

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY SEPTEMBER 8, 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

Absent: Chris Davis, City Council Liaison
Telly Whitfield, Assistant City Manager
Michael Boose, Cumberland County Commissioner, Liaison
Scott Meszaros, Hope Mills Town Manager
Media

REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, September 8, 2021, to order

APPROVAL OF AGENDA

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

CONSENT ITEMS

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

- A. Approve Minutes of meeting of August 11, 2021
- B. Approve Minutes of meeting of August 25, 2021
- C. Adopt PWC Resolution PWC2021.28 as modified.

Resolution PWC2021.28 is modified by removing #7 from the original resolution.

- D. Adopt PWC Resolution PWC2021.29 to declare personal property described as one (1) 2007 International 7400 (Digger Derrick), VIN #1HTWDAAR37J466966 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

- E. Adopt PWC Ordinances – PWCORD2021-34 and PWCORD2021-35

- ❖ PWCORD2021-34 amends the Substation Rebuild CPF to add a project that will fund the purchase of land for POD V 230-66 kV Substation property.
- ❖ PWCORD2021-35 amends the Electric Rate Stabilization Fund to authorize a transfer to reimburse the GF for the \$5.00/MWh catch up adjustment to the energy rate for August – December.

F. Approve PWC Ordinance – PWCORD2021-36 – Amendment #3 to the Electric Fund.

This ordinance increases the Fund by \$4,350,000 to a total of \$298.9 million. The purpose of this amendment is to recognize an increase in the Duke Energy Progress (DEP) actual energy rate over their estimated rate for calendar year 2021. PWC recognized DEP's actual monthly energy costs from January – July 2021 trending higher than the 2021 billing rate and cost pressures to the rate likely to continue through December based on current market conditions. This would result in a significant true-up payment due to DEP with interest. To lessen the impact of interest costs to PWC, PWC and DEP agreed upon an adjustment to the billed energy rate of \$5/MWh to be applied to the remaining 5 months of this calendar year. PWC intends to utilize the Electric Rate Stabilization Fund to fund this increase. An explanation of amended items is listed below:

Electric Fund

- Electric Fund Revenue: Total Electric Fund Revenue increased \$4,350,000.
 - The Transfer from Electric Rate Stabilization Fund (ERSF) increased by \$4,350,000 to provide funding for the additional DEP energy costs.
- Electric Fund Expenditures: Total Electric Fund Expenditures increased \$4,350,000.
 - Operating Expenses increased \$4,350,000 in due to the additional \$5/MWh from DEP.

END OF CONSENT

CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(4)
TO DISCUSS ECONOMIC DEVELOPMENT MATTERS

Upon motion by Commissioner Rogers, seconded by Commissioner Garrett, and unanimously approved, the Commission entered Closed Session Pursuant to NC General Statutes 143-318.11(A)(4) to Discuss Economic Development Matters at 8:32 am.

There being no further discussion, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, and unanimously approved, the Commission returned to open session at 9:02 am.

CAPE FEAR REGIONAL THEATRE DISCUSSION AND RESOLUTION (PWC2021.30)

Ms. Ball and the Commission discussed PWC's resolution in support of the Cape Fear Regional Theatre. At the conclusion of the discussion, the Commission requested for staff to adjust the wording in the resolution to reflect receipt of matching funds from either legislative appropriation, other public or private sources.

Commissioner Rogers motioned to move forward with a resolution to the City Council, committing the Commission to a \$250,000 commitment to pay \$50,000 per year beginning in the next fiscal year, based on the contingencies enumerated in the resolution (PWC2021.30).

Commissioner Fowler requested clarification. He asked if the motion is to support the resolution with the modification that funding can come from any source.

Commissioner Rogers then restated his motion to support the resolution (PWC2021.30) with the modification that funding can come from any source (not just by legislative appropriation), and to request the City Council to adopt a similar resolution. Motion was seconded by Commissioner Garrett, and unanimously approved.

STRATEGIC PRIORITY DISCUSSION – CUSTOMER SATISFACTION

Presented by: Mark Brown, Chief Customer Officer

Ms. Ball stated this is the first in a series of presentations from different team members to support ongoing discussion of industry trends in the electric, water and wastewater industry, as well as more details and more discussion around our plans to advance in these areas.

Mr. Brown stated he will discuss Industry Trends, and PWC's Plans to Drive Customer Satisfaction.

Industry Trends

There are three categories we see every day.

