

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY AUGUST 9, 2023  
8:30 AM

Present:       Ronna Rowe Garrett, Chairwoman  
                  Donald L. Porter, Vice Chairman  
                  Evelyn O. Shaw, Secretary  
                  Christopher Davis, Treasurer

Others Present:   Mick Noland, Interim CEO/General Manager  
                      Deno Hondros, City Council Liaison  
                      Chancer McLaughlin, Hope Mills Interim Town Mgr.

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

I.     REGULAR BUSINESS

Chairwoman Ronna Rowe Garrett called the meeting to order at 8:30 a.m.

APPROVAL OF AGENDA

Upon motion by Commissioner Donald Porter, seconded by Commissioner Evelyn Shaw, the agenda was unanimously approved.

II.    WASTEWATER PROFESSIONALS' DAY RECOGNITION AND RESOLUTION

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

Mr. Noland thanked Commissioner (Colonel) Porter for joining us on yesterday and sharing his words of wisdom during the breakfast held for the Wastewater Professionals.

Ms. Manning thanked the Commission on behalf of the Water/Wastewater Division for recognizing and proclaiming today as the first-ever Wastewater Professionals Day. The Wastewater Professionals are the first line of defense, not only for our customers in our community but for the communities downstream of us.

She asked the employees in attendance to introduce themselves, and give a little background of their responsibilities here at PWC.

Vance McGougan, Engineer in Water/Wastewater  
Dane Reid, Lab Analyst at Cross Creek Reclamation Facility  
Michael Currie, Land Application Supervisor  
Scott Tilofaga, Project Coordinator  
Keith Young, Senior Operator at Cross Creek Reclamation Facility  
Jordan Clabo, Environmental System Protection Specialist  
Peter Kinto, Senior Plant Operator at Rockfish Water Reclamation Facility  
Eli Gonzalez, Water Resource Construction

James Tipton, Vector Truck Operator, Water Resource Construction  
Zachary Elmore, Vector Truck Operator, Collections Systems Inspections  
Mike Tyler, Collections Systems Inspector

Ms. Manning also recognized the following managers and supervisor in attendance today:

John Allen – Interim Water Resources Engineering Manager  
Scott McCoy – Treatment Facilities Supervisor  
Rhonda Locklear – Environmental Programs Manager

Commissioner Porter stated though he had comments during the breakfast, these employees are the lifeblood of this community. He stated we cannot leave out the water employees, because we cannot live without clean, sustainable, and reliable water. He was one of the 40,000 who scratched and clawed when he was annexed into the city. It took a while to get the wastewater, but when it came it was worth the wait.

Commissioner Davis stated he was also part of the Phase V Annexation. He commended the employees for doing an excellent job.

Commissioner Shaw stated since she had been on the board, she has become an honorary employee of the Water/Wastewater Division, as well as of the Administrative Division. She applauded the employees because they are the frontline, and they represent a cross section of what water and wastewater does for our community. She appreciates them, and applauds them on behalf of our community.

Commissioner Garrett stated she stands in admiration of what they do for the community. And she thanked them for what they do.

Chairwoman Garrett then read the Wastewater Professionals Day Resolution in its entirety.

### III. CONSENT ITEMS

Upon motion by Commissioner Evelyn Shaw, seconded by Commissioner Donald Porter, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of July 26, 2023
- B. Approve bid recommendation to award annual contract for the purchase of Zinc Orthophosphate, and to renew for additional one year periods upon the agreement of both parties to Sterling Water Technologies, LLC Columbia, TN, the lowest, responsive, responsible bidder and in the best interest of PWC, in the total amount of \$392,865.00, and forward the recommended award to City Council for approval.

