

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY JANUARY 13, 2021  
8:30 AM

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

Others Present: Elaina L. Ball, CEO/General Manager  
Telly Whitfield, Assistant City Manager  
Christopher Davis, City Council Liaison  
Melissa Adams, Hope Mills Town Manager/Liaison

Absent: Media

I. REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, January 13, 2021, to order.

APPROVAL OF AGENDA

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

II. CONSENT ITEMS

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

- A. Approve Minutes of meeting of December 9, 2020
- B. Approve Resolution # PWC2021.01 – Resolution to Authorize the Condemnation of Easements and the Delegation of Real Estate Acquisition Authority to the General Manager
- C. Approve Resolution # PWC2021.02 – Resolution to Adopt Revisions to Standby Service Rider

Staff recommends approval of the amendment to the Fayetteville Public Works Commission's Standby Service Rider to adopt technical clarifications.

- D. Approve Electric Fund Budget Ordinance Amendment #4 - PWCORD2021-01  
PWCORD2021-01 increases the Electric Fund by \$2,550,000 to \$272.6 million as follows:

**Electric Fund Revenue:** Total Electric Fund Revenue increases \$2,550,000 related to a new pole attachment project. Of this total, \$2,050,000 is operating revenue to PWC from the customer for PWC reimbursable direct cost in the project and the remaining \$500,000 is appropriated from PWC's Electric net position for PWC non-reimbursable direct cost.

**Electric Fund Expenditures:** Total Electric Fund Expenditures increases \$2,550,000 due to an increase in contractual services expenses associated with the new pole attachment project mentioned above. Of this amount, \$2,050,000 are reimbursable direct costs and will be billed and reimbursed as incurred. The remaining \$500,000 are locate services that are not reimbursable.

Staff recommends the Commission adopt budget ordinance amendment PWCORD2021-01.

END OF CONSENT

### III. CYBER SECURITY UPDATE

Presented by: Mark Lawler, Information Technology Chief Officer

Ms. Ball stated Cyber Security is becoming the single largest strategic risk for organizations. She requested the technology team to prepare a briefing on our cyber security efforts at PWC. There was a recent global cyber event that impacted most companies, related to Solar Winds. Ms. Ball stated she will request we hold a periodic closed session on cyber security.

Mr. Lawler stated PWC has dedicated personnel within IT to cyber security. He stated We actively monitor global cyber threats. We operate cyber security counter measure tools, as well as conduct annual cyber security training, and phishing campaigns. When employees fail the phishing test, they are required to go through remedial training. The employee as well as the manager is notified. Staff responded to questions from Commissioners.

He stated we also develop security policies and standards and conduct both internal and external security audits. Staff also responded to questions surrounding vendors' security certification. Discussion ensued.

Cyber Security Statistics

#### **Mr. Lawler stated in a typical day we process 9000 emails**

- 1500 Blocked
- 250 Quarantined
- 3.2 Million Emails Annually
- 547K Blocked Annually

#### **Phishing Failures**

- November 2020 – 40
- October 2020 – 25
- December 2020 – 15

Mr. Lawler discussed the Solar Winds attack. Solar Winds monitor systems, networks and databases to quickly detect, diagnose, and resolve network performance problems and outages. The attack was likely a Russian cyber security attack. It packaged malware into an update package. Additional discussion ensued regarding the Solar Winds product. Staff also responded to questions from Commissioners regarding third party audits. They are conducted every two years for SCADA and Corporate networks, systems & applications.

#### IV. SAFETY/COVID UPDATE

Presented by: Bobby Russell, HR Officer

##### *SAFETY UPDATE*

Ms. Ball stated Mr. Russell will provide injury, incident and vehicle accident rate information with benchmarks. She stated staff plans to provide safety information to the Commission at least monthly. Additionally, we are managing the pandemic response as effectively as we can, and the recommendation for vaccines for PWC employees.

Mr. Russell provided the incident rate for PWC, compared to other municipals in North Carolina, as well as the Investor Owned Utilities (IOUs). Ms. Ball noted PWC's incident rate of 2.38%, which is below the previous two years. She stated the top quartile is below 1%.

Commissioner Fowler asked when an incident is considered a recordable incident. Ms. Ball stated they are described by OSHA and have very specific delineations. Mr. Campbell stated they are greater than first aid, but there are a few stipulations like eye pokes, or nail pulls.

Mr. Russell stated the injuries has decreased from 36 in 2018 to 16 in 2020. PWC has put certain practices in place to bring safety more to the forefront with employees. He stated there are a wide variety of safety protocols that must be met before employees go out on a job.

He noted the types of injuries employees have experienced over the past three years. He stated we have a lot of labor intensive positions, and we want to help them avoid injuries. Mr. Russell mentioned the proposed changes we want to implement to help employees before they begin labor intensive jobs.

