

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY FEBRUARY 23, 2022
8:30 AM

Present: Evelyn O. Shaw, Chairwoman
Ronna Rowe Garrett, Vice Chairwoman (VIA WEBEX)
Donald L. Porter, Secretary
Wade R. Fowler, Jr., Treasurer

Others Present: Elaina L. Ball, CEO/General Manager
Chris Davis, City Council Liaison (VIA WEBEX)
Media

Absent: Jimmy Keefe, Cumberland County Commissioner, Liaison
Scott Meszaros, Hope Mills Town Manager

REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of February 23, 2022, to order.

Approval of Agenda

Prior to the approval of the agenda, Commissioner Donald Porter motioned to add a presentation, entitled Commissioner Commendation, and to place this item prior to Consent Items. Motion was seconded by Commissioner Wade Fowler and unanimously approved.

Upon motion by Commissioner Wade Fowler, seconded by Commissioner Donald Porter, the amended agenda was unanimously approved.

PRESENTATION – COMMISSIONER COMMENDATION

Ms. Ball stated during the last board meeting we shared we had a significant accident. Two team members jumped into action and because of their swift action, terrific first aid skills and just heads-up attitude, they turned what could have been a very significant accident into what doctors say was almost a miracle. We are so proud of our team members for taking swift action, as well as the quick arrival of our EMS and Fire crews

Mr. Noland and Mr. Rainey also provided complimentary comments regarding the actions of Mr. Wade Wyatt and Mr. Tony Lucas. Mr. Rainey introduced supervisors, Kenny Hart and Billy McPhaul, the honorees Tony Lucas & Wyatt Wade and Taylon Hope, our recovering employee.

Commissioners Fowler, Porter and Garrett also offered expressions of appreciation to Mr. Lucas and Mr. Wyatt for their heroic actions.

Commissioner Shaw stated she is a firm believer (as most people of faith are) we are placed in the right place, at the right time. Wherever we are, that is where we are supposed to be. She went on to state Mr. Lucas and Wade had two options before them – to fight or to flee, and they chose to fight for their teammate. She stated the Commission could do more than to honor them today. She presented to Mr. Lucas and Mr. Wade the first Commission Commendation plaques.

Mr. Noland also stated we appreciate Mr. Hope’s can-do attitude, patience and calm and what he has done to get back to work.

CONSENT ITEMS

Upon motion by Commissioner Wade Fowler, seconded by Commissioner Donald Porter, the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of February 9, 2022
- B. Approve bid recommendation to award bid for the purchase of three (3) Vacuum Circuit Breakers with Optimizer Monitoring Devices and associated spare parts to Meiden America Switchgear, Inc., Gray Court, SC, the lowest, responsive, responsible bidder, in the total amount of \$265,204.00, and forward to City Council for approval.

The Three (3) Vacuum Circuit Breakers are budgeted items in the Warehouse Inventory.

Bids were received on February 8, 2022, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Meiden America Switchgear, Inc., Gray Court, SC	\$265,204.00

COMMENTS: Notice of the bid was advertised through our normal channels on January 21, 2022, with a bid opening date of February 8, 2022. Bids were solicited from five (5) vendors with one (1) bid received. PWC Electric Engineering staff recently toured the Meiden manufacturing facility and confirmed there are no issues with Meiden’s facilities or processes, **SDBE/Local Participation:** Meiden America Switchgear, Inc., Gray Court, SC, is not a local business and is not classified as a SDBE Minority or Woman-Owned business.

- C. Adopt PWC Resolution # PWC2022.05 – To Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

PWC owns personal property described as one (1) 2008 Hyundai HL757-7A Rubber Truck Loader, VIN # LD0710043 that is surplus to its needs; and North Carolina General Statute § 160A-270 permits the Commission to sell personal property with an estimated value of \$30,000 or more by public auction upon approval by the Commission and after publication of a notice announcing the auction.

- D. Adopt PWC Resolution # PWC2022.06 – To Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

PWC owns personal property described as one (1) 2015 John Deere 6115D Open ROPS Farm Tractor with Front End Loader, VIN # 1P06115DKE0060404 that is surplus to its needs; and North Carolina General Statute § 160A-270 permits the Commission to sell personal property with an estimated value of \$30,000 or more by public auction upon approval by the Commission and after publication of a notice announcing the auction.

