

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 28, 2018
8:30 A.M.

Present: Wade R. Fowler, Jr., Chairman
D. Ralph Huff, III, Vice-Chairman
Darsweil L. Rogers, Secretary
Evelyn O. Shaw, Treasurer

Others Present: David W. Trego, CEO/General Manager
Jay Reinstein, Assistant City Manager
Johnny Dawkins, City Council Liaison
Melissa Adams, Hope Mills Town Manager/Liaison
PWC Staff
Media

Absent: Michael Boose, Cumberland County Liaison

REGULAR BUSINESS

Chairman Fowler called the meeting of Wednesday, February 28, 2018, to order.

APPROVAL OF AGENDA

Commissioner Rogers motioned to amend the agenda by adding Item VI – Call for a Public Hearing Date and move General Manager’s Report to Item VII and so forth. Motion was seconded by Commissioner Huff and unanimously approved.

CONSENT ITEMS

Commissioner Rogers motioned to approve Consent Item. Commissioner Huff seconded and Consent Items were unanimously approved.

- A. Approve Minutes of meeting of February 14, 2018
- B. Approve bid recommendation to award contract for the Installation of Lafayette Village 69 to 15 x 25kV Substation to Aubrey Silvey Enterprises, Inc., Carrollton, GA, the lowest responsive, responsible bidder, in the total amount of \$2,358,000.00 and forward to City Council for approval. The Installation of Lafayette Village 69 to 15 x 25kV Substation is a budgeted item (FY2018 CPR1000055 - \$2,364,308.86 is available for this contract).

Bids were received on February 2, 2018, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Aubrey Silvey Enterprises Inc., Carrollton, GA	\$2,358,000.00
Service Electric Company, Chattanooga, TN	\$2,413,820.00
The Ryan Company, Norton, MA	\$2,549,500.00
Vaughn Industries, Carey, OH	\$3,226,306.04

Comments: Invitations to bid were sent to 17 contractors with 4 contractors responding. The lowest responsive, responsible bidder is recommended. **SDBE:** The SDBE utilization on this project is 10%. Aubrey Silvey will be using two woman-owned businesses as subcontractors and suppliers on this project. **Local:** The total participation is 10%. Aubrey Silvey will be utilizing local subcontractors as follows: Sanco Construction Co., Inc., - site prep, erosion control and landscaping; and Cumberland Septic – portable bathroom facilities, dumpsters and Conex rental.

C. Approve Ordinance # PWCORD2018.01

PWCORD2018-01 is an Electric and Water/Wastewater FY 2018 amendment decreasing the W/WW Fund \$361,200 to \$110.4 million. The total Electric Fund budget remains unchanged at \$253.9M.

Electric Fund

- A transfer to the Substation Rebuild CPF of \$860,000 to cover the additional cost associated with the Lafayette Village 67-12 kV Substation Rebuild (CPR1000055). Funds have been made available by deferring existing projects to include CPR1000319 Beaver Creek 12kV Circuit Relocation, CPR1000045 Sub-Transmission Pole Replacement and CPR1000053 RTU Replacement.
- A transfer within Debt Service from the Electric Fund to the W/WW Fund in the amount of \$181,000. Upon completion of the Electric Connect project, the remaining proceeds were moved to several water projects. This transfer is to reallocate debt accordingly.

W/WW Fund

- A transfer within Debt Service from the Electric Fund to the Water/Wastewater Fund in the amount of \$181,000. Upon completion of the Electric Connect project, the remaining proceeds were moved to several water projects. This transfer is to reallocate debt service funds based on the movement of proceeds.
- A decrease in Appropriation from Annexation Phase V Reserve Fund of \$88,000. Several annexation projects were completed and the remaining proceeds were transferred to non-annexation projects.
- An increase in Loan Principal Payments in the amount of \$8,500 based on the latest estimate of final payment.
- An increase of \$300 in Other Finance Costs due to higher than expected administration fees from Bank of New York Mellon.
- The amendment adjusts Approp. From W/WW Net Position accordingly to \$1,803,850.