Ms. Ball stated this topic will become germane in our discussions around the strategic plan. She stated she feels very strongly that a part of our strategic plan needs to have a strategic value around our employees, of which safety could be a component. She gave examples of how to reduce/eliminate individual injuries through the strategic plan. Staff responded to questions from Commissioners.

Mr. Russell stated the D.A.R.T. (Days Away Restrictive Transfers) Rate for PWC in 2018 was 4.19% compared to 1.93% in 2020. The US Municipal rate for 2019 was 2.7%, and the IOU rate for 2019 was 1.2%. Ms. Ball reiterated the best performers in the industry are under 1%. Discussion ensued on PWC's past no-injury records.

Commissioner Shaw asked how the DART Rates affected PWC's Workman Comp. costs between 2018 and 2020. Mr. Russell stated it reduced our Workman's Comp dollars. We have very few Workman's Comp cases within the organization. Mr. Copeland stated our Workman's Comp is approximately \$60,000 per year. He stated to keep it in perspective we drive approximately 200,000 miles per year.

Mr. Russell stated the Vehicle and Equipment Incident Frequency Rate for PWC was 2.56% in 2018 and 2020, and 1.15% in 2019. The three year industry average was 1.99%. Ms. Ball stated there are not a lot of industry benchmark rates for this category. Mr. Russell reviewed the Vehicle Incident Trends over the 3 year period as well as the Incidents by Type for 2020. 41% of the Vehicle Incidents were unpreventable. He stated they were hit by POVs.

The Safety Projections for 2021 are:

- 10% Incident rate reduction 2021

- 10% DART rate reduction 2021
- 10% Vehicle Incident rate reduction 2021

### *COVID UPDATE*

TOTALS FOR YEAR-END 2020  
(Tracking data began June 2020)

Positive Cases - 50  
Close Contact - 144  
Symptoms – 23

Ms. Deanna Talton, PWC Nurse, provided a description of symptoms and how we handle each of the three categories above. Staff responded to questions from Commissioners.

#### Vaccination Update:

- Phase 2: Intended for adults at high risk for exposure
  - Vaccinations will be available by group in the following order:
    - Group 1: Anyone aged 65-74+, regardless of health status/living situation
    - Group 2: Anyone aged 16-64 with high-risk medical conditions (cancer, COPD, serious heart conditions, sickle cell disease, Type 2 diabetes, etc.), regardless of living situation
    - Group 3: Anyone who is incarcerated or living in other close group living settings who is not already vaccinated due to age, medical condition or job function.
    - **Group 4: Essential workers not yet vaccinated (PWC employees fall into this category).** CDC defines as workers in these areas:
      - transportation/logistics
      - water/wastewater
      - food service
      - shelter/housing (e.g., construction)
      - finance (e.g., bank tellers)
      - IT/communications
      - energy
      - legal
      - Media
      - public safety (e.g., engineers)
      - public health workers
- All PWC employees should be eligible for vaccine as part of Phase 2, Group 4.
- State has not released timeline for Phase 2, Group 4.

Employees will not be required to receive vaccine at this time.

PWC will not administer the vaccine onsite due to the following:

- liability of underlying health conditions
- unknown risks associated with vaccine
- difficulty of storing the vaccine within temperature parameters & short expiration period
- time-consuming registration process for each recipient with NC identity management.
- timing of shipment for administration of second dose

Ms. Ball reiterated PWC will encourage team members to get their vaccine shot when it is available. But there are a lot of complexities surrounding the administration of the vaccine shots to employees. Staff and Commission discussed effective ways to have the vaccine administered through a third-party.

Mr. Russell stated we are doing as much as we can to enforce wearing masks and the 3Ws. They discussed disciplinary actions as well as other measures to help reinforce the need for employees to wear the face masks. Discussion ensued.

## V. GENERAL MANAGER REPORT

### **NCORR Hope**

Ms. Ball stated team members in Finance and Technology worked tirelessly to submit data regarding a state level request for NCORR Hope. This data will assist approximately 2,000 customers with bills, possibly several hundred thousand dollars and up to \$1M or more.

### **MetroNet**

Ms. Ball thanked Mr. West and Mr. Rynne for their work on the MetroNet Agreement.

### **APPA**

On December 11<sup>th</sup> PWC received a letter of recognition from APPA for outstanding mutual assistance support for the City of Morganton.

### **Bond Issuance/Refinancing**

Ms. Ball stated PWC held a very productive call with one of our ratings agencies and financial advisors in preparation for a new bond issue later this year. We also believe we have a possible opportunistic refinancing opportunity for one of our existing debt series (2014). We will bring these issues back to the Commission later in the quarter for discussion.

### **COVID Financial Impacts Results**

Ms. Ball requested for Ms. Haskins to provide the current state of collections and payment arrangements and how we are assisting our customers during the pandemic

Ms. Haskins stated back in August we entered into the payment arrangements for six months for about 33,000 accounts for a total of \$11M. The December billing was the 5<sup>th</sup> installment. The \$3.2 M is the balance to be collected. We will collect on the December installment in January. Throughout the month of February, we will collect on the last of the six installments.