E. Adopt PWC Resolution # PWC2022.07 – To Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

PWC owns personal property described as one (1) 2007 Chevrolet Service Body Truck with Air Compressor, VIN # 1GBM7C1357F405970 that is surplus to its needs; and North Carolina General Statute § 160A-270 permits the Commission to sell personal property with an estimated value of \$30,000 or more by public auction upon approval by the Commission and after publication of a notice announcing the auction.

F. Adopt PWC Resolution # PWC2022.08 - Approving Interlocal Assignment, Assumption and Consent Agreement by and between the Fayetteville Public Works Commission, the City of Fayetteville, and SynTerra Corporation.

In order for PWC to manage the pilot project and related tasks associated with groundwater remediation at the TexFi site adjacent to PWC’s Hoffer water treatment plant site, Staff recommends that the Commission adopt a resolution approving the attached revised Interlocal Assignment, Assumption and Consent Agreement by and between the Fayetteville Public Works Commission, the City of Fayetteville, and SynTerra Corporation, which was previously approved by the City Council of the City of Fayetteville on February 14, 2022. Staff further recommends that Resolution PWC2022.02 be deemed superseded as a result of changes to the Interlocal Assignment, Assumption and Consent Agreement by and between the Fayetteville Public Works Commission, the City of Fayetteville, and SynTerra Corporation that were requested by the City staff after adoption of Resolution PWC2022.02.

COMMENTS: Staff recommends approval of the revised Interlocal Assignment, Assumption and Consent Agreement by and between the Fayetteville Public Works Commission, the City of Fayetteville, and SynTerra Corporation in order to allow PWC to manage the pilot project and related tasks associated with groundwater remediation at the TexFi site adjacent to PWC’s Hoffer water treatment plant site.

END OF CONSENT

OVERVIEW OF NEW HUMAN CAPITAL MANAGEMENT (HCM) SYSTEM

Presented by: Susan Fritzen, Chief Administrative Officer
Bobby Russell, Human Resource Officer

Ms. Fritzen stated she will provide a high-level, very brief overview of how we approach our enterprise wide projects like this one. She stated about ten years ago, we created the PMO(Project Manager’s Office), and we have 4 project managers who manage a group of team members from beginning to end, on-time and on budget. We identify a project sponsor, the steering committee, with core team members and SMEs.

For this project, Bobby Russell, HR Officer, is the Project Sponsor. The Steering Committee consists of Mark Lawler, CIO, Rhonda Haskins, CFO and Susan Fritzen, CAO. The Project Manager is Timothy Baker, and 19 Team Members/SMEs which are: Sabrina Flint, Tina Vince, Sheila Mitchell, Adrian Clarke, Jennifer Bullard, Diane Coffman, Brandy Davis, Tanga Anderson-Solomon, Kisha Figaro, Sharon Carvin, Nicole Stiff, Chris Rainey, Britten O-Quinn, Janelle Rockett, Audrey Hayes, Val Mathigodu, Sue Demby, and Jay Punniyakotti.

Mr. Russell went on to explain HCM. He stated Human Capital Management is an Employee Self-Service Human Resource System. We are automating the process to increase efficiency in the human resource

management process, and to increase HR reporting capability. HCM will allow employees to access their HR information any time, from any location using personal or PWC devices.

Mr. Russell stated Phase 1 went live January 29th. It provides:

- Oracle Recruiting
- Onboarding
- Global Human Resources
- Employee Self-Service
- Manager Self Service
- Goal Manager
- Performance Management
- Workforce Compensation

Phase 2 is coming in the Summer 2022. It will provide:

- Online recruiting
- Reduce time to hire talent
- Engage mobile workforce
- Transform learning
- Increase self service

Commissioner Porter asked how will employees progress through the system? Will there be performance reviews or performance counseling, that will help them along? Mr. Russell responded yes, there is a development piece in the system. Employees and managers can discuss their performance, development, and their goals. It is all captured in the HCM system.

Ms. Ball stated as part of the performance management component, we have loaded both the attributes that are part of strategic plan as well as the strategic plan goals. Our intent is that there will be line of sight from our overall objectives as a utility through the performance management system to all employees. We are in the process of training employees on the HCM as well as setting performance goals. Mr. Russell stated there is also a health and safety component in the HCM.

Additional discussed ensued regarding PWC University, succession planning, performance reviews, chats, and FAQs.