Staff recommends that the Commission adopt the attached budget ordinance amendment.

D. Approve Resolution # PWC2018.02 adopting arbitration as a means of resolving all non-residential customer disputes.

Comments: PWC has determined that arbitration offers a fair, efficient, and cost-effective means of achieving binding dispute resolution for PWC and its non-residential customers by an arbitrator who is familiar with utility practices and utility law. PWC therefore concludes that binding arbitration before a single arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association (“AAA”), including the Optional Rules for Emergency Measures of Protection, for the resolution of all non-residential customer disputes, arising on or after adoption of this resolution, is prudent and should be adopted.

END OF CONSENT

DISCUSSION ON POSSIBLE UPDATE TO THE COMMISSION’S STRATEGIC PLAN

Requested by: Chairman Wade R. Fowler, Jr.

Chairman Fowler stated they did not set a strategic discussion for this year. He wanted to know what the Commission wanted to do regarding a discussion. Mr. Trego stated it has been approximately 18 months since we completed the last one.

Chairman Fowler stated we can do a short review of our current plan or schedule a strategic plan in approximately six months. Commissioner Rogers stated we can have the staff to offer a review of the plan and the accomplishments so far. Mr. Trego stated staff has given several updates. A lot of the components of the plan were multiple year items, though we have already closed out several of them. He stated the Commissioners have the option to see if there are minor changes to the ongoing items, considering the ongoing legislation and see if we want to add anything to it.

Commissioner Shaw stated she thinks the Commission should stick to their annual schedule (six months out) for a full review. She stated we have been receiving information on an ongoing basis, so in the interim a summary would suffice.

Mr. Trego stated he will send a summary and then the Commission can decide if they want to send a RFP or do something internally.

Chairman Fowler confirmed they will receive a review from staff and then set a full review of the strategic plan six months out.

INTRODUCTION TO GROUNDSMAN/LINESMAN TRAINING - PARTNERSHIP WITH FAYETTEVILLE TECHNICAL COMMUNITY COLLEGE (FTCC)

Presented by: Bobby Russell, Human Resources Officer

Mr. Russell, Human Resources Officer stated one of the strategic initiatives for PWC is to partner with a local community college. We have done so with Fayetteville Technical Community College to bring on a Linesman/Groundsman curriculum so we can recruit talent within this area; keep them in this area; and have them come to work for PWC.

Mr. Russell introduced Dr. Jolee Marsh, Associate Vice President of Corporate and Continuing Education, Fayetteville Technical Community College. He stated she will present to the Commission how they are progressing in this initiative.

Dr. Marsh introduced Dr. Keen, President of FTCC; Dr. David Brand; Senior Vice President for Academic and Student Services; and Mr. Reinhart, the instructor for the curriculum.

Dr. Marsh stated discussions with PWC began in 2017. They were simple roundtable discussions to see how FTCC could provide a service to PWC. They wanted to see what our needs were and how they can form a strong partnership. She stated they wanted to develop training that was specifically geared to our industry needs; what PWC needs and what Cumberland County needs, in addition to how they can assist us with providing well qualified personnel once they leave FTCC's trainings.

Dr. Marsh stated within the next three years, there is 43% expected growth in the Linesman training within Cumberland County and 21% within North Carolina. This does not include those who retire. Dr. Marsh stated they wanted to ensure they created training quickly and that could meet our needs as fast as we needed them.

Dr. Marsh stated the program will be a Lineworker Basic Training Course. The length was designed by FTCC and PWC which will be 267 hours or seven weeks. This will ensure the individuals receive training to go into the field. The cost will be \$180.00 per person. Dr. Marsh stated this is a state mandated registration fee. She stated they will host the training at FTCC, on their campus. They already have an existing pole farm. Their instructor, Mr. Reinhart has been on staff with FTCC for over seven years and is well equipped. Mr. Reinhardt has an Associate in Applied Science in Electrical Engineering Technology. He has military experience and has worked for electrical companies in the past.