The Zinc Orthophosphate Annual Contract is budgeted as follows:

P.O. Hoffer	002.0630.0157.000-00.801025.0000.99999
Glenville	002.0631.0157.000-00.801025.0000.99999
Cross Creek	002.0640.0157.000-00.801025.0000.99999
Rockfish	002.0641.0157.000-00.801025.0000.99999

Bids were received July 10, 2023, as follows:

BIDDERS	UOM	QTY	UNIT COST	TOTAL COST
Sterling Water Technologies LLC Columbia, TN	LB	550,000	\$0.7143	\$392,865.00
Carus LLC Peru, IL	LB	550,000	\$0.76	\$418,000.00
Shannon Chemical Corp Malvern, PA	LB	550,000	\$0.853	\$469,150.00
Brenntag Mid-South Inc. Durham, NC	LB	550,000	\$1.0374	\$570,570.00

COMMENTS: The Commission is asked to approve the award for the purchase of water treatment chemicals. Notice of the bid was advertised through PWC's normal channels on July 10, 2023, with a bid opening date of July 25, 2023. Bids were solicited from four (4) vendors and PWC received four (4) bids. The lowest responsive, responsible bidder was Sterling Water Technologies LLC for Zinc Orthophosphate. SDBE/Local Participation: Sterling Water Technologies, LLC, Columbia, TN, is not a local business and is not classified as a SDBE, Minority or Woman-Owned business.

- C. Approve sole source purchase of relay and associated equipment manufactured by Schweitzer Engineering Laboratories, Inc. (SEL) for PWC's generation plant from Atlantic Power Sales, LLC of Mt. Holly, North Carolina.

The Commission is asked to approve a sole source exception to the competitive bidding requirements to allow PWC staff to purchase SEL relays and associated equipment for PWC's generation plant. N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. As further explained in the provided support document, the Butler Warner Generation Plant would like to extend the SEL relay standardization to be used by the generation plant to update relays that are antiquated. PWC's overriding consideration regarding these upgrades is standardization and operational compatibility. Atlantic Power Sales, LLC is the only authorized sale representative of the SEL equipment in North Carolina. Therefore, PWC staff requests authority from the Commission to forego the bidding requirements and purchase the SEL relays and associated equipment in order to begin the upgrade of the steam turbine relays.

**Budget Information:** Funding for this purchase will be from Capital Improvement Project – Generator Exciter/Generator Relay Equipment Upgrade, and staff anticipates similar budgeted funding for future purchases

- D. Approve sole source purchase of rain gauges and parts for repairs and continued maintenance of sanitary sewer flow monitoring equipment manufactured by ADS LLC.

The Commission is asked to approve a sole source exception to the competitive bidding requirements to allow PWC staff to purchase ADS LLC rain gauges and parts for repairs and continued maintenance of sanitary sewer flow monitoring equipment. N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. As further explained in the provided support document, the majority of PWC's rain gauges and sanitary sewer flow monitoring equipment has been upgraded and equipped with ADS LLC equipment. PWC's

overriding consideration regarding these upgrades is standardization and operational compatibility. PWC staff requests authority from the Commission to forego the bidding requirements and purchase the ADS LLC sanitary sewer monitoring equipment and associated parts to continue upgrades and repairs.

**Budget Information:** The Water Resources Engineering Department anticipates spending approximately \$78,600 throughout FY2024 for continuous maintenance and repairs of current Flow Monitoring Equipment to manage and monitor flows in the Sanitary Sewer System. Funding for these parts will be from the Water Resources Engineering Operating Expense Budget, and staff anticipates similar budgeted funding for future purchases.

E. Adopt PWCORD2023-32 – FY2024 Electric and Water/Wastewater (W/WW) Fund Budget Amendment #3

Within this budget amendment are increases in expenditures referred to as the “encumbrance carryforward.” This is a governmental budgeting term that means an expenditure was committed via a purchase order in the prior year’s budget, was not fully completed in the prior year as anticipated, and will be completed in this fiscal year with carryforward funds from the prior year. Section 3 of the Budget Ordinance adopted for FY2024 allows for these carryovers. An explanation of amended items is listed below:

Electric Fund

- Electric Fund Revenue: Total Electric Fund Revenue increased by \$3,717,100.
  - Total Budgetary Appropriations increased by \$3,717,100 due to increasing the Appropriation from Electric Net Position to cover the expenditures below.
- Electric Fund Expenditures: Total Electric Fund Expenditures increased by \$3,717,100.
  - Operating Expenditures increased by \$821,100 and Capital increased by \$2,896,000 as part of the encumbrance carryforward.

