



Strategic Plan 2022-2027

Fayetteville Public Works Commission
Fayetteville, North Carolina

PWC At a Glance



Customers



- In operation since 1905 (116 years)
- Provide Electric, Water and Wastewater Services
- Total Customers: 119,380
- Number of Services: 273,794
 - Electric: 82,304
 - Water: 90,430
 - Wastewater: 89,913
- Customers with 2+ services: 75%
- Annual Customer Turnover: 20-25%

Customer Service



- Annual Customer Contacts: 433,794
- Average Monthly Calls: 31,452
- Annual Bills Generated: 1.4 Million
- Customer Incentive Programs: 13
- Annual Water Leak Notifications: 21,850

Employees



- Number of Employees: 651
- Average Tenure of Employees: 10.37 years
- Average Age: 44.59
- Annual Turnover: 6.0%*
- Annual Hours Worked: 1.2 Million

*non retirement

Facilities



- Butler-Warner Generation Plant (268 MW)
- PO Hoffer Water Treatment Facility (39.5 MGD)
- Glenville Lake Water Treatment Facility (18.0 MGD)
- Cross Creek Water Reclamation Facility (25 MGD)
- Electric Service Area: 147 Sq. Miles
- Water Service Area: 163 Sq. Miles
- Wastewater Service Area: 142 Sq. Miles

Electric Operations



- Purchase Wholesale Power from Duke Energy
- Only NC municipal system to own/operate a generation plant (Dispatched for use by Duke Energy)
- Generation Capacity: 268 MW
- Annual MWH Sold: 1.9 Million
- System Peak: 499 MW (Feb. 9, 2015)
- Reliability Rate: 99.9906%
- Electric Distribution Substations: 32
- Distribution Lines: 1,351 miles
- Transmission Lines: 142 miles
- Streetlights/Area Lights: 37,441

Water/Wastewater Operations



- Population Served: 225,000
- Drinking Water Treated: 11.2 Billion Gallons/Year
- 100% Complaint for all EPA Drinking Water Standards
- Daily Water Treatment Capacity: 57.5 Million Gallons
- Daily Wastewater Treatment Capacity: 46 Million Gallons
- Water/Wastewater Infrastructure: 2,700 miles
- Hydrants: 8,300
- Sanitary Sewer Lift Stations: 82

Financial



- Annual Operating Budget: \$405.2 Million
- Total Assets: \$1.44 Billion
- Bond Rating: Aa2 (Moody's), AA (Standard and Poor), AA (Fitch)
- Annual Local Purchases: \$25 Million
- Operations & Maintenance Expenses per Customer: \$432 (\$556 National Median)
- Annual Contributions to City of Fayetteville in Lieu of Taxes: \$11.4 Million
- Annual Streetlight Services: \$3.9 Million
- Annual Economic Development: \$1.2 Million (thru 2021)

Introduction and CEO's Message

Fayetteville Public Works Commission is committed to delivering safe, reliable and affordable electricity, water and wastewater services to our customers that reside in Fayetteville and Cumberland County, North Carolina. We have a rich history of service dating back to 1905. Our vision is to become the best utility in the United States.



Elaine Ball
CEO

The utility industry is seeing rapid change and our strategic plan will guide PWC through this change. The electric sector is seeing swift repowering to new and cleaner sources of generation, acceleration of grid technologies to enhance reliability and grid automation, adoption of new customer technologies including electrification of transportation and smart home devices, and customer investment in distributed generation sources to name a few. The water and wastewater sectors continue to see growing infrastructure needs for expansion, rehabilitation, and replacement of existing infrastructure, as well as increasing and expanding regulatory standards for drinking water systems. Our employees are changing. We are seeing a transition in industry with attrition of many of our most knowledgeable employees occurring in the next five years.

We are moving from an organization that has provided commodities to one that provides services. In order to prepare for and take advantage of these changes for the benefit of our customers, we are establishing a new set of strategies for PWC. The purpose of this plan is to identify our path, the areas of focus, performance measures, goals and key initiatives that we will accomplish. Throughout the next few years, we will continually monitor and adjust course on these strategies as needed.

