

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY DECEMBER 14, 2022
8:30 AM

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

Others Present: Mick Noland, Interim CEO/General Manager
Deno Hondros, City Council Liaison

Absent: Adam Lindsay, Assistant City Manager
Jimmy Keefe, Cumberland County Liaison
Media

REGULAR BUSINESS

Chairwoman Ronna Rowe Garrett called the meeting of December 14, 2022, to order at 8:30 am.

APPROVAL OF AGENDA

Commissioner Donald Porter motioned to approve the agenda as presented. Motion was seconded by Commissioner Evelyn Shaw, and was unanimously approved.

AWARD PRESENTATION

Presentation to Fallen Linemen Foundation

Presented by: Carolyn Justice-Hinson, Communications and Community Relations Officer

Ms. Justice-Hinson presented to Mr. Kevin Dyson, the Fallen Linemen Foundation co-founder, with a check for \$2,200.00 from the proceeds of PWC's employee initiative, Candy Grams. Ms. Justice-Hinson stated employees purchased over 2,400 candy grams, which are given to fellow employees. She went on to state proceeds of candy grams go to a non-profit organization.

Mr. Dyson gave a background of Fallen Linemen Foundation which began in 2004. He stated the effort began with a golf tournament to assist a fellow lineman who had an unfortunate accident. He stated the foundation continues to exist on the generosity of others.

To date, The Fallen Linemen Foundation has donated \$252,500 to linemen or their surviving families or burn centers. They have also awarded \$50,675.00 worth of scholarships to sons and daughters of linemen, as well as to community colleges who have graduating students of Lineworker programs. They are approaching 19 years, and they have over \$200,000.00 in reserve, which Mr. Dyson stated is far too much. He stated in their upcoming board meeting they will look for ways to give even more.

Ms. Justice-Hinson thanked her staff for their assistance, especially Ms. Katie Mehan for coordinating this effort with the help of employee volunteers.

CONSENT ITEMS

Commissioner Evelyn Shaw motioned to approve the Consent Items. Motion was seconded by Commissioner Wade Fowler, and the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of November 9, 2022
- B. Approve bid recommendation to award bid for the purchase of one (1) Generator Step-Up (GSU) Transformer for BWGP to Pennsylvania Transformer Technology, Inc., Canonsburg, PA, the lowest, responsive, responsible bidder, in the total amount of \$2,055,305.00, and forward to City Council for approval.

The Generator Step-Up (GSU) Transformer for BWGP is funded from the Electric Systems (001.0170.0802.0000000-00.350000.CPR1000516).

Bids were received October 20, 2022, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Pennsylvania Transformer Technology, Inc., Canonsburg, PA	\$2,055,305.00

COMMENTS: The bid opportunity was advertised through PWC’s normal channels on August 26, 2022, with an original bid submission date scheduled for September 22, 2022. PWC staff issued Addendum No. 1 on August 30, 2022, which extended the bid submission date to October 6, 2022, and Addendum No. 2 on September 9, 2022, which further extended the bid submission date to October 20, 2022. Addendum No. 3 was issued on September 13, 2022, to provide clarifications to the specifications and Addendum No. 4 was issued on September 30, 2022, to publish answers to questions received from a prospective bidder. PWC’s Procurement Department directly solicited eight (8) firms for this opportunity, and PWC received one (1) submission for the bid. PWC’s Electric Support Systems Department has reviewed the bid submission and agrees with the recommendation to award the bid to Pennsylvania Transformer Technology Inc. as the lowest responsive, responsible bidder.

- C. Approve bid recommendation to award bid for the purchase of three (3) 67KV Delta to 13.09Y/7.56KV WYE with LTC rated 24/35.8/44.8MVA Power Transformers for Multiple Substations to Virginia Transformer Corp., Roanoke, VA, the lowest, responsive, responsible bidder, in the total amount of \$4,596,699.00, and forward to City Council for approval.

The Power Transformers for Multiple Substations will be funded from the following account strings:

Cumberland Substation	058.0000.0802.2207988-02.690161.CPR1000471
Hoffer Substation	058.0000.0802.2102564-03.690161.CPR1000421
Yadkin Substation Replacement	058.0000.0802.2306582-03.CPR1000384

Bids were received on October 20, 2022

<u>Bidders</u>	<u>Total Cost</u>
*Transformer & Rectifiers (India) Limited, Gujarat, India	\$ 3,192,355.00
**Fleming Electric, Inc., Redwood City, CA	\$ 4,576,950.00
Virginia Transformer Corp., Roanoke, VA	\$ 4,596,699.00
Niagara Power Transformer, Buffalo, NY	\$ 4,721,547.00

Pennsylvania Transformer Technology, Inc., Canonsburg, PA	\$ 5,497,011.00
WEG Transformers USA, Washington, MO	\$ 6,227,663.00

COMMENTS: Notice of the bid was advertised through PWC’s normal channels on August 26, 2022, with an initial bid submission deadline of October 6, 2022. PWC staff issued Addendum Nos. 1 and 2 to extend the bid submission deadline to October 20, 2022, and to clarify the exact time of the deadline. The Electric Systems Support Department has reviewed the bid submissions and agrees with the recommendation to award the bid to Virginia Transformer Corp.

