

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

Present: Donald L. Porter, Chairman
Christopher G. Davis, Vice Chairman
Ronna Rowe Garrett, Secretary
Richard W. King, Treasurer

Others Present: Timothy L. Bryant, CEO/General Manager
Adam Lindsay, Assistant City Manager
Deno Hondros, City Council Liaison

Absent: Chancer McLaughlin, Hope Mills Interim Town Mgr.
Jimmy Keefe, Cumberland County Liaison
Media

I. REGULAR BUSINESS

Chairman Donald Porter called the meeting of November 8, 2023, to order at 8:30 am.

APPROVAL OF AGENDA

Commissioner Ronna Garrett motioned to approve the agenda. The motion was seconded by Commissioner Christopher Davis and unanimously approved.

II. CONSENT ITEMS

Commissioner Christopher Davis motioned to approve the Consent Items. Motion was seconded by Commissioner Ronna Garrett, and unanimously approved.

- A. Approve Minutes of meeting of October 25, 2023
- B. Adopt PWC Resolution # PWC2023.40 – Resolution to Accept a State Loan Offer Under the Safe Drinking Water Act Amendments of 1996

In October 2023, the North Carolina Department of Environmental Quality (DEQ) offered PWC an amendment to increase the State Loan for the P.O. Hoffer WTP/Glenville Lake WTP Reliability Improvements Project by \$5,000,000 for a total loan value of \$15,719,300 to the terms of 20 years, 1.02% interest and 2% closing fee. To accept the loan offer, PWC and the City of Fayetteville (City) must adopt a resolution accepting the loan in the form provided by DEQ.

- C. Adopt PWC Resolution # PWC2023.41 – Resolution Exempting Engineering Services for Continued Free Product Removal and Delineation of Constituents From North Carolina General Statutes 143-64.31

In North Carolina, the procurement of professional services performed by architects, engineers, surveyors, and construction managers at risk is governed by G.S. 143-64.31, sometimes referred to as the “Mini-Brooks Act.” It requires PWC to “announce all requirements” for the services sought and, in evaluating responses, to focus on the qualifications or potential firms rather than the fees or price of the contract. G.S. 143-64.32 authorizes a unit of local government to exempt itself from the Mini-Brooks Act for contracts with an estimated professional fee in the amount of \$50,000.00 or less, and PWC has so exempted itself on a job-specific basis.

COMMENTS: Staff recommends the Commission exempt the engineering services for continued free product removal and delineation of constituents at PWC’s fuel island (the “Project”), and grant authority to the CEO/General Manager of Fayetteville Public Works Commission to enter a contract with Haggett Engineering Associates, Inc. to perform those services. These services are required for compliance with the North Carolina Department of Environmental Quality (NCDEQ).

- D. Approve bid recommendation to award bid for the purchase of three (3) sets of first stage buckets and three (3) sets of second stage buckets for the GE5001P Gas Turbine to Turbine Technology Services, Orlando, FL the lowest responsive, responsible bidder, in the total amount of \$433,469.46 and \$391,002.40, respectively, and forward to City Council for approval.

The First and Second Stage Bucket Sets are budgeted in the Butler Warner Generation Plant Inventory.

Bids were received November 1, 2023, as follows:

Three Sets of First Stage Buckets for GE5001P Gas Turbine

| <u>Bidders</u> | <u>Unit Cost</u> | <u>Total Cost</u> | <u>Lead Time</u> |
|---------------------------------------|------------------|-------------------|------------------|
| Turbine Technology Serv., Orlando, FL | \$144,489.82 | \$433,469.46 | 14-26 Wks |

Three Sets of Second Stage Buckets for GE5001P Gas Turbine

| <u>Bidders</u> | <u>Unit Cost</u> | <u>Total Cost</u> | <u>Lead Time</u> |
|---------------------------------------|------------------|-------------------|------------------|
| Turbine Technology Serv., Orlando, FL | \$130,334.13 | \$391,002.40 | 14-26 Wks |

COMMENTS: Notice of the bid was advertised through our normal channels on October 25, 2023, with a bid opening date of November 1, 2023. Bids were solicited from one (1) vendor and one (1) bid was received. The Commission is asked to approve the purchase award for three (3) sets of first stage buckets and three (3) set of second stage buckets needed for gas turbines located at the Butler-Warner Generation Plant to the lowest, responsive, responsible bidder, Turbine Technology Services Corporation, Orlando, FL, in the amount of \$824,471.86. **MWDBE/SLS Participation:** Turbine Technology Services Corp., Orlando, FL is not a small local supplier business and is not classified as an MWDBE Business.

