

1 STAFF CONFERENCE

May 3, 2021

2 CHAIR MITCHELL: Good morning. I'm
3 Charlotte Mitchell, Chair of the Utilities Commission,
4 and with me this morning are the following
5 Commissioners. When I announce your name, please
6 announce your presence. Commissioner Brown-Bland.

7 COMMISSIONER BROWN-BLAND: Good morning.

8 CHAIR MITCHELL: Commissioner Gray.

9 COMMISSIONER GRAY: Aye. Oops, here.

10 CHAIR MITCHELL: Commissioner Clodfelter.

11 COMMISSIONER CLODFELTER: Yes, good morning.

12 CHAIR MITCHELL: Commissioner Duffley.

13 COMMISSIONER DUFFLEY: Good morning.

14 CHAIR MITCHELL: Commissioner Hughes.

15 COMMISSIONER HUGHES: Good morning.

16 CHAIR MITCHELL: And Commissioner McKissick.

17 COMMISSIONER MCKISSICK: Good morning.

18 CHAIR MITCHELL: In compliance with the
19 State Government Ethics Act, I remind members of the
20 Commission of their duty to avoid conflicts of
21 interest, and inquire as to whether any member of the
22 Commission has a known conflict of interest with
23 respect to matters coming before us?

24 (No response)

NORTH CAROLINA UTILITIES COMMISSION

1 The record will reflect that no conflicts
2 have been identified, so we will proceed with Public
3 Staff, Communications, Item P1. Ms. Proffitt, you're
4 up.

5 MS. PROFFITT: Good morning. My name is
6 Karen Proffitt of the Public Staff - Water, Sewer and
7 Telephone Division. Item P1 presents the filing --
8 excuse me, presents the filing of the Joint
9 Application of Charter Fiberlink NC-CCO, LLC, and Time
10 Warner Cable Information Services North Carolina, LLC.
11 Each are seeking designation as an Eligible
12 Telecommunications Carrier for the purpose of
13 receiving federal Universal Service Fund support to
14 provide voice and broadband services in certain areas
15 defined by the census blocks that lack these services
16 and offers discounts to qualifying low-income
17 consumers through the Federal Communications
18 Commission's Lifeline Program.

19 These Companies seek ETC designation for
20 census blocks as specified in Exhibit A for Charter
21 Fiberlink and Exhibit B for Time Warner Cable
22 Information Services North Carolina.

23 The Public Staff reviewed the Joint
24 Application and additional filings, and we believe

1 that the Charter Entities satisfy the requirements for
2 designation as an ETC.

3 The Public Staff recommends that the
4 Commission issue an Order finding that the Charter
5 Entities, which is Charter Fiberlink and Time Warner
6 Cable Information Services North Carolina, have met
7 the requirements to serve as an ETC in the requested
8 census blocks and designating each as an ETC as
9 requested.

10 A copy of the proposed order is attached as
11 Exhibit Number P-1.

12 COMMISSIONER BROWN-BLAND: Move approval of
13 the recommendation.

14 COMMISSIONER GRAY: Second.

15 CHAIR MITCHELL: It's been moved and
16 seconded that the item be approved as recommended by
17 the Public Staff. Any questions? Discussion on the
18 motion?

19 (No response)

20 Hearing none, I will call the roll for a
21 vote. Indicate your support for the motion with an
22 aye and your opposition with a no. Commissioner
23 Brown-Bland.

24 COMMISSIONER BROWN-BLAND: Aye.

1 CHAIR MITCHELL: Commissioner Gray.

2 COMMISSIONER GRAY: Aye.

3 CHAIR MITCHELL: Commissioner Clodfelter.

4 COMMISSIONER CLODFELTER: Aye.

5 CHAIR MITCHELL: Commissioner Duffley.

6 COMMISSIONER DUFFLEY: Aye.

7 CHAIR MITCHELL: Commissioner Hughes.

8 COMMISSIONER HUGHES: (Inaudible).

9 CHAIR MITCHELL: Commissioner Hughes is an
10 aye. And Commissioner McKissick.

11 COMMISSIONER MCKISSICK: Aye.

12 CHAIR MITCHELL: And for the record I
13 support the motion as well and the motion carries.

14 (MOTION PASSES)

