primarily \$1M in this fiscal year. \$3M will be paid during the next fiscal year.

Ms. Haskins stated it is broken into two pieces.

- PWCORD2020-16 is an Electric Fund amendment that provides for an additional \$1 million cash contribution to the City of Fayetteville pursuant to a request from the City pursuant to Section 6A.16 of the PWC Charter related to the State of Emergency issued by the Mayor due to COVID-19.
- PWCORD2020-17 amends the Electric Rate Stabilization Fund (ERSF) to allow for the \$1 million transfer to the General Fund to pay for the above cash contribution to the City of Fayetteville.

The following ordinance will be effective beginning July 1, 2020:

- PWCORD2020-18 amends and supersedes PWCORD2020-13 for the ERSF FY21 Amendment #36. This amendment is to correct the beginning balances for FY21 due to the FY20 amendment adopted as PWCORD2020-17 as well as to update transfers and interest income
- PWCORD2020-19 is an Electric Fund amendment that provides for an additional \$3 million cash contribution to the City of Fayetteville pursuant to a request from the City pursuant to Section 6A.16 of the PWC Charter related to the State of Emergency issued by the Mayor due to COVID-19.

Commissioner Fowler motioned to approve the budget amendment, contingent on the City approving the agreement by June 30, 2020. The motion was seconded by Commissioner Huff and unanimously approved by a vote of 4-Aye and 0-Nay.

VI. GENERAL MANAGER REPORT

COVID-19

Mr. Trego stated we have received more kiosks that will be deployed to our plants and other entrances. We are transitioning to online self-certification in the mornings, and we will not need someone at the entrances to verify.

We have an emergency plan that we typically use for hurricanes, tornadoes and the such. We had a small section in there regarding a pandemic. Obviously, we have significant lessons learned regarding a pandemic now. We had training the other day related to how we will react to a hurricane given COVID.

During one of the hurricanes we had almost everyone hunkered down here in the building. Obviously with social distancing we can't follow the same procedure. We are ready if we have a hurricane. We will utilize Butler Warner for certain staff to report to. We have identified hotels and developed contingency plans. We are best prepared as we can if we have a hurricane in the COVID environment.

Storm Preparedness Guide

Carolyn Justice-Hinson has published this year's Storm Preparedness Guide. The request for the guide is extremely high this year. Several groups have requested to have them available.

Annexation

Whenever we go into an area associated with annexation, we have public meetings to educate the community on what will be going on with our work in extending sewer into the annexed areas. Apparently, COVID does not allow us to have the meetings as in the past. Ms. Justice-Hinson has arranged to have a virtual meeting with the community associated with annexation.

Ms. Justice-Hinson stated the first one is for an area that has been made available for connection. We have a meeting when construction begins; when it is made available for connection and when the assessment is levied so they can understand the options. then when it is being levied. Our first meeting will be Tuesday (June 30) at 6:30 p.m.

Commissioner Shaw asked about PWC's pandemic enhancement preparedness. She asked if this is part of PWC's playbook for unusual and extraordinary circumstances. Mr. Trego responded we have a Comprehensive Emergency Management Plan (CEMP). In this plan, it states how we operate when we are in an emergency. Mr. Trego opens the Emergency Operations Center when it is needed. There are different roles that individuals have during different types of emergencies (a hurricane, tornado or shooting event at the campus). We also have in the CEMP how we will react during a pandemic; how will we react in a state of emergency because of a pandemic. Since we have not gone through one, we had a relatively short section which stated we will follow the CDC, the County and the State. Based on what we have learned and how we have to react, we will rewrite that section, for example ensuring high-risk employees are taken care of; making sure we have the ability to do telecommuting; we will memorialize a lot of our lessons learned, and instead of reacting to them, we will have it laid out the responsibilities of certain employees within the organization. Just like when we had the two hurricanes. We did a lessons learned, and modified our plan based on the lessons learned. When we had a table-top exercise, we combined our hurricane response and the pandemic. We looked at how we needed to merge the two and how we will need to modify our response. Mr. Trego stated we have used the services of a consultant for the last two years, which is assisting us in managing our emergency response, and who has some experience in dealing with other states in their response to COVID-19.

VII. COMMISSIONER/LIAISON COMMENTS

Commissioner Fowler

Commissioner Fowler stated he would like to go on record as saying he thinks the utility has done a very good job in looking out for the interests of the City. Considering an explanatory letter that we received regarding how the emergency funds issue should be used, we worked with the idea of the best interests of the City. We could have said by the legislative intent, we do not have to do anything. But we found a way to assist the city in a great way.