END OF CONSENT

III. INFRASTRUCTURE REHABILITATION ANNUAL REPORT

Presented by: Mick Noland, Water Resources, Chief Operating Officer
John Cashwell, WR Engineering, Engineer I

Timothy Bryant, CEO/GM, introduced John Cashwell, WR Engineer. Mr. Cashwell stated he will discuss program information, indicators and will discuss the plan going forward. He stated PWC initiated the Strategic Rehabilitation Initiative (SRI) program in 2004. Since the initial development of the SRI, the program has evolved from strictly lining small diameter water and sewer mains, to main replacements, lateral replacements, lateral rehabilitation, and lining of large diameter sewer outfalls. This rehabilitation program has proven to be a cost-effective way to maintain PWC's system integrity.

Mr. Cashwell stated the goal of the comprehensive rehabilitation program is to replace or rehabilitate the water distribution and wastewater collection systems in order to maintain and/or improve system reliability. Included in this program is the replacement or rehabilitation of manholes, as well as water and sewer services.

Replacement of water and sewer services is accomplished by utilizing PWC forces, as well as various contractors. Additional replacement of water mains, sewer mains, and laterals is also accomplished under various other projects.

He stated in FY18 we had 1,399 miles of water mains, 1,269 miles of sanitary sewer mains, and 31,721 manholes in our system. As of FY23, we have added 26 miles of water mains, 43 miles of sewer mains, and 1,529 new manholes. Much of the sewer mains and manholes were added from Phase 5 annexation.

Currently, we have a total of 416 miles of water mains (29%), 450 miles of sanitary sewer mains (34%), and 10,901 manholes (33%) all over 45 years old. After 45 years, the main, lateral, or manhole is considered fully depreciated, and thus nearing the end of its service life. Rehabilitation and replacement reduce maintenance and operational costs, increases capacity, and extends the useful life of the existing infrastructure for the foreseeable future.

Mr. Cashwell stated overall, 32% of our water and sewer system is over 45 years old. This is an increase of 3% since FY18, and we have consistently rehabilitated more than 1% of our system over 45 years of age per fiscal year.

Our goal is to rehabilitate a minimum of 1% of our overall system each year. He stated we have increased water main rehab budget from \$5M to \$6M mainly due to material price increases.

We have maintained the sewer main rehab budget at \$5M; we have increased manhole rehab from \$1.58M to \$2M; and increased the budget for rehabilitation on outfalls, laterals, lift station, etc. from \$6.6M to \$8.4M.

He went on to say we have increased the percent of the budget spent on rehab by 7% since FY18. The PWC sewer system has over 89,000 linear feet of sewer mains that are larger than 36-inches in diameter. Approximately 88,000 linear feet of those sewer mains are concrete pipe. The rehabilitation of large outfalls continues to be funded separately from the annual sewer main rehabilitation contract. The FY24 CIP budget includes several rehabilitation projects of large diameter outfalls, spread over the next 10 years.

Rehabilitation Program Totals

Currently, the majority of the water main rehabilitation is completed by replacing the existing mains with ductile iron. While PWC has used an epoxy liner in the past, replacement offers a longer useful

life of the water main versus lining. This work is completed through annual contracts. The annual contracts were developed as a way to rehabilitate various size and lengths of mains over several years, without having to bid each specific project.

