

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY JULY 27, 2022
8:30 AM

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

Others Present: Elaina L. Ball, CEO/General Manager
Telly Whitfield, Assistant City Manager (VIA WEBEX)
Melissa Reid, United Way, Director of Resource Development
Media

Absent: Chris Davis, City Council Member
Jimmy Keefe, Cumberland County Liaison

REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of July 27, 2022, to order at 8:30 am.

APPROVAL OF AGENDA

Upon motion by Commissioner Ronna Garrett, seconded by Commissioner Donald Porter, the agenda was unanimously approved.

PRESENTATION

UNITED WAY MARQUIS AWARD

Presented by: Melissa Reid, United Way Director of Resource Development

Ms. Melissa Reid presented PWC with the United Way Marquis Award. She stated this award goes to the business with the most Marquis givers. PWC had forty-three employees to give \$1,000 or more. This total does not include retirees who still give at the Marquis level.

Ms. Reid stated Fayetteville PWC goes above and beyond every year, and this could not take place without the efforts of Carolyn Justice-Hinson. She has been at PWC for 25 years this year and has been an integral leader in the United Way Campaign at PWC for 25 years. Ms. Reid presented Ms. Justice Hinson with an award for her faithful service and contributions.

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 July 13, 2022

B. Adopt PWC Ordinance PWCORD2022-27 – FY23 – Electric and Water/Wastewater (W/WW) Fund Budget Amendment #1

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 2022 and the annual DEP True-Ups.

Electric Fund

- Electric Fund Revenue: Total Electric Fund Revenue increased \$14,755,100.
 - The Transfer from Electric Rate Stabilization Fund (ERSF) increased by \$8,545,200 to provide funding for the additional DEP energy costs.
 - The Appropriation from Electric Net Position increased by \$6,209,900. These funds will be transferred to the ERSF and the Coal Ash Reserve to cover the DEP True-Up and the annual CCR True-Up.
- Electric Fund Expenditures: Total Electric Fund Expenditures increased \$14,755,100.
 - Operating Expenses increased \$8,545,200 due to the additional \$7.74/MWh from DEP.
 - The Appropriation to Electric Rate Stabilization Fund increased by \$5,355,200 to cover costs for the DEP True-Up.

COMMENTS: Staff recommends the Commission adopt the above ordinance amendment (PWCORD2022-27)

C. Adopt PWC Ordinance PWCORD2022-28 – Electric Utility System Rate Stabilization Fund Amendment #44

The above will be effective upon adoption.

PWCORD2022-28 amends the budget ordinance for the Electric Rate Stabilization Fund (ERSF). As a result of the capacity and energy true-up credit received in June from Duke Energy Progress, the Electric General Fund (GF) will transfer \$5,355,200 to ERSF. Additionally, the ERSF will transfer \$8,545,200 to the GF to pay for catch-up energy costs for FY23.

COMMENTS: Staff recommends the Commission adopt the above ordinance amendment (PWCORD2022-28)

END OF CONSENT

COMMISSION CONSIDERATION OF PWC’S ELECTRIC RATES, CUSTOMER SERVICE FEES AND CHARGES

Chairwoman Shaw asked the Commission their pleasure for consideration of the Electric Rates, Customer Service Fees, and Charges.

Commissioner Donald Porter moved to adopt the Electric Rates and Riders as proposed by PWC staff, to be effective on their proposed effective dates, and the revised Service Regulation and Charges, effective as of September 1, 2022, all subject to the following modifications: deletion of the Disconnection Attempt Fee, effective September 1, 2022, and withdrawal of the Economic Development Schedule ED (Rev. 5), effective July 27, 2022. Motion was seconded by Commissioner Wade Fowler, Jr., and unanimously approved.

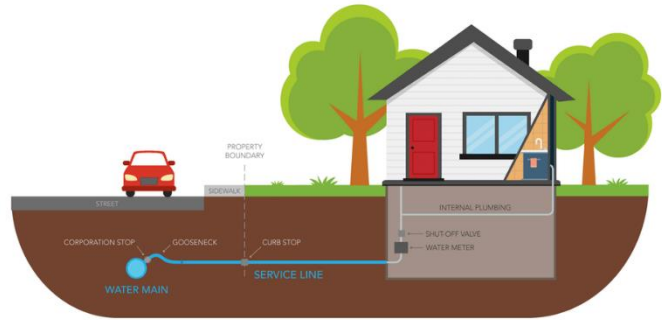
LEAD AND COPPER COMPLIANCE PROGRAM UPDATE

Presented by: John Allen, Water Resource Engineer III

Mr. John Allen, Senior Engineer in Water Resources Engineering gave an update on PWC's efforts of the Lead and Copper compliance program. Mr. Allen noted, PWC's water is safe to drink, and we are complying with all state and federal regulations for drinking water, and will continue to do so moving forward.