Ms. Ball stated Bobby Russell did a terrific job as the Project Sponsor.

DEBRIEF OF APPA CEO ROUNDTABLE

Presented by: Elaina Ball, CEO/General Manager

Ms. Ball provided a debrief of the APPA CEO Roundtable, in particular a presentation by Mr. John Manzella, who is a world-renown speaker, author, and syndicated columnist. He is an expert on business, trade, economics, and global labor.

She touched on some on the many points/issues he discussed.

- Due to COVID-19 and an emphasis on risk reduction over efficiency gains, companies are building more diversified and reliable supply chains.
- Due to greater vulnerabilities associated with rising protectionism and Chinese challenges, companies are demanding more trade diversification and less reliance on China.

- The worsening worker shortage and skills deficit has put employees in the driver's seat. Combined, these factors have put upward pressure on wages, salaries, costs, and inflation.
- Other risks and realities, including the deterioration of the middle class, could impact political stability for years to come.
- With a focus on labor and global trade, this session will analyze today's risks and realities so you can:
 - ___ better understand what has occurred and what's ahead,
 - ___ make better informed decisions,
 - ___ more accurately assess and reduce your risk.

Ms. Ball discussed the GDP (actual and projections). She noted our economy will be contracting. She discussed the corporate tax rate.

She touched on what companies can do to attract more workers and retain them longer. These are some of the suggestions Mr. Manzella offered.

- Invest more in employee education, training, and engagement programs.
- Conduct "stay" interviews, not just "exit" interviews.
- Offer incentives with tangible short-term benefits, and flexibility in remote work and scheduling, especially for millennials (born 1981-1996), who will comprise 75% of workforce by 2025, and Gen Z or Zoomers (born 1997-2012).

Commissioner Fowler and Ms. Ball discussed employee education, training, and engagement programs. Ms. Ball stated staff is in the process of writing an RFP to do a total comp analysis and benchmark to look at some things we may want to consider. We plan to contract with a firm and begin the work in July, and plan to make a presentation to the board in the fall.

Ms. Ball stated in 1979 there were 19.5 million manufacturing jobs; today there are 12.5 million. Automation improves productivity. Individual impact depends on levels of skill and education. To add value, workers need to engage in life-long learning; companies need to focus on IP rich products and services or constantly implement new technologies.

Back shoring sounds appealing. But is it always beneficial? In the 1990s, offshoring of computers resulted in a retail price drop of 10% to 30%. In turn, U.S. sales and productivity soared. If we bring back a ton of manufacturing jobs, we will not have enough workers.

She went on to state in March 2018 steel and aluminum tariffs benefited 140,000 steel workers, however, American consumers paid \$817,000 for each job gained in the washing machine industry and \$900,000 in the steel industry.

Benefits of China joining WTO in December 2001: U.S. exports to China up 455%, U.S. exports to world up 126%. Issues which are causing tension include: market restrictions; unfair subsidies; piracy of intellectual property; trade deficit; and militarization of the South China Sea.

To summarize the presentation, Ms. Ball noted:

- Economic volatility will continue into the foreseeable future.
- We need to implement new strategies to attract and retain workers longer.
- Due to COVID-19, rising protectionism and Chinese challenges, risk mitigation needs to become our key focus.

- A key to future U.S. economic growth and job creation lies in our ability to innovate new products and services and deliver them to the world's consumers.

Ms. Ball also provided a synopsis of a CEO Panel she attended while at the conference. She ended with this point, in California there are \$3.4B benefiting 1,2M solar customers. When you translate that to the average retail customers in California, non-solar customers are subsidizing solar customers to the tune of \$200 a year. If no action is taken it will grow to \$300 a year by 2030. This is important because typically people who put solar on their homes or businesses have higher wealth than those who don't. So, you are talking about an energy and economic justice issue. There are poorer people who are subsidizing wealthier people.

Ms. Ball stated she thinks it is timely we are revisiting our distributed generation policy as an organization. The proposal we are going to put forward will do a couple things.

1. We do not want to have subsidies.
2. Lower barriers to solar ownership. We believe we have a structure that can be improved upon.
3. We want to make sure we are fairly compensating folks for the energy they will produce.

Additional discussion ensued regarding distributed generation.

GENERAL MANAGER REPORT

Pie in the Face Event

Ms. Ball thanked Council Member Davis, the Officers and staff who participated in the Pie in the Face Event to benefit United Way. She stated it helped us reach \$150,000.

