

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, JANUARY 27, 2016
8:30 A.M.

Present: Darsweil L. Rogers, Chairman
Wade R. Fowler, Jr., Vice Chairman
Michael G. Lallier, Secretary
Evelyn O. Shaw, Treasurer

Others Present: David Trego, CEO/General Manager
Kristoff Bauer, Deputy City Manager
James Arp, City Council Liaison
Russ Rogerson, FCEDC
Jack Rostetter, FCEDC Chairman
Andrew Pennink, FCEDC Vice Chairman
Juwanna Colbert FCEDC
Tad Davis, Spring Lake City Manager
Steven Blanchard
PWC Staff

Absent: Karen McDonald, City Attorney
Kenneth Edge, County Liaison
John Ellis, Hope Mills Liaison
Media

CALL TO ORDER

Chairman Rogers called the meeting of Wednesday, January 27, 2016 to order.

Commissioner Lallier introduced Mr. Tad Davis, Spring Lake Town Manager. Mr. Lallier stated Mr. Davis has a long history with the Fayetteville Community. He was the Garrison Commander from 2000-2003 and served with the Army for 23 years.

Commissioner Rogers also acknowledged the presence of Steven Blanchard, former PWC CEO/General Manager, Russ Rogerson, Andrew Pennink, Jack Rostetter and Juwanna Colbert with the Fayetteville Cumberland County Economic Development Corporation.

APPROVAL OF AGENDA

Upon motion by Commissioner Shaw, seconded by Commissioner Fowler, the agenda was unanimously approved.

CONSENT ITEMS

A. Approve Minutes of meeting of January 13, 2016

- B. Approval of the following recommended bid awards (with the option to purchase additional quantities within a one-year period upon the agreement of both parties) for the purchase of LED Luminaires for the LED Street Light Conversion Project and forward to City Council for approval.

Bids were received December 22, 2015 as follows:

1. Irby Utilities, Rocky Mount, NC, (quoting Leotek) lowest bidder in the amount of \$290,700.00 for purchase of 1,700.00 each, Luminaire, LED, Roadway, Type II, Medium Distribution, 130W (PWC Stock No. 1-165-103).

This item was last purchased in April 2013 at \$444.39 each. The current bid price is \$171.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC (quoting Leotek)	\$290,700.00
Excellence Opto, Pomona, CA	\$361,250.00
Shealy Electrical Wholesalers, Columbia, SC	\$386,512.00
Anixter, Wake Forest, NC	\$518,942.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$277,100.00 *see note

**The Cooper product does not meet the technical specification for lumens. Cooper offers 7,858 lumens; specifications require 12,300 lumens. The Leotek product meets the specification and is recommended.*

2. Irby Utilities, Rocky Mount, NC, (quoting Leotek) lowest bidder in the amount of \$140,400.00 for purchase of 600 each, Luminaire, LED Roadway, Type III, Medium Distribution, 184W (PWC Stock No. 1-165-105).

This item was last purchased in March 2015 at \$335.00 each. The current bid price is \$234.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC (quoting Leotek)	\$140,400.00
Excellence Opto, Pomona, CA	\$193,200.00
Shealy Electrical Wholesalers, Columbia, SC	\$216,630.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$258,000.00
Anixter, Wake Forest, NC	\$265,266.00

3. Irby Utilities, Rocky Mount, NC, (quoting Leotek) lowest bidder in the amount of \$513,000.00 for purchase of 1,800 each, Luminaire, LED Roadway, Type III Distribution, 200W (PWC Stock No. 1-165-109).

This item was last purchased in November 2015 at \$385.00 each. The current bid price is \$285.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC (quoting Leotek)	\$513,000.00

Shealy Electrical Wholesalers, Columbia, SC	\$649,890.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$774,000.00
Anixter, Wake Forest, NC	\$785,088.00
Excellence Opto, Pomona, CA	\$402,300.00 *see note

**The proposed product by Excellence Opto is a new product never used by PWC. The bidder did not supply any technical information necessary to evaluate the product for compliance to PWC specifications; therefore, the Leotek product is recommended as it is compliant to PWC specifications.*

4. WESCO Distribution, Raleigh, NC, lowest bidder in the amount of \$327,225.00 for purchase of 500 each, Luminaire, LED, Floodlight, 6x5 Distribution, Small, Gray, 240W (PWC Stock No. 1-165-160).