Mr. Allen provided a depiction of the placement of the typical water line.

He stated though this picture shows the meter in the basement of the home to prevent it from freezing, as is typical in the northern areas of the United States, the meters in the south are placed at the property boundary. PWC owns the line from the meter back to the water main, and the customer owns the line from the meter to their house. Typically the entire line is known as the service line.



He stated based on knowledge they have in speaking to some of the older retirees, PWC installed galvanized piping from the main to the meter prior to the 1960s. And from the mid-1960s through 2007 PWC installed black plastic polyethylene piping. Since 2007 we installed copper piping from the main to the meter. Installation of piping from the meter to the house has been in accordance with the plumbing code at that time.

Mr. Allen also noted based on what we know it is very unlikely we installed lead piping as part of the service line. We installed lead goose necks which is the connection between the service line and the main on some of the galvanized lines. There is not a significant amount of them, and PWC has discovered several during the last several years.

Regulatory History

How Does Lead Get In Drinking Water?

- Lead Plumbing Materials Corrode
- Common Lead Containing Sources:
 - Pipes
 - Fixtures
 - Faucets
- Lead Pipes Were Common in Older Northern Cities and Homes Built Before 1986

1987 – Congress passed the Safe Drinking Water Act

- Prohibited use of lead piping in drinking water. It did not have much effect on PWC because we did not use lead piping.

1991 – EPA passed the original Lead and Copper Rule

- Established Sampling Protocols
- Corrosion Control Treatment (CCT)
 - Required utilities to implement CCT by January 1997

2011 – Lead “Free” Fittings and Fixtures

- Reduced the amount of lead in fittings (.25%)
- Effective January 4, 2014.

2021 – EPA issued the Revised Lead and Copper Rule

- Lowered Action Level of Lead in Drinking Water
- Revised Sampling Protocols
- Inventory Requirements
- Communication Requirements
- Compliance Date – October 16, 2024

Original Lead and Copper Rule (1991)

- Action Level of fifteen parts per billion (ppb) (lead)
- Action Level of 1.3 parts per million (ppm) (copper)
- 1st Liter Sample
- Sample Frequency
 - Semi-Annual
 - Annual
 - Triennial – PWC’s next sampling frequency is 2023.
- Corrosion Control Treatment Program
- No Requirement for Find and Fix
- Minimal Inventory Requirements
- Public Outreach – Consumer Confidence Report
- Schools and Daycares – No Requirements

Overall Goal – Reduce Lead and Copper Levels in Drinking Water

Lead and Copper Rule Revisions (LCRR)

Mr. Allen discussed the lead and copper rule revisions below.

Commissioner Fowler asked if PWC has to be concerned with just the residential, schools and daycares. Mr. Allen stated we have to be concerned with every customer.

Commissioner Shaw asked if there is any sign for the homes built prior to the eighties other than obvious illness for the customer to note, or is it just the sampling that the utility will do during the annual or triennial periods. She asked is there anything the customer will see or smell or any other sign that the customer will see if they live in an older residence. Mr. Allen replied there would not be a significant amount of odor or discoloration for small levels of lead. He stated what we saw in the Midwest when they had issues, the water was very cloudy and had a distinct odor, but the levels were very elevated.



He went on to state if the customer had access to their piping there are different tests they can do to discover if they have lead piping. Additional discussion ensued.

PWC Approach

Develop Compliance Program

- Contract with CDM Smith
 - Provide Technical Assistance and Guidance

Internal “Task Force”

- Representatives Across PWC
 - WRE, WRC, IT, Risk/Legal, CCR, Water Treatment, Environmental/Lab, and Meter Services

Education

- Webinars
- Seminars
- Other Utilities

Current Status

Service Lateral Inventory

- Schools and Daycares - completed
- Public and Private Laterals
 - WRE and WRC are tracking
 - Researching Files
 - Physical Locates
 - Artificial Intelligence/Machine Learning

Communication

- Develop Media Campaign
- Community Advisory Group
- Bill Inserts

Internal Task Force

- Bi-Monthly Meetings

Next Steps

Service Lateral Inventory

- Perform Physical Locates (planned for the Fall)
- Coordinate with State Agency
- Continue Research
- Artificial Intelligence/Machine Learning
- Determine Replacement Program
 - Assist with Customer-Side Replacement?