The course content is divided into four areas;

1. Soft Skills Training – every individual when they come into the workforce needs this training. How to communicate effectively; how to handle themselves in the field when they are approached by someone asking questions.
2. Basic Electrical Lineman Training
3. CDL / Flagging Training
4. Basic First Aid and OSHA Credential Training

Dr. Marsh reiterated conversations were taking place for over a year to develop this course. She noted the concepts which will be taught in each area.

Dr. Marsh provided a diagram of the pole farm at FTCC. PWC will donate an additional 15 poles and they also have equipment at FTCC.

FTCC is well equipped to provide other soft skills training; computer skills training; leadership training; and mentor training. She also stated they can assist in setting up a CSP with Fort Bragg so PWC can actively recruit transitioning soldiers into our workforce. They have a contact in the Tact Soldier for Life Center (Mr. Dion Boyce). She stated if we are interested in the CSP we would have full access to Fort Bragg to recruit during the job fairs.

Dr. Marsh stated they are very excited to be considered in a strong partnership with PWC. They have a lot to offer at the college that goes beyond the Linesman training. They believe this is the beginning of a wonderful partnership.

Commissioner Rogers asked when the class will begin; how many individuals will be in the class; and from a PWC point of view, are we in the position to say whoever they graduate, we are interested in hiring? Or will the classes be of such a size that there will be a need for other utilities to be interested in hiring the graduates.

Dr. Marsh responded the first class will begin in late April, early May, with no more than 15 students in the first class. She stated FTCC would like for PWC to interview the students prior to beginning the class. It does not mean PWC would have to hire them, but they would like to see all individuals who are trained and have received industry credentials to seek some form of employment. She also stated it would be nice if PWC could hire all of them, but if we did not and if they were willing to partner with other companies then they can do so as well.

Mr. Trego stated we would like to kick it off since it is geared for us. Some of the other community colleges that offer this kind of program in the State take a regional approach. They may partner with other municipalities in the area or other EMCs. We can reach out once this gets going; once the program is established to South River and Lumbee to let them know we have this program and see if they want to join. We wanted to kick it off and meet the Commission's strategic goal of having something that is really geared toward our people. We have enough openings and retirees, and though fifteen begin the program some may say this is not for them and the number dwindles. (More discussion ensued.)

Commissioner Shaw asked "where are you going to be looking to draw your potential students?" Also, she asked if this is going to be an open class for anyone or will they potentially interview those who are interested or possibly interested in taking the course.

Dr. Marsh responded, that is the luxury of the community college system, it can be set up both ways. She stated you may interview individuals and you say yes, they are ready, we think they are good employees for PWC. The program is designed for PWC. It does provide a credential, but nothing says you have to hire every single one because they may not be a good fit.

She stated we are flexible in that aspect into how we set this program up. It can be completely for individuals who are going on to be employed by PWC. Or it can be open and then PWC interviews everybody and decides who is a good fit. She stated as far as recruitment, they run a transition tech program, both on campus and at Fort Bragg. Where soldiers who are within six months of leaving the service can go to training as part of their job. So, they can recruit through the transition program in addition to their regular marketing through social media, high schools and the community.

Mr. Trego stated we also have a good relationship with the Cumberland County School District through the various programs we run. He stated we are looking at using that avenue also. He stated if we are earmarking 14 or 15 students, we can also do a hybrid, where if we feel we have 10 that can go through the course, we can have it open for the remaining slots in the class, but give ourselves first choice.

In response to Commissioner Rogers' question, Mr. Russell stated we expect to employ 10 to 20 of the students in a year. The starting/minimum salary for a Groundsman is \$16.00 per hour.

