

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY JULY 14, 2021  
8:30 AM

Present: Wade R. Fowler, Jr., Chairman  
Evelyn O. Shaw, Vice Chairwoman  
Darsweil L. Rogers, Secretary  
Ronna Rowe Garrett, Treasurer

Others Present: Elaina L. Ball, CEO/General Manager  
Chris Davis, City Council Liaison  
Scott Meszaros, Hope Mills Town Manager (VIAWEBEX)  
Michael Boose, Cumberland County Commissioner, Liaison

Absent: Media

## REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, July 14, 2021, to order.

## APPROVAL OF AGENDA

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

## AWARD PRESENTATIONS

- A. APPA Sue Kelly Community Service Award  
Presented by: Carolyn Justice-Hinson, Communications, Community Relations Officer

Ms. Elaina Ball introduced Ms. Carolyn Justice-Hinson, CCR Officer to present the first of two awards PWC received at the APPA Conference.

Ms. Justice-Hinson stated PWC was presented the APPA Sue Kelly Community Service Award. Sue Kelly is a past President of the APPA and was very community oriented. The award recognizes good neighbor activities that demonstrate the commitment of the utility and its employees to the community. Utilities are eligible to receive this award once every five years. PWC previously earned this award in 2005 and 2013. This year our nomination was focused on activities we supported during COVID 19, economic development, workforce development as well as environmental efforts.

Our nomination included testimonials from the FCEDC (Robert Van Geons), Cool Springs District (Bianca Showman), FTCC (Dr. Larry King), and UW of Cumberland County (Amy Navejas). Ms. Justice-Hinson went on to highlight some of the projects PWC worked on to enrich, and support the community. She also stated PWC supports over 350 groups for bottled water contributions and over 5,000 cases of water.

Ms. Justice-Hinson recognized all the volunteers, as well as her group, Nicole Stiff, Courtney Lucas, Lamont Hinson, and Katie Mehan.

B. APPA/Navajo Tribal Utility Authority – Certificate of Appreciation  
Presented by: Jon Rynne, Electric Systems, Chief Operations Officer

Mr. Rynne stated PWC was recognized for volunteering to participate in a program called Light-Up Navajo. Unfortunately, COVID-19 prevented us from participating in this project. However, the NTUA wanted to recognize PWC for volunteering to send our crews to help them. We plan to send crews in 2022 when this project begins again.

INTRODUCTION OF PWC COLLEGE INTERNS - 2021

Presented by: Bobby Russell, Human Resources Officer

Mr. Russell stated in continuing our recruitment strategy, every year we attempt to bring in college/high school interns to assist us. Over the years we have hired seven to eight interns. He requested for the interns to state his/her name, the department where they work, their college/university, and major.

<b>Name</b>	<b>Dept.</b>	<b>Major</b>	<b>School Attending</b>
Wade Williams	IT	Info. Tech	University of East Carolina
Briana	Procurement	Acct	Campbell
Ana Lovrinovic	Procurement	Acct. & Fin. Econ.	Methodist University
Sydney Harris	CCR	Communications	FSU
Drew Smith	Dev. & Marketing	Elec. Power Sys. Eng.	NCSU.
Cameron Knudsen	Watersheds	Environ. & Nat. Resources	University Of Mount Olive
Samuel Baker	Watersheds	Environmental Science	NCSU (Graduate)
Robert Crockett	Elec. Engineering	Elect. Engineering	NCSU
Caleb McDonald	Info. Tech		Pine Forest High School
Alex Field	Elec. Engineering	Computer Science	NCSU
Caleb Owen	Programs Call Ctr.	Civil Engineering	UNC Charlotte
Xamagga Whitfield	Human Resources	HR Mgmt.	FTCC
LaShonda Sousa	Corporate Dev.	Political Science	UNC Greensboro
Marissa Carter	Safety	Psychology	NC A&T
Faith Buie	Medical Dept.	Nursing	Sampson Community College
James Dowd	BWGP		
Kai Taylor	Telecommunications		

Chairman Fowler thanked the interns for taking an interest in PWC. He stated, especially on the technical side, sometimes utilities do not appear very appealing, but with all that is happening with EVs and the such, this industry is where to be.