Our most important asset at PWC is our team. The success of our organization and our strategic plan relies on the commitment and execution by our team on the initiatives identified in this plan.



Who We Are

We are 650 dedicated team members who are neighbors in service to our 82,000 electric and 88,000 water and wastewater customers. We work to serve our customers, their homes and businesses with exceptional utility services. We give back to our community and know our support of each other is essential to achieving a vibrant economy and a great place to live. We Can Do anything together.

Our Mission

We deliver safe, reliable and affordable electricity, water and wastewater services to our customers that reside in Fayetteville and many surrounding areas in Cumberland County, North Carolina.

Our Vision

We aspire to be recognized as the best utility in the United States.

Our Values



Customer Focused



Dedicated to Service



Caring & Inclusive



Safety Focused



Innovative



Fiscally Responsible



Committed to Excellence



Transparent

Our Values	What it means...
Customer Focused	We work in service to our customers. We make decisions and serve with our customer's needs at the center of all that we do.
Dedicated to Service	We exist to serve our customers. We anticipate and provide for our customers' needs. We ensure our customers receive exceptional service.
Caring & Inclusive	We treat one another with respect. We embrace and build on the differences between one another.
Safety Focused	The safety of our team and the community we serve comes first. Every PWC team member has stop work authority. There is not job more important than our safety.
Fiscally Responsible	We are responsible with the funds entrusted to us from our customers and the community we serve. We make decisions to ensure that our services are affordable and that we are prudent in our actions.
Committed to Excellence	We strive to be the best in all that we do. We continually improve our processes and delivery of services.
Innovative	We continually challenge the status quo. We seek methods to deliver our services in new and improved ways.
Transparent	We build trust in our organization by being open, honest, and ethical in our work.

About PWC

The Fayetteville Public Works Commission was established on March 4, 1905, through an act of the North Carolina Legislature to manage, operate and supervise the electric, water and wastewater utilities in the City of Fayetteville. That legislation was incorporated into the Charter of the City of Fayetteville. On June 29, 2016, the N.C. Legislature updated the portion of the Charter related to PWC, including defining PWC as a Public Authority under North Carolina law and making PWC subject to the applicable state statutes that govern Public Authorities.

PWC operates the largest municipal electric system in North Carolina and the 37th largest in the nation. PWC's electric system ensures that electric energy that is purchased from energy suppliers, and that which is generated at PWC's own generation plant, is safely and efficiently delivered to its customers at competitive rates. PWC currently purchases electricity from Duke Energy Progress (DEP) and from the Southeastern Power Administration (SEPA). In addition, PWC has the distinction of being the only municipal utility in North Carolina to own and operate an electric generation plant. PWC provides electric service to approximately 60% of the Fayetteville/Cumberland County area.

PWC is committed to supplying safe water that meets or surpasses state and federal standards and achieves the highest standards of customer satisfaction. PWC draws water from two independent water sources, the Cape Fear River and Glenville Lake. P.O. Hoffer and Glenville Lake Water Treatment Facilities have a combined treatment capacity of 58 million gallons a day (MGD). PWC provides water services to over 225,000 customers throughout Fayetteville/Cumberland County. This includes the Town of Hope Mills, Town of Spring Lake, Stedman, Hoke County and Fort Bragg Military Installation.