This item was last purchased in June 2015 at \$510.00 each. The current bid price is \$654.45 each.

<u>Bidders</u>	<u>Total Cost</u>
WESCO Distribution, Raleigh, NC	\$327,225.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$226,500.00 *see note

**The Cooper product does not meet the technical specification for lumens. Cooper offers 14,683 lumens; specifications require 22,600 lumens. The American Lighting product quoted by WESCO meets the specification and is recommended.*

5. WESCO Distribution, Raleigh, NC, lowest bidder in the amount of \$391,625.00 for purchase of 500 each, Luminaire, LED, Floodlight, 6x5 Distribution, Large, Gray, 320W (PWC Stock No. 1-165-162).

This item was last purchased in June 2015 at \$849.00 each. The current bid price is \$783.25 each.

<u>Bidders</u>	<u>Total Cost</u>
WESCO Distribution, Raleigh, NC	\$391,625.00
Irby Utilities, Rocky Mount, NC	\$406,000.00

6. Irby Utilities, Rocky Mount, NC, lowest bidder in the amount of \$86,400.00 for purchase of 600 each, Luminaire, LED Roadway, Type II Wide Distribution, Black, 70W (PWC Stock No. 1-165-255).

This item was last purchased in December 2015 at \$522.00 each. The current bid price is \$144.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC	\$ 86,400.00
Excellence Opto, Pomona, CA	\$ 89,250.00
Anixter, Wake Forest, NC	\$110,526.00
Shealy Electrical Wholesalers, Columbia, SC	\$121,890.00

7. Irby Utilities, Rocky Mount, NC, (quoting Leotek) lowest bidder in the amount of \$270,750.00 for purchase of 1,900 each, Luminaire, LED Roadway, Type II 70W (PWC Stock No. 1-165-280).

This item was last purchased in December 2015 at \$168.42 each. The current bid price is \$142.50 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC (quoting Leotek)	\$270,750.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$273,600.00
Shealy Electrical Wholesalers, Columbia, SC	\$309,985.00
Anixter, Wake Forest, NC	\$349,999.00
Excellence Opto, Pomona, CA	\$388,550.00

8. Irby Utilities, Rocky Mount, NC, (quoting Leotek) lowest bidder in the amount of \$223,200.00 for purchase of 1,800 each, Luminaire, LED Roadway, Type II 50W (PWC Stock No. 1-165-290).

This item was last purchased in December 2015 at \$135.20 each. The current bid price is \$124.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Irby Utilities, Rocky Mount, NC (quoting Leotek)	\$223,200.00
Irby Utilities, Rocky Mount, NC (quoting Cooper)	\$225,000.00
Excellence Opto, Pomona, CA	\$265,050.00
Shealy Electrical Wholesalers, Columbia, SC	\$293,670.00
Anixter, Wake Forest, NC	\$303,156.00

Comments: Bids were solicited from ten (10) vendors with five (5) vendors responding. The lowest responsive, responsible bidders meeting specifications are recommended.

Neither Irby Utilities nor WESCO Distribution is classified as small disadvantaged business enterprises.

- C. Approve the issuance of a purchase order in the amount of \$147,855.20 to Varentec, Inc., Santa Clara, CA, for all equipment and services necessary to complete a pilot program to evaluate the benefits of installing power conditioning equipment on the entire PWC electric system. The equipment and services necessary for this pilot program consist primarily of the following:

- electronic power conditioning modules to be installed on individual feeders;
- two-way communication equipment between the modules and Varentec to receive data and transmit control signals; and
- periodic analysis of the data, resulting adjustments in the module settings, and measurement and verification of subsequent improvements.

The scope of this pilot program will be restricted to two of 33 substations on the PWC system. Upon completion of the pilot program, the actual benefits that are verified and quantified will be evaluated to determine if it is appropriate to expand the scope to the entire PWC electrical system.

The “sole source” request for this pilot program is supported by the following facts:

- no other supplier has been identified which can provide similar equipment and services;
- Varentec, Inc. has a patent on the equipment that is being used for the pilot program;
- at least one other municipal power system has purchased this equipment as a “sole source”; and
- demonstrated success of the equipment at other electric power suppliers.