Commissioner Garrett encouraged the interns to capitalize on this time, locally in making connections in the professional network. It will pay off later. Also, she invited them to consider staying in their local community as a first step in their careers and contributing to their communities. It will a great launching pad if they choose to go metro, to DC, to Atlanta and other places, but certainly contribute to their local communities.

CONSENT ITEMS

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

- A. Approve Minutes of meeting of June 9, 2021.
- B. Approve Minutes of meeting of June 16, 2021.
- C. Approve bid recommendation to award bid for purchase of Replace Standby Power Generator at the Rockfish Water Reclamation Facility to Power Secure Inc., Wake Forest, NC, for the Base Bid with Alternate 2 (Tier 4 System), the lowest responsive, responsible bidder in the total amount of \$3,448,497.00 and forward to City Council for approval.

The Replace Standby Power Generator at the Rockfish Water Reclamation Facility is funded from WS-95 (CPR1000481) in the amount of \$3,448,497.00.

Bids were received May 27, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
<b><u>Base Bid (Tier 2 System)</u></b>	
PowerSecure, Inc., Wake Forest, NC	\$3,002,709.00
<b><u>Alternate 1 (Tier 4 System)</u></b>	
PowerSecure, Inc., Wake Forest, NC	\$3,337,212.00
<b><u>Alternate 2 (Tier 4 System)</u></b>	
PowerSecure, Inc., Wake Forest, NC	\$3,448,497.00

**COMMENTS:** In accordance with N.C.G.S. 143-129 of apparatus, supplies, materials, or equipment, no minimum number of bids are required.

Notice of the bid was advertised through our normal channels on April 28, 2021, with a bid opening date of May 27, 2021. Addendum No. 1 was issued on May 21, 2021, to provide Contract Document Revisions, a list of attendees of the Mandatory Pre-Bid Meeting, and responses to bidders' questions.

The Tier 4 system is recommended by PWC based on economic analysis that indicates a positive Net Present Value if the contract with Duke Energy Progress is revised to allow use of the new generator for load management (peak shaving) operation within the next twenty (20) years. This option for the Tier 4 system is recommended because it provides the intended closed-transition capability as specified via installation of two (2) additional reclosers controlled by the new generator system switchgear. These reclosers keep the entire WRF from momentarily losing power during transition from generator power to utility power. This "power loss during transition" issue would likely become a burden during future generator operation under load management conditions.

The bid documents included a Base Bid that meets EPA certified Tier 2 emission standards which allows operation under emergency backup conditions only. The bid documents also included the option for an Alternative bid for a Tier 4 system. The Bid documents required bids to be compliant with a closed-transition system. The Base Bid along with the Alternate 1 submitted by PowerSecure did not meet the requirements for the closed-transition system.

**SDBE/Local Participation:** PowerSecure is a firm based in Wake Forest, NC., is not an SDDBE, minority, or woman-owned business.

- D. Adopt PWC Resolution – PWC2021.25 – To Accept an Amended State Loan Offer Under the NC Water Revolving Loan and Grant Act of 1987

In June 2021, the North Carolina Department of Environmental Quality (DEQ) offered PWC an amendment to increase the State Loan for the Big Rockfish Sanitary Sewer Outfall Project by \$10,025,890 for a total loan value of \$26,187,999 to the terms of 20 years, 1.06% interest and 2% closing fee. To accept the loan offer, PWC and the City of Fayetteville (City) must adopt a resolution accepting the loan in the form provided by DEQ.