Water Main Rehabilitation

| | FY2018 | FY2023 |
|-------------------|--------------|---------------|
| Epoxy Lined | 59+ miles | 59+ miles |
| Replaced | 19+ miles | 52+ miles |
| Total Expenditure | \$65,000,000 | \$111,000,000 |
| System | 1,399 miles | 1,425 miles |

Sanitary Sewer Main Rehabilitation

| | FY2018 | FY2023 |
|-------------------|--------------|---------------|
| Lined | 112+ miles | 165+ miles |
| Replaced | 8+ miles | 18+ miles |
| Total Expenditure | \$57,000,000 | \$131,000,000 |
| System Size | 1,269 miles | 1,312 miles |



Mr. Cashwell stated there are significant differences in lining water mains and sewer mains. The epoxy lining that is used on water mains is more of an epoxy coating that is typically sprayed on the inside of an existing water main. This is a nonstructural coating which means that it is more susceptible to delamination. Lining water mains also reduces the pipe diameter which can impact the water pressure and velocity. The liner used to rehabilitate sewer mains is a CIPP (Cured In Place Pipe) liner which consist of a sock type textile liner that is coated with a resin mixture and inserted into the sewer main and cured. During the curing process, the liner bonds with the inside of the pipe and hardens to create a structurally sound new pipe. Since older sewer mains are typically made from concrete, lining a sewer main will help increase flow.

Since the beginning of the Rehabilitation Program, we have lined over 3,700 manholes (1,700 since FY18) which is around 11% of the total number in our sewer system. He stated we have spent roughly \$20M on sewer main rehab since the program began.

Manhole Rehabilitation

| | FY2018 | FY2023 |
|-------------------|-----------------|-----------------|
| Lined | 2,000+ | 3,700+ |
| Total Expenditure | \$9,600,000 | \$19,800,000 |
| System | 31,721 manholes | 33,250 manholes |

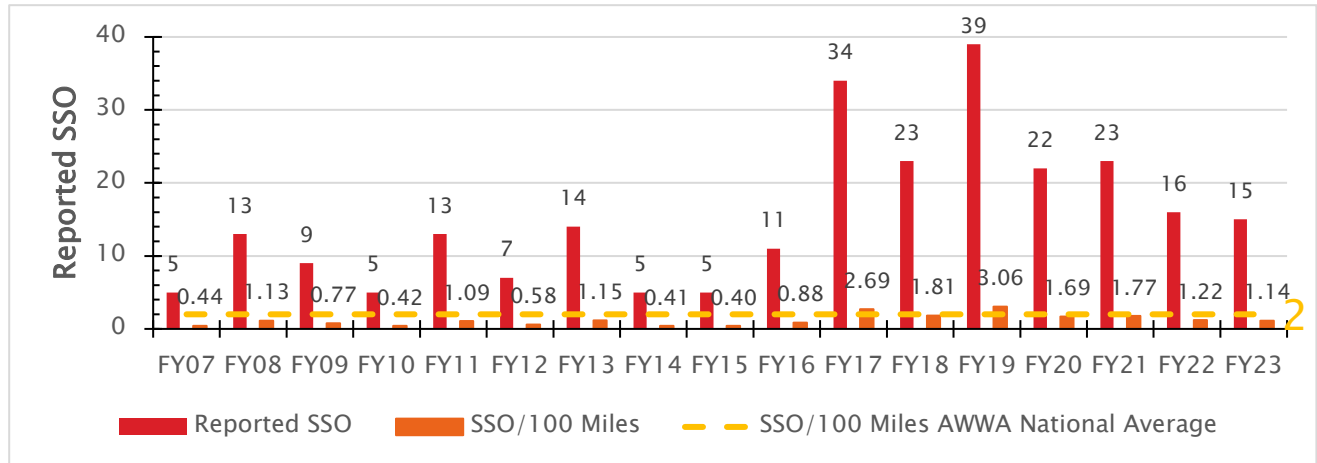
Water Main Rehabilitation Summary

Since FY15 the cost per foot to rehabilitate water mains has constantly been increasing. This is due to the fact that in FY15 we started to do less lining and began replacing more water mains. Though we are getting less footage at a higher cost, we have a much higher quality product in the end, which helps keep our system up to date with AWWA standards and provide better quality water to our customers.