► **General Consumer Industry Trends**

- New Value-Added Technology Displacing Traditional Services
- Pandemic Changes in Customer Behavior
- Mobile Interaction With the World
- Voice Interaction With the World
- Customers Prefer Video and Images Over Reading
- Customers Expect
 - Customization
 - Convenience
 - Control
 - Choices

► **Utility Industry Trends**

- Declining Volumetric Consumption (Especially Water and Wastewater)
- Increasing Infrastructure Costs
- Technology Creating Enhanced Service Offerings
- Customer Expectations Driven by Other Industries
- Large Companies Working with Utility Customers on Utility Issues
 - Google Owns Nest Thermostats
 - Google, Apple, and Microsoft Provide Voice Activated Energy Information
- Emerging Contaminants
 - 1, 4 Dioxane
 - Carbon Dioxide
 - Gen X
 - PFAS (Polyfluoroalkyl Substances)
- Utilities Looking for Customer Satisfaction Solutions

► **Electric Industry Trends**

- Customer as Prosumers

- Solar Plus Battery Installations
- Electrification
 - Individual Transportation
 - Commercial Fleets
 - Buildings
- Green Tariffs
- Net Metering of Customer Generation Expected
- Modeling Services Offered on Competitive Retail Energy Markets
- Utility and C&I Customers Setting Net Zero Carbon Goals
- Smart Homes
- Utilities Offering Green Tariffs Aimed at Business Customers
- C&I Customers Pursuing On Site Renewable Generation Options
- C&I Customers Pursuing Virtual Power Supply Agreements
 - Goodyear Buying Wind in Oklahoma Remote from any Plants

Mr. Brown discussed PWC's Plans to Drive Customer Satisfaction in the short term and long term.

► **PWC's Customer Care Response**

- Large Number of Possible Responses
 - Long Term Responses Will Be Driven by Results of Customer Satisfaction Survey in Two Areas
 - Customer Satisfaction
 - Community Engagement
 - Solutions Will Continually Be Driven by Survey Results
 - Plans Will Also Be Driven by Results of Engaged Employee Survey
 - Short Term Actions Will Set the Stage for Long Term Solutions
- Plans Will Address Residential and C&I Customers
- Plans Will Address Industry Trends Across All Three Trend Areas
- Plans Will Involve the Entire PWC Team

► **Short Term Activities – Three to Nine Months**

- Implement Customized Customer Bill Focused Video Communications
- Implement Customized Customer Electronic Communication Based on Third Party Data From
 - Social Media
 - County Property Records
 - State and Federal Government Sources
- Complete Master Electric Vehicle Plan
- Complete Net Metering Option for All Customer Classes
 - Fayetteville State Pilot Program
- Develop Road Map for Addressing Customer Satisfaction Gaps
- New Community Solar Project Recommendations
 - Residential
 - Small Businesses
 - Specific Projects for Large C&I Customers
 - Goodyear
 - Purolator
- Quantify Total Dollar Value of Demand Response Efforts
- Cost of Service Study Outcomes
 - Optional Green Tariffs (Residential and C&I Customers)
 - Commercial EV Fleet Charging

- Multi-Family Development EV Charging
- Single Family Home DC Fast Charging Options
- Net Metering All Customer Classes
- Incentivize Solar Plus Battery Installations
- Move C&I Contribution Margin to Basic Facility Charges
 - Lowers Marginal Cost of Production
- Economic Development Special Contract Rates
- Expand Customer Payment Options
- Increase Paperless Billing
- Implement Division Wide Succession and Career Development Training
- Leverage AMI and IT Technology to Reduce Peak Work Loads
 - Drives Customer Satisfaction
 - Frees Resources for Higher Value Work Across PWC

► **Long Term Activities – One to Two Years**

- Upgrade IVR
 - Introduce Chat
 - Introduce Artificial Intelligence Capabilities
- Upgrade Customer Portal
 - Includes Voice Activated Access to Customer Data
 - Supports Upgraded Mobile App
- Implement Pay by Text
- Modernize Definition of Default Services
- New Software Applications Using Existing IT Infrastructure
 - Prepay
 - Customer Selection of Specific Due Date
- New Demand Response Platform to Support Thousands of Customer Devices
- Simplify and Facilitate Customer Participation in Demand Response Programs
- Establish Net Zero Carbon Goals
- Identify Existing and New PWC Activities that Reduce Green House Gas Emissions
- PWC Staff Engaged With Customers on Utility Issues at:
 - Home Builders Association Meetings
 - Apartment Owners Association Meetings
 - C&I Customer Associations Meetings
 - Neighborhood Watch Meetings
 - Homeowner Associations Meetings
 - Church Group Meetings
- Expand C&I Key Account Teams to Include Segment Specialists
 - Grocery Stores
 - Full-Service Restaurants
 - Big Box Retail
 - Local Retail
 - Fast Food Restaurants
 - Government
 - Schools
 - Non-Profit Agencies
 - Gasoline/Convenience Stores

After discussion, the Commission thanked Mr. Brown for his in-depth presentation.

