

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY JANUARY 11, 2023
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
 Adam Lindsay, Assistant City Manager
 Deno Hondros, City Council Liaison
 Tim Veitengruber, Escalent
 Media

Absent: Jimmy Keefe, Cumberland County Liaison

REGULAR BUSINESS

Chairwoman Ronna Rowe Garrett called the meeting of January 11, 2023, 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

PARTNERSHIP FOR SAFE WATER TREATMENT – 20 YEAR DIRECTOR’S AWARD FOR
PO HOFFER AND GLENVILLE WATER TREATMENT PLANTS

Presented by: Misty Manning, Interim Water Resources Chief Operating Officer

Mr. Noland introduced Ms. Manning the Interim WR Chief Operating Officer. Mr. Noland asked Ms. Manning to present this award on behalf of the Water Resources Division.

Ms. Manning stated she brought several employees with her who deserve recognition for this award.

Jason Green – WR Treatment Facilities Manager (via Webex)

Wayne Egan – WR Facilities Operations Supervisor

Del Coffman – WR Senior Treatment Plant Operator (Glenville)

Gary Thompson – WR Senior Treatment Plant Operator (PO Hoffer)

Ms. Manning stated the Partnership for Safe Water is a voluntary initiative. Their goal is to enhance treatment requirements to provide higher quality drinking water to our communities. There are six national drinking water organizations that are part of this partnership, including the AWWA and the USEPA. There are roughly 250 drinking water utilities that are part of this partnership. They have initiatives to include more stringent prevention programs to help us provide higher quality water. And often times those prevention programs are more stringent than the national regulations or the statutory state regulations we have to comply with.

The Director's Award is given to those who take part of a peer reviewed self-assessment of our water treatment operations and our water quality data. If you receive a Director's Award you are considered a high performing water treatment plant and you provide very high quality drinking water to your constituents. The fact we received a 20 year Director's Award is great. PWC is the first in North Carolina to receive the award.

Mr. Egan stated he really wanted to stress that operators are responsible for PWC receiving this award. We can give them the direction, but they are the ones who do the job. The plants operate 24/7.

Ms. Manning stated these men do not often receive the recognitions, but all of these gentlemen have personally received awards for their contributions to the profession. Mr. Noland stated we can have the greatest facilities, and technology in the world, but if you do not have dedicated employees you will come up short. We appreciate the professionalism and results. 20 years is quite an achievement. It has to do not only with the folks who are here today but also those who have come before them, and a transfer of that pride and culture to make sure we are producing great quality drinking water. He went on to say 'hats off' to the operators, as well as the Commission and everyone in the room who helps to make things happen. Everyone contributes to enabling these employees do their job.

Chairwoman Garrett stated Mr. Noland hit the nail on the head - people are the biggest treasure in any organization. One thing she has noticed since she has been intimately involved with PWC is the people. It makes all the difference in the world. It is easy to make decisions with the stroke of a pen and talk about what we consider to be complex issues, but the real hard work is on the back of the workforce.

She stated when she became a Commissioner she took a tour of the plants, and she had no idea of all that is conducted there. Additional discussion ensued.

Commissioner Fowler stated the 20 years speaks to the culture, and that culture gets established from the people who are leading it. Mr. Coffman stated we are standing here and representing the operators at the plant, but we can't forget our maintenance employees as well.

Mr. Green stated it is hard work and effort by everyone involved. We appreciate the work and support we receive from everyone at PWC, and this is a team effort. He is grateful for having such a great staff and the support to keep this award going for the next 20 years.

CONSENT ITEMS

Commissioner Wade Fowler motioned to approve Consent Items. Motion was seconded by Commissioner Donald Porter, and was unanimously approved.

A. Approve Minutes of meeting of December 14, 2022

END OF CONSENT

UPDATE ON FLEET FACILITY RENOVATION AND EXPANSION

Presented by: Susan Fritzen, Chief Administrative Officer

Ms. Fritzen provided a brief history of the Fleet building. She stated the renovation began in 2019 and was completed in 2020.