W/WW Fund

- W/WW Fund Revenue: Total W/WW Fund Revenue is not affected.
- W/WW Fund Expenditures: Total W/WW Fund Expenditures has a net zero effect.
  - Operating Expenditures increased by \$812,800 and Capital increased by \$1,037,000 as part of the encumbrance carryforward.
  - Total Budgetary Appropriations decreased by \$1,849,800 due to decreasing the Appropriation to W/WW Net Position to cover the expenditures above.

**COMMENTS:** Staff recommend the Commission adopt PWCORD2023-32, Budget Ordinance Amendment #3

END OF CONSENT

IV. PUBLIC HEARING - PROPOSED POWER SUPPLY ADJUSTMENT (PSA)

Commission Garrett stated she now calls for public hearing the proposed Power Supply Adjustment. At our board meeting on July 26, 2023, this hearing was set for this August 9th meeting, and PWC staff gave public notice of this hearing by publishing notice in a newspaper of general circulation serving this community, the Fayetteville Observer, on Sunday, July 30, 2023, and posted the same notice information, along with all relevant documents, on our website on Thursday, July 27, 2023.

The Board will now hear from PWC staff.

Ms. Haskins stated the following:

- Due to cumulative and projected power costs varying by more than five percent (5%) from the determinants used to set PWC’s retail electric rates, PWC staff seeks to impose a Power Supply Adjustment (“PSA”) in accordance with PWC’s Service Regulations and Charges
- Proposed PSA is to recover approximately \$12.5M
- \$0.00635 per kWh (energy) charge in the form of a PSA
- Effective September 1, 2023, continuing for 12 months

FY24 Budgeted kWh	Total Estimated PSA	Monthly Charge/kWh
1,960,984,795	\$12,457,166	\$0.00635

- July 2023: PWC received CY22 (Calendar Year 2022) True-up from DEP of a net \$7.2M
- July 2023: Actual Energy pricing Jan-May 2023 received from DEP resulting in \$5.0M Catch-up (plus estimated interest)

Commissioner Garrett asked Ms. Durant, Clerk to the Board, “have any written comments been submitted to you?” Ms. Durant replied, no written comments have been received.

She also asked Ms. Durant “Has anyone registered to speak at the hearing?” Ms. Durant replied, no one has registered.

Commissioner Garrett is there anyone present who wishes to speak at the hearing but was unable to timely pre-register? No one came forward.

She then stated that concludes the public hearing in this matter, and entertained a motion from the Commissioners.

Commissioner Donald Porter moved to approve the Power Supply Adjustment recommended by PWC staff. Motion was seconded by Commissioner Christopher Davis, and unanimously approved.

V. CONSIDERATION OF PWC ORDINANCES – PWCORD2023-33, PWCORD2023-35 AND PWC RESOLUTION PWC2023.27

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Haskins stated following the approval of the Power Supply Adjustment (PSA) we have a budget amendment for the general fund. The budget amendment will increase the general fund revenue for the 10 months that were identified of the PSA. The money collected will be transferred back into our Electric Rate Stabilization Fund.

- A. PWC Ordinance - PWCORD2023-33 – FY2024 Electric And Water/Wastewater (W/WW) Fund Budget Amendment #4
- B. PWC Ordinance - PWCORD2023-35 – Capital Project Ordinance Amendment – Electric Utility System Rate Stabilization Fund Amendment #49
- C. PWC Resolution – PWC2023.27 - To Establish A Regulatory Asset To Recognize Dep Energy And Demand True-Up

Commissioner Shaw motioned to approve the ordinances with the explanation provided regarding the budget amendments and the transfer back to the ERSF as well as the regulatory asset true-up. Motion was seconded by Commissioner Christopher Davis, and unanimously approved.