15 CHAIR MITCHELL: Thank you, Ms. Proffitt.

16 We will proceed now to Public Staff, Water
17 Item P1. Ms. Casselberry?

18 MS. CASSELBERRY: Good morning. Gina
19 Casselberry. Item P1 is Docket Number W-1305, Sub 8.
20 On May 8th, 2018, Pluris Hampstead, LLC, filed an
21 Application for a Certificate of Public Convenience
22 and Necessity to provide sewer service in Wylie Branch
23 phases 1 and 2 in Pender County, North Carolina, and
24 for approval of rates.

1 On April 2, 2021, Pluris Hampstead filed the
2 North Carolina Non-Warranty Deed for its sewage pump
3 station lot serving Wylie Branch completing the
4 Application.

5 The Public Staff recommends that the
6 Commission issue the proposed order granting the
7 franchise and approving Pluris Hampstead's proposed
8 rates.

9 COMMISSIONER BROWN-BLAND: Move approval of
10 the recommendation.

11 COMMISSIONER GRAY: Second.

12 CHAIR MITCHELL: It's been moved and
13 seconded that the item be approved as recommended by
14 the Public Staff. Any questions or discussion on the
15 motion?

16 (No response)

17 Hearing none, I'll call the roll for a vote.
18 Indicate your support for the motion with an aye and
19 your opposition with a no. Commissioner Brown-Bland.

20 COMMISSIONER BROWN-BLAND: Aye.

21 CHAIR MITCHELL: Commissioner Gray.

22 COMMISSIONER GRAY: Aye.

23 CHAIR MITCHELL: Commissioner Clodfelter.

24 COMMISSIONER CLODFELTER: Aye.

NORTH CAROLINA UTILITIES COMMISSION

1 CHAIR MITCHELL: Commissioner Duffley.

2 COMMISSIONER DUFFLEY: Aye.

3 CHAIR MITCHELL: Commissioner Hughes.

4 COMMISSIONER HUGHES: Aye.

5 CHAIR MITCHELL: Commissioner McKissick.

6 COMMISSIONER MCKISSICK: Aye.

7 CHAIR MITCHELL: And for the record I
8 support the motion as well and the motion carries.

9 (MOTION PASSES)

10 CHAIR MITCHELL: We will proceed to Public
11 Staff, Water Item P2. Ms. Casselberry, we're with you
12 again.

13 MS. CASSELBERRY: Item P2 is Docket Number
14 W-1305, Sub 18. I'd like to point out that there was
15 a typo in paragraph 6. The word "agreement" should be
16 replaced with "sewer service permit" and that goes
17 with the Finding of Fact Number 6 as well. So, it
18 should read "sewer service permit".

19 On February 4th, 2021, Pluris Hampstead,
20 LLC, filed an Application for a Certificate of Public
21 Convenience and Necessity to provide sewer utility
22 service at 11207 and 11243 U.S. Highway 17, Hampstead,
23 in Pender County, North Carolina, and for approval of
24 rates.

1 The Public Staff recommends that the
2 Commission issue the Public Staff's proposed order
3 granting franchise and approving Pluris Hampstead's
4 proposed rates and correcting that error I pointed out
5 earlier in the proposed order.

6 CHAIR MITCHELL: I'll take a motion.

7 COMMISSIONER GRAY: Move approval.

8 (WHEREUPON, the Court Reporter
9 requested Ms. Casselberry to
10 repeat her last sentence due to
11 audio feedback.)

12 CHAIR MITCHELL: Ms. Casselberry, if you
13 could repeat your last --

14 MS. CASSELBERRY: The Public Staff
15 recommends that the Commission issue the proposed
16 order granting the franchise and approving Pluris
17 Hampstead's proposed rates, including replacing
18 "agreement" with "sewer service permit" in the order.