1988 – built; 24,000 SF/servicing **500** vehicles/2 shifts

1995 - 4,000 SF addition (welding shop, machine shop, 3 bays)

2005 - Servicing **1,867** Vehicles (676 PWC/1191 City of Fayetteville)/3 shifts

2011- Converted vehicle shed to Light Duty shop, adding 4,500 SF (8 Light Duty bays)/2 shifts

Ms. Fritzen noted as we progressed and faced challenges, we completed a study to determine if we should continue to do fleet onsite or if we should outsource. We determined in the middle of an emergency, such as a hurricane it is best practice to have control of our vehicles. So, the decision was to continue to do it onsite and make the necessary upgrades needed to continue to manage our fleet effectively. Our consultant stated if we continued to do what we were doing (maintaining City and PWC vehicles) we would need a new building and the estimate was \$32M. Ms. Fritzen noted the City made the decision to work on their own fleet and that led us in a different direction, which was to modify the building to fit our needs.

2019- 40,000 Total SF (main building)/2 shifts

2023 Servicing 816 assets /1 shift

Ms. Fritzen displayed before and after pictures of the Fleet building.

Renovation & Addition:

40,400 Total SF with 18 work bays

- 4 (new) HD Bays & 2 (new) HD Prev. Maintenance Bays
- 8 (existing) LD Service Bays/3 (existing) LD Prev. Maintenance Bays/(existing) Decommissioning Bay
- Welding, tire shop, parts area, small equipment repair, training room & modified administration space
- HVAC & lighting upgrades
- Upgraded freight elevator to be ADA compliant
- Entire Building modified to add Sprinklers



TOTAL PROJECT BUDGET (FY20 & FY21)	\$ 8,840,000
TOTAL AMOUNT SPENT:	<u>\$ 6,981,000</u>

Under budget by:	\$ 1,859,000
Construction Contract Awarded:	\$ 6,400,000
Final Amount Paid to Contractor:	<u>\$ 6,384,000</u>
Under contract by:	\$ 16,000

TOTAL NUMBER OF SUBCONTRACTORS:	33
Number of Local Subcontractors:	7
Local Subcontractor Spend:	\$ 3,160,229
Local Spend of Total Contract:	49.37 %

CUSTOMER SATISFACTION SURVEY RESULTS

Presented by: Kathy Miller, Interim Chief Customer Officer
Tim Veitengruber, Escalent

Ms. Miller stated Customer Satisfaction begins in the field with lines, wires, pipes and pumps. We have to have reliability, good quality and safe service. It is also about customer service, communication during the storm, options for bill payment, environmental stewardship, and community engagement.

In the Fall of 2021, Escalent completed the first customer satisfaction survey. We were measured against top performing municipal utilities and utilities in the southeast. We completed another survey in June 2022 for residential customers and again in the Fall of 2022 (FY23).

When we completed the first survey (benchmark) Communications and Community Relations, and Customer Care joined together to make a Customer Satisfaction plan of action. We had teams to join together to determine what we needed to do.

Ms. Miller presented Tim Veitengruber (Escalent) to present our results.

Mr. Veitengruber stated the survey was completed online using customer emails supplied by PWC. Non-Residential customers surveys were completed online as well as telephone using customer emails and telephone numbers supplied by PWC.

- ▶ Survey Timing –
 - Baseline Residential and Non-Residential surveys conducted in September 2021 (FY 2022) – 1,734 Residential and 152 Non-Residential surveys
 - Residential Tracking Wave 1 conducted in June 2022 (FY 2022) – 1,123 surveys
 - Residential Tracking Wave 2 and Non-Residential Tracking Wave 1 conducted in November 2022 (FY 2023) – 1,447 Residential and 150 Non-Residential surveys

He stated approximately 40 total performance questions of which ~35 is benchmarked against other peer utility survey results from Escalent's Residential and Business Cogent Syndicated Utility Trusted Brand & Customer Engagement Studies. The remainder of survey corresponds to previous PWC survey topics or other ad hoc topics on interest such as Customer Service Interactions, Communication Preferences, PWC Advertising and News Awareness, e-Bill Adoption, TOU, Renewable Energy, Solar and EVs, etc.

