

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, JANUARY 22, 2025  
8:30 AM

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

Others Present: Timothy L. Bryant, CEO/General Manager  
Kirk deViere, Cumberland County Commission Chairman/Liaison  
Adam Lindsay, Assistant City Manager (VIA WEBEX)  
Sally Shutt, Assistant County Manager (VIA WEBEX)

Absent: Chancer McLaughlin, Hope Mills Town Manager  
Derrick Thompson, City Council Liaison  
Media

I. REGULAR BUSINESS

Chairman Christopher Davis called the meeting of January 22, 2025, to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

Chairman Davis led the Commission in the Pledge of Allegiance

APPROVAL OF AGENDA

Commissioner Donald Porter motioned to amend the agenda by removing Item III (Process Improvement Update), and renumber subsequent agenda items. Motion was seconded by Commissioner Richard King, and unanimously approved.

Commissioner Richard King motioned to approve the amended agenda. Motion was seconded by Commissioner Donald Porter and unanimously approved.

II. CONSENT ITEMS

Commissioner Richard King motioned to pull Consent Item C for discussion and approve the remaining Consent Items. Motion was seconded by Commissioner Donald Porter and unanimously approved.

A. Approve Minutes of meeting of January 8, 2025

B. Adopt PWC Resolution # PWC2025.02 - Resolution to Accept a State Loan Offer Under the Safe Drinking Water Act Amendments of 1996

In January 2025, 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 \$1,571,930 for a total loan value of \$17,291,230 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.

**PULLED FOR DISCUSSION:**

C. *Adopt PWC Ordinance # PWCORD2025-01 – FY2025 Amendment #3 Budget Ordinance*

*The purpose of this amendment is to increase the Electric Fund by \$2,632,000 to \$287.7 million and the W/WW Fund by \$60,300 to \$173.3 million to account for increased Electric Fund Revenue.*

*Electric Fund:*

- *Appropriation of \$2,482,000 from Electric Net Position to cover the retirement of Renewable Energy Credits (RECs)*
- *Transfer of \$150,000 from Renewable Energy Portfolio Standard (REPS) Fund for the Thoroughfare Conversions capital project.*
- *Transfer of \$175,000 from Electric Fund Operating Budget to Budgetary Appropriations for the continued development of the PWC Foundation*

*Water & Wastewater Fund:*

- *Transfer of \$60,300 from Budgetary Appropriations to Water Transportation Equipment Capital Project Fund (capital reserve) for a long lead time vehicle;*
- *Transfer of \$175,000 from W/WW Fund Operating Budget to Budgetary Appropriations for the continued development of the PWC Foundation*

Commissioner Richard King stated his biggest concern with this item is the transfer of funds to the PWC Foundation. He stated the last time we set it up with past PWC CEO/General Manager David Trego, there was a problem, and we never moved forward with it. He wants to know the following:

1. Is the foundation set-up?  
Answer: Ms. Miller, PWC General Counsel/CLO stated, yes it is set up.
2. Was it set-up properly?  
Answer: Ms. Miller stated that the articles of incorporation for the trust mirrors the PWC charter. All the documentation has been filed and we are waiting for the IRS to approve our non-profit status.
3. How much is in the foundation now?  
Answer: Ms. Rhonda Graham, PWC Chief Financial Officer stated this consent request is to move money to a reserve on the PWC balance sheet. Basically, setting aside money when we are ready to move money over to the foundation. In answer to the question, the foundation has no money. PWC still has its money on its balance sheet, in reserve and it will not be released until the Commission approves for it to be released. There is \$679,600.00 in the reserve at this time, before the requested amendment. With the additional \$350,000, the balance will be \$1,029,600.
4. What will we do with the foundation?  
Answer: We will provide a full report of the foundation and its intent in closed session on February 12th. Ms. Miller will provide a copy of the articles of incorporation. Staff will also share with Commission its plan for the foundation.