GENERAL MANAGER REPORT

Ms. Ball stated as Mr. Brown mentioned we are currently conducting our residential customer satisfaction surveys; we will begin the business portion soon.

COVID

We have seen a tick down in quarantine cases. As of Friday, we had 20 team members quarantined; 8 positives and one team member was in the hospital. Cape Fear Valley has offered to help us reinforce the COVID prevention we can all control. We are working to fine tune with that resource to help us with our water and electric construction crews.

Hurricane

There was a powerful hurricane that hit the southeast (IDA). Our crews were not requested to assist; however, we are monitoring to see if we will be needed in that restoration effort. There is a hurricane in the Atlantic now and it is projected to turn north. It may hit NJ. We want our team members to be able to respond, and the best way we can is for them to get their vaccine.

Sustainable Sandhills EV Event

We will host a socially distanced informational Sustainable Sandhills EV Event, here in the building this evening.

911

There will be a remembrance day for 911 at the ASOM on Saturday morning. Eleven team members have volunteered to assist Friday in placing flags for the event.

HR is continuing to assist team members that were very directly impacted by the passing of a fellow team member. They are providing EAP and other resources. Our team member's husband expressed his thanks to the Commission as well as to the PWC family for helping him through this impossible time.

FTCC Program

We recently completed our 9th class. There have been 95 graduates, and 72 students are employed across various organizations (PWC has hired nine). Commissioner Garrett inquired as to why the remaining are not employed. Ms. Ball stated some have decided to not seek employment; others are continuing their education. She went on to give additional statistics.

Cumberland County Fair Day of Giving

PWC employees supported the Cumberland County Fair Day of Giving. On Sunday, employees provided non-perishable food donations and contributed their time. It was a great food drive for The Fayetteville Urban Ministries. Ms. Ball thanked all who volunteered and contributed to the success of the project.

Annexation

We completed Project Area 23 in Wells Place. We are ready for connections. We will hold a connection meeting on Monday, September 13th to help residents with the connection process. FIF fees are waived within the first six months for those who connect.

COMMISSIONER/LIAISON COMMENTS

Commissioner Evelyn Shaw

Commissioner Shaw asked if we have any statistics on the 20 team members who are quarantined. She asked if they are quarantined because of self-reporting or because of contact tracing? Ms. Ball replied they are quarantined for both reasons. Commissioner Shaw also asked if they were vaccinated. Ms. Ball and Mr. Russell stated some were vaccinated and still had symptoms. The majority were not vaccinated with symptoms. Commissioner Shaw also asked if the numbers have changed since the last time the Commission met. Ms. Ball stated the last time we met there were 258 employees who were vaccinated and had chosen to disclose to HR their vaccination status. There were an additional 25 added, and HR is receiving about 1 to 2 more voluntary disclosures per day.

Mr. Russell mentioned the Health Department will be back onsite to administer a second shot for those who were vaccinated three weeks ago. Mr. Russell stated we are also looking to provide booster shots through the Health Department in the November/December timeframe. Commissioner Shaw stated the Medical Arts Center is also providing booster shots.

Ms. Ball stated they continue to evaluate other means to drive the vaccination rates up. In visiting with the healthcare system recently they were about the same rate before they made vaccinations mandatory. We are continuing to think about mandatory vaccines but have not pulled that trigger at this time.

Commissioner Shaw also thanked Mr. Brown for his presentation. He was very thorough and the presentation user friendly.

Commissioner Ronna Rowe Garrett

Commissioner Garrett thanked staff for the weekly updates. She stated they are informative and helpful.

Commissioner Darsweil Rogers

Commissioner Rogers stated he was struck that there were 29,000 line workers replacing the poles in Louisiana and Mississippi. There are still some 400,000 people who still do not have electricity. It is inconceivable that people have drowned in their basement apartments in New York. He stated we need to be mindful and prayerful for those who are continuing to struggle.

REPORTS AND INFORMATION

- A. Personnel Report – August 2021
- B. Position Vacancies
- C. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. 19502 – install. of water and sewer main on NC Hwy 59 (Hope Mills Rd. for Shops on Main
- D. Actions by City Council during the meeting of August 23, 2021, related to PWC:
 - Approved Bid Recommendation – One (1) 19,000 GVW Cab & Chassis with Flatbed & Valve Unit

- Approved Bid Recommendation – Cable 1/0 AL & 750 MC AL
- Adopted Preliminary Resolution Authorizing The Filing of an Application with the LGC Requesting the LGC Sell Bonds at a Competitive Sale and Approving of the Financing Team

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, and unanimously approved, the meeting adjourned at 10:34 am.