Sewer Main Rehabilitation costs began to increase around FY18 and have fluctuated since then. We do more lining than replacement on sewer mains, which allows us to do more with our budget.

Sanitary Sewer Overflows Performance Indicator

Mr. Cashwell discussed the graph below which shows the reported Sanitary Sewer Overflows, SSO/100 Miles and the AWWA National average for SSO/100 Miles.



•A SSO (Sanitary Sewer Overflow) occurs when raw sewage discharges from a sanitary sewer system onto the ground. SSO's can be caused by multiple different things but the most common cause that we see in our system is grease build up on the inside of sewer mains and blockages due to wipes. Since FY07 we have consistently been below the AWWA National Average (Except for FY17 and FY19)

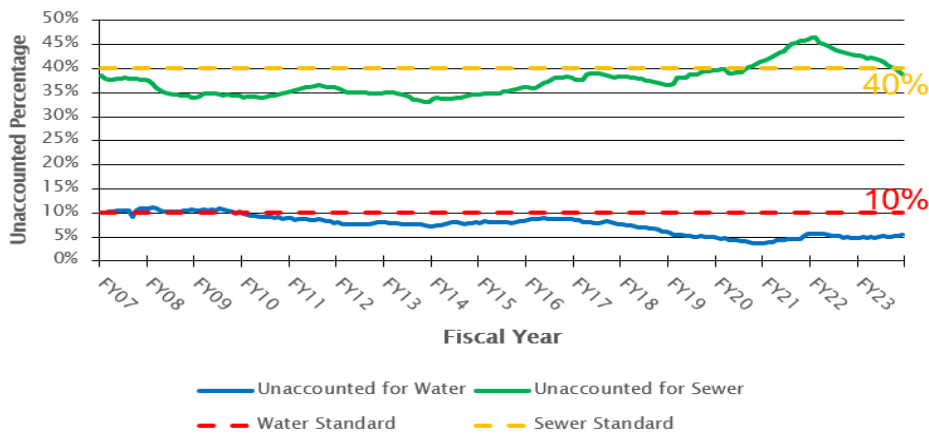
- The increase for FY17 was due to Hurricane Matthew
- The increase for FY19 was due to Hurricane Florence

Overall, reported SSO's have increased since FY17 largely due to the increase in "Flushable Wipes" used over the recent years. CCR is working with Central Maintenance (Lift Stations) to encourage customers to not flush wipes.

Unaccounted For Sanitary Sewer/Water Performance Indicators.

- Water – Avg 5.44% for 36-Month Rolling Average
- Sanitary Sewer – Avg 38.87% for 36-Month Rolling Average

He stated unaccounted for water and sewer is the percentage of pumped water or treated sewer vs billable water and sewer. A higher percentage for unaccounted for water means that we are pumping out more water than we are billing for (which is mainly due to leaks in the system).