* The Instructions to Bidders for this purchase specifically required bidders to submit with any bid “a cash deposit, cashier’s check, or certified check drawn on a bank or trust company insured by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund, or a Bid Bond in an amount not less than five percent (5%) of the quoted bid price, not submit alternate bids unless specifically called for on the bid proposal form.” Transformer & Rectifiers (India) Limited did not submit the requisite deposit or bid bond. As such, PWC staff determined that the bid submitted by Transformer & Rectifiers (India) Limited is non-responsive.

** PWC staff determined based on a multitude of factors that the bid submitted by Fleming Electric, Inc., is not in the best interest of PWC as set forth in Exhibit A to this action request form.

D. Adopt PWC Resolution #PWC2022.29 – Resolution of the Fayetteville Public Works Commission Authorizing an Increase in the Minimum Coverage Amount Required in Connection with the Finance Officer’s Performance Bond

In 2016, the North Carolina legislature passed a bill revising the Charter of the City of Fayetteville including changes to the operation of PWC and the delegation of certain duties. Pursuant to such authority, the Commission adopted Resolution No PWC2016.08 which, among other things, designated the General Manager as the Budget Officer as described in Section 159-9. The Commission also designated the Chief Financial Officer of the Public Works Commission as the Finance Officer as described in 159 Article 3 and, as such, was directed to give a true accounting and faithful performance bond with sufficient sureties in the amount of one hundred thousand dollars (\$100,000). PWC was directed to pay the premium on the bond.

On July 7, 2022, the North Carolina General Assembly enacted Section 9.(a) of S. L. 2022-53 to increase the minimum coverage amount required in connection with such performance bonds effective as of January 1, 2023. Pursuant to G.S. 159-29(a), the amount of the bond must equal or exceed the greater of \$50,000 or an amount equal to 10 percent of the authority’s annually budgeted funds, up to \$1,000,000.

In light of the recently enacted statutory amendments, and given that PWC’s budget is approximately \$400,000,000, Staff proposes that the amount of the performance bond be increased from \$100,000 to \$1,000,000, and that PWC pay the premium in connection with the performance bond as it has in the past. A formal resolution is necessary as the law requires “[t]he amount of the bond [be] fixed by the governing board” and a resolution is the appropriate vehicle for the Board to accomplish same.

COMMENTS: Staff recommends the Commission approve an increase in the performance bond to \$1,000,000 and to pay the premium in connection therewith.

E. Adopt PWC Resolution – PWC2022.30 – Resolution to Declare Personal Property as Surplus and Authorize Sale of Property by Public Auction

The Fayetteville Public Works Commission (“PWC”) owns a 2010 John Deere 410J Loader Backhoe, Serial #T0410JX179808 (the “Property”). The Property is aging and unreliable for PWC’s current needs. PWC has already replaced the Property with a more reliable and sustainable asset. As such,

PWC staff has determined that PWC has no use for the Property at this time and that it would be in PWC's best interest to sell the Property and recoup some of its investment. PWC staff estimates that the value of the Property is at least thirty thousand dollars (\$30,000.00).

North Carolina General Statute ("NCGS") §160A-266 sets forth the methods by which the Commission can sell property. That statute provides in part that personal property valued at thirty thousand dollars (\$30,000) or more may be sold by any method permitted by the relevant statutes. NCGS §160A-270(c) allows the Commission to sell personal property valued at \$30,000.00 or more by electronic auction. The statute permits the Commission to provide notice of an electronic auction solely by electronic means. Copies of the referenced statutes are provided.

Staff, therefore, requests that the Commission declare the Property as surplus and authorize the sale of the Property by electronic auction and the publishing of the notice of the auction solely by electronic means. If approved, staff will advertise and auction the Property on govdeals.com consistent with North Carolina law and current practice.

COMMENTS: Staff recommends the Commission adopt PWC Resolution # PWC2022.30 to Declare Personal Property as Surplus and Authorize sale of the Property by electronic auction.

F. Adopt PWC Ordinance – PWCORD2022-39 – FY2023 Electric & W/WW Fund Budget Amendment #5

PWCORD2022-39 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$534,600 to \$276.8 million and the W/WW Fund is increasing \$84,500 to \$144.1 million.

Electric Fund

- Electric Fund Revenue: Total Electric Fund Revenue increased \$534,600.
 - Appropriation from Net Position increased by \$534,600 due to expenses below.
- Electric Fund Expenditures: Total Electric Fund Expenditures increased \$534,600.
 - Customer Care Division expenses increased \$217,000 to pay the final invoice for the Solar and Electric Vehicle Rate System Configuration project. This amount was budgeted and encumbered last fiscal year and should have been included in the prior amendment for PO and encumbrance rollovers.
 - A transfer of \$123,200 to the NCDOT Electric Raeford Road Capital Project Fund is added to pay the remaining close out costs for the NCDOT U-4405 Raeford Rd Electric project. An offsetting decrease in capital expenditures is proposed for a net zero effect on the total budget.
 - Transfer to Transportation Equipment Fund increased by \$317,600 due to the escalation of purchase prices for certain long lead time vehicles.

W/WW Fund

- W/WW Fund Revenue: Total W/WW Fund Revenue increased \$84,500.
 - Transfer from Water Capital Reserve increased \$84,500 due to expenses below.
- W/WW Fund Expenditures: Total W/WW Fund Expenditures increased \$84,500.
 - Transfer to Transportation Equipment Fund increased \$84,500 due to the escalation of purchase prices for certain long lead time vehicles.