19 COMMISSIONER BROWN-BLAND: I'll second. I
20 was on mute, but I'll second and add that as corrected
21 by Ms. Casselberry during presentation.

22 CHAIR MITCHELL: For purposes of the record,
23 the motion came from Commissioner Gray. Is that
24 correct, Commissioner Gray?

1 COMMISSIONER GRAY: (Nods in agreement).

2 CHAIR MITCHELL: Okay. With a second from
3 Commissioner Brown-Bland.

4 It's been moved and seconded that the item
5 be approved as corrected by and recommended by the
6 Public Staff. Any questions or discussion on the
7 motion?

8 (No response)

9 Hearing none, I'll call the roll for a vote.
10 Indicate your support for the motion with an aye and
11 your opposition with a no. Commissioner Brown-Bland.

12 COMMISSIONER BROWN-BLAND: Aye.

13 CHAIR MITCHELL: Commissioner Gray.

14 COMMISSIONER GRAY: Aye.

15 CHAIR MITCHELL: Commissioner Clodfelter.

16 COMMISSIONER CLODFELTER: Aye.

17 CHAIR MITCHELL: Commissioner Duffley.

18 COMMISSIONER DUFFLEY: Aye.

19 CHAIR MITCHELL: Commissioner Hughes.

20 COMMISSIONER HUGHES: Aye.

21 CHAIR MITCHELL: Commissioner McKissick.

22 COMMISSIONER MCKISSICK: Aye.

23 CHAIR MITCHELL: And for the record I
24 support the motion as well and the motion carries.

1 (MOTION PASSES)

2 CHAIR MITCHELL: We will proceed now to
3 Public Staff, Water Item P3. Ms. Casselberry, you're
4 up again.

5 MS. CASSELBERRY: Item P3 is Docket Number
6 W-1305, Sub 19. On February 4, 2020, Pluris Hampstead
7 filed an Application for a Certificate of Public
8 Convenience and Necessity to provide sewer utility
9 service at 15441 Bailey Shoppes, 15489 Vintage
10 Associates, 15395 Hampstead GoGas, and 15531 Hampstead
11 United Methodist Church, U.S. Highway 17, Hampstead,
12 in Pender County, North Carolina, and for approval of
13 rates.

14 On October 29th, 2020, Pluris Hampstead
15 filed an Agreement and Conveying Lift Station and
16 Granting Easements with Bailey, dated May 21st, 2020,
17 and on our March 31st, 2021, an Agreement to Convey
18 Lift Station and Facilities and Grant Easements with
19 Vintage dated July 1st, 2020, completing its
20 Application.

21 The Public Staff recommends that the
22 Commission issue the proposed order granting the
23 franchise and approving Pluris Hampstead's proposed
24 rates.

1 COMMISSIONER BROWN-BLAND: Move approval of
2 the recommendation.

3 COMMISSIONER GRAY: Second.

4 CHAIR MITCHELL: It's been moved and
5 seconded that the item be approved as recommended by
6 the Public Staff. Any questions or discussion on the
7 motion?

8 (No response)

9 Hearing none, I'll call the roll for a vote.
10 Indicate your support for the motion with an aye and
11 your opposition with a no. Commissioner Brown-Bland.

12 COMMISSIONER BROWN-BLAND: Aye.

13 CHAIR MITCHELL: Commissioner Clodfelter.

14 COMMISSIONER CLODFELTER: Aye.

15 CHAIR MITCHELL: Commissioner Gray. I'm
16 sorry.

17 COMMISSIONER GRAY: Thank you. Aye.

18 CHAIR MITCHELL: Commissioner Clodfelter.

19 COMMISSIONER CLODFELTER: Aye. Aye
20 (technology repeat). And that's not two votes, it's
21 just one vote repeated.

22 CHAIR MITCHELL: Got it. All right.
23 Commissioner Duffley.

24 COMMISSIONER DUFFLEY: Aye.

1 CHAIR MITCHELL: Commissioner Hughes.

2 COMMISSIONER HUGHES: Aye.

3 CHAIR MITCHELL: And Commissioner McKissick.

4 COMMISSIONER MCKISSICK: Aye, aye. I'll
5 take two votes.

6 (Laughing)

7 CHAIR MITCHELL: Oh, Commissioner McKissick.
8 All right. And for the record I support the motion as
9 well and the motion carries.