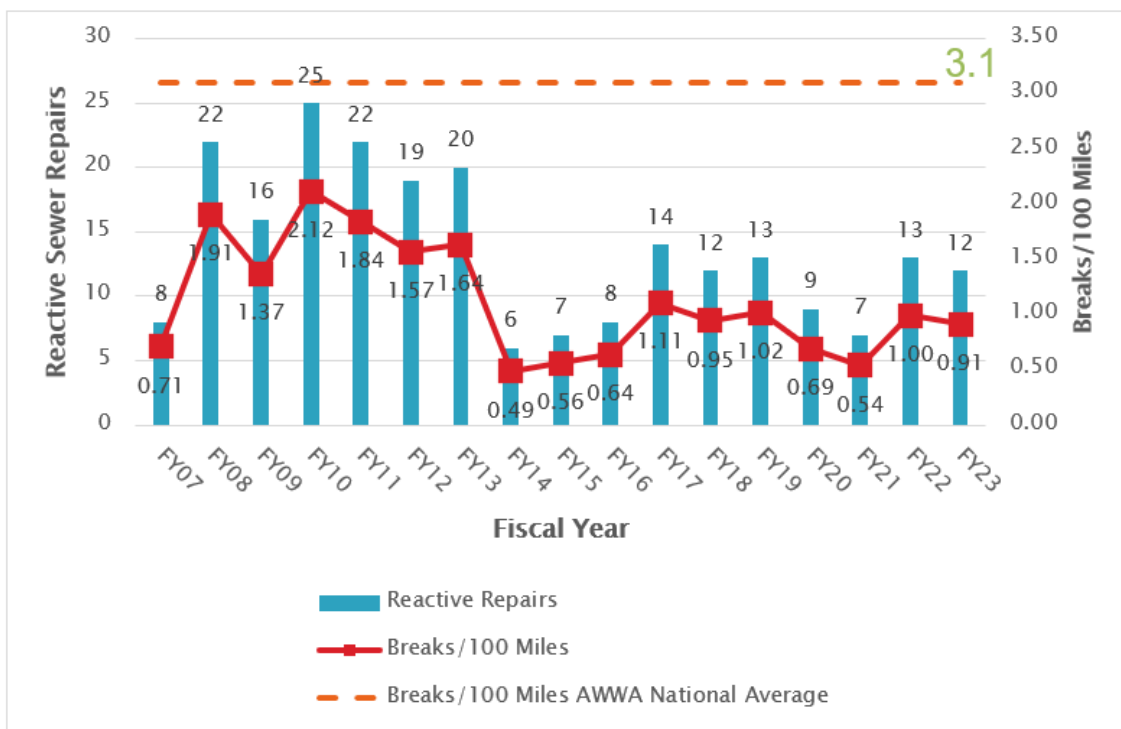


A higher percentage for unaccounted for sewer means that more raw sewage is coming into the treatment plants than we are billing for (this is due to infiltration in the sewer system)

The standard that we strive to be below for unaccounted for water is 10% and for sewer is 40%

Water Main Repairs Performance Indicator

Average 8.73 per 100 miles (7.79 – FY2023)



The chart above indicates PWC has been well below the national average since 2007. The average breaks/100 miles since FY07 is 1.12, while we stayed below 1, at .91 breaks/100 miles in FY23. Since FY14 our reactive repairs along with our breaks/100 miles have consistently been down largely due to our rehab efforts.

Other Activities – FY2024 & Future

Assess Large Water Mains

- Pre-Stressed Concrete Cylinder Pipe
- Total = \$350,000

NCDOT Projects (10-Year CIP)

- Replacements
- Total = \$223M

Encase Water Mains Under Railroad Tracks (10-Year CIP)

- Total = \$2.9M

Rockfish Creek Equalization Basin (Complete)

- Total = \$15.3M

Large Diameter Sanitary Sewer Outfall Rehabilitation (10-Year CIP)

- Total = \$64.1M

Mr. Cashwell stated we are continuing to develop the large diameter water main assessment program. As part of the asset management effort in FY24, PWC and our consultant are evaluating various technologies that could be utilized to assess the condition of steel, ductile iron, cast iron and asbestos-cement water mains. The technology relating to water main condition assessment is continuing to evolve. The consultant will prepare a report outlining the various technologies that can be used, their level of accuracy, costs, level of effort, etc. and provide recommendations on how to develop and implement a pilot program for the various water main materials. This report is expected to be completed in FY24, and the pilot program is expected to be implemented in FY25.

PCCP (Pre-Stressed Concrete Cylinder Pipe) is a high compressive and high tensile strength pipe formed from a thin steel cylinder encased in concrete and prestressing wires.

Sanitary Sewer Lift Stations FY2024 & Future

Lift Stations (70)

- Planned Upgrades (4) - \$21.6M
- Planned Replacement (2) - \$7.0M
- Planned Rehabilitation
 - 4 per year over next 10 years - \$6.4M

Projected Expenditures (10-Year CIP)

Over the next 10 years we project to spend:

- \$168.3M on System Rehabilitation, which includes water main, sewer main, and manhole rehab.
- \$35M on Lift Station Rehabilitation including LS upgrades and LS Replacements
- And \$64.1M on Sanitary Sewer Outfall Rehabilitation (An outfall is a large sewer main, >36-inches, that receives wastewater from a collection system and carries it to a discharge point)

Totaling \$267.4M over the next 10 years.