Sampling

- Update/Revise Protocols to take 1st and 5th liter samples

Communication

- Implement Media Campaign – Operation Clean and Clear
- Develop Processes and Procedures for notifying residents when they have high, elevated lead in the water. Or if they have lead service lines.

Corrosion Control - Review

- Review Current Processes and Results
- Recommend Changes – if needed

Mr. Allen also discussed the corrosion control process. It is an additive added to the water that coats the inside of the pipes all the way from the treatment plant to the faucet. The coating reduces the likelihood of lead leaching out of the pipes into the water. Additional discussion ensued.

Commissioner Shaw asked what is PWCs risk. PWC General Counsel, James West stated the primary risk for PWC is if we fail to comply, the State can fine us. Ms. Ball also stated we will need to have some policy discussions regarding funding infrastructure on the customers' side of the meter. Additional discussion ensued.

Commissioner Fowler asked if we could reline the pipe as opposed to replace it, which he believes is more cost effective. Mr. Allen stated there are technologies that are working to perfect the ability to reline the smaller diameter pipes. He stated it may be a question for the State or the EPA as to if they will accept it.

Commissioner Fowler asked what if the chemicals that prevent corrosion are later determined to be carcinogen. Ms. Ball stated we have no indication that our corrosion inhibitors have any toxicity or health effects. Ms. Misty Manning stated our water is safe to drink. She stated we have been extremely proactive with our rehab program. We have removed any lead even before we were told we needed to do so. She went on to state we are above and beyond where we need to be. Additional discussion ensued.

Chairwoman Shaw thanked Mr. Allen and Ms. Ball for the presentation.

GENERAL MANAGER REPORT

Industry Day

Ms. Ball stated August 11th @ 4pm will be our Industry Day. We are inviting any business from the community who wants to come to learn about opportunities at PWC to join us on that date.

DEQ Visit

Commissioner Shaw, Ms. Ball, and Mr. Noland attended a DEQ visit here in the region. The primary discussion points were the new health advisory limits relative to PFOA, PFAS, GenX and some other compounds.

They also heard from DEQ about any impacts to the consent order relative to GenX and Chemours, and had a discussion with several counties regarding additional wells that will be in scope relative to the consent order.

She stated they also generally talked about emerging contaminants in the Cape Fear Basin and steps the DEQ is taking to address both existing contamination and dischargers of these chemicals.

They had a community meeting last night, and she believes the intent was to share more of the residents in and around the Chemours plant.

In our discussion the County mentioned we are working together. We continue to be at the table. We do not have an agreement with the County. We have floated at least three different versions of an agreement for bulk water to the Grays Creek area, but we have yet to solidify that arrangement contractually.

Duke Energy Progress

Ms. Ball stated we had a visit from our provider DEP. We discussed the things that are occurring within their portfolio. She stated they also discussed their concerns about new large interruptible loads, customers who can come onto a system and be large users of electricity and then move out of their peak window very quickly. She stated they had a robust discussion. DEP is having this discussion with a number of utilities within their service territory.

Metronet

Ms. Ball thanked James West and Jon Rynne, as well as their teams. We have floated an amendment to Metronet to help them with their project. We have a number of proposed installations of fiber that have tripped the three hundred day threshold. Metronet is stating most of those are due to easements and permits from NCDOT.

Storm Prep Guides

We are in the midst of hurricane season, and we want to make sure our customers have the necessary storm guide to help them in case we have inclement weather.

ARPA Grants

We received notice we were successful in ARPA grants (Asset Management & Rehabilitation of Sanitary Sewer Lines). Ms. Ball thanked Ms. Manning and her team, as well as Hazen Sawyer for their assistance in our grant writing. We expect the next round of grant applications to be in the September timeframe. We have our team narrowing and identifying the areas we want to focus on.

COMMISSIONER/LIAISON COMMENTS

Commissioner Ronna Garrett

Commissioner Garrett asked about our Emergency Management events. Ms. Ball gave an update on the success of the event, as well as areas of opportunities. Discussion ensued.

Commissioner Garrett also asked about the Industry Day. Will there be opportunities available for Professional Services. Ms. Ball responded yes, and gave a background on the Building Business Rally which was the predecessor to our Industry Day.

Commissioner Wade Fowler, Jr.

No Comments

Commissioner Donald Porter

No Comments

Commissioner Evelyn Shaw

No Comments

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - June 2022
- B. Recap of Uncollectible Accounts – June 2022
- C. Investment Report - June 2022
- D. Purchase Orders – June 2022
- E. Position Vacancies

ADJOURNMENT

There being no further business, upon motion by Commissioner Donald Porter, seconded by Commissioner Ronna Garrett, the meeting adjourned at approximately 9:36 a.m.