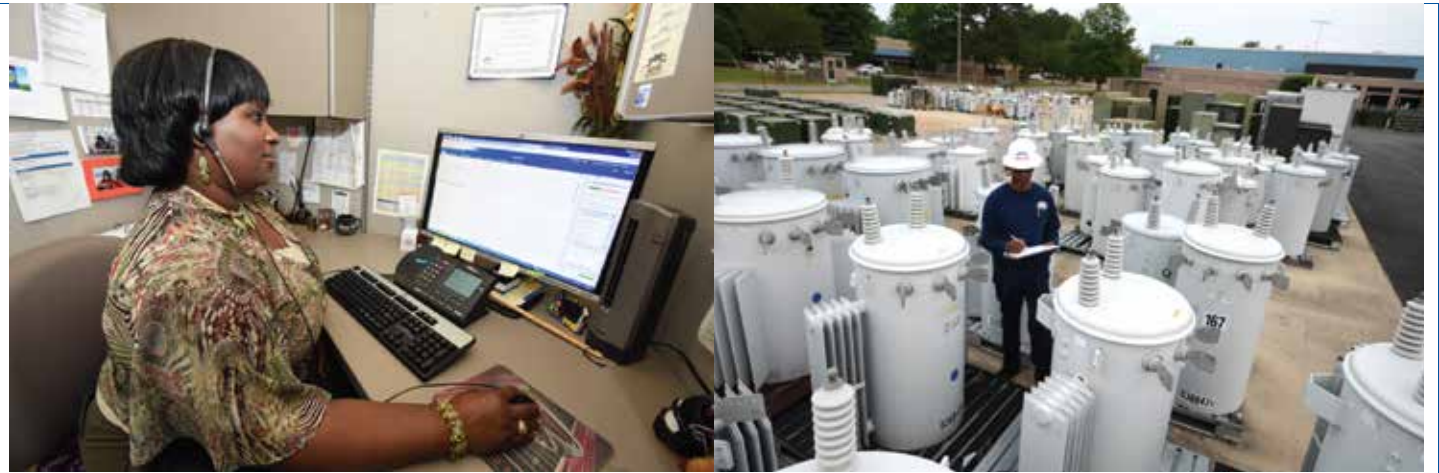


Since PWC's first water reclamation facility was built in 1959, the growth of Fayetteville/Cumberland County has increased the demand for quality wastewater services annually. PWC continues to meet the needs brought on by residential expansion and economic development as well as be instrumental in the installation of wastewater services in developed areas that were built without the benefits of public utilities.

PWC operates two EPA Award-winning Reclamation Facilities: Cross Creek and Rockfish Creek and maintains over 1,300 miles of sewer mains. As a regional utility provider, PWC also maintains and operates several sanitary sewer systems in the area. Services are provided to the Town of Stedman, the Kelly Hills Sanitary Sewer Districts, and NORCRESS (Towns of Wade, Godwin, and Falcon), all in Cumberland County.

Because of our more than 600 dedicated employees who work hard to serve the utility needs of the families, friends and fellow customers. Over the years, PWC has planned wisely and worked diligently to keep pace with the utility needs of a growing city and the surrounding areas. PWC has been recognized state-wide and nationally for excellence in utility services as well as in the areas of safety, financial reporting, community service, sustainability and innovation.

PWC is proud to be an integral part of this community. While turning on a light switch or water faucet may be taken for granted, we work hard to provide award-winning services that are reliable, safe and affordable. And, we believe the welfare of our customers, the growth and prosperity of the Fayetteville/Cumberland County area, and the preservation of our environment should never be taken for granted. We continuously strive to enhance the quality of life in our community.



Strategic Priorities



Operational Excellence

Our utility services deliver safe and reliable electricity, water and waste-water supply. We strive to have top quartile safety, quality, and reliability metrics for our utility services.

Key Performance Indicators:

- SAIDI (Electric Reliability)
- Turbidity (Water Quality)
- Phishing Click Rate (Cyber Security)
- OSHA/DART Incident Rates (Safety)



Financial Health

Maintaining a financially healthy utility is essential to keeping our cost of borrowing low and keeping our customers' bills affordable. Our financial health is also key to supporting the City of Fayetteville through our transfer which goes to support important city services such as fire and police. We strive to maintain investment grade bond ratings, sufficient reserves to weather downturns and to maintain safe and reliable utility service delivery.

Key Performance Indicators:

- Bond Ratings
- Liquidity
- Generation Availability Factor
- Capital Expenditures



Engaged Employees

Our strategic plan and the excellent service we aspire to deliver are accomplished solely through the dedicated service by our employees. We seek to attract, retain, and grow an engaged workforce that is equipped with the capabilities to deliver excellence.