Staff responded to questions and comments from Commissioners. Chairman Porter thanked Mr. Cashwell for the detailed presentation.

IV. ORGANIZATIONAL DEVELOPMENT AND TRAINING UPDATE

Presented by: Bobby Russell, Human Resource Officer
Olivia Hall, Organizational Development/Training Manager

Mr. Bobby Russell stated approximately 2 years ago we brought on an organizational development manager, Ms. Olivia Hall. He then introduced her to the Commission. Ms. Hall stated she will give a brief update of the Organizational Development Program. She stated part of their purpose is to partner with business leaders to create sustainable solutions and to maximize the effectiveness of PWC. In prior years the focus has been on safety and technical training, but as we truly want to be the best utility, we have to add leadership and organizational development.

She stated she will discuss the PWC University and our Professional Development programs which are open to anyone who can participate.

Ms. Hall stated the purpose of the PWC University is to foster impactful, empowering leadership at all levels of the organization. So far, they have two pathways, they are called Journeys. And they will add two more in 2024.

She shared a comment from a recent PWC University graduate, Kimberly Rodriguez, who is the Key Accounts Manager, however when she began the Aspiring Leaders Program, she was a Key Accounts Agent.



“The wealth of information shared was invaluable, and the clear expectations set allowed for a seamless and enjoyable experience. Embracing the collaborative spirit with my peers was a true pleasure.”

Ms. Hall stated this is what the program is intended to do. To meet the needs when an individual is promoted as well as to grow with each course in which they participate.

Our Programs – Journeys

Aspiring Leaders

- This program lasts for four months, and so far, two cohorts have graduated from this program.

New Leaders

- This program has ten modules, and it takes approximately a year to complete. The first class graduated approximately a month ago.

Coming in 2024

Emerging Leaders

- Currently working with the Operational Leadership Team areas to create a program for aspiring and new crew leaders, and coordinators, people in senior positions.

Strategic Leaders

- Currently working with Mr. Bryant for our employees who are in upper management positions and future executives. This is moving from the operational mindset to a strategic mindset.

Professional Development: Creating a Culture of Learning

Ms. Hall stated from the moment you are hired you can take these courses. She stated we want PWC employees and leaders to prioritize, value and reward receiving and gaining knowledge.

The PWC Learning Catalog is Published in January and August and includes a variety of courses, which include:

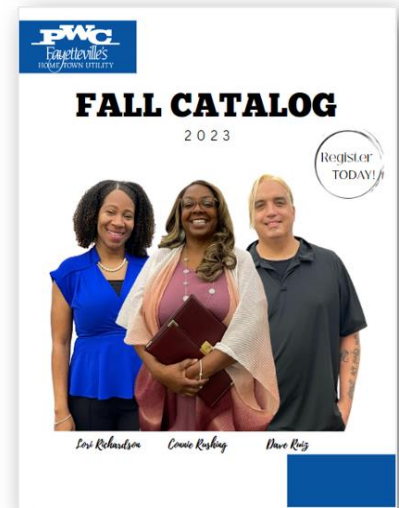
- Skills Development
- Professional Development
- Leadership Development
- PWC Information Sessions & Tours
- Independent Learning Experiences

Career Choice (New Program as of January 1, 2024)

This program rewards up to \$5,000 a calendar year.

Professional Development Opportunities:

- College or university degree programs
- Licenses and certificates
- Professional development from accredited organizations



LinkedIn Learning

This is an online educational platform. It provides access to over 16,000 videos on a variety of courses.

To date 156 employees have completed 30 minutes or more.. There has been 398 hours of learning time, and 6,800 videos have been viewed.