Commissioner King also asked if there will be a [governing] board for the PWC Foundation, and who will be on the board. Staff will discuss this as well in closed session on February 12<sup>th</sup>.

Commissioner Garrett asked what the criticality is of moving on the balance sheet today before the board receives the briefing of the purpose and intent of the foundation. Ms. Graham stated it is not critical that it happens today, we are just trying to get the budget aligned in the same place. She went on to state the Commission approved a similar transfer in June 2024.

Following discussion, Commissioner King moved to approve Item C, minus the \$350,000 transfer to the PWC Foundation until we have the closed session on February 12<sup>th</sup>. Commissioner Porter seconded and the motion was unanimously approved.

END OF CONSENT

**REMOVED FROM AGENDA**

~~PROCESS IMPROVEMENT UPDATE~~

~~Presented by: \_\_\_\_\_ Mark Lawler, Chief Officer, Information Technologies  
Paula Shambach, Director of Business Services  
\_\_\_\_\_ Lucas Jerden, Continuous Improvement Manager~~

III. **INFRASTRUCTURE REHABILITATION ANNUAL REPORT**

Presented by: Misty Manning, Chief Operating Officer, Water Resources  
Allen J. Riddle, Water Resources Engineer III

Misty Manning, Chief Operating Officer, Water Resources introduced Allen Riddle, Engineer III, who oversees our capital projects. She introduced Mr. John Cashwell, Engineer I and Mr. Michael Smith, their Asset Management Coordinator. Ms. Manning stated they play vital roles in our Asset Management program. Mr. Riddle stated both John Cashwell and Michael Smith were vital in preparing this update.

Mr. Riddle stated he will discuss the following: Program Information; Performance Indicators; Future Rehabilitation Plans.

**The Rehabilitation Program**

- ▶ This program is designed to rehabilitate and replace Water and Sanitary Sewer Mains. It was initiated in 2004
- ▶ In FY15, a shift was made to replace water mains instead of epoxy lining
- ▶ Funding support for these ongoing programs is needed to ensure reliability of services

**Rehabilitation Program – Assets**

- ▶ Sanitary Sewer Mains
  - 1,275 miles (FY19)
  - 1,322 miles (FY24)
  - 222 miles over 45 yrs. old that have not been rehabilitated (17%)
- ▶ Water Mains



- 1,389 miles (FY19)
- 1,432 miles (FY24)
- 473 miles over 45 yrs. old that have not been rehabilitated (33%)



- ▶ Sanitary Sewer Manholes
  - 31,721 manholes (FY19)
  - 33,422 manholes (FY24)
  - 7,976 manholes over 45 yrs. old that have not been rehabilitated (24%)

### Rehabilitation Program

- ▶ 25% of System is over 45 years old and not rehabilitated
  - FY19 – 515 miles over 45 years old and not rehabilitated (19% of system)
  - FY24 – 695 miles over 45 years old and not rehabilitated (25% of system)
- ▶ Completing more than 1% of system over 45 years of age per Fiscal Year
  - FY19 – completed 1.4% of System over 45 years of age
  - FY24 – completed 1.9% of System over 45 years of age

### Funding Comparison

	FY19	FY24
Water System	\$13,400,000	\$12,200,000
Sanitary Sewer System	\$15,200,000	\$7,900,000
Sanitary Sewer Manholes	\$1,800,000	\$2,000,000
Outfalls, Laterals, etc.	\$10,900,000	\$3,200,000
Total Funding	\$41,400,000	\$25,300,000
Percent of CIP	49%	27%

### Rehabilitation Program Totals

#### Water Main Rehabilitation Cost Summary\*

	FY19	FY24	5 Year Δ
Total Epoxy Lined	59+ miles	59+ miles	0 miles
Total Replaced	33+ miles	56+ miles	23+ miles
Total Expenditure	\$88M	\$132M	\$44M