Key Performance Indicator:

- Gallup Engaged Employee Index



Customer Satisfaction

We have our customers at the heart of our decision making and our service delivery. We aspire to achieve industry leading performance in customer experience. We meet our customers where they want to be served. Our goal is to deliver products, options and services to our customers that are offered in retail competitive regions.

Key Performance Indicator:

- Customer Satisfaction Index



Community Engagement

We aspire to be exceptional corporate citizens. We are active civically and support causes that lift up the citizens and important causes to our region. We seek opportunities to have the greatest impact to our region to grow the vibrancy and livability of our community.

Key Performance Indicators:

- Community Engagement Hours



Conservation

We understand the impact of our operations and the consumption of utilities have on our region's natural resources. We seek to continually improve our operations to minimize waste and deliver programs to help customers conserve as well as programs that enable us to preserve resources and habitat in the region in which we operate and serve.

Key Performance Indicators:

- Electric Coincident Peak Reduction
- Water Quality Stewardship



Economic Development

We encourage growth of economic opportunities for our region and actively participate in recruiting new businesses to our region. We maintain competitive and attractive utility services to encourage economic investment in our region. We actively seek out opportunities to partner with regional suppliers to accomplish the work of the utility.

Key Performance Indicators:

- Local Supplier Spend
- Phase V Annexation Utility Installation
- Completion

2022-2027 Strategic Plan

At A Glance

Vision

To be recognized as the best utility in the United States.

Mission

We deliver safe, reliable and affordable electricity, water and wastewater services to our customers.

Our Strategic Priorities

Operational Excellence	Financial Health	Engaged Employees	Customer Satisfaction	Community Engagement	Conservation	Economic Development
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Key Performance Indicators

SAIDI (electric reliability)	Bond Ratings	Gallup Engaged Index	Customer Satisfaction Index	Community Engagement Hours	Electric Coincident Peak Reduction	Local Supplier Spend
Turbidity (water quality)	Liquidity	—	—	—	Water Quality Stewardship	Phase V Completion
Phishing Click Rate (cyber security)	Generation Availability Factor	—	—	—	—	—
OSHA/DART Incident Rates (safety)	Capital Expenditures	—	—	—	—	—

Strategic priorities



Operational Excellence

Goals

- Achieve top quartile System Average Interruption Duration Index compared to peers
- Phishing Click Rate <1%
- Water Plant Turbidity <0.1
- OSHA incident rate below 2.2
- DART incident rate below 1.7

Key Initiatives

1. Develop safety culture and safety performance to ensure that safety is FIRST and never second (benchmark performance, update training, implement root cause analysis, formalize/automate safety reporting processes.)
2. Benchmark utility performance through AWWA and APPA.
3. Identify and implement improvements from benchmark to drive enhanced reliability and quality.
4. Execute Capital Improvement Program and Operational Capital Projects Specific to Electric System Reliability as detailed in the FY 22 budgets.
5. Enhance cybersecurity and phishing campaigns to increase user awareness.
6. Complete Electric and Water Resources SCADA Cybersecurity project.
7. Implement AWWA Water Audit Software.
8. Utilize existing pressure monitoring equipment to validate proof of concept.

Strategic Objective

Our utility services deliver safe and reliable electric, water and waste-water supply. We strive to have top performance in the areas of safety, quality, and reliability for our utility services.

Expected Outcomes

1. A safety culture that is unthreatening, yet promotes honest, proactive, responsible, and open safety dialogue where employees at every level have confidence in our motto of "Safety First, Never Second".
2. Customers receive top quartile of industry standard of electric system reliability providing a better quality of life in Cumberland County.
3. Continuous, planned system improvements will maintain and enhance the reliability and safety of the electric system without major spikes in revenue requirement and rates.
4. Overall improved awareness of security protocols and reduction of cyber security testing failure and minimize the potential for real world cyber events. Improve our cyber security postures and mitigate cyber events.
5. Reduce exposure to cyber-attacks on Electric and Water Resources SCADA operated equipment.
6. Identified benchmarks for key water resources performance metrics to drive operational performance and adoption of water loss strategies.