VI. PWC SERIES 2023 REVENUE BONDS DISCUSSION AND APPROVAL OF PWC RESOLUTION – PWC2023.26

Presented by: Rhonda Haskins, Chief Financial Officer

Ms. Haskins stated as planned, we anticipate issuing revenue bonds for a series of projects that were presented during the CIP presentations. A part of that will be a series of resolutions of PWC and of the City, as required by the LGC. We have determined the need to issue bonds for approximately \$195M, we always evaluate our current outstanding debt to see if there are opportunities in the market to refinance bonds. We are asking to incorporate those amounts.

PWC and City staff have met with the LGC. Next, the City will adopt a similar resolution to what PWC is adopting today. This resolution authorizes us to file an application with the LGC to issue these bonds. We will file the application, adopt a bond order, and request the City to adopt the same. The LGC, at their October meeting will approve these bonds, and then we will go into pricing and closing.

August 28	City adopt resolution to file application with the LGC
September 5	File Application with LGC
September 13	PWC adopt Bond Order and request City adopt same
September 25	City adopt Bond Order
October 3	LGC approval
October 24	Pricing – receive and accept bids for bonds
December 5	Closing

Ms. Haskins stated staff recommends the Commission adopt Resolution PWC2023.26. As required Ms. Haskins read the title of the resolution:

Resolution Making Certain Findings and Determinations, Authorizing the Filing of An Application with the Local Government Commission, Requesting the Local Government Commission to Sell Bonds at a Competitive Sale and Approving the Financing Team all in Connection with the Issuance of Revenue Bonds by the City of Fayetteville, North Carolina

Commissioner Porter motioned to approve Resolution PWC2023.26 as presented by Ms. Haskins. Motion was seconded by Commissioner Davis, and unanimously approved.

VII. UPDATE ON NEW INTERACTIVE VOICE RESPONSE SYSTEM

Presented by: Susan Fritzen, Chief Administrative Officer  
Tim Baker, Project Manager  
Kimberly Wright, Customer Service Manager

Ms. Fritzen stated you may be aware we have gone live with a new IVR (Interactive Voice Response System). The project was led by our PMO (Project Management Office) along with a cross-functional function team of SMEs (Subject Matter Experts).

Mr. Baker stated he was the project manager for this implementation. He has been with PWC for eight years. The project began July 5, 2022, and it went live July 13, 2023.

He introduced the 4 P's – Project Name; Purpose; Particulars; People

Project Name: IVR – Interactive Voice Response System

Purpose (Why are we changing?)

- To move the current on-premises solution to a SaaS (Software as a Service) solution;
- Offer self-service features to customers

Particulars (What is changing?)

- Chat
- Improved call flow scripting reducing customer wait times
- Improved self-service options reducing the number of calls answered by CSRs.

People (Who does this change impact?)

- PWC Customers
- Customer Service
- Customer Programs Call Center
- Information Technology

Overview of the IVR Call System

- Report Outages/Detect and Relay Customers' Area Outages
- Account Balance Inquiries
- Request an Extension
- Start/Stop Services
- Speak with a Customer Service Representative

Enhancing the Customer Experience

New Self Service Options

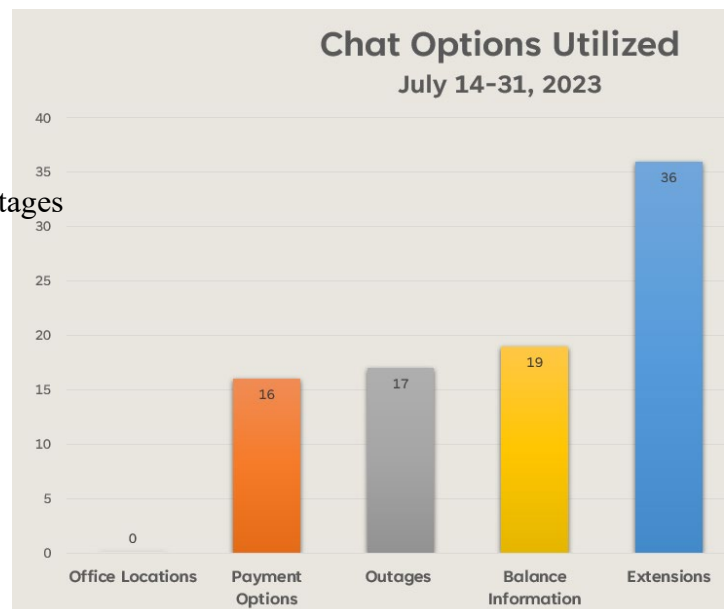
- Sign up for Outage Notifications
- Detects and Relays Customer's Area Outages
- Request Extensions
- Stop Services