Specific Benchmarking Utilities

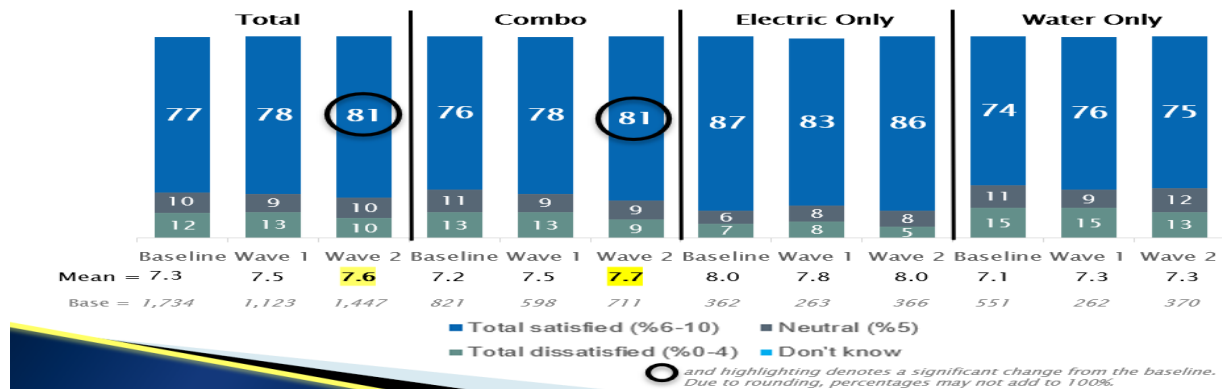
Top Performing Customer Satisfaction Utilities Selected

	Residential	Electric	Municipal	Utility	Water	Business
Austin Energy	X	X	X		X	X
Colorado Springs Utilities	X	X	X		X	
CPS Energy	X	X	X			X
Duke Energy Carolinas	X	X				X
Duke Energy Progress	X	X				X
Florida Power and Light	X	X				X
FPL Northwest FL (<i>Gulf Power</i>)	X	X				X
JEA	X	X	X		X	X
Kentucky Utilities	X	X				X
Los Angeles Department of Water & Power	X	X	X		X	X
Nashville Electric	X	X	X			
OUC	X	X	X		X	
Salt River Project	X	X	X		X	
Seattle Light	X	X	X			
SMUD	X	X	X			X

Residential Customer Overview

Mr. Veitengruber noted the increase in customer satisfaction in Wave 2 of the survey for Electric and Water customers.

Overall Satisfaction with PWC



Top Reasons for High Satisfaction

What does Fayetteville PWC do well to earn your satisfaction related to your electric/water service?
Customers giving %8-10 ratings

RESIDENTIAL ELECTRIC SERVICE

Reliable Service
Quick/Efficient Service
Overall Satisfied/Good Service
Customer Service
Good Communication
Reasonable Rates
Helpful/Resolve Issues
Polite/Professional
Conservation/Saving Money on the Bill

RESIDENTIAL WATER SERVICE

Overall Satisfied/Good Service
Reliable Service
Quality/Cleanliness
Reasonable Rates
Customer Service
Quick/Efficient Service
Good Communication
Good Billing

Primary Improvement Opportunities

What does Fayetteville PWC need to improve most to earn your satisfaction related to your electric/water service? Customers giving %0-7 ratings