#### Sanitary Sewer Main Rehabilitation Cost Summary\*

	FY19	FY24	5 Year Δ
Total Lined	130+ miles	196+ miles	66+ miles
Total Replaced	10+ miles	22+ miles	12+ miles
Total Expenditure	\$100M	\$165M	\$65M

\* Totals are from inception of program and not annual numbers

Sanitary Sewer Manhole Rehabilitation Cost Summary \*

	FY19	FY24	5 Year Δ
Total Lined	2,000+	3,900+	1,900+
Total Expenditure	\$9.6M	\$20.7M	11.1M

\* Totals are from inception of program and not annual numbers

Mr. Riddle also discussed to cost summary and length of mains rehabilitated from 2008 thru 2024 for the water mains and sanitary sewer mains.

He stated the Sanitary Sewer Overflows per 100 miles are consistently under the ASCE National Average.

The Water Main Repairs average 8.54 per 100 miles. In FY24 the average repairs were 6.98 per 100 miles. This performance indicator is below the AWWA National Average of 18.5 repairs per 100 miles.

The Sanitary Sewer Main Repairs average 1.09 per 100 miles. In FY24 the average repairs were .15 per 100 miles. This performance indicator is below the AWWA National Average of 3.1 repairs per 100 miles.

Future Rehabilitation Plans (FY25 & Future)

- ▶ NCDOT Projects (10-Year CIP)
  - Replacements
  - Total = \$235 Million
- ▶ Encase Water Mains Under Railroad Tracks (10-Year CIP)
  - Total = \$3.3 Million
- ▶ Large Diameter Sanitary Sewer Outfall Rehabilitation (10-Year CIP)
  - Total = \$65 Million

Sanitary Sewer Lift Stations (FY25 & Future)

- ▶ Lift Stations (68)
- ▶ Planned Upgrades (4)
  - \$17.5 Million
- ▶ Planned Replacement (2)
  - \$7.0 Million
- ▶ Planned Rehabilitation

- 4 per year over next 10 years
- \$5.8 Million

#### Projected Expenditures (10-Year CIP)

- ▶ System Rehabilitation
  - \$303.3 Million
- ▶ Lift Stations
  - \$30.3 Million
- ▶ Sanitary Sewer Outfall Rehabilitation
  - \$65 Million
- ▶ TOTAL = \$398.6 Million

Staff responded to questions/comments from Commissioners regarding e-poxy lining, replacement of water mains and PWC's robust rehabilitation efforts. Chairman Davis thanked Mr. Riddle, Ms. Manning and the team for the detailed update.

#### IV. GENERAL MANAGER REPORT

##### *Safety*

The Team continues to work safely. Our Total Reportable Injury Rate (TRIR) is trending downward to .47, well under our target of 1.00. Mr. Bryant stated he is proud of the team's efforts over the last year in focusing on safety and continuing to bring that indicator downward.

As previously communicated and evidenced today we are in the winter storm season. PWC is taking every precaution to continue to deliver exceptional service around the clock even in inclement weather. Our team members are enforcing hazardous weather conditions awareness through their pre-job planning. PWC continues to stress to our customers to be vigilant and stay safe through hazardous weather conditions.

##### *People*

Mr. Bryant stated we continue to invest in our team members throughout PWC by providing training and experience-based opportunities. Our PWC University is the hub of our formal training, however our hands-on leadership and technical training is also important to ensure techniques learned in the classroom are transcending to the workplace.

##### *Community Engagement/Customer Engagement*

PWC continues to show our support of the Fayetteville/Cumberland County community. A number of us attended the 38<sup>th</sup> Annual MLK Prayer Brunch on Monday. The Commissioners are invited to attend the UW Cook-in on Friday. We will also support the Cape Fear Valley Health Foundation Greatest Needs Gala this Saturday at 6pm. As a member of the Chamber of Commerce and as a prior award recipient a number of us will attend the annual awards celebration on Tuesday at 6pm.

##### *Running the Business*

The team is continuing its efforts to continue to deliver cost effective, reliable, safe electric, water and wastewater services to our customers. We have the right resources in place to work through this and future weather events.