Ms. Haskins reiterated 2,000 PWC customers are in-line to receive assistance from the State of NC for their utility balances. We are not sure how the State will apply the funds, but it will help toward reducing \$3.2M balance.

### **Residential Payment Arrangements**

	Total Active PA	Total Active PA Dollar	Total Stopped/Closed PA	Total PA Stopped/Closed Dollars
August	33,200	\$ 11.0M		
September	28,900	\$ 9.1M		
October	26,342	\$ 6.1M		
November	25,877	\$ 4.6M		
December	25,411	\$ 3.2M	574	\$129,253

### Customer Assistance

Ms. Haskins stated below are the amounts we have received from agencies for customers and we are dedicating the monies to the executive order period. The DSS number is the amount we have received beginning in September. They have two programs they run throughout the year. She described how customers who are demonstrating hardship are referred to agencies for help.

As of 01/08/2021	Number of Accounts	Amount
DSS <sup>1</sup> (beginning Sept 1)	2,057	\$556,681
Action Pathways	59	\$ 24,903
Connections of Cumberland County	137	\$ 97,973
Operation Blessings	14	\$ 2,152
Miscellaneous <sup>2</sup>	63	\$ 22,752
Total	2,330	\$704,461

Ms. Haskins stated during the month of December we were made aware that the USPS was behind on delivering mail. We had a lot of our cycles where the customers had not received their bills and they were about to be billed again. Our billing vendor is in daily contact with the postal service and we are beginning to see them being delivered.

She stated we checked yesterday and there were two different cycles of 5,000 bills each where the customers have not received their bills. Customer Service is working with the customers. Communications has posted out messages. We are trying to protect the customers and we are assisting them with their late fees. Discussion ensued.

Ms. Ball stated in a future meeting we would like to continue discussion on real estate ownership and possible alternatives in our overall facility masterplan.

Susan Fritzen stated about 2 months ago, Chairman Fowler brought back the idea of RC Williams Bldg. She reached out to our broker and had conversations with our facilities staff. She stated if we kept the building, in the five years we will have about \$800,000 expense in replacing some of the large systems that are in that building. We may also need to do some lobby renovations.

Ms. Fritzen stated she would be happy to bring Patrick Murray back to give a presentation. We also need to consider our agreement with the City on the parking deck which is for 10 more years. The Commission requested for Mr. Murray to provide a presentation.

Ms. Ball stated we are working on Capital O&M Budget preparations. The W/WW Division and Finance are working on the cost of service study in preparation for discussions with the Commissioners. We have a terrific consultant and they will help us ensure the objectives around ratemaking are met.

She has asked Ms. Durant to explore a board management tool for the Commission, so we can have an electronic medium where we store all our documents in one place.

Lastly, she stated she appreciates the warm welcome to the community. She stated all the facility visits by Jon Rynne, Mick Noland and Mark Brown have been terrific.

Commissioner Fowler noted this is the first meeting we have had without Dave Trego in attendance, he stated Ms. Ball did an excellent job.

## VI. COMMISSIONER/LIAISON COMMENTS

Council Member Davis thanked PWC for the great job on the MetroNet deal which will bring between \$70M to \$100M to the region. He stated he agrees with Commissioner Huff that it is something that needs to be celebrated for the City, its employees, PWC, and everyone else.

## VII. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – November 2020
- B. Payment Analysis – November 2020
- C. Recap of Uncollectible Accounts – November 2020
- D. Investment Report - November 2020
- E. Purchase Orders – November 2020
- F. Monthly Safety Report – November 2020
- G. Personnel Report – December 2020
- H. Position Vacancies
- I. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #19163 – install of water laterals and sewer laterals on US-401 (Automated Carwash)
- J. Financial Statement Recaps
  - Electric – November 2020
  - Water/Wastewater – November 2020

VIII. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143.318(A)(1) TO DISCUSS CONFIDENTIAL INFORMATION IN ACCORDANCE WITH N.C.G.S. § 132-1.2(1).

Commissioner Rogers motioned to go into closed session pursuant to North Carolina General Statutes 143.318(A)(1) to Discuss Confidential Information in Accordance with N.C.G.S. § 132-1.2(1). Motion was seconded by Commissioner Huff and unanimously approved at 9:49 am.

There being no more discussion, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, the Commission returned to open session at 10:27 a.m.

IX. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143.318.11(A)(6) TO DISCUSS PERSONNEL MATTERS.

Commissioner Rogers motioned to go into closed session pursuant to North Carolina General Statutes 143.318.11(A)(6) to discuss personnel matters. Motion was seconded by Commissioner Shaw and unanimously approved at 10:28 a.m.

There being no further business, upon motion by Commissioner Shaw, seconded by Commissioner Rogers and unanimously approved, the Commission returned to open session at 11:50 a.m.

X. ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, and unanimously approved, the meeting was adjourned at 11:50 a.m.