COMMENTS: Staff recommends that the Commission adopt the attached budget ordinance amendment PWCORD2022-39

G. Adopt PWC Ordinances – PWCORD2022-40 thru PWCORD2022-44

The following ordinances will be effective upon adoption:

- PWCORD2022-40 amends the Annexation Phase V Reserve Fund increasing the transfer to the Annexation Phase V, Areas 22 & 23 CPF by \$1,443 to pay for final project costs.
- PWCORD2022-41 amends the Annexation Phase V, Areas 22 & 23 CPF by \$1,443. After project was completed and close-out was in process, additional invoices were presented for payment.
- PWCORD2022-42 amends the Annexation Phase V, Areas 22 & 23 CPF to close out the fund. Project is complete.
- PWCORD2022-43 amends the Electric Transportation Equipment CPF by \$317,600. This is funded by the Electric Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.
- PWCORD2022-44 amends the Water Transportation Equipment CPF by \$84,500. This is funded by the Water/Wastewater Fund and corresponds to the general fund amendment to adjust the cost estimate for long lead time vehicles based on escalation of purchase prices.

COMMENTS: Staff recommends that the Commission adopt the attached budget CPF budget ordinances.

END OF CONSENT

PUBLIC HEARING ON PROPOSED MODIFICATIONS TO ECONOMIC DEVELOPMENT RIDER AND SERVICE REGULATIONS AND CHARGES AND ADOPTION OF PARTICIPATION REGULATIONS

Chairwoman Garrett called for the public hearing to address proposed modifications to the Economic Development Rider and Service Regulations and Charges and proposed adoption of Participation Regulations.

She stated on November 9, 2022, this hearing was set for this December 14 meeting, and PWC staff was directed to give public notice of this rate case.

PWC staff gave the requisite notice by publishing the notice in a newspaper of general circulation serving this community, the Fayetteville Observer, on Tuesday, December 6, 2022.

A copy of the notice has been submitted to the Clerk to the Commission, along with a copy of the proposed Economic Development Rider, Service Regulations and Charges, and Participation Regulations, and these documents were made available to the public upon request for inspection in accordance with the published notice and Commission Policy 2.6.

Commissioner Garrett stated, in addition, PWC staff timely posted notice of the rate case and the proposed tariff and rate schedule modifications on PWC's website, consistent with the published notice.

She then requested PWC staff to present the proposed Economic Development Rider, Service Regulations and Charges, and Participation Regulations.

Mr. James West, PWC General Counsel stated this is an interim rate case, and there are three components to the rate case, which are: Economic Development Rider, Technical Modifications to the Service Regulations and Charges, and Participation Regulations.

Economic Development Rider

- The Economic Development Rider will be expanded to apply to qualifying electric service on the Large Power Service-Noncoincident Differential Load Schedule
- The Rider will not apply to the Large Power Service-Noncoincident Differential Load-Owning Transmission Schedule on which customers with loads of at least 10 MW receive electric service

Service Regulations and Charges

- The System Development Fee credit for approach mains has been deleted
 - Only 2 developers hold credits, and the amounts are very small
 - Existing credits will be grandfathered until they are used, or they expire
- Additional changes are clarifying in nature and designed for consistency with the Participation Regulations

Participation Regulations

- Simple regulations will replace a complex process of waivers and credits that was difficult to administer and benefited only a few developer projects each year
- Developers of water and/or wastewater projects in the City will be eligible on a first-come, first-served basis for contributions to the cost of the projects they transfer to PWC
 - \$146,250 cap in Fiscal Year 2023; \$270,000 annual cap thereafter
 - Contribution per project will be the lesser of eight percent (8%) of project value or \$24,500
 - At least 10 developer projects each year should benefit

Electric Rate Schedule Modifications

Mr. West noted Developers also will be eligible to receive contributions for incremental participation costs, even outside the City. The Stakeholder meeting in which the City of Fayetteville also participated in generated broadly positive feedback. Application forms and Participation Agreement forms are in development and will be released soon to developers

Following the presentation, Chairwoman Garrett asked Ms. Durant, Clerk to the Board if there were any timely submitted written comments regarding the rate case. Ms. Durant replied there were no written comments. Commissioner Garrett then closed the hearing.

COMMISSION CONSIDERATION OF RECOMMENDED ECONOMIC DEVELOPMENT RIDER, SERVICE REGULATIONS AND CHARGES, AND PARTICIPATION REGULATIONS

Commissioner Donald Porter motioned to adopt the proposed Economic Development Rider, Service Regulations and Charges, and Participation Regulations to be effective on December 15, 2022. Motion was seconded by Commissioner Wade Fowler, Jr., and unanimously approved.

3 MONTH FINANCIAL RECAP (JULY THRU SEPTEMBER 2022)

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Haskins, PWC Chief Financial Officer stated the following impacted this three-month report, July 2022 thru September 2022.

