

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, JANUARY 14, 2015
10:30 A.M.

Present: Michael G. Lallier, Chairman
Lynne B. Greene, Vice Chairman
Wade R. Fowler, Jr., Secretary
Darsweil L. Rogers, Treasurer

Others Present: Steve Blanchard, Interim CEO/General Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Commissioner Glenn Adams, County Liaison
M. Gray Styers, Jr., Styers & Kemerait, PLLC – (via telephone)
PWC Staff
Media

Absent: James Arp, Council Liaison
Mike Bailey, Hope Mills Liaison
John Ellis, Hope Mills Liaison

Chairman Lallier called the meeting of January 14, 2015, to order. He noted the meeting is on a two hour delay due to inclement weather.

Approval of Agenda

Commissioner Greene motioned for the agenda to be approved with the addition of a closed session for legal matters as allowed under N.C. General Statutes 143-318.11(a)(3) and added to Item VIII. Upon motion by Commissioner Greene, seconded by Commissioner Rogers, the agenda was unanimously approved with the requested addition.

Consent Items

Upon motion by Commissioner Greene, seconded by Commissioner Rogers, the following Consent Items were unanimously approved:

- A. Minutes of Meeting of December 10, 2014
- B. Minutes of Special Meeting of January 6, 2015

Update on “Clean Fuel Advanced Technology Grant”

Susan Fritzen, Chief Corporate Services Officer provided an update on the “Clean Fuel Advanced Technology Grant to the Commission.

Susan Fritzen stated PWC partnered with the City of Fayetteville and Sustainable Sandhills in applying for this grant. We were recently notified that PWC received the grant for \$37,884.00. The grant consists of installing electric vehicle charging stations at locations throughout the city. There are four sites, Clark Park, Honeycutt Park, Lake Rim Park and on the PWC Campus. The required timeline is 15 months to have the project completed. There is a 20% (\$9,472.00) cost share to PWC. With the Commission's approval PWC will complete a RFP for the Electric Vehicle Charging Stations (EVC) vendors.

Ms. Fritzen noted that this project supports the Commission's goal of supporting sustainable efforts and increasing efforts of clean transportation technology.

Commissioner Rogers questioned if there had been a traffic flow analysis completed to support a charging station on the PWC Campus. He also wanted to know how the customer will be charged for using the charging stations.

Ms. Fritzen stated, according to the grant, for the first three years the cost will be free to the users of the charging stations and a plan will be developed for charging thereafter. Mr. Blanchard stated our intention is to give a grace period for the users of the charging station to allow them time to become familiar with the technology. Our cost would be approximately \$1.42 to completely charge a dead battery. Mr. Trego stated that approximately .70¢ will be our cost to Duke Energy Progress, so our net cost would be approximately .70¢ - .80¢.

Commissioner Rogers asked how long will it take for the vehicles to be charged? Chairman Lallier stated the charging can take from 15 minutes to 7 hours, depending on the voltage (110 or 220).

Ms. Fritzen reiterated the parks were chosen because individuals usually visit there for longer periods of time. We initially looked at the Mall also, but did not receive a reply to our inquiry in sufficient time. PWC was chosen because of geographic location considerations. Commissioner Rogers questioned where the charging station will be located if installed on the PWC Campus. Mr. Blanchard responded it is planned to be installed in the visitor parking for individuals who visit PWC for meetings (not in the Customer Service Center parking lot).

Chairman Lallier asked Ms. Fritzen to inquire to see if one location to our proposed sites can be altered if there is justification for it and to report back to the Commission. The Commission then agreed to accept the grant for \$37,884.00.

The Commission thanked Ms. Fritzen on the update on the Clean Fuel Technology Grant.

Update on Atlantic Coast Pipeline Project

David Trego, Chief Electric Systems Officer provided an update on the Atlantic Coast Pipeline Project to the Commission.

Mr. Trego stated he recently attended a public forum held at the Doubletree Hotel where he gathered information. Mr. Trego distributed several maps to the Commission which gave an overview of the proposed pipeline's path.