10 (MOTION PASSES)

11 CHAIR MITCHELL: Thank you, Ms. Casselberry.
12 You had the heavy lift this morning.

13 We will proceed now to Public Staff,
14 Supplemental, Water Item P1. Mr. Grantmyre, you're
15 up.

16 MR. GRANTMYRE: Good morning. Bill
17 Grantmyre, Public Staff, Legal. This is Supplemental
18 P1, Water, Docket Number W-1148, Sub 20. It's
19 Mountain Air Utilities Corporation, Petition for
20 Appointment of Emergency Operator.

21 On April 29, 2021, the Public Staff filed a
22 Petition to appoint Carolina Water emergency operator
23 for the Mountain Air water and wastewater utility
24 systems at Mountain Air in Yancey County. This is

1 near Burnsville and it has approximately 480
2 customers.

3 The Mountain Air system is mainly at the top
4 of the mountain. There's a lot of systems in the
5 mountains but this one is at the top of the mountain,
6 or most of it.

7 This was a franchise utility to the
8 developer. Mountain Air Utility Corporation is an
9 affiliate of the developer. And on April 5, 2021, the
10 Utility emailed to the Commission a request for an
11 emergency operator to be appointed.

12 In my 44 years doing water and wastewater
13 before the Commission, almost all of the
14 Commission-appointed emergency operators have been
15 developer-owned utilities. As you can tell, I'm
16 deviating a little bit from my agenda item.

17 Going forward, I suggest that the Commission
18 consider much higher bonds if it's going to be a
19 developer-owned utility. I would suggest a minimum
20 bond for developer-owned utilities of at least
21 \$100,000. The current minimum is \$10,000, but that
22 was established in the 1980's.

23 Mountain Air Utility does have a \$30,000
24 bond which was posted in 2001. The emergency upgrades

1 required of the emergency operator will materially
2 exceed the \$30,000.

3 Last week, First Citizens Bank who has the
4 letter of credit filed a 60-day notice of cancelation.
5 G.S. § 62-110.3(d) states that the appointment of an
6 emergency operator forfeits the bond. It also has
7 required wording in that same subsection that the
8 Commission must decide the amount of the bond to be
9 forfeited. And I have drafted supplemental language
10 and submitted it to the Commission Staff adding a
11 finding of fact and an ordering paragraph that the
12 amount necessary to cure the emergency will materially
13 exceed the \$30,000.

14 The Mountain Air POA filed a letter with the
15 Commission on April 26th requesting an emergency
16 operator be appointed. Carolina Water has agreed to
17 be appointed emergency operator and Carolina has more
18 than 40-years' experience operating water and
19 wastewater systems in the North Carolina mountains.
20 They have twenty-three different service areas in the
21 North Carolina mountains ranging all the way from Ashe
22 County in the northwest to far western's Cherokee
23 County in the southwest.

24 Carolina Water currently is the emergency

1 operator for three systems up in Ashe County and for
2 24 years has been the emergency operator of a system
3 in Durham County. Carolina Water was also recently
4 the emergency operator in Macon County for Riverbend
5 Utilities. And if y'all can remember the famous power
6 outage at the Franklin Courthouse. Carolina Water
7 will advance significant funds as necessary to make
8 the emergency upgrades which are desperately needed.

9 The Public Staff, as was approved in the
10 Webb Creek emergency operator several years ago, is
11 recommending hybrid terms -- returns for Carolina
12 Water. As you remember, Pluris Webb Creek had to
13 replace the dilapidated wastewater treatment plant,
14 but they also had to make material upgrades, temporary
15 upgrades. The hybrid approach has a return on rate
16 base for whatever they invest in the system, and it
17 also has an operating margin on the operating
18 expenses.