- **Rate Modification**
 - New Cost of Service Water and Sewer Rates effective July 2022
- **Bond Issuance**
 - Series 2021 Bonds issued in November \$94.8 Par at 2.28% TIC
- **Supply Chain Impact**
 - Pricing
 - Delays on Materials
 - Bidding Environment
- **True Up/Catch Up**
 - CCR Settlement \$1.88 mil
 - Energy Catch Up \$4.6 mil
 - Net True-Up (\$6.21 mil)

1st Quarter Ended September 30, 2022

Summary of Major Changes over Prior Year (\$ in Thousands)

Electric Revenue	▼	2.7%	\$ 1,856
Electric Power Supply & Maintenance	▲	5.7%	\$ 2,341
Coal Ash	▲	9.1%	\$ 157
Electric G&A Expense	▲	9.2%	\$ 412
Electric Other Operating Expense	▲	3.0%	\$ 300
Electric Payment in Lieu of Taxes (PILOT)	▲	4.7%	\$ 138
Water Revenue	▲	9.5%	\$ 1,350
Wastewater Revenue	▲	9.9%	\$ 1,445
Water/Wastewater G&A Expense	▲	13.0%	\$ 559
Water/Wastewater Other Operating Expense	▲	16.5%	\$ 2,949
Water/WW Aid, Grants, FIF Transfers	▲	63.6%	\$ 1,444
Days Cash Reserve		135	
Net Bad Debt		<1.0%	

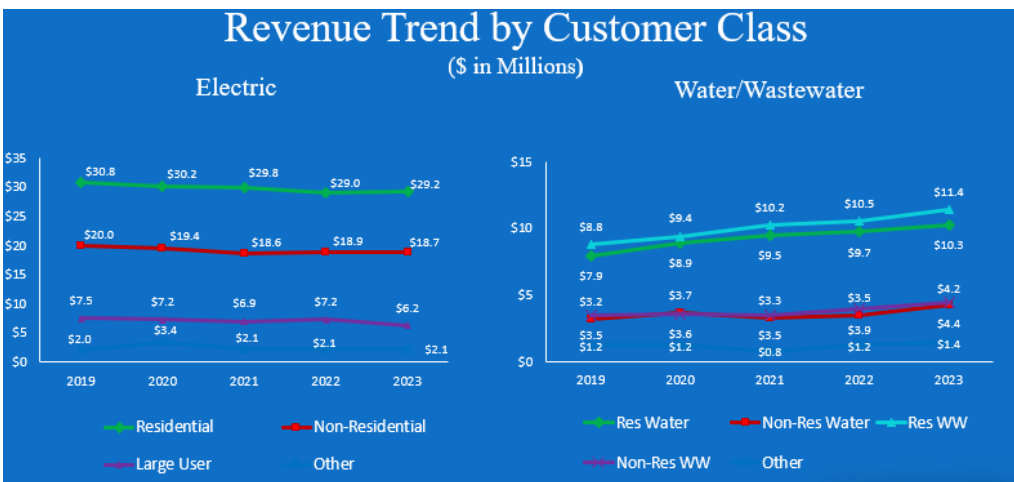
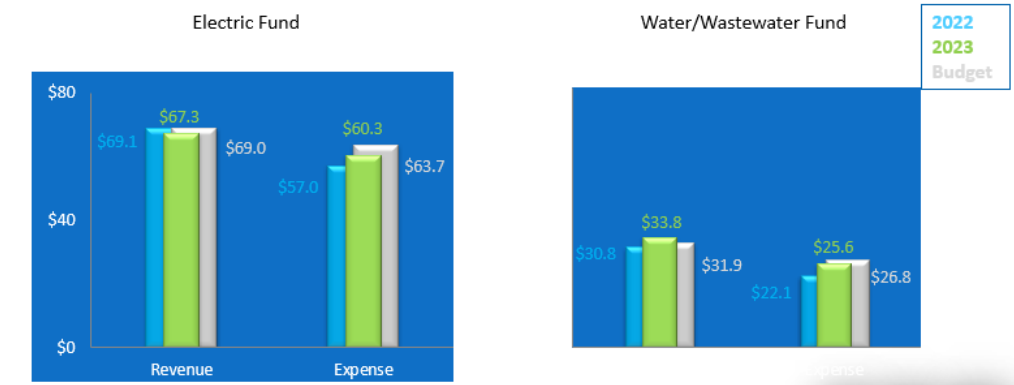
Commissioner Fowler inquired about the Coal Ash increase. Ms. Haskins replied we receive an estimate from Duke Energy each year, and they divide it by twelve. We pay in equal monthly payments.

Total Revenue and Expense (\$ in Millions)

Electric fund revenue is lower than prior year and budget while expenses are lower than budget and higher than prior year. Water/Wastewater fund revenue is higher than budget and prior year while expenses are lower than budget and higher than prior year.

Total Revenue and Expense

(\$ in Millions)



Electric Sales

Revenue is down by 1.5% from Prior Year, \$57M in FY22 and \$56M in FY23. Volume Sales up .8% over Prior Year (578mWhs in FY22 and 583mWhs in FY23)

Electric Comparison

1st Quarter Ended September 30, 2022 (\$ in Thousands)

	2019	2020	2021	2022	2023
Electric Sales Revenue	\$ 60,323	\$ 60,244	\$ 57,306	\$ 57,069	\$ 56,210
Percent Change		-0.1%	-4.9%	-0.4%	-1.5%
Other Revenue	\$ 10,698	\$ 10,852	\$ 9,289	\$ 12,065	\$ 11,069
Percent Change		1.4%	-14.4%	29.9%	-8.3%
Power Supply & Maintenance	\$ 40,599	\$ 40,424	\$ 41,409	\$ 40,797	\$ 43,138
Percent Change		-0.4%	2.4%	-1.5%	5.7%
Coal Ash	\$ 4,034	\$ 5,445	\$ 3,249	\$ 1,732	\$ 1,889
Percent Change			-40.3%	-46.7%	9.1%
G&A Expense	\$ 4,485	\$ 4,136	\$ 4,009	\$ 4,486	\$ 4,898
Percent Change		-7.8%	-3.1%	11.9%	9.2%
Other Operating Expenses	\$ 8,595	\$ 8,600	\$ 8,564	\$ 10,028	\$ 10,328
Percent Change		0.1%	-0.4%	17.1%	3.0%

Ms. Haskins replied to questions from Commissioner Garret regarding G&A expenses. Commissioner Garrett asked if 9.2% is typical. Ms. Haskins responded the G&A expenses includes all of the support departments and general administrative expenses. There may be a lot of different expenses that are impacted. Commissioner Garrett requested a detail of what generated the increase in this category.