Residential Electric Service

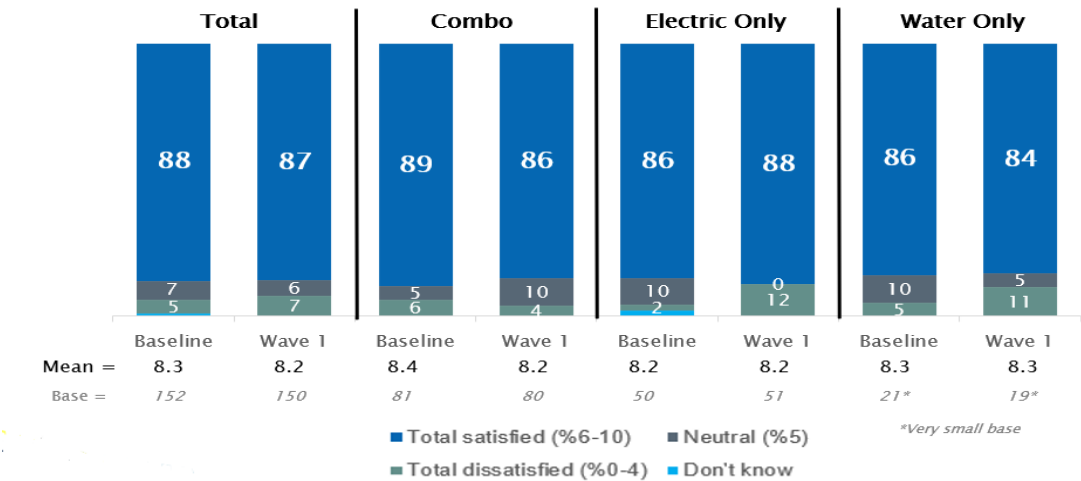
- High/Increasing Rates
- Reliable Service/Less Outages
- Improve Solar Power Programs
- Improved Communication/Transparency
- Billing Issues/Confusion
- Peak Hours/Time of Use Rates (TOU)

Residential Water Service

- High/Increasing Rates
- Quality/Cleanliness
- Eliminate Higher Rates for Outside of City
- Improved Communication/Transparency
- Water Pressure
- Billing Issues/Confusion
- Monopoly/No Choice

Non-Residential Customer Overview

Overall Satisfaction with PWC



Specific Benchmarking Utilities

Top Performing Customer Satisfaction Utilities Selected

	Business
Austin Energy	X
CPS Energy	X
Duke Energy Carolinas	X
Duke Energy Progress	X
Florida Power and Light	X
FPL Northwest FL (Gulf Power)	X
JEA	X
Kentucky Utilities	X
Los Angeles Department of Water & Power	X
Seattle Light	X
SMUD	X

Benchmarking Results – Overall Satisfaction

	Baseline		Tracking Wave 1	
	PWC Rank	PWC Quartile	PWC Rank	PWC Quartile
Electric Utilities	4 of 11	2	7 of 12	3

Top Reasons for High Satisfaction

*What does Fayetteville PWC do well to earn your satisfaction related to your electric/water service?
Customers giving %8-10 ratings*

Electric Non-Residential Service

Quick/Efficient Service
Reliable Service
Overall Satisfied/Good Service
Customer Service
Good Communication
Good Billing
Reasonable Rates
Helpful/Resolve Issues
Payment Arrangements
Polite/Professional

Water Non-Residential Service

Reliable Service
Quality/Cleanliness
Quick/Efficient Service
Overall Satisfied/Good Service
Good Communication
Customer Service
Reasonable Rates
Good Billing

Primary Improvement Opportunities

What does Fayetteville PWC need to improve most to earn your satisfaction related to your electric/water service? Customers giving %0-7 ratings

Electric Non-Residential Service

High/Increasing Rates
Reliable Service/Less Outage
Customer Service
Billing Issues/Confusion
Peak Hours/Time of Use Rates
Not Responsive/be More Efficient
Improve Solar Power Programs
Monopoly/No Choice

Water Non-Residential Service

High/Increasing Rates
Customer Service
Quality/Cleanliness
Improved Communication/Transparency
Reliable Service

Ms. Miller commented on the **Customer Satisfaction Improvement Plan**.