Distinguished Budget Presentation Award from GFOA

PWC has once again been awarded the Distinguished Budget Presentation Award for FY22 Annual Budget. This is the 27th year receiving this award.

Supply Chain Improvement

Ms. Ball stated shortly after she came to PWC they assembled a Supply Chain Improvement Team to review and recommend changes to make our supply chain a little more agile. Prior to last week, almost all approvals came to her. She was very happy that this weekend, with the combined effort of IT, and Corporate Development all went live with our enhanced approval workflows.

Assignment of the TEXFI Agreement

Ms. Ball thanked the Board for approval of the agreement. Now we have a path to begin our pilot project around the TEXFI site and the in situ remedial technique we will embark on.

Wholesale Water Agreement

The Wholesale Water Agreement for Grays Creek is with the County. She, Mr. West, Mr. Noland, the County Manager and County Attorney met last week to discuss this matter as well as another agreement that will likely come before the Commission in March.

Data Center Coming to Fayetteville

A new data center is coming to town. It will be interconnected near the Black and Decker Substation. It will represent nearly 5MW of load, and it can move outside of our demand window.

Annual Water Changeover

Monday, February 28th, PWC will begin our annual water changeover. This is required by the State on March 1st. Since we have ammonia in our system, we are required to flush our system. Some customers may notice a slight chlorine odor or a slight discoloration in the water, though the water is safe.

Next meeting

We will have two presentations during our next meeting. They are regarding our Small Local Supplier Program and an Update on our Integrated Resource Plan by GDS. Ms. Ball will also request a closed session on personnel matters for updates on our succession planning efforts; as well as a possible closed session for attorney-client matters related to an upcoming project.

COMMISSIONER/LIAISON COMMENTS

Commissioner Ronna Garrett

Commissioner Garrett thanked Ms. Ball for sharing the slides from the CEO Roundtable Conference she attended.

Commissioner Garrett stated she loved seeing all the communication on Facebook and the other social venues on the pie contest. She loved that Council Member Davis was there and the PWC Leadership Team. She stated in her years of leadership she has found that leaders talk a lot. People forget what you say, but they often remember what you do and how you make them feel. From the evidence of the recognition of Mr. Wade and Lucas, and how they rallied around their teammate, and the pie in the face contest it is evidence of teamwork at PWC, and it is due to all the leadership.

Commissioner Donald Porter

Commissioner Porter stated in his many years of life, he has never seen a person excited about an electric bill. He went on to say, as he was at the doctor's office with his wife, the nurse who came to assist her stated to him, your picture is on my light bill. He stated she forgot all about his wife, and brought all the nurses in the dispensary to exclaim they have a celebrity in their midst. He said it was the first time he ever gained celebrity status by having his picture on a light bill. He thanked the team for that notoriety!

Commissioner Porter also commented on Ms. Fritzen's and Mr. Russell's briefing. He is always excited when we take care of our human capital. He stated employees have a lot of clout now. In his short time here, he sees a lot of great people with tremendous marketable skills.

Commissioner Wade Fowler

Commissioner Fowler thanked Mr. Russell and the team for the presentation. Great job, and he is looking forward to seeing what is going to happen with the app.

He also stated regarding the incident that occurred with our teammate, and his co-workers who took care of him. He stated he has been here for seven years, and Ms. Ball is the only CEO he knows of, that that has rushed to the hospital to see about an injured employee. There is no one in the organization that is unimportant. If we can do a good job of making sure they know they count to us, that is one of the intangibles that keep people on the team. Again, he said thank you to the whole team who became involved.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - January 2022
- B. Recap of Uncollectible Accounts – January 2022
- C. Investment Report – January 2022
- D. Purchase Orders – January 2022
- E. Financial Statement Recaps
 - Electric -January 2022
 - Water/Wastewater – January 2022
- F. Payments by Payment Type – January 2022
- G. Position Vacancies
- H. Actions by City Council during the meeting of January 14, 2022, related to PWC:
 - Approved TEXFI Groundwater Remediation Interlocal Assignment, Assumption, and Consent Agreement
 - Approved Bid Recommendation – Annexation Phase V, Project XV, Construction Area 32 East, Section I

ADJOURNMENT

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Porter, the meeting adjourned at 9:45 am.