Mr. Trego stated the proposed pipeline is of interest to PWC because it may be a potential source of power for Butler Warner in the future. Mr. Trego has had conversations with the CEO of Atlantic Coast Pipeline's Division in charge of this project, Paul Koontz and also with Piedmont who is a partner in the pipeline as well. The proposed pipeline is a partnership between Dominion, Piedmont and Duke Energy Progress and requires a number of approvals, including FERC.

Mr. Trego provided a project overview which details the proposed pipeline's length of 554 miles and in North Carolina the proposed diameter is 36 inches. It is projected to be in service in late 2018 (with all approvals). At present we are supplied with natural gas through Piedmont at Butler Warner. However, we are curtailed occasionally and in our latest run we were required to run on oil and not natural gas due to the line being curtailed.

In looking at our overall planning for Butler Warner in the short term and beyond when our contract with Duke Energy Progress expires, we've decided to take a look at the possibility of getting use of this pipeline for Butler Warner. Mr. Trego also stated the proposed pipeline will be approximately 4 ½ miles from Butler Warner.

We currently take service from Piedmont and initially contacted them for some indicative numbers (we have not asked for a formal proposal) to use in our analysis as we review how this pipeline may help us meet the future needs at Butler Warner or a new plant should we choose to repower in the future.

David Trego stated, initially the pipeline will be fully subscribed as far as its initial capacity. However, it is our understanding that Dominion will operate at a lower pressure than they are building it for as their maximum allowable operating pressure. They will be able to add another compressor station which could potentially double its pressure. So having the capacity to serve Butler Warner or another plant would not be an issue.

Commissioner Rogers asked if this type of pipeline is unusual. Is it technologically unique or special or have these pipelines been running in the United State for a long time? Mr. Trego responded that these gas pipelines have different technology than the famous 'Keystone' pipelines. Gas pipelines are a different type of technology; will be monitored and are 'state of the art'.

Commissioner Rogers asked about the timeline for making a decision to tap into the pipeline. Mr. Trego responded we are still gathering that information and we will not need to make a commitment until we decide what we want to do with our overall plan for Butler Warner in the future. He also stated that getting a natural gas plant permitted that primarily utilizes natural gas will be much easier than permitting one that is primarily oil. And given the curtailments we have seen on the Piedmont line we feel that having the alternative of a much better supply of natural gas will be the better option for that plant.

Commissioner Fowler asked if a more consistent supply and increased capacity will give us an option of additional generation capacity at Butler Warner or a new plant. Mr. Trego replied during our preliminary conversations with Piedmont we gave to them our best case scenario on design parameters which is a new plant (state of the art); pressure requirements and the ability to meet 100% of our needs, which is double the size of the present Butler Warner plant.

Commissioner Rogers asked when will we need to make a decision on extending our current agreement with Duke Progress Energy. Mr. Trego responded we will need to make a decision in 2021. Discussion ensued on the pipeline route.

The Commission thanked Mr. Trego for the update on the Atlantic Coast Pipeline Project.

Update on Inter Basin Transfer

Mick Noland, Chief Water Resources Officer provided an update on the Inter Basin Transfer

Mick Noland stated the Division of Water Resources conducted an informational meeting with PWC. They gave background information and Raleigh's state agency's role in it. The environmental assessment was available on December 19th. The first hearing was held in Apex on January 5th. Although there were 55 people in attendance, Mr. Noland noted he was the only one who gave the recommendation that they choose another alternative (other than the one they recommended). There will be another hearing at the Fayetteville City Hall on Thursday, January 22nd at 6:30 p.m. and the Division of Water Resources will make the same presentation and public hearing. The deadline for all comments is February 5th.

Mr. Noland requested for the Commission to consider adoption of a resolution endorsing the Division of Water Resources choose the alternative that is listed as 3A. 3A would require them to return waste water to an existing treatment plant and discharge waste water back to the Cape Fear River and would not involve any inter basin transfer. Mr. Noland stated, this is certainly a viable option which is what the Division of Water Resources did the last time they requested an inter basin transfer.