Strategic priorities



Financial Health

Strategic Objective

PWC will maintain its financial health to keep cost of borrowing low, customers' bills affordable, maintain safe and reliable utility services and provide dependable financial support to the City of Fayetteville.

Goals

- Achieve an AA Bond rating by all 3 agencies with a stable or positive outlook
- Maintain 120 days of reserve for budgeted GAAP expenses
- Butler Warner Availability Factor > 1.0
- Measure and improve capital expenditures plan to actual performance

Expected Outcomes

1. Provide low-cost funds for improvements and expansion of utility system infrastructure.
2. Enhance supply chain management with improved cycle times, contract management, spend management benefitting resource allocation, cash flow, supply availability and pricing.
3. Reduced cycle time for CIP projects. Cost savings with reduced activities.
4. Compliance with DEP contract and optimal financial payments to PWC via tolling agreement and reduced power supply costs post FY 2024.
5. Allow monitoring of budget performance in line with Strategic Priorities.

Key Initiatives

1. Optimize savings opportunities in debt borrowings and grant offerings.
2. Maximize BWGP contractual performance to maintain availability factor.
3. Complete an Integrated Resource Plan to determine power resource
4. Supply Chain improvement - creating efficiencies in processes for planning, procuring, and storing materials. Identify and implement cycle time improvements in the procurement process.
5. Re-establish Commodity Purchasing program to maximize savings on water and electric materials.
6. Define and develop meaningful and accountable budget performance reporting.

Strategic priorities



Engaged Employees

Goals

- 90% employee participation of the Gallup Q12 Survey in order to identify areas of improvement within the organization.
- Create and implement Career Choice Program based on the Developmental Training program.

Key Initiatives

1. Develop and implement plan to increase employee engagement through Gallup Q12 survey.
2. Train and develop Management team with knowledge and strategies for creating an engaging culture by promoting engagement, offering advice, collecting best practices, and supporting managers' engagement efforts.
3. Set up semi-annual Gallup surveys to employees to monitor results.
4. Identify career paths within all divisions by positions within departments.
5. Identify skill set and educational requirements for all positions.
6. Create skill set development and educational development through PWC University platform.
7. Partner with local colleges/universities to provide educational opportunities on and offsite.
8. Implement internal job shadowing program.

Strategic Intent

PWC will seek to attract, retain, and grow an engaged workforce that is equipped with the capabilities to deliver excellence.

Expected Outcomes

1. Build a culture of employee engagement at Fayetteville Public Works Commission.
2. Increase employee awareness of career paths and skill requirements for all positions.
3. Update all job descriptions to assure alignment with education and skill requirements.
4. Increase knowledge and skills of Management team through implementation of comprehensive training program.
5. Establish and implement a communications plan for survey administration that includes sharing results of survey with employees.
6. Identify and use tools for improvement based on hot spots from survey.
7. Increase learning opportunities for employees through PWC University, internal job shadowing, and partnerships with local colleges/universities.

Strategic priorities



Customer Satisfaction

Strategic Objective

PWC will deliver products, services, and programs to improve and enhance the experience of our customers.

Goals

- Achieve top quartile Customer Satisfaction as measured by Escalent Residential and Business Electric and Water Customer Satisfaction Survey.

Key Initiatives

1. Establish baseline customer satisfaction surveys for PWC customer segments.
2. Develop a customer satisfaction improvement plan.
3. Select and implement taskforce recommendations on new customer offerings.
4. Expand customer payment options, reduce convenience fees and customer onsite payments by providing more payment options throughout the community.
5. Develop new rate options based on products provided in competitive retail markets.
6. Implement customer communication enhancements (outages, electric high bill alerts).

Expected Outcomes

1. Improved Customer Satisfaction by the end of the FY 2022. Continual year over year improvements in customer satisfaction across all segments.
2. Enhanced customer experience through all service and communication channels including phone, email, mobile app, customer portal, website, text, and in person relationships with community groups.
3. Selected technology applications deployed to drive customer satisfaction.