END OF CONSENT

#### CAPE FEAR REGIONAL THEATER PRESENTATION

Presented by: Ella Wrenn, CFRT Managing Director  
Mary Kate Burke, CFRT Artistic Director

Ms. Ball stated the CFRT reached out to PWC regarding their capital campaign. She introduced Ella Wrenn and Mary Kate Burke to the Commission.

Ms. Wrenn stated the arts are as essential as electricity. She stated now that it is safe to get together again, people are clamoring to join them at the CFRT for their 60<sup>th</sup> anniversary season. They serve 49,000 people annually, with a budget of \$1.7M. If they were not shut down due to COVID-19, the CFRT would have grown by 25% over a two year window. They will have 16 FTE when they return, and they employ 120 artists each year.

The CFRT is on par with the Play Makers Rec and the North Carolina Theater. They do so with a fraction of their budgets, which are 2-3 times larger than the CFRT.

Ms. Wrenn went on to state they have gained a national reputation. They are the most awarded theater in the Raleigh metroplex by the Broadway World Awards. This year they received 2 awards from the NEA. They were the only theater in the state to receive funding for their upcoming production of the Color Purple for their musical theater productions. They believe the arts should be a window and a mirror to the community they serve. The shows they produce, the artists and the audience should reflect the magnificent diversity of Cumberland County. According to the Americans for the Arts, theater, as a whole has a 25% diverse audience. The CFRT's audience is 40% diverse.

They bring the best national talent to work beside the local talent pool. CFRT is becoming a spring board and a place people want to work.

Ms. Burke enumerated some of CFRT educational programs and outreach programs that serve 22,000 youth a year. CFRT directly subsidizes \$250,000 in ticket fees per year to ensure that Cumberland County students have access to the live arts within our community.

Ms. Wrenn discussed a newly renovated theater in Fayetteville, AR, which has an economy very similar to Fayetteville, NC. In fact, their population is less, and their median income is somewhat lower.

Ms. Burke discussed the vision for the CFRT, which is being designed by SFLNA. Phase 1 is currently underway, which has a fundraising budget of \$950,000. \$862,000 has been raised so far.

Phase 1 - Upgrading the interior of the theatre and continuing our rigging upgrade. On track to have the project fully funded by August 2021. Work will be completed by September 2021.

Phase 2 - Large scale renovation and reimagining! Second floor lobby expansion, expansion of scene shop, addition of an administrative office suite to centralize all offices on the second floor. Additional classes and rehearsal spaces. Elevator. Possible roof top bar!

Phase 3 - Creating a multifunctional studio space that allows for the expansion of our education programs. The studio space will have more windows and a performance configuration that allows for more producing opportunities. It will be joined to the lobby of the existing building.

Senators DeViere and Clark have included \$5M to CFRT for Phase 2 in the State Senate Budget. The House is in session now, drafting their budget. They have met with Representatives Wheatley and Szoka, and they are very in favor of this project. Rep. Szoka, who is on the Finance Committee expressed his concern as well as his impression of how much they have raised in a year. He challenged CFRT to raise \$1M for Phase 2 by September of this year.

Ms. Wrenn stated to date, they have raised \$750,000, and they are requesting a donation of \$250,000 over a five year period from PWC. It would complete their raise, and they will be able to return to Rep. Szoka with the goal met.

Ms. Wrenn highlighted their proposed budget, their indirect and induced spending, the visitor spending, the jobs that will be generated through the spending on the project. CFRT has worked with FSU to create a very preliminary economic impact study.

	FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 26-27	
General Operating										
	Revenue	Jobs	Revenue	Jobs	Revenue	Jobs	Revenue	Jobs	Revenue	Jobs
<b>Direct Impact</b>	\$1,500,000.00	22	\$1,700,000.00	25	\$1,850,000.00	27	\$2,000,000.00	29	\$2,200,000.00	32
<b>Indirect/Induced</b>	\$900,000.00	22	\$1,020,000.00	25	\$1,110,000.00	27	\$1,200,000.00	29	\$1,320,000.00	32
<b>Visitor Spending</b>	\$700,000.00	10	\$793,333.33	11	\$863,333.33	12	\$933,333.33	13	\$1,026,666.67	15
<b>Total</b>	\$3,100,000.00	54	\$3,513,333.33	61	\$3,823,333.33	67	\$4,133,333.33	72	\$4,546,666.67	79
Capital/Infrastructure Investment										
<b>Direct Impact</b>	\$900,000.00	4	\$1,000,000.00	4.4	\$3,000,000.00	13.3	\$5,000,000.00	22.2	\$2,000,000.00	8.9
<b>Indirect/Induced</b>	\$300,000.00	2	\$333,333.33	2.2	\$1,000,000.00	6.7	\$1,666,666.67	11.1	\$666,666.67	4.4
<b>Total</b>	\$1,200,000.00	6	\$1,333,333.33	6.7	\$4,000,000.00	20.0	\$6,666,666.67	33.3	\$2,666,666.67	13.3
Total Impact										
<b>Financial</b>	\$4,300,000.00	60	\$4,846,666.67	67.7	\$7,823,333.33	87	\$10,800,000.00	105.3	\$7,213,333.33	92.3
<b>Visitors</b>	49,000		50,000		52,000		54,000		57,500	

She stated CFRT is a cultural cornerstone and its impact will only continue to grow as a recruitment and retention tool. Ms. Wrenn stated she knows one of PWC’s priorities is to educate customers about the work PWC is doing. With community partners like CFRT they can envision ways to facilitate that; like having information in their lobby about the smart thermostats, to hosting workforce development events, staff-team building, and public awareness.

Ms. Wrenn displayed a preliminary draft of how the building may transform with PWC’s help. She explained how Phase 2 will improve the customer experience.

Commissioner Garrett asked how will CFRT solve for parking with the new facility. Ms. Wrenn stated they are in talks with area businesses to come up with parking solutions. They also have a good relationship with the church on Highland that allows them to use parking, and they are talks with them to possibly formalize an arrangement. Commissioner Garrett asked if the capital is all for the infrastructure and the building, and nothing external to that? Ms. Wrenn stated with the \$12M they are hoping to raise, they have \$1M earmarked to try to fix the parking issue. They also have \$1M in that fund to replace and replenish the building structure.

Commissioner Rogers stated he appreciates and acknowledge their vision. As a community that is how we are going to transform by revising what we have into something new. He appreciates their effort in the midst a tough time.

Commissioner Fowler asked about the seat configuration. Are they losing some seats by expanding them? Ms. Wrenn replied they are building backward. Yet, they are going from 300 seats to 285. She did an economic impact analysis on the shows they sell out, and there is not a substantial revenue loss. Also, most surveys say when you renovate to this level, you see a bump of up to 30%.

Commissioner Fowler stated Commission will not be able to give an answer today, they will have to look at several factors, and reply at a later date.

The Commission thanked Ms Wrenn and Ms Burke for their presentation.

## DISCUSSION OF TERM SHEET

Presented by: Elaina Ball, PWC CEO/General Manager

Ms. Ball stated as has been discussed briefly at previous Commission meetings the City of Fayetteville and Fayetteville PWC has previously been approached by a private equity firm to concession the utility. It is not uncommon when those types of things come to light that other parties come forward. One such unsolicited offer has been received by both the City and the Commission. The purpose of listing this item today is to allow an open discussion of this matter. If you have questions you are free to ask them. We have not done due diligence on this offer.

Commissioner Fowler stated he and Ms. Ball had a short meeting with the individuals involved. They sent a term sheet, not asking the Commission to discuss in any detail the contents of the term sheet they sent, but the concept if the Commission will consider a discussion about this as we go forward. Commissioner Fowler stated he believes it would be a need for absolute transparency, in particular with the value of the asset and the importance it is to the community. Before we would proceed with any organization, there would need to be a signed agreement between them that the transaction would be completely transparent. There would be no confidentiality agreements or non-disclosure agreements. Unless they are willing to put everything out on the table, he would not be interested in moving forward with them. Discussion ensued.