He would like to go on record to say that he finds it less than helpful when a member of the City Council calls us ‘those people’ in a public meeting and berates the utility that has given excellent rates for our customers; saved water for the Cape Fear River when no one else has done it. Has gone out of our way in deciding to do overlays on the streets, which was then basically brokering a new agreement for the benefit of the City and the citizens. To be labeled as ‘those people’ and essentially castigated, is less than helpful.

Commissioner Rogers

He stated he understands PWC has instituted a procedure for wearing masks in the building, in particular. He stated we have a number of our workforce who is critical to the operations. He noticed some of our workforce travels in vehicles together, and if we lose a cross section of them would be critical to our ability to operate. But they do not seem to share the need to wear masks though they may be near one another. How concerned are you about this? He asks for Mr. Trego to speak regarding people who are critical to the operation and are not wearing masks, despite the policy.

Mr. Trego stated he has sent out several emails to our employees regarding wearing masks. He stated from his prospective following the CDC guidelines is important. The primary purpose of wearing a mask is not to protect yourself, but to protect others if you are infected. We have a policy regarding taking actions that are not detrimental to other employees’ health and safety. He has sent out three emails regarding wearing masks. He has noticed there are some field employees who are in vehicles with others and are not wearing masks. He has reiterated this a number of times. When he came in this morning, he noticed three field crews who were in vehicles and were not wearing masks.

He discussed in his executive staff meeting yesterday, that employees who repeatedly do not follow the guidelines will face disciplinary action. Mr. Trego stated he understands one may forget but if this is a repeated action, the employee may face disciplinary action. He went on to discuss we have had several employees who have tested positive and we have had to quarantine others.

Mr. Trego we have added different types of masks: N95 masks; cloth masks, all kinds to make it as comfortable as possible.

Mr. Russell stated we will continue to have our managers ensure their employees are complying with what we have laid out. We have taken a step further with our contractors. We had contractors to test positive and we have had to take the appropriate action with the contractors to protect their workforce as well as ours. It is a continued issued. We are looking for our management group to step up and push that. If they do not comply, we will have to take the disciplinary action necessary to have them comply or remove them from the organization.

Commissioner Rogers asked staff to update them on this issue. This is the worst case scenario where our mission critical workforce is not able to work. He believes this is a critical issue for the wellbeing of the entire community that we have a workforce who is complying with common sense approaches to the overall welfare of not just their selves, their work, their employees and the functioning of this community.

Mr. Trego thanked Commissioner Rogers for bringing this issue up. He stated we send out an update to all employees giving to them an update of our meetings, and we will highlight Commissioner Rogers comments and relay them to all the employees that the Commissioners support wearing masks.

Commissioner Huff asked if a field employee is in a truck with other employees and have on a mask; he gets out of the truck, puts on 30 lbs. of equipment, climbs 90 feet, and it is 90 degrees, does he still need to have a mask on. Mr. Trego responded if the employee is in a bucket alone, no he does not need to have a mask, because he can social distance. If the employee is on the ground, next to someone he needs to have a mask on because he cannot social distance. Mr. Trego noted we have purchased special flame retardant masks for our line employees because when they are in the bucket, they can't wear the same masks we wear because they are not fame retardant. Additional discussion ensued.

Council Member Davis

Council Member Davis stated he appreciates the deliberation that goes into PWC's continued support of the City, the staff, the agency, the 200,00+ citizens, as well as the 120,000+ ratepayers the PWC serves. Commissioner Shaw thanked Council Member Davis for his comments that he continues to express toward PWC.

Commissioner Shaw

Commissioner Shaw stated all the Commissioners have really endeavored to be good stewards of this organization and great advocates for our ratepayers. Our behaviors and our actions have been beyond reproach. We will not stoop to answering any calls which are negative. We know what we have done. We charge it with the importance it deserves, and we will move on.

VIII. REPORTS AND INFORMATION

- A. Monthly Cash Flow Report – May 2020
- B. Payment Analysis – May 2020

- C. Recap of Uncollectible Accounts – May 2020
- D. Investment Report – May 2020
- E. Purchase Order Report – May 2020
- F. Monthly Incident Summary – May 2020
- G. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18856 – water lateral renewal & 6” RJDJ - fire hydrant @US 1613 (Honeycutt Road)
- H. Actions by City Council during the meeting of June 8, 2020, related to PWC:
 - Approved Bid Recommendation – Annexation Phase V Project XI, Area 24, Section A, Cliffdale Estates
- I. Financial Statement Recaps
 - Electric – April 2020
 - Water – April 2020
 - Fleet – April 2020

IX. ADJOURNMENT

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Huff, and unanimously approved by a vote of 4-Aye, 0-Nay, the meeting was adjourned at 9:31 a.m.