Chairman Fowler thanked Dr. Keen for making the school available to do things to help people in the community, and he thanked him for being willing to do it for us. Dr. Keen stated the reason we have not done this in the past is because Nash College offers the program. But this time there was interest and more urgency. This may just be a start in terms to what your needs are in the future. We want to do an exceptional job in this one, if it leads to other things you need, we will be more than willing to work with you to figure out what that is and how to do it. He stated their charter is to serve the needs of organizations, such as ours. They take great pride to come in and do the things and provide the services locally. He stated there is no better organization he knows of than PWC.

Mr. Trego stated Duke has said they expect to hire 500 linemen a year for the next couple of years. We are taking a look at our compensation and total package for that group. We see that we are able to attract people. They work with us for a couple of years. But when they are at the point where they can move to the next level, they are taken from us because another organization can offer a dollar more than we. (Additional discussion ensued.)

Commissioner Rogers stated, on a side note, FTCC has agreed to sponsor the Building Business Rally we are planning on May 22nd. He thanked Dr. Keen and the FTCC faculty.

POLE ATTACHMENT UPDATE

Presented by: Jon Rynne, Chief Operations Officer, Electric

Mr. Trego stated there is a lot of activity around the State regarding pole attachments. There are micro Wi-Fi networks in the business areas and residential areas sprouting up. He stated Jon Rynne has good experience with this issue, and staff will bring something to the Commission to act on in a little while.

Mr. Rynne stated as Mr. Trego said this is an informational presentation to let Commissioners know of changes that have gone on in our industry regarding pole attachments.

What is a pole attachment? Historically our standard pole attachments has been some sort of communication provider, either telephone or cable TV, which basically ends up on our poles either through a lease or an attachment agreement. They are placed below the power space on the pole. These were typical the lowest wires we saw on the pole.

What we are seeing today is the migration to a new style of attacher; the small wireless attachments. These guys are changing the game on how attachments are viewed and what they do. As opposed to doing business with brick and mortar companies (like Century Link, Bell Telephone or Time Warner Cable) these are smaller companies that do somewhat spot installations within your service territory.

The small wireless attachments are part of the larger idea of a broadband network within NC. PWC is trying to support the strategic objective of re-enforcing broadband within Fayetteville and Cumberland County.

Mr. Rynne stated the reason we brought this to your attention today is because we will bring to you some new tariffs and new additions to the service regulations related to these types of pole attachments in the coming months. We want to ensure everything is in order as we

work to handle and deal with the issue of these small attachers. Mr. Rynne then referenced a map of pole attachments.

He stated the new small wireless attachments are a different animal. These are pole attachments that are going to support the 5G services and the mobile broadband networks. A legislative bill came out that force cities to embrace allowing these systems being put in. They have a different look than the cables being attached to the pole. There are antennas being placed on top of a standard wood pole and a box with their equipment on the pole. There are also large boxes next to the poles. This is new. It is something we have not seen in the utility industry. These are installations that a lot of cities and utilities have not dealt with before.

He stated in his former utility he had the experience of dealing with these small wireless attachments. They came to them to get an attachment agreement to put the antenna on top of their street light and then went to DOT to put the box next to their street light. The box was in the DOT's right of way.

He wanted the Commission to know what is coming. These companies are not big like AT&T, Sprint, etc. He stated PWC is developing new attachment terms and will create tariffs for pole attachers that are less than 500 attachments. They will be tailored toward the smaller attachers. We want to make sure that these attachers will be attached outside the high voltage space. It will be a standardized agreement that is non-discriminatory and is fair to everyone. In the future staff plans to bring to the Commission the service tariffs for the attachments fewer than 500 in quantity and the wireless attachment agreements. (Discussion ensued.)

Mr. Trego stated some of the earlier technology we looked at was a small box mounted on the pole, and not the big box on the ground. (Additional discussion ensued.) Mr. Trego stated we are fortunate that Jon Rynne encountered this issue already. Now that he is with us, PWC and the City have discussed this issue. (Discussion ensued.)