Though the model shows the impact in the future will not be significant, it is 30 years in the future with a lot of assumptions and variables between now and then. Mr. Noland stated he feels it is a prudent resource management decision to require it to be returned so there will not be a question in the future about adverse impacts that occurred because of something that wasn't anticipated.

Mr. Noland stated talking points have been distributed to those who attended the meeting a month ago.

Chairman Lallier asked if there is a financial impact to the alternative he is endorsing. Mr. Noland replied there is no cost associated with the recommended alternative.

Commissioner Adams, liaison to the PWC Board, applauded PWC for considering/recommending the stated alternative (3A). Discussion ensued.

Commission directed staff to create a resolution with the recommended alternative 3A and circulate the template of the resolution to other local governmental bodies who are interested in an alternative to the Division of Water Resources plan.

General Manager Report

➤ Update on CEO/General Manager Recruitment

Steve Blanchard, Interim CEO/General Manager returned on January 7th. He requested Bobby Russell, Human Resources officer to give an update on securing his replacement. Mr. Russell updated the Commission on the process to date. Discussion ensued.

Chairman Lallier requested for Mr. Russell to resend the timeline of activities related to the search process to the Commissioners.

➤ Update on Budget Process

Mr. Blanchard stated the City Manager requested and PWC sent over information in early December concerning our CIP Budget. The information is preliminary (not finalized), just drafts of items that will be in our CIP. According to the City Manager's calendar, we expected to receive comments in mid-December. We have not seen comments at this time. There is a schedule for PWC to make a presentation to the City on capital budgets. Mr. Blanchard is working on a presentation and stated if the Commission would like to see a draft of his presentation, it will be available. Commission requested to see the draft before the Council Session.

Reports and Information: The Commission acknowledges receipt of the following reports and information:

- A. Monthly Incident Summary for December 2014
- B. Personnel Report for December 2014
- C. Position Vacancies
- D. December Wholesale Power Cost Adjustment
- E. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr # 17471 – Fiber Optic Cable Installation - SR 1437 (Santa Fe Drive)
 - Encr # 17966 – Sewer Main Installation – SR2219 (Snow Hill Road)
 - Encr # 17975 – Fire Hydrant Installation, Water & Sewer Lateral – NC59 (Hope Mills Road)
 - Encr # 17976 – Sewer Main Installation – US301 BUS & SR 2291
 - Encr # 17977 – Gravity Sewer Main Installation – SR 1593 & SR 1400
- F. Actions by City Council during meeting of December 8, 2014, related to PWC:
 - Council moved to accept report on Phase 5 Annexation Areas 12 & 13 and place on the January 12, 2015 regular meeting agenda for further discussion.
- G. Actions by City Council during meeting of January 5, 2015, related to PWC:
 - Risk Management Best Practices – Council moved to direct staff to work through the FPWC Steering Committee to develop a plan for the consolidation of the FPWC Risk Management no later than 60 days for implementation in the FY16 budget.
 - Council moved to engage an outside audit of the PWC NavIgate Project
 - Consideration of Revised Logo/Branding recommended by staff for the City of Fayetteville PWC in accordance with City Council Resolution No. R2013-052 – Council moved to select Option D.

Closed Session as allowed under N.C. General Statutes 143-318.11(a)(6) for Personnel Matter and N.C. General Statutes 143-318.11(a)(3) for Legal Matters

Chairman Lallier entertained a motion to go into closed session for personnel and legal matters as allowed under N.C. General Statutes 143-318.11(a)(6) and N.C. General Statutes 143-318.11(a)(3).

Upon motion made by Commissioner Fowler and seconded by Commissioner Greene, the Commission unanimously voted to go into closed session at 11:10 a.m. as allowed under N.C. General Statutes 143-318.11(a)(6) for personnel matters and N.C. General Statutes 143-318.11(a)(3) for legal matters.

Following discussion on personnel and legal matters, upon motion made by Commissioner Fowler and seconded by Commissioner Rogers, the Commission voted to return to open session at 12:18 p.m.

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Rogers and unanimously approved, the meeting was adjourned at 12:19 p.m.