The top courses are:

- Excel Tips
- Project Management Foundations
- Communicating with Empathy
- Time Management Tips
- Developing a Critical Thinking Mindset

Courageous Conversations

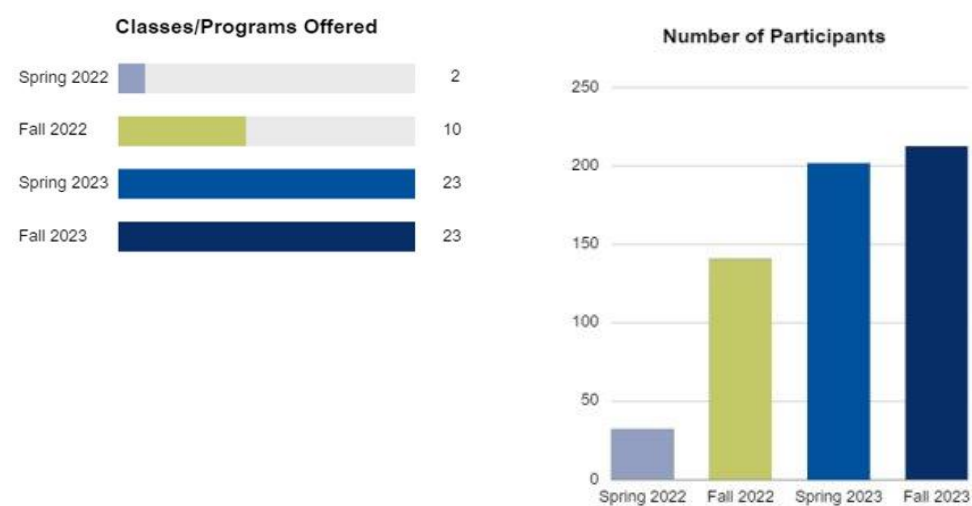
In our next catalog in January 2024, we will roll out Courageous Conversations as a focus. Leaders will have an opportunity to participate in real life learning scenarios through virtual reality headsets.

Virtual reality is the future of training, and we are excited to be on the leading edge.

Participation Data

We offer a variety of training opportunities for our employees and are all optional. They are something employees want to participate in. We want to build a culture of learning.

So far, we have had 324 employees to participate in something in this professional development programs. We have doubled our offerings. In the Fall of 2022, we had 10. In the fall of 2023, we have 23. We also have been increasing our number of participants. In the cycle we are in now, Fall 2023 (runs from August to December), we have had 212 employees to participate, and we expect that number to grow, because we have more classes scheduled between now and December.



Ms. Hall stated our team works to connect the people strategy with the business strategy. We have big plans, especially with Mr. Bryant’s arrival. We expect to grow beyond our current coursework. We plan to partner with individual departments to further enhance the skillset of the company and grow our organizational capacity. It is our vision that every employee will be a part of these programs within the next year.

Commissioner Garrett commended Ms. Hall for the in-depth presentation. She stated she is not sure about the State or the local government, however she said Fort Liberty has a public/private partnership, where they exchange leaders for 120 days. She also asked about the Coaching Program, is it part of the curriculum? Ms. Hall stated we are adding it to the strategic leadership program.

Commissioner Garrett asked what is being asked of the employees when we invest in them in a big way, such as when they pursue credentials, or pursue formal education, or a participate in a public/private partnership? Will they have to sign a contract to stay with us for a year or two? Ms. Hall stated participation in the Career Choice program includes a two-year commitment.

Commissioner Porter also commented on the program. He stated it tells you a lot about a manager or leader when they take the initiative to increase their knowledge.

Mr. Russell stated one of the things we are adding to the Human Capital Management System (HCM) is Journeys. It gives an employee who comes onboard all the information they need. It goes from beginning to end, even in offboarding when you are retiring, it will take you through a journey. So you will know exactly what you need and every component to get you ready for retirement. In between we want to set up career opportunities that give you pathways or a journey you take as an employee to get you to that career you aspire to be at.

He stated we have had a conversation with FTCC, and one is upcoming with FSU in how we can incorporate these universities that are within our community to help us develop future leaders within our organization.

V. GENERAL MANAGER REPORT

Safety

Mr. Bryant stated we continue to perform very well from a safety standpoint. We continue to do great work across the teams.

Relative to hurricane season, we are in the last few days, and there is nothing pending in the Atlantic, although we could use the rain (slow and steady), as we are dealing with current drought conditions.