We continue to work through our capital and OEM budget planning. We expect to have the report to the Commission in the May timeframe. The Commission will receive updates to all our large projects this spring.

## V. COMMISSIONER/LIAISON COMMENTS

### **Cumberland County Liaison Commissioner Kirk deViere**

Commissioner deViere noted the County will have its Strategic Planning Retreat on January 30<sup>th</sup> and 31<sup>st</sup> from 10am to 5pm each day at the Crown. His goal is within 60 days to align the other strategic plans within the county, so we have a wider picture across the county (cities, municipalities, PWC, hospitals, universities, community colleges).

Commissioner deViere also stated the County has an action on their agenda to look at a stopgap measure regarding safe water at the two elementary schools in Grays Creek.

### ***Commissioner Ronna Rowe Garrett***

Commissioner Garrett stated as a follow-on to the strategic planning discussion, she welcomes conversations and phone calls with County Chairman deViere as we are peers and colleagues, and we work outside the normal business process.

### ***Assistant City Manager Adam Lindsay***

Assistant City Manager (ACM) Lindsay offered Council Member Thompson's regrets he could not attend today. ACM Lindsay stated similar to the County, the City will also have their Strategic Planning Retreat on this Thursday and Friday at the Gilmore Therapeutic Recreation Center. (*The date was later clarified to be February 11<sup>th</sup> and 12<sup>th</sup>*).

ACM Lindsay also stated the City has had a great relationship with PWC staff. He stated PWC attends the City's meetings and are really responsive. He expressed his gratitude for the collaboration.

### ***Commissioner Donald Porter***

Commissioner Porter stated he is elated ACM Lindsay made the previous comments. As it has not always been the case with these relationships. He stated he could not be prouder. He has not been on another board where the board members are directly in tune with the main reason we are here. We are very sensitive to our fiduciary responsibilities. We are a public entity. The public expects us to be here, and we are here. He is delighted at the discussions and delighted to be part of them. He takes issue with anyone who states we are not a high-powered organization, and we are not connected at the hip, both staff and Commission.

### ***Commissioner Richard King***

Commissioner King stated he agrees with Commissioner Porter's comments. He also thanked Ms. Manning and her team for the report. Though he wishes we did not have to spend \$40M he understands that rehabilitation is necessary.

***Commissioner Christopher Davis***

Commissioner Davis stated our refined and concentrated effort is not to simply rehab but to stay ahead of our assets and ensure they are being improved, sustained and rehabbed. This will lengthen their reliability across the board. It is good to hear the Chief Officers and CEO driving this mission home. We are continuing to build a system that is robust and resilient and has the capacity to grow because you cannot grow dilapidated infrastructure.

**VI. REPORTS AND INFORMATION**

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report - December 2024
- B. Recap of Uncollectible Accounts – December 2024
- C. Investment Report - December 2024
- D. Purchase Orders – December 2024
- E. Utility Payments by Payment Type – December 2024
- F. Financial Statement Recaps
  - Electric Systems – December 2024
  - Water/Wastewater – December 2024
- G. Personnel Report - December 2024
- H. Career Opportunities
- I. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr.# 19859 – abandonment of 1” water lateral @ SR1404 (Morganton Rd.)
- J. Actions by City Council during the meeting of January 13, 2025, related to PWC:
  - Approved Fourth Amendment to Lease of Suite 102 of R. C. Williams Building
  - Adopted Resolution Approving License Agreement with CELLCO Partnership (d/b/a Verizon Wireless) - to Use Space on Telecommunications Tower – 5306 Spruce Drive
  - Held Public Hearing Regarding Phase V Annexation Area 32 East, Section 1 on the Preliminary Assessment Roll

**VII. ADJOURNMENT**

There being no further discussion, upon motion by Commissioner Donald Porter, seconded by Commissioner Richard King, and unanimously approved, the meeting adjourned at 9:29 a.m.