Electric - Budget-Actual-Previous

1st Quarter FY 2023

(\$ in Thousands) of Revenues)	(Percent)	Year to Date					
		Budget		Actual		Last Year	
Total Sales Revenue		\$ 58,389	85%	\$ 56,210	84%	\$ 57,069	83%
Total Other Revenue		\$ 10,575	15%	\$ 11,069	16%	\$ 12,065	17%
Power Supply and Maintenance		(43,998)	75%	(43,138)	77%	(40,797)	71%
Coal Ash		(1,888)	3%	(1,889)	3%	(1,732)	3%
Available Operating Revenues		\$ 23,078	33%	\$ 22,252	33%	\$ 26,605	38%
Other Operating Expenses		(17,811)	31%	(15,226)	27%	(14,514)	25%
Operating Results		\$ 5,267	8%	\$ 7,026	10%	\$ 12,091	17%
Aid to Construction & Grants		304	1%	50	0%	407	1%
City PILOT/Econ Dev		(3,101)	5%	(3,101)	6%	(2,963)	5%
Change in Net Position		\$ 2,470	4%	\$ 3,975	6%	\$ 9,535	14%

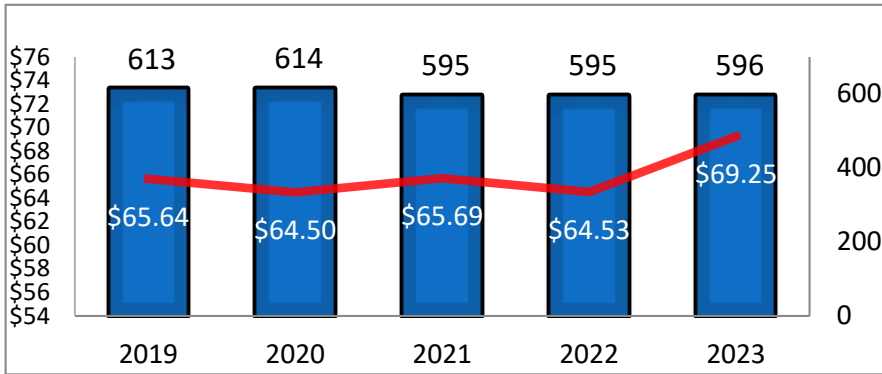
Power Supply - Budget-Actual-Previous

1st Quarter FY2023

(\$ in Thousands) of Revenues)	(Percent)	Year to Date					
		Budget		Actual		Last Year	
Total Sales Revenue		\$ 58,389	85%	\$ 56,210	84%	\$ 57,069	83%
Total Other Revenue		\$ 10,575	15%	\$ 11,069	16%	\$ 12,065	17%
Power Supply and Maintenance		(43,998)	75%	(43,138)	77%	(40,797)	71%
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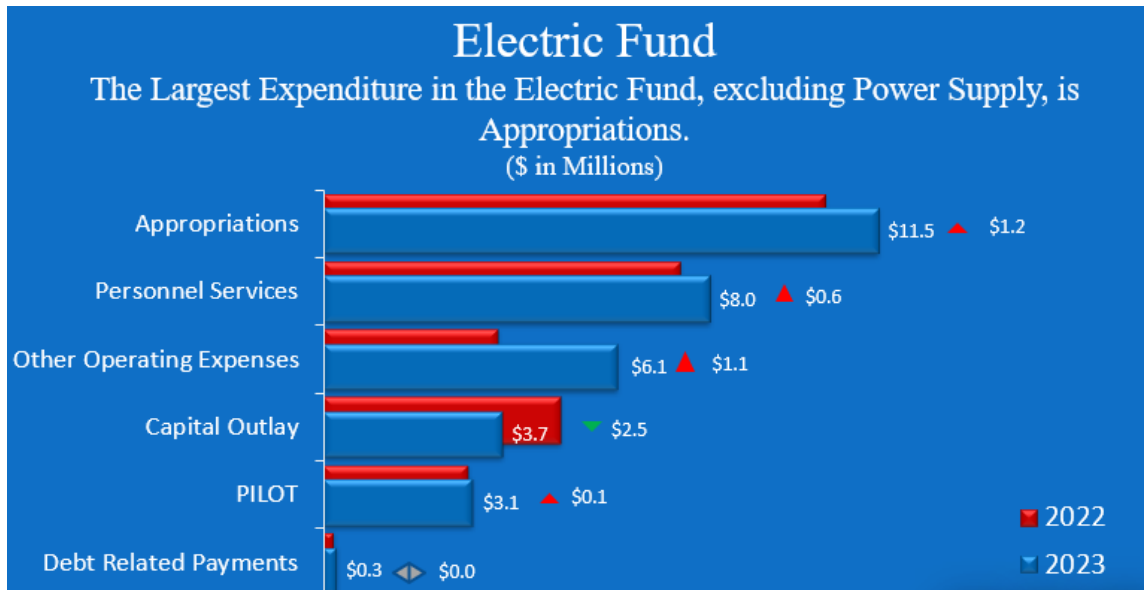
Electric Purchased Power - MWhs Purchased and Cost per MWh