Following discussion, the Commission concluded they are not interested in an unsolicited bid at this time.

## GENERAL MANAGER REPORT

Ms. Ball stated the last couple of weeks have been very active for the Operations team. We had Tropical Storm Elsa come through and a quick thunder storm. Ms. Ball thanked both Operations Teams in Water/Wastewater and Electric. They worked over the weekend to get ready for the storm. We expect a more active than normal hurricane season, so this was good preparation. We will likely see quite a bit of storm activity based on how the jet streams and temperatures are shaping up.

## **1,4-Dioxane**

Ms. Ball stated on Thursday, July 1<sup>st</sup> we were notified by Greensboro of an elevated level of 1,4-Dioxane in their wastewater treatment discharge. The Water Resources team quickly jumped together to assess the travel time, concentration, and potential impact to our community. She stated she thanks the team. They worked around the clock for more frequent sampling. We never saw at our Hoffer intake any increase in 1,4-Dioxane. That is a function of dissolution, some favorable rain probably helped us as well. It was a tremendous amount of good work in information sharing. She stated she is glad we got the briefing to the Commission on how we would respond to these events.

The situation continues to highlight the absolute need for both our regulators, the industrial entities sitting on the Cape Fear River, and all the wastewater treatment and drinking communities to come together for a basin wide solution around emerging contaminates industrial pollution. This is not just a Greensboro issue. They are receiving water to treat and discharge into the basin from upstream entities who are discharging these chemicals.

Mick Noland, his team, and James West are involved in helping to try to move all the stakeholders toward a basin wide solution. It is not commercially reasonable to just impose on entities downstream from these polluters to have enhanced controls and systems to remove these pollutants. We must deal with them at the source. That has to be with our delegation, with the regulators and all the entities on the Cape Fear River. At the end of the day we are sitting downstream of all this. We take this very seriously. It is one of our priorities in our updated strategic plan.

The notion that the regulators are just going to go after the waste treatment facilities to put in enhanced controls or to penalize them when they have excessive discharges is shortsighted. She went on to say, thankfully we had no issues. We have an alternate water supply the teams managed volumes should we see an increase we had the ability to keep our drinking waters safe and we will continue to do so.

## **Bond Rating**

Fitch conducted a surveillance review with a positive outcome. They confirmed our bond rating and outlook.

## **SB 294**

Passed into law July 1<sup>st</sup>. Ms. Ball thanks the entire delegation for their support of that law, and Senator DeViere for taking it forward.

## **New Officer Roles**

We completed a reorganization this week with two new officer roles. They are:

Chief Customer Officer – Mark Brown

Mark Brown will have responsibility for all the customer facing functions.

Chief Administrative Officer – Susan Fritzen

Susan Fritzen will have responsibility for all the support functions

Safety will report to Ike Copeland, the Director of Risk Management

Lexi Hasapis, in local procurement, will now report to Carolyn Justice Hinson in Communications, Community Relations

## **Travel**

Ms. Ball stated travel guidelines will be issued to our team this week specific to our adjustments to COVID and relaxing some provisions. Our main goal is keeping our employees safe.

## **Performance Review**

We will reset annual performance review and pay administration beginning this year. We will reset this year's merit compensation in the month of August and in 2022 begin that annual process.

## **Onsite COVID Clinic**

Ms. Ball thanked Bobby Russell and the HR Department. They organized an onsite COVID clinic in the month of June and July. Twenty-nine employees took advantage of it. There are approximately 220 employees who have notified us of their vaccination status.