Community Engagement

Mr. Bryant thanked those who participated in the golf tournament last week to benefit the Jay Walkers Alzheimer's Awareness.

Our United Way campaign is in full swing. Our goal this year is \$135,000. We appreciate your ongoing support in helping us to meet or supersede our goal. United Way does a lot of work in this community, as well as their agencies.

Veteran's Day breakfast is tomorrow at 7:30 am. We are looking forward to seeing the Commissioners there.

The Toys for Tots campaign is in full swing as well. We are bringing in toys for the Marine Corps annual initiative to ensure every child has a toy for Christmas morning. We are also ensuring our adoptive family PWC has adopted beyond the Toys for Tots campaign has a good Christmas as well.

Mr. Bryant stated The CityView Power of Giving Luncheon is Tuesday, November 14th, and PWC is the presenting sponsor. He informed the Commissioners if any has not already RSVP'd to let him know and there will be a seat available at PWC's table.

Running the Business

Overall, things are going extremely well. We had a water main break in the Hope Mills area. One of our 8-inch mains broke in the early hours of this morning. Mr. Noland and his team did a sterling job in working with the community to secure the leak.

He stated PWC is on track to close on our new bonds next week. There should be an invitation to the Commissioners to attend a bond closing dinner next week as well.

VI. COMMISSIONER/LIAISON COMMENTS

Council Member Deno Hondros

Council Member Hondros stated a year ago he was humbled and honored to be elected to Council, and again on last evening. He was honored to be appointed as the liaison between the Council and PWC, with the chance to meet the staff and Commissioners, and reconnect with former Commissioners Fowler and Shaw. He said this is a coveted position, most freshmen councilmen are not blessed with that. He went on to state there is probably high demand for someone else to sit in this seat, and when the Mayor makes his appointments for the committees, there will probably be someone else to hold this position. Though he would love to sit here for another year. In the event it is not him, keep up the good work.

Commissioner Richard King

Commissioner King stated he loves the PWC University. He also stated he likes the Rehabilitation Program, the sewer lining and new piping in the ground. He stated he wished there was more than 1% of repair each year. Mr. Noland stated the capital demands are tremendous, and we are trying to hit the right amount without sacrificing something else that needs to be accomplished. Discussion ensued.

Commissioner Christopher Davis

Commissioner Davis stated to have a corporation like this that champions education; provides the opportunity and then encourages and celebrates accomplishments is amazing.

Commissioner Ronna Rowe Garrett

Commissioner Garrett congratulated Council Member Hondros on his accomplishment.

She offered condolences to Ms. Justice-Hinson on the passing of her father.

She thanked everyone for the work that has been done, and it is evident in these briefs. They are very informative. And as Ms. Shaw would say, educating us is half the challenge. She appreciates all the updates and she appreciates the efforts of the staff.

Commissioner Donald Porter

No Comments

VII. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Personnel Report - October 2023
- B. Career Opportunities
- C. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #19745 – install water laterals @ 4019 & 4035 Clinton Road (SR1006)
- D. Actions by City Council during the meeting of October 23, 2023, related to PWC:
 - Adopted Resolution of the City of Fayetteville, NC to Accept an Amended State Loan Offer Under the NC Water Revolving Loan and Grant Act of 1987
 - Adopted Resolution of the City of Fayetteville, NC to Accept an Amended State Loan Offer Under the NC Water Revolving Loan and Grant Act of 1987
 - Approved Lease of Suite 101-A of RC Williams Building

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

Commissioner Ronna Rowe Garrett motioned to enter closed session pursuant to NCGC 143-318.11(A)(3) for legal matters. Motion was seconded by Commissioner Christopher Davis, and unanimously approved at 9:36 a.m.

There being no further discussion, upon motion by Commissioner Ronna Rowe Garrett, seconded by Commissioner Christopher Davis, and unanimously approved, the Commission returned to open session at 10:21 a.m.

IX. There being no further discussion, upon motion by Commissioner Ronna Rowe Garrett, seconded by Commissioner Christopher Davis, and unanimously approved, the Commission adjourned at 10:22 a.m.