19 The Public Staff believes that Carolina
20 Water is well qualified to be the emergency operator
21 and recommends that the Commission issue the Public
22 Staff's approved recommended order and call in the
23 \$30,000 bond letter of credit. Thank you.

24 CHAIR MITCHELL: Thank you, Mr. Grantmyre.

1 Several questions for you.

2 First, I want to express my appreciation to
3 the Public Staff and to Carolina Water for working
4 together to get things in order out there. Thank you.
5 I know it's been a fire drill and I know you all are
6 already, both the Company and the Public Staff, are
7 already stretched thin to cover workloads, so thank
8 you. I also thank you, Mr. Grantmyre, for your
9 suggestion that the Commission consider bond amounts.
10 We will take you up on that suggestion at some point
11 in time in the near future.

12 Just out of curiosity, Mr. Grantmyre, with
13 respect to cost recovery, I understand the
14 recommendations of the Public Staff regarding the
15 returns on investment that Carolina Water is going to
16 be required to make, but in instances like this where
17 this, you know, pending before the Commission is the
18 transfer application to the Redbird Entity, not to
19 Carolina Water, at what point in time and how will
20 Carolina Water seek cost recovery for the investment
21 that it's having to make here?

22 MR. GRANTMYRE: Well, in emergency operator
23 appointments the emergency operator is always made
24 whole. And if the Commission were to approve a

1 transfer to another entity, then the Public Staff
2 would recommend in the Commission Order that the other
3 entity reimburse Carolina Water for its full
4 investment, and they would add that to the rate base.

5 CHAIR MITCHELL: Okay.

6 MR. GRANTMYRE: Or the Commission could
7 assess the customers for the emergency operator. But
8 emergency operators, it's always required that they be
9 made whole. And being an emergency operator is not
10 fun and it's really hard to get them, so we always
11 want to make sure they're made whole.

12 CHAIR MITCHELL: Understood. Understood.
13 Thank you for that.

14 Additional questions for the Public Staff on
15 this matter?

16 COMMISSIONER BROWN-BLAND: Yes, Madam Chair.

17 CHAIR MITCHELL: Commissioner Brown-Bland.

18 COMMISSIONER BROWN-BLAND: Mr. Grantmyre, I
19 just wonder if you could -- well first, are the
20 customers actually feeling or experiencing or
21 otherwise aware of the impacts of the situation now?

22 MR. GRANTMYRE: They are very much aware.
23 There have been a number of water outages and a number
24 of sewer leaks or sanitary sewer overflows. The

1 customers really want an emergency operator. And I
2 think the customers are going to be intervening in the
3 transfer case very shortly.

4 COMMISSIONER BROWN-BLAND: I was just
5 wondering if this was visible to them, but it sounds
6 like it very definitely is.

7 MR. GRANTMYRE: Yes. If I could add
8 something? The way we've structured the customer
9 notice, it's a short customer notice, and the
10 developers work with the POA that they will distribute
11 it by email to all of the POA members. So, the day or
12 day after the order is issued they would have notice.
13 And we're, also, in the notice giving them
14 instructions how to get to the full Commission Order
15 so they could read that.

16 COMMISSIONER BROWN-BLAND: Thank you,
17 Mr. Grantmyre. I move approval of the Public Staff's
18 recommendation including that we call in the bond.

19 COMMISSIONER GRAY: Second.

20 CHAIR MITCHELL: It's been moved and
21 seconded that the recommendation of the Public Staff
22 be approved. Questions or discussion on this motion?

23 Commissioner Hughes, I saw that your hand
24 was up.

1 COMMISSIONER HUGHES: Chair Mitchell, I had
2 my hand up.

3 CHAIR MITCHELL: You may proceed.

4 COMMISSIONER HUGHES: Thank you.
5 Mr. Grantmyre, a few questions. The \$15 million in
6 liens, can you give us a little bit more information
7 about those? Are they for debts that were incurred in
8 building the original system? Are they for something
9 completely different than the -- if a water system was
10 used as collateral material? And what's the status of
11 those liens? Who owns those liens?