In response to Commissioner Huff's question regarding the description of a typical installer, Mr. Rynne stated it is normally a subcontractor for a Verizon, AT&T or another wireless provider. It is a different look at how cellular has been done in the past. (Discussion ensued.)

City Council Liaison Dawkins expressed concern when or if the small wireless provider no longer provides service. He asked what we will do with the equipment on our poles. Assistant City Manager, Jay Reinstein suggested providing an update at a future City Council meeting. (Additional discussion ensued.)

Chairman Fowler thanked Mr. Rynne for the update.

CALL FOR A PUBLIC HEARING DATE

General Manager David Trego stated staff has completed their rate analysis and are looking to present the rates to Commissioners. He requested for the Commission to set March 14th for the Public Hearing on Rates and staff will make a presentation on Rates following the Public Hearing.

Upon motion by Commissioner Shaw, seconded by Commissioner Rogers and unanimously approved, the Commission set March 14, 2018, as the Public Hearing on Rates.

GENERAL MANAGER REPORT

United Way Awards

David Trego informed the Commission PWC won several awards at the United Way Luncheon on Tuesday, February 27th. He stated we won the Spirit of the Community Award, the Marquee Award with 43 members (44 including Commissioner Huff), and Mark Brown won the Volunteer of the Year Award.

PWC Day

On Friday, March 2nd, PWC is hosting our Elected Official PWC Day. We are expecting approximately 15 elected officials and senior municipal officers.

Changeover of Water Treatment

On March 1st we will begin the changeover of our water treatment chemicals. The State requires that one month out of the year we change to a different method and flush the system out. Some residents may notice the fire hydrants are open or a slight discoloration in the water. This is normal during this process.

AIT Issue

Mr. Trego stated PWC hired an independent CPA to review the metering and billing calculations of AIT's facilities downtown. He stated as you may recall, the report the Commission asked him to prepare on last month found contrary to the claims made by AIT in their dispute, he did not find that PWC systematically overbilled AIT.

The Independent CPA's Report, which included reviewing over ten years of monthly data, calculations and bills, confirmed the initial findings that PWC methodology in calculating the bills was accurate and correctly reflected the metering arrangement which was installed at AIT's request back in 2000. As has been acknowledged by PWC previously, there were several minor clerical errors in the billing resulting from the fact that AIT's bills had to be computed manually every single month to basically accommodate their metering arrangement. The CPA found those same errors. There were a total of 9 errors in over 500 bills that were generated over that period which was reviewed. The net total of the amount of the errors of almost 11 years of billing was less than \$200.00.

As Chairman Fowler committed to do, we have forwarded on last evening a copy of that CPA's report to Mr. Briggs of AIT, who has recently hired another consultant. He hopes that Mr. Briggs shares that report with that consultant so they can view it in their evaluation and have their evaluation done very quickly.

Mr. Trego noted we were able to get a pretty quick turnaround on the CPA's report. It became very evident early on we had done the proper calculation to adjust the bill for that unique metering arrangement. He is pleased the CPA found the same errors PWC found.

Chairman Fowler stated as he understands the methodology, he (the CPA) took the bills and actually did the kind of computations we would have done. He did them and then compared his computations to the spreadsheet of the computations we did. Mr. Trego concurred. He stated we gave to him the raw data, and then he compared his results to our computations and compared them to the bills that were sent to him.

Commissioner Huff asked if we can change his metering arrangement to something that is standard. Mr. Trego responded, the issue with the metering arrangement because it was requested by the customer, the only entity that can request it be removed is the customer. During one of our meetings with AIT, Mr. Briggs and the people who were there for AIT requested we go back to a single meter, single bill. Basically eliminate the three sub-meters. That was confirmed in an email that they wanted that particular arrangement stopped. Once we had the request to stop it, we went back to a single meter and a single bill. We are no longer using the sub meters in the billing of his facility.

Commissioner Huff asked if we can charge him for the audit. Mr. Trego responded, no.

Commissioner Huff asked