Chat

- Outages
- Balance Information
- Extensions
- Payment Options
- Office Locations

Personalized Outbound Dialing Provides

- Delinquent notifications
- Cut Off notifications
- Balance Information
- Option to pay or request extension
- Option to speak with CSR



Ms. Wright stated the benefits for the customer is that it saves time; user friendly; accessible, and is convenient.

Ms. Wright stated the new IVR provided some new quality assurance features to enhance employee performance. One of the quality assurance features is Barge. If a supervisor is listening to a call and determines the call is not going well (the customer is becoming elevated or escalated), the supervisor can enter the call and the customer, and the CSR will be able to hear them and de-escalate the call. The supervisor can then provide feedback to the CSR.

Whisper is another feature. It will allow just the CSR to hear the supervisor's directions and assistance. We do this with Live Call Monitoring. The Live Performance Dashboard gives the supervisor information about every agent that is logged into the system. It will show how many people are logged in, how many are available to take calls; how many customers are waiting to get to a CSR; and the longest wait time.

#### Employee Benefits

- Improved Customer Satisfaction
- Training and Development Opportunities
- Ability to Promote New Programs for Customers
- Live Support from Management

Commissioner Garrett congratulated the team on a successful project completion. It is always good to complete on time and at cost, but more importantly the customer experience is improved. She stated she receives push information from South River which lets her know if she is using more energy than the previous month. She asked if PWC has the same capability. Ms. Miller replied that we do not have that capability yet. Mr. Baker responded we have outbound dialing in relation to leaks on the property.

Commissioner Shaw asked if the customer receives the information that there are callers ahead of them. Ms. Wright replied yes, she also stated the customer has the option to be called back.

Commissioner Shaw also asked about the customer's eligibility to request an extension. Mr. Wright replied that the system will let the customer know if they are eligible when they apply. If they are not eligible, they will be re-directed to a CSR.

Commission thanked staff for the successful upgrade of the IVR system. Ms. Fritzen stated it is always recognized that these projects are complex and challenging. There are check-points that staff will go through. There are Go – No Go Process that the Steering Committee will decide which direction to take.

### VIII. GENERAL MANAGER REPORT

Mr. Noland asked Ms. Justice-Hinson to update the Commission on a community event. Ms. Justice-Hinson stated our employees will participate with the United Way of Cumberland County's annual kick-off. They will pack about 65,000 meals. We will be among about 300 others around the county participating in the meal packing.

### IX. COMMISSIONER/LIAISON COMMENTS



### **City Council Member Deno Hondros**

Council Member Hondros stated it was good to acknowledge the wastewater professionals today.

### **Hope Mills Interim Town Manager Chancer McLaughlin**

Mr. McLaughlin stated he is normally online. And he has been speaking with PWC staff with whom he has a great relationship with, and he will attend in person more often.

### **Commissioner Donald Porter**

No Comments

### **Commissioner Christopher Davis**

No Comments

### **Commissioner Evelyn Shaw**

No Comments

### **Commissioner Ronna Rowe Garrett**

Commissioner Garrett stated at the next board meeting we will have our new CEO Timothy Bryant. We are looking forward to him taking the helm. We think he will be great for the staff and the community.