1st Quarter FY 2023



Electric Fund

The Largest Expenditure in the Electric Fund, excluding Power Supply, is Appropriations. (\$ in Millions)



W/WW Comparison 1st Quarter Ended September 2022

(\$ in Thousands)

Water Sales Revenue	\$ 11,957	\$ 13,557	\$ 13,796	\$ 14,236	\$ 15,586
Percent Change		13.4%	1.8%	3.2%	9.5%
Wastewater Sales Revenue	\$ 12,327	\$ 12,992	\$ 13,842	\$ 14,534	\$ 15,980
Percent Change		5.4%	6.5%	5.0%	9.9%
Other Revenue	\$ 1,280	\$ 3,368	\$ 1,665	\$ 2,008	\$ 2,263
Percent Change		163.1%	-50.6%	20.6%	12.7%
G&A Expense	\$ 3,226	\$ 3,904	\$ 4,125	\$ 4,291	\$ 4,851
Percent Change		21.0%	5.7%	4.0%	13.1%
Other Operating Expense	\$ 15,470	\$ 17,123	\$ 17,146	\$ 17,837	\$ 20,785
Percent Change		10.7%	0.1%	4.0%	16.5%
Aid, Grants, SDF, XFRs	\$ 2,684	\$ 2,410	\$ 1,580	\$ 2,271	\$ 3,714
Percent Change		-10.2%	-34.4%	43.7%	63.5%

**Water & Wastewater
Budget-Actual-Previous
1st Quarter FY2023**

(\$ in Thousands) (Percent of Revenues)	Year to Date				
	Budget		Actual	Last Year	
Total Sales Revenue	\$ 29,926	94%	\$ 31,566	93%	\$ 28,770
Total Other Revenue	2,012	6%	2,263	7%	2,008
Total Operating Expenses	26,753	84%	25,636	76%	22,128
Operating Results	\$ 5,185	16%	\$ 8,193	24%	\$ 8,650
Assessments, Aid, Grants, Transfers	1,707	5%	3,714	11%	2,271
Change in Net Position	\$ 6,892	22%	\$ 11,907	35%	\$ 10,921

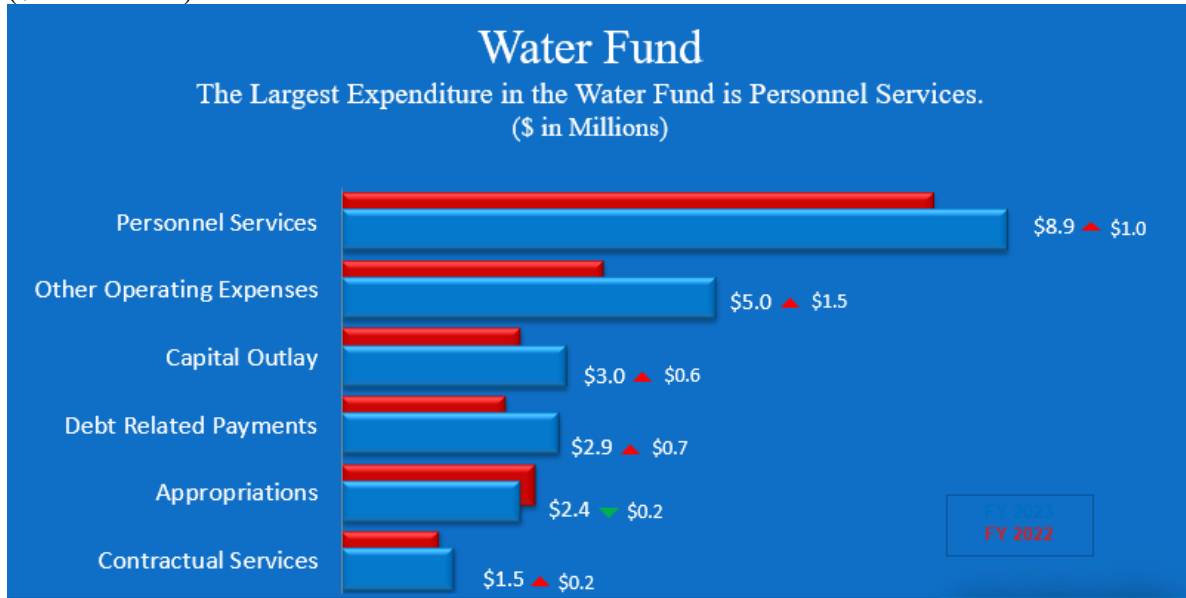
Water/Wastewater Sales

Revenue - Water is Up 9.7% over Prior Year, \$14M in FY22 and \$16M in FY23; and WW up 10.3% over Prior Year, \$15M in FY22 and \$16M in FY23.