12 MR. GRANTMYRE: We have data requests out to
13 get that information. We -- the liens -- this is a
14 development and it's a beautiful development, but it
15 failed after the recession in 2008, and a number of
16 deeds of trust on the development were foreclosed.
17 And there might be some judgment liens, also. These
18 are not really liens of the utility, but as it happens
19 in many, many developer-owned systems the developer
20 intermingles the utility property with the real estate
21 property and, quite frankly, they're very sloppy about
22 ever transferring the property to the utility. And so
23 that's going to all have to be worked out and it's
24 going to take a significant amount of time.

1 To my knowledge, the utility assets as
2 utility assets were not really encumbered, but it's
3 really -- they're in names other than the utility that
4 are encumbered. So, what we have is a real mess.

5 COMMISSIONER HUGHES: I like that technical
6 term. I've just got a couple of other questions. You
7 had mentioned that one option for the cost recovery
8 was to quote "assess the customers". How exactly
9 would be that proceed? And I apologize if I should
10 know this, what is the authority for us to assess an
11 individual customer or would we grant -- would we
12 grant the future utility the ability to do that?

13 MR. GRANTMYRE: I'd have to find that. I
14 know it's happened a number of times before. I think,
15 in emergency operators the Commission has the power to
16 issue assessments and it's different than if it's just
17 a utility. Carolina Water could have requested a rate
18 increase which would have provided more funds but,
19 since they will be made whole, they did not want to
20 burden the customers at this time. But I'd have to
21 get the exact authority. But I know it's been done a
22 number of times in the past.

23 Christmount was not emergency operator, but
24 we assessed the customers there a couple of years ago

1 for the system upgrades. And I know we assessed
2 customers down, years ago, down on the coast where
3 Evirocon's wastewater plant collapsed, and we assessed
4 the customers there for the renovation to the plant.

5 COMMISSIONER HUGHES: Well, if you could
6 provide some information we can work with our staff,
7 too, to just get a little bit more on the history of
8 how that would work. And I'm assuming some of these
9 customers are -- I mean, most of the customers are
10 residential but some of the customers are, I assume,
11 the clubhouse and the commercial, you know, the
12 commercial components of this development. So, it
13 would be interesting to see what our powers were to
14 assess some of those, you know, potentially high
15 valued customers that would be able to pay
16 assessments. I'd be interested in that.

17 MR. GRANTMYRE: This is a very high-end
18 community. It has an airplane landing strip on the
19 top of the mountain which is paved. So, the customers
20 will not feel any pain in paying an assessment. It's
21 only about 60 full-time residents on the mountain and
22 there are 400 and some odd residences. So, the season
23 will get very busy in a hurry in the next couple of
24 weeks.

1 Carolina Water has agreed to become
2 emergency operator effective next Monday, May 10th.
3 They've needed a substantial amount of time to prepare
4 so they could hit the ground running.

5 COMMISSIONER HUGHES: Okay. Well, last
6 question and I'll leave it to my colleagues who
7 probably have more questions. Has the County in your
8 discussions, negotiations, whatever you want to call
9 them, has the County had a seat at the table? I
10 understand this is -- I believe a planned unit
11 development that the County recruited, approved. I'm
12 just curious if they have any involvement at all.

13 MR. GRANTMYRE: The County has not had any
14 involvement to date, and I doubt the County would have
15 any interest. The wastewater is treated bulk
16 wastewater treatment by the Town of Burnsville. And,
17 quite frankly, with only 60 permanent residents on the
18 mountain, the voters up there have little to say as to
19 what goes on in the County.

20 COMMISSIONER HUGHES: That's all for now.
21 Thank you very much. And I echo my colleagues' thanks
22 for what I assume the technical term is "mess" of you
23 all dealing with this.

24 CHAIR MITCHELL: Any additional questions or

1 discussion on the motion? Commissioner McKissick.

2 COMMISSIONER McKISSICK: Thank you, Madam
3 Chair.

4 Mr. Grantmyre, just a few questions. I
5 gather Redbird is not currently a regulated entity in
6 North Carolina. Do we have any idea what kind of
7 timeframe would be required for them to become a
8 regulated entity in our state to qualify as such?