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.

\$400,000 has been transferred from CPR1000055 – Lafayette Village 67-12kV Substation Rebuild to CPR1000270 – Conservation Load Reduction – (CVR), to fund this project.

UPDATE ON THE FAYETTEVILLE CUMBERLAND COUNTY ECONOMIC DEVELOPMENT CORPORATION

*Presented by: Russ Rogerson, President – Fayetteville Cumberland County
Economic Development Corporation*

Russ Rogerson, President of the Fayetteville Cumberland County Economic Development Corporation thanked PWC for the opportunity to speak to the Commission. He stated PWC has been a long standing partner of economic development in our community if not a leader in that category.

Mr. Rogerson introduced Jack Rostetter, Andrew Pennink and Juwana Colbert to the group.

Mr. Rogerson provided the Economic Development Quarterly Dashboard Report. He reported on the increase in active projects within the last six months. The New Business/Industry has increased as well as International Projects. At the end of the second quarter for fiscal year 2015-2016 FCEDC reported a total of 54 active projects. Of the 54 active projects 96% are related to new business and industry. He also noted there were five community visits in September.

The combined capital investment potential of the 54 active projects is upward of \$1.67 billion. And the potential estimated job creation (newly created jobs) is 14,329 jobs.

Projects by target industry sector are: business and financial services (33%); Distribution & Logistics (20%), Innovative Manufacturing (37%), Food Processing (4%) and Department of Defense (2%).

He commented on the most submitted sites (during the fiscal year) in RFP responses. He stated they receive projects through three referral pipelines: Direct Contact, State Department and the North Carolina Southeast Partnership.

There have been two announcements in the past two quarters, valued at \$12 million in industry expansion and over 150 new and retained jobs. Piedmont Natural Gas purchased the old Cutler Hammer building. They are investing about 10 million dollars in that

building. It will be their complete Operations/Call Center. Piedmont is also placing a CNG station at the site. Nitta Gelatin has also expanded.

Mr. Rogerson stated FCEDC has been very active in their recruiting process. They have traveled around the country and somewhat outside the country. Juwana Colbert has touched and visited with over 100 consultants in the past calendar year, as well as, keeping in touch with them through email and social email.

The FCEDC has met with contacts in the Raleigh broker market. They have met with four already and will meet with two more on today.

Mr. Rogerson provided the Commission with statistics on the local labor force (including employment and unemployment statistics for 2014 and 2015). Commissioner Rogers noted according to a report by Wells Fargo, the employment in the Fayetteville area had a decline in employment last year (discussion ensued).

Russ Rogerson detailed (by category) the retention visits the FCEDC has conducted during the last two quarters. He also detailed the top five highest utility & public rated services as well as the lowest rated services. Commissioner Lallier noted PWC was not in the highest rated services and asked Mr. Rogerson if there was any feedback on why PWC was not on the list this year. Mr. Rogerson will check into the issue to find if there is a specific issue. He stated whenever there are any problems related to PWC services, they call an officer here at PWC and the issue is resolved.

Property taxes were on the top of the list of the five lowest rated services. Council Member Arp asked if this is consistent with prior years. Mr. Rogerson answered 'very consistent'. He stated he has never seen a survey when taxes were not on the bottom percentile of any community. Discussion ensued.

He noted in the spring of 2015, the Chamber and Economic Development organization announced they were separating. During that time there has been much discussion and it was determined to use the C6 organization model with board appointments made; three by the city, three by the county, and two by the private sector and three ex-officio members. As of January 1, they are called the Fayetteville Cumberland County Economic Development Corporation. As of now they are still housed in the Chamber building and will move to the Fayetteville Technical Community County Campus in late February.

Mr. Rogerson and Mr. Rostetter discussed the FCEDC Strategic Planning process. Commissioner Lallier suggested the FCEDC review the Garner Report. Discussion ensued. Their brand definition program and the military workforce survey rollout were also discussed.

Mr. Rogerson and Mr. Rostetter responded to comments and suggestions from Commission and City Council Member Arp.