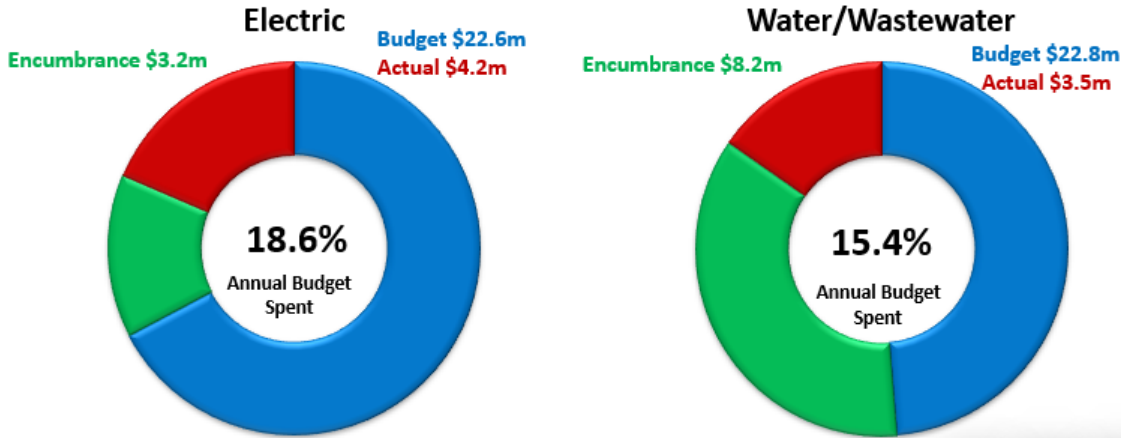
Volume Sales - Water Up 6.4% and WW Up 1.1% from Prior Year

Water Fund

The Largest Expenditure in the Water Fund is Personnel Services.
(\$ in Millions)



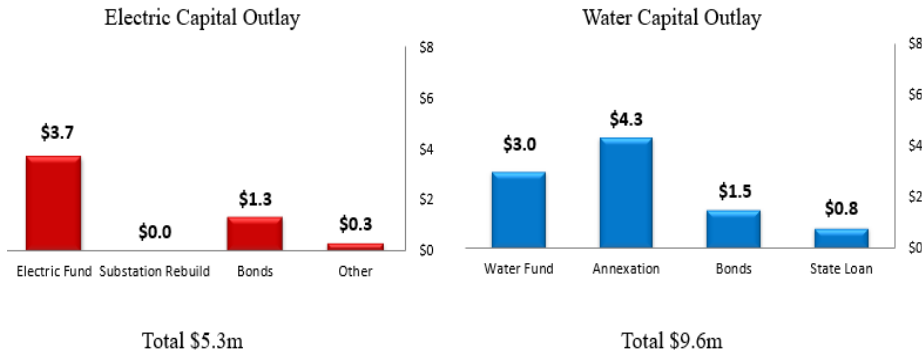
Capital Expenditures Compared to Annual Budget



Capital Expenditures and Debt Service

Electric	\$ 3,763	\$ 3,290	\$ 4,002
Water & Wastewater	3,489	2,423	1,846
Administration Division	1,377	737	1,263
Customer Division	441	234	171
Finance Division	-	7	-
Total Capital Expenditures	\$ 9,070	\$ 6,691	\$ 7,282
Electric Debt Service:			
Principal Payments	\$ -	\$ -	\$ -
Interest and Other Finance Costs	276	263	213
Water Debt Service:			
Principal Payments	-	-	-
Interest and Other Finance Costs	2,970	2,956	2,428
Total Debt Service	\$ 3,246	\$ 3,219	\$ 2,641

Capital Outlay



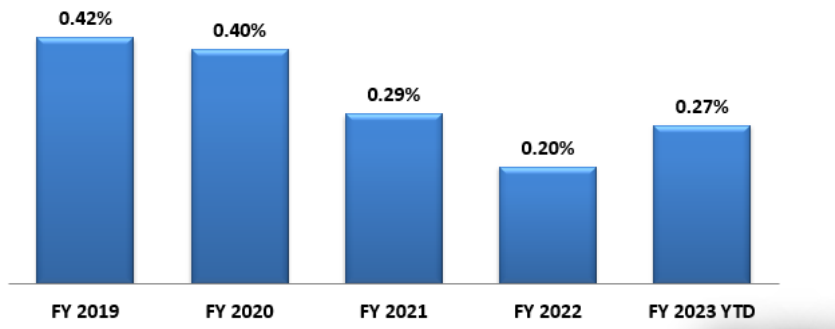
Days Cash

For the period ending September 30, 2022, is 135 days. The target is 120 days.



Bad Debt

Electric & Water Bad Debt as a Percent of Sales remains under 1%



Following the presentation Commissioner Garrett inquired about the bad debt for FY2023 (as of September 30, 2022). Ms. Haskins replied we had a lot more of available assistance when we were coming out of COVID. Now we are back to our normal assistance programs. Commissioner Porter asked if we would continue to see Coal Ash in the foreseeable future. Mr. Rynne replied yes. Additional discussion ensued.

Chairwoman Garrett thanked Ms. Haskins for the thorough report.

GENERAL MANAGER REPORT

Mr. Noland stated staff has been very busy taking care of issues, and agenda items that we have on the slate, and we are making good progress. Things are going well, and we have good contributions from the 4th floor and all the other staff. There are issues that come up on a regular basis and we are doing a good and effective job handling them.

He stated the bidding environment is still very unfavorable. We are seeing increases in bids as well as chemicals.

Ms. Justice-Hinson stated PWC has been assisting since 2020 with the Christmas In The Park. It is a drive-thru event which is free to the public.