9 MR. GRANTMYRE: They have filed nine
10 transfer -- eight transfer applications and one
11 Application for a Certificate of Public Convenience.
12 That's down on Pine Knoll Shores. We had sent them
13 letters as to deficiencies in their contracts -- in
14 their applications, and for the first two they have,
15 in April, I think it was April 15th, they finalized
16 those contracts. I don't know how long it would take
17 to finalize the others. I don't know how long it
18 would take to finalize this case that is Mountain Air,
19 because I understand there is going to be intervenors
20 in the case, and Ed Finley is the intervenor's lawyer
21 and so.

22 COMMISSIONER McKISSICK: Okay. Do we know
23 if Redbird has experience in other jurisdictions?

24 MR. GRANTMYRE: They have --

1 COMMISSIONER McKISSICK: What type -- I
2 don't even know how large of a company this is or how
3 experienced they are, whether they're -- you know,
4 maybe you can give me some idea.

5 MR. GRANTMYRE: They have systems in
6 Missouri, I believe Kentucky, I think Arkansas, and
7 Louisiana, and possibly Tennessee. They're fairly new
8 in acquiring systems. They've been doing it the last
9 three or four years. So, we don't know too much about
10 them and that will be part of the due diligence that
11 we'll have during the discovery process. We're
12 just -- within the last week we started sending out
13 data requests for the two applications that they've
14 completed.

15 COMMISSIONER McKISSICK: Got it. And I
16 understand from reading the materials that basically
17 the appointment of Carolina Water Service today
18 continues, and they will function in that capacity
19 until some future point and time, but at any point
20 they could theoretically decide they wanted to
21 withdraw; is that correct, the way it works?

22 MR. GRANTMYRE: That is correct, but they
23 have been continued -- Carolina Water has always
24 upheld its obligations as emergency operator until

1 there was a permitted solution in place. Like I said,
2 that one in Durham they've had for 24 years. It's the
3 Hardscrabble system over there in Durham, the sewer
4 system. And they've been doing the three water
5 systems in Ashe County about five years. So, they
6 have the ability to resign, but in my discussions with
7 Carolina Water President, Mr. Denton, they fully
8 intend to be the emergency operator until the
9 Commission approves the transfer to somebody.

10 COMMISSIONER McKISSICK: Well, I think that
11 probably answered my next question. If there was any
12 timeframe during -- you know, for the appointment of
13 emergency operator. I gather it can -- it's basically
14 indefinite then until somebody else comes along.

15 MR. GRANTMYRE: Yes. I got an emergency
16 operator back in the 1980's and it's still an
17 emergency operator; small little system near Garner,
18 North Carolina. So, sometimes you've got it forever
19 which is why it's important that the emergency
20 operator gets some compensation.

21 COMMISSIONER McKISSICK: Sure. I agree.
22 Thank you, Mr. Grantmyre. I don't have any further
23 questions.

24 CHAIR MITCHELL: With that, unless there are

1 any additional questions for the Public Staff, I'll go
2 ahead and call the roll for a vote.

3 COMMISSIONER HUGHES: Chair Mitchell, just a
4 really quick question, follow-up question, please.

5 CHAIR MITCHELL: All right. Please proceed.

6 COMMISSIONER HUGHES: Just about the
7 emergency operators. Is it possible for an emergency
8 operator to participate in a purchase of the system
9 that they're operating? Is there any preclusion for
10 that?

11 MR. GRANTMYRE: They are not precluded and
12 so they could get involved, but I don't think Carolina
13 Water intends to. The current proceeding with Redbird
14 would need to be decided either for or against the
15 transfer. And, if it was decided against the transfer
16 to Redbird, the Public Staff would encourage Carolina
17 Water to acquire the system. And I used the word
18 "encourage". There is no commitment to acquire it.