Commission thanked Russ Rogerson, Jack Rostetter, Andrew Pennink and Juwana Colbert for presenting the 1st and 2nd quarter update on the Fayetteville Cumberland County Economic Development Corporation.

GENERAL MANAGER REPORT

GLENVILLE LAKE - Mr. Trego informed the Commission, PWC is on schedule to fill Glenville Lake in March. We are waiting for the State to sign off on several approvals.

Commissioner Lallier requested a small report detailing the leak that almost occurred at the Glenville Lake Dam in October of last year.

ICE STORM - Mr. Trego also stated there were almost 2,400 customers out of power during the storm. There were 225 individual outages. He stated this indicated there were not huge clusters of outages and mostly lines down on a street. At peak, there were approximately 215 customers out at one time.

PWC also coordinated activities with the City to assist them as line watchers (individuals who sit with the lines until they are identified as a hot line or not); PWC staff accompanied several City crews and identified hot lines as well as provided other services.

Mr. Trego noted the increased use of social media which was a positive way for citizens to communicate not only outages but also to inform one another when PWC crews were on their respective blocks and when services were restored.

Comments:

Commissioner Lallier requested for the 'Open Commission Requests' document to be restructured.

He also requested an update on the current percentage of uncollectible accounts and the process for reporting them. Mr. Miller responded he will have an update at the next Commission meeting.

Commissioner Lallier also requested for the PO Report to be presented/submitted based on department or fund.

Commissioner Fowler stated there has been several occasions in which there have been billing issues for commercial accounts. He asked if there are filters set in the system to notify the key accounts representative of variances in the customer's account before they receive it to allow the customer to be notified ahead of time. Mark Brown responded. He stated we have filters set based on our legacy system. We have the ability in the existing system to change the filters and allow us to be proactive when we notice changes in customer usage.

Commissioner Fowler also asked if Key Accounts Customers have been given the names of their Key Accounts Representative. Mr. Brown responded we are restructuring the Key Accounts area and have added an additional Key Accounts Agent to allow PWC to be more proactive in dealing with customer issues.

Commissioner Rogers requested a memo explaining why there is no lead in our water. Commissioner Lallier asked if we still have lead pipes in our system. Mr. Glass responded yes, approximately 10% are lead. He will update Commissioner Lallier on the percentage of the 10% that are not relined. Discussion ensued on the lead in the Flint, Michigan water system.

Commissioner Lallier requested an inventory of lead pipes which are protected and that we prioritize the relining or replacing of identified pipes.

REPORTS AND INFORMATION

Commission acknowledges receipt of the following reports and information.

- A. Recap of Uncollectible Accounts
- B. Purchase Orders
 - August 2015
 - September 2015
 - October 2015
 - November 2015
- C. Position Vacancies
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18243 – 12” RJDI Sewer Main on SR 1132 (Legion Rd)
 - Encr. #18241 – 12” RJDI Sewer Main - HWY 162 and SR 1132
 - Encr. #18242 – 12” RJDI Sewer Main – SR3301 (Ireland Dr.) and SR1132
 - Encr. 18236 – 8” C-900 Water Main – NC-210 (Murchison Rd.) & US-401 BYP
- E. Approved Utility Extension Agreement(s):
 - Carolina Skin Care, P.A. – Water and Sewer Services to serve Raeford Road (SR3569)
 - Fayetteville Retail Investment, LLC – Electric, Water and Sewer to serve Gillespie St.

Closed Session As Allowed Under N.C. General Statutes 143-318.11(a)(3) To Discuss The Pending Litigation On The Request For Declaratory Rulings

Chairman Rogers entertained a motion to go into closed session for legal matters to discuss the pending litigation on the request for declaratory rulings as allowed under N.C. General Statutes 143-318.11(a)(3).

Upon motion made by Commissioner Lallier and seconded by Commissioner Shaw, the Commission unanimously voted to go into closed session at 9:49 a.m. as allowed under N.C. General Statutes 143-318.11(a)(3) to discuss the pending litigation on the request for declaratory rulings.

Following discussion, upon motion made by Commissioner Rogers and seconded by Commissioner Shaw, the Commission voted to return to open session at 10:44 a.m.

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw and unanimously approved, the meeting was adjourned at 10:45 a.m.