Just as important, she wants to highlight the success of Mick Noland and give him a genuine ‘thank you.’ It has been almost a year, and neither Mick Noland nor Commissioner Garrett thought it would be a year as they started this journey together, co leading the utility. She stated Mick has represented the utility, this community, this region, and the state in a very professional way. She stated watching him lead the utility has been delightful for her, and being co-lead with him.

Mr. Noland thanked the Commissioners for their patience and diligence as they have had to work through issues, come up with solutions, make decisions and move on. He stated he always like to remind everybody that the utility would be just fine because the people in this company know what they are doing, and if you get out of their way and let them do their job, which is what the customers want to see and need to see. He stated as one chapter closes; another chapter begins. He will do his part and the other officers will do their part to support and help Tim Bryant.

Commissioner Garrett stated you cannot be successful as a leader without great officers and general counsel. She has seen the professionalism of everyone here in keeping things moving forward. She stated the board recognizes Mick Noland could not do it alone. Thank you for your hard work and perseverance. She trusts, because she knows, we will bind together and create a culture for Tim Bryant to come in and transition and drink as reasonable as possible from the fire hose. She admonished the staff to continue to do what they do in charging ahead; being successful for the community and for our team.

## **X. REPORTS AND INFORMATION**

A. Personnel Report - July 2023

B. Career Opportunities

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

Commissioner Donald Porter motioned to go into Closed Session Pursuant to NCGS 143-318.11(A)(3) for Legal Matters. Motion was seconded by Commissioner Christopher Davis, and unanimously approved at 9:46 a.m.

There being no further discussion, upon motion by Commissioner Christopher Davis, seconded by Commissioner Evelyn Shaw, the Commission returned to open session at 10:39 a.m.

XII. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(6) FOR PERSONNEL MATTERS

Commissioner Donald Porter motioned to enter Closed Session Pursuant to NCGS 143-318.11(A)(6) for Personnel Matters. Motion was seconded by Commissioner Evelyn Shaw, and unanimously approved at 10:39 a.m.

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Christopher Davis, and unanimously approved, the Commission returned to open session at 11:02 a.m.

XIII. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(1), 143-318.11(A)(3), 143-318.11(A)(4), AND 143-318.11(A)(6), IN ORDER TO REVIEW AND APPROVE CLOSED SESSION MINUTES FROM COMMISSION MEETINGS ON THE FOLLOWING DATES: SEPTEMBER 8, 2021, NOVEMBER 10, 2021, DECEMBER 8, 2021, MARCH 9, 2022, MARCH 23, 2022, JUNE 22, 2022, AUGUST 10, 2022, AUGUST 24, 2022, SEPTEMBER 14, 2022, SEPTEMBER 28, 2022, OCTOBER 12, 2022, OCTOBER 26, 2022, DECEMBER 14, 2022, JANUARY 11, 2023, MARCH 8, 2023, MARCH 22, 2023, APRIL 12, 2023, APRIL 26, 2023, MAY 24, 2023

XIV. Commissioner Evelyn Shaw motioned to enter Closed Session Pursuant to NCGS 143-318.11(A)(1), 143-318.11(A)(3), 143-318.11(A)(4), And 143-318.11(A)(6), In Order To Review And Approve Closed Session Minutes From Commission Meetings On The Following Dates: September 8, 2021, November 10, 2021, December 8, 2021, March 9, 2022, March 23, 2022, June 22, 2022, August 10, 2022, August 24, 2022, September 14, 2022, September 28, 2022, October 12, 2022, October 26, 2022, December 14, 2022, January 11, 2023, March 8, 2023, March 22, 2023, April 12, 2023, April 26, 2023, May 24, 2023. Motion was seconded by Commissioner Donald Porter, and unanimously approved at 11:04 a.m.

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Christopher Davis, and unanimously approved, the Commission returned to open session at 11:08 a.m.

XV. ADJOURNMENT

There being no further discussion, upon motion by Commissioner Christopher Davis, seconded by Commissioner Donald Porter, and unanimously approved, the Commission adjourned at 11:08 a.m.