## **Cyber Security**

You may have seen in the news recent cyber events. We are preparing a very detailed presentation which will be presented in closed session that will address our cyber security posture and vulnerabilities.

There have been two cyber attacks that pertain to our industry. The first was Kesaya and the other involved a Microsoft day zero vulnerability.

## **Corporate Dashboard Demo**

Ms. Ball stated we are beginning to wrap up our strategic planning efforts. We have identified the seven categories the Commission weighed in on regarding the selection and priorities. We have been building a corporate dashboard, which is still in construction. She requested Laurie Shrauger of the Data Analytics team to demonstrate it. We have two of the seven categories built out so far which are Operational Excellence and Financial Health. There are more to come. It is Ms. Ball's expectation for everyone to see how we are performing on these metrics. She also wants to bring the strategic plan and how we are doing to the Commission. Ms. Shrauger explained the dashboard with the categories and metrics for the two categories. Discussion ensued.

## **COMMISSIONER/LIAISON COMMENTS**

### **County Commissioner Michael Boose**

Yesterday, the FCEDC adopted a Buy Local Policy. The organization began in a class room by Dr. Keen and is now located in the RC Williams Building. If you have a list of local vendors that have successfully completed projects for PWC, please forward to FCEDC and the County. Discussion ensued.

Michael Boose had dinner with Jay Reinstein and requested Commissioner Boose give his regards. He is in awe of PWCs contributions/assistance to the Alzheimer's Association.



Mr. Brown stated PWC will have several fundraisers for the Alzheimer’s Association: A bowling fundraiser on August 14<sup>th</sup>; and Putt-Putt on October 9<sup>th</sup>. More info to come.

**Council Member Chris Davis**

Council Member Davis asked is the final consensus of the Commission that they are not seeking or entertaining concessions moving forward? Commissioner Fowler responded we are not interested in a one-off fashion, in other words, an unsolicited bid. We need to determine what it should look like if we are going to entertain it, and it has to be done completely with non-disclosures.

Ms. Ball stated, based on her understanding, she will respond to this particular entity letting them know we are not in a process and we are not entertaining individual offers outside of the process. We will schedule an internal discussion sometime in the future and to discuss the strategic future of the commission and their desire to have alternates, versus our standalone plan of the community on any assets.

**Commissioner Evelyn Shaw**

Commissioner Shaw stated she is thrilled to know that SB294 has been passed. That was one of her overriding passions. She knows Ms. Ball will shepherd it to know that the spirit and the letter and intent is realized. Ms. Ball stated as we build the program, we will bring it back in lock-step to the Commission.

Ms. Shaw also asked for a discussion on the presentation provided by Cape Fear Regional Theater in the near future. Commissioner Fowler stated he will request for it to be added to the next agenda.

**Commissioner Darsweil Rogers**

Commissioner Rogers congratulated the team for moving through the re-organization. He knows it was not easy. He also congratulated Ms. Fritzen and Mr. Brown in their new positions.

**REPORTS AND INFORMATION**

- A. Payment Analysis – June 2021
- B. Personnel Report – June 2021
- C. Recap of Uncollectible Accounts – May 2021
- D. Investment Report – May 2021
- E. Purchase Orders – June 2021
- F. Position Vacancies
- G. Actions by City Council during the meeting of June 14, 2021, related to PWC:
  - Approved Resolution to Partially Abandon PWC Utility Easement – Hoke Loop Commons
  - Approved Resolution Directing Construction of Areas 26 & 27 of the Phase 5 Annexation Utility Improvement Project be Undertaken
- H. Actions by City Council during the meeting of June 28, 2021, related to PWC:
  - Approved Request to Grant Authority to FPC’s CEO/GM to Grant Easement to Duke Energy Progress (DEP)
  - Approved Bid Recommendation – Annual Contract for Water & Water Reclamation Treatment Chemicals

**ADJOURNMENT**

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, and unanimously approved, the meeting was adjourned at 10:03 a.m.