19 COMMISSIONER HUGHES: Thank you. That's
20 what I was looking for.

21 No further questions, Chair.

22 CHAIR MITCHELL: With that, I will go ahead
23 and call the roll for a vote. Indicate your support
24 for the motion with an aye and your opposition with a

1 no. Commissioner Brown-Bland.

2 COMMISSIONER BROWN-BLAND: Aye.

3 CHAIR MITCHELL: Commissioner Gray.

4 COMMISSIONER GRAY: Aye.

5 CHAIR MITCHELL: Commissioner Clodfelter.

6 COMMISSIONER CLODFELTER: Aye.

7 CHAIR MITCHELL: Commissioner Duffley.

8 COMMISSIONER DUFFLEY: Aye.

9 CHAIR MITCHELL: Commissioner Hughes.

10 COMMISSIONER HUGHES: Aye.

11 CHAIR MITCHELL: Commissioner McKissick.

12 COMMISSIONER MCKISSICK: Aye.

13 CHAIR MITCHELL: And for the record I
14 support the motion as well and the motion carries.

15 (MOTION PASSES)

16 CHAIR MITCHELL: Thank you, Mr. Grantmyre.

17 Moving on, the Commission has before it for
18 approval its minutes from Staff Conference of April
19 26th, 2021. I'll take a motion, please.

20 COMMISSIONER BROWN-BLAND: Move approval of
21 the minutes.

22 COMMISSIONER GRAY: And a second.

23 CHAIR MITCHELL: It's been moved and
24 seconded that our minutes be approved. Any questions,

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1 discussion on that motion?

2 (No response)

3 All in favor of approving our minutes
4 indicate with an aye.

5 (All Commissioners say aye).

6 CHAIR MITCHELL: Any opposed?

7 (No response)

8 Our minutes of April 26th are approved.

9 Turning next to additional business, I see
10 that Sam has come on screen so, Sam, I will turn it
11 over to you for introduction of our newest addition to
12 the Commission staff.

13 MR. WATSON: Thank you very much. Good
14 morning, Commissioners. It's my pleasure to introduce
15 Erin Duffy this morning. She actually served as a
16 staff attorney some years ago and we are very excited
17 to have her return to us. She's also a law school
18 graduate of Vanderbilt, so we don't even need to get
19 into ACC disputes with her. But she has regulatory
20 experience before she came on with us in D.C. with the
21 old ICC and with the FCC. So, we are extremely
22 pleased to have her join us.

23 Erin, if you can unmute yourself and say hi,
24 then folks will get a chance to see your face and

1 recognize you for the future.

2 MS. DUFFY: Sure. Thanks, Sam. I think I
3 successfully unmuted myself. And I'm delighted to be
4 back. It feels sort of like coming home, but I also
5 know I have a lot to catch up on and a lot to learn
6 and I'll appreciate your grace and patience as that
7 takes place. But I'm really, really glad to be here.

8 MR. WATSON: Super. Thank you, Chair
9 Mitchell.

10 CHAIR MITCHELL: Thank you, Sam. And
11 welcome, Erin. We are delighted that you're here with
12 us. You already clearly can function well on this
13 videoconference technology. You can mute and unmute
14 so you are way ahead of the game there so no doubt
15 that you are going to be an excellent addition to the
16 team who can jump right in. And I'll withhold all
17 comments about Vanderbilt at least for the time being.

18 COMMISSIONER BROWN-BLAND: Commodores.

19 (Laughter)

20 CHAIR MITCHELL: With that, any additional
21 business for the Commission this morning before we
22 adjourn?

23 (No response)

24 Hearing none, we will be adjourned. Thank

1 you very much everybody.

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3
4 WHEREUPON, this conference is adjourned.
5

6
7 C E R T I F I C A T E

8 I, KIM MITCHELL, DO HEREBY CERTIFY that the
9 Proceedings in the above-captioned matter were taken
10 before me, that I did report in stenographic shorthand
11 the Proceedings set forth herein, and the foregoing
12 pages are a true and correct transcription to the best
13 of my ability.
14

15 Kim Mitchell

16 Kim Mitchell
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