The current initiatives include the following:

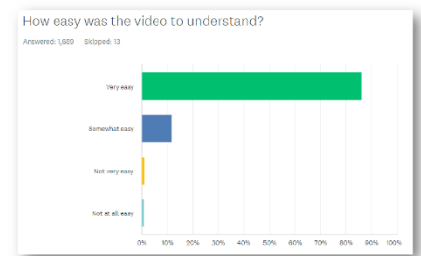
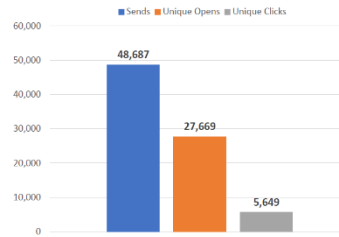
- ❖ Revisit of CSR Tools and How to Present Customer Solutions
 - Focus on Outage Management System (OMS) Notification and Paperless Billing (E-bill)
 - Consistency in Messaging
 - Training CSRs on Portal
- ❖ Monthly Water Customer E-blast

- Focus on water quality, conservation, initiatives, investment in system

Video Bill Explanations YTD 2022

❖ Video Bill Explanations

- 97% find the bill explanations useful
- It has received 4.5 stars
- % Clicks 11.6% (the industry standard is 3.5%)



Sends	% Opens	% Clicks
48,687	57%	11.6%

❖ Apogee Resource Center

The Apogee Welcome Series – November

2022

- PWC Highlights 7-10 days after start of service. Provides information on reading your bill 3-4 days after billing. Provides programs to help you save 3-4 days after 2nd billing.
- Energy Forecasting
- Bill Analysis
- Calculators
- Energy Savings Tips and PWC Programs

Apogee Personalized Video Bill Messaging – June 22

- Survey and Response to Customer Feedback

❖ Upcoming Initiatives

- Residential Whole Home and Small Power Whole Business Rates
 - Calculators
- Renewable Energy Buy Back Rider
- Ambassador Program for Community Watch Groups
- Reintroduction of Home Energy Audits
- Use of Blastpoint Analytics for Targeting Marketing of Customer Programs and Resources

❖ Next Steps

- Escalant to work with the PWC team to integrate findings into action planning and monitor progress in upcoming customer surveying in CY 2023 (FY 2023 and FY 2024).

Commission thanked Ms. Miller and Mr. Veitengruber for the detailed presentation.

GENERAL MANAGER REPORT

FY24 Budget

Mr. Noland stated staff has been spending a lot of time and energy working on the FY24 budget. It is probably one of the most challenging we have had to put together. We are interested in rates because everyone pays attention to them. But we have had some double digit cost increases just to conduct the business we have been doing, not to mention new programs and new initiatives. We are being very deliberate and intentional looking at budget proposals, and we will continue to do so.

Grinding of the Greens

The 29th Grinding of the Greens is coming. It will be held January 21st at the Community Garden off B Street, corner of Van Story and Mann, and it begins at 8:30 am.

Walk to End Alzheimer's

Mark Brown was very instrumental in this event, and Jay Reinstein continues to support it. PWC has a Jay Walkers team, and this year we were the top team in raising money for Alzheimer research in the amount of \$27,677.00. Mr. Noland commends everyone who was involved in this effort.

United Way

We met our goal for United Way, and raised \$131,000. Mr. Noland thanked the Commission, staff and our retirees for contributing to the United Way. Mr. Noland thanked Ms. Justice-Hinson for coordinating the program. It takes a lot of work to manage it. Everyone enjoyed the meal packaging event. We packaged 35,000 meals.

COMMISSIONER/LIAISON COMMENTS

Assistant City Manager Adam Lindsay

Mr. Lindsay stated he is very appreciative working with the staff. They are just a phone call away, and he hopes they feel the same way. With all the transition things have gotten even better.