Strategic priorities



Community Engagement

Goals

- Establish a Community Engagement baseline measure (hours)

Key Initiatives

1. Create defined employee engagement program.
2. Identify new community engagement opportunities.
3. Implement social listening tool.
4. Leverage earned media to increase community knowledge of PWC services.
5. Incorporate Can-Do branding campaign in PWC brand.
6. Continue existing stakeholder engagement.
7. Continue existing community support activities.

Strategic Objective

PWC will deliver products, services, and programs to improve and enhance the experience of our customers.

Expected Outcomes

1. Increase employee community engagement and support, and showcase the value of PWC to the community.
2. Increase PWC's accessibility and recognition through representation with community stakeholders and as community leadership.
3. Ability to monitor real-time community/customer sentiment, identify opportunities to engage, to strengthen community sentiment, and/or mitigate negative impact to PWC brand.
4. Increase customer/citizen/stakeholder knowledge of PWC services and showcase the value of PWC and our employees to the community.
5. Establish PWC contributions to community Can-Do branding to support overall community brand.

Strategic priorities



Conservation

Goals

- Measure, plan and deploy demand side management programs to reduce coincident peak (CP) energy usage.
- Steward water quality by supporting water quality efforts in the region.

Key Initiatives

1. Develop tracking mechanism for all sources of coincident peak reduction (system resources, customer programs, TOU, etc.)
2. Expand Conservation Voltage Reduction Project.
3. Increase deployment of thermostats, load control switches and hot water heating controllers. Develop a marketing plan to support the deployment plan.
4. Develop master plan for Electric Vehicle charging.
5. Develop new community solar project.
6. Develop net metering rates that fairly compensate production without cross customer subsidies.
7. Convert Medium Power Rate to combination of TOU and CP rate structures.
8. Partner where possible to find solutions for industrial pollution in the region related to chlorinated hydrocarbons.
9. Continue to steward water supply and protect against inter-basin transfers.
10. Develop Poultry and Swine Waste REC project.

Strategic Objective

PWC will support conservation of water and energy and will develop solutions that help customers save money through innovative programs and rate designs.

Expected Outcomes

1. Establish baseline for setting future goals and a method for tracking and validating data.
2. Learn the advantage of each option for electric vehicle charging and identify potential new sources of revenue.
3. Provide local solar energy option to PWC electric customers.
4. Increase customer satisfaction among Green Champions.
5. Increased CP reduction.
6. Expand CVR infrastructure to increase effectiveness of CVR demand response.
7. Reduce customer bills through bill credits. Reduce power supply costs through CP reduction.
8. Reduce contamination to minimize risk and impact to the utility and its customers.
9. Ensure long-term water supply for Fayetteville PWC service area.

Strategic priorities



Economic Development

Goals

- Establish a small, diverse and local business program to expand procurement opportunities with PWC.
- 64% of Phase V Sewer Connections available by end of FY 2022. Develop a milestone plan for 100% completion of Phase V.

Key Initiatives

1. Establish goals and definitions for the local, diverse and small business program and identify a list of local vendors on a vendor qualification basis.
2. Conduct an Availability/Disparity Study and use the results of the Disparity Study to identify local vendors who can provide products and services for PWC and to inform program design.
3. Using procurement processes, general statutes and the PWC Charter, identify spending categories that provide opportunities for increasing local, small and diverse business spend (this includes purchases under \$30,000 and services).
4. Size the purchases to allow vendor selections that do not require formal bidding and allow the growth of small vendors.
5. Prioritize Shovel Ready water and sewer extensions to promote site development.
6. Develop a milestone plan to complete Phase V.

Strategic Objective

Our utility services support the economic growth of Fayetteville and Cumberland County.

Expected Outcomes

1. Clear program objectives to increase opportunities.
2. Identified areas where PWC has discretion for selecting suppliers resulting in increased local spending.
3. Increased number of potential local vendors.
4. Prioritized plan for increasing the marketability of Shovel Ready Sites.
5. Forecast and plan for completing Phase V annexation.



Fayetteville Public Works Commission



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