Mr. Noland also acknowledged and recognized the staff's effort in pivoting the way we participate with area developers, and making participation contributions toward their projects. He stated we had help from Legal, Customer Care, Water Resource Engineering, Finance and Communications.

COMMISSIONER/LIAISON COMMENTS

Council Member Deno Hondros

Council Member Hondros wished everyone a Merry Christmas and Happy Holidays. He thanked PWC for offering safe and reliable service. He mentioned the incident in Moore County, and stated he is sure PWC has already addressed security regarding the transformers and substations.

Council Member Hondros mentioned during Monday's City Council meeting there was a citizen who made a comment during the public forum regarding his water. Ms. Hasapis, without prompting made contact with him, and he is sure she is following up, or got the information to the right person.

On December 5th at the Council work session, the members conducted interviews for 4 applicants regarding the open PWC Commission seat. They did not act at that time, and he suspects they may bring the issue back up during their January 9th meeting.

Commissioner Evelyn Shaw

Commissioner Shaw greeted everyone, and wished all the best in great health and prosperity, and to their family members. Merry Christmas and Happy New Year.

Commissioner Wade Fowler, Jr.

Commissioner Fowler stated the last eight plus years have been fantastic. He did not want to come to PWC, but he was asked by a friend, and he did. Commissioner Fowler stated he is so glad he came. This is a great organization, and it has a lot of potential to be greater. You are awesome people. Everyone who works here has been fantastic to him. He wished everyone a very Merry Christmas.

Commissioner Donald Porter

Commissioner Porter stated this is his one year anniversary. It is definitely an honor to be here. This is a great team, and he appreciates all the help. He thanked Mr. Russell, our CEO Mick Noland, and all the front line people on the manner in which they supported Veterans Day last month. He had to confirm it was 7am and not 7pm. He stated the service was just fantastic, and all branches were represented (except the newly formed Space Force). Mr. Noland stated we appreciated his message; his comments were greatly appreciated.

Commissioner Ronna Rowe Garrett

Commissioner Garrett stated we have been super busy with issues, challenges and a lot of work. It has been great to get to know the staff better, and she appreciates the expertise and passion Mr. Noland has as well as the staff.

We have the CEO/GM announcement out. We have contracted with a recruiting firm. The target date to get a good slate of candidates is February, and we hope to have a CEO/GM onboard by April. We have a four page brochure that highlights the region and the community. We are looking for someone great, interested at being an executive here, and being part of this community.

She stated she believes we started the holidays out great with the Fallen Linemen Foundation. It is the most wonderful time of the year, as the song goes. But for some it isn't. She stated she trusts we are taking time, not to just find peace, love and joy in our own families but to find a way to share our blessings, whether it is your time or money, your emotional gratitude, or by just being a friend or a coach. She wished all a Merry Christ and Happy Holidays.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Personnel Report - November 2022
- B. Customer Utility Payments by Payment Type – November 2022
- C. Career Opportunities

- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
- Encr. #19072 – install 3-Phase primary radial for traffic signal service @ I-295 -SR3569 (Old Raeford Rd) to UUS401 (Raeford Rd).
 - Encr. #19084 – install of Overhead Street Lighting Facilities @ Bailey Lake Rd (SR1106)
 - Encr. #19661 – install of watermain & fire hydrant @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19662 – install of sanitary sewer main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19663 - install of sanitary sewer main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19664 – install of sanitary sewer main and water line @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19665 – install of water main @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19666 – install of water pipe, water service and water meter @ SR1402 (Rim Rd) and SR1400 (Cliffdale Rd)
 - Encr. #19667 – install of sanitary sewer main @ SR1402 (Rim Rd) and SR3569 (Old Raeford Rd)
- E. Approved Natural Gas Encroachment Agreement(s):
- Encr. #2022-19923 – install of 12” and 8” watermain @ 8262 King Rd.
- F. Actions by City Council during the meeting of November 14, 2022, related to PWC:
- Approved Bid Recommendation – Subsurface Switch 600 AMP
 - Appointment of a Public Works Commission Commissioner – Council voted to not accept the recommendation of the Appointments Committee; Council voted to begin interviews of the PWC appointments

CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(1) TO PREVENT THE DISCLOSURE OF CONFIDENTIAL INFORMATION THAT IS NOT CONSIDERED A PUBLIC RECORD PURSUANT TO SECTION 32-1.7.

Commissioner Evelyn Shaw motioned to enter closed session pursuant to NCGS 143-318.11(A)(1) to prevent the disclosure of confidential information that is not considered a public record pursuant to section 132-1.7. Motion was seconded by Commissioner Wade Fowler, and unanimously approved at 9:24 a.m.

There being no further discussion, upon motion by Commissioner Evelyn Shaw, seconded by Commission Donald Porter, and unanimously approved, the Commission returned to open session at 10:27 am.

CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(3) FOR LEGAL MATTERS

Commissioner Evelyn Shaw motioned to enter closed session pursuant to NCGS 143-318.11(A)(3) for legal matters. The motion was seconded by Commissioner Donald Porter, and unanimously approved at 10:27 am.

There being no further business, upon motion by Commissioner Donald Porter, seconded by Commissioner Evelyn Shaw, and unanimously approved, the Commission returned to open session at 11:10 AM.

ADJOURNMENT

There being no further business, upon motion by Commissioner Donald Porter, seconded by Commissioner Evelyn Shaw, the meeting adjourned at 11:10 am.