City Council Member Deno Hondros

Council Member Hondros stated in late November, early December he had a problem with his heating system. He called the repairman, and it was taken care of. Then we got into the big cold spell and every time his heat kicked on, he thanked PWC and his HVAC repairman. There were a lot of customers with other utilities that were out of power and some for a couple days.

Mr. Noland stated Butler Warner ran for about four days during the cold spell. It is commendable we are able to do so, especially for an older facility. It ran four days non-stop, and it is certainly to the maintenance and attention that is paid to that facility. Additional discussion ensued.

Commissioner Wade Fowler

Commissioner Fowler was interested in the progress of the City Council's progress in naming a PWC Commissioner

Commissioner Donald Porter

Commissioner Porter stated in early December he received a call from an individual whose son-in-law was in the military. They have property here, but do not live here. They had been receiving invoices for the sewer connection, and the bills stopped coming. They ultimately received a bill (assessment) with interest and reached out for help. Commissioner Porter stated he contacted Mr. Noland. Commissioner Porter thanked Mr. Noland for assisting with this matter.

Commissioner Evelyn Shaw

Commissioner Shaw asked if PWC offer tours of the water plants to the school children. Ms. Justice-Hinson stated yes, however during COVID they were not taking tours and we were not giving them. When requested we will give them. We also have a relationship with Methodist and FSU for some of their environmental classes that regularly tour our facilities. We also have a relationship with Fort Bragg.

Commissioner Shaw stated that is excellent. She encouraged PWC to continue it especially for the young children, because it will give them an opportunity to spark their minds about careers and how their water actually comes out of the faucet.

Commissioner Shaw stated she was a bit puzzled about a part of the survey about the water, given the awards we just received, and the responses. Especially, how can you not know about the quality of the water. Ms. Justice-Hinson stated it is difficult, especially with the coverage of Gen-X over the last few years. It has made the headlines. We have a transient community and they have not had a chance to know about the actual water they are getting, but they have seen the headlines in the newspaper or online. That transient community makes it difficult.

Commissioner Shaw also stated she would be interested to know about the respondents. If they have utilized other water services. Sometimes when individuals do not have anything of which to compare, they may not be informed. Commissioner Fowler stated when they take the survey. A negative thing that happens can affect how you answer everything on the survey. Additional discussion ensued.

Commissioner Ronna Rowe Garrett

Commissioner Garrett provided an update on the CEO search. We have been working with the executive recruitment firm Polihire. The announcement has been out, and we are beginning to see candidates not in a formal way, but in interest and availability. She stated she wanted to reference the Fayetteville Business Journal article that was published regarding what we are looking for in a candidate. Commissioner Garrett stated we are going to work with Polihire in January to do stakeholder involvement in building out the final candidate profile. The board will direct Polihire to establish stakeholder focus groups for input in what you would want to see in the next CEO. Some of those focus groups will include employees, officers, and the CAG Alumni. We would also like a representative from the City, City Council and the County. It is important for the board as we move to final selection that we understand what all the stakeholders are looking for in the next CEO. We are still planning to have a new CEO in April; however it depends on availability and final selection. January is stakeholder involvement, and we expect to final candidates in February, and we will begin the selection process.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - November 2022
- B. Recap of Uncollectible Accounts – November 2022
- C. Investment Report – November 2022
- D. Purchase Orders – November 2022
- E. Personnel Report - December 2022
- F. Career Opportunities
- G. Financial Statement Recaps –
 - Electric Systems – November 2022
 - Water/Wastewater – November 2022

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

Commissioner Wade Fowler 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 9:57 am

There being no further discussion, upon motion by Commissioner Wade Fowler, seconded by Commissioner Evelyn Shaw, and unanimously approved, the Commission returned to open session at 10:26 am.

ADJOURNMENT

There being no further business, upon motion by Commissioner Wade Fowler, seconded by Commissioner Evelyn Shaw, and unanimously approved the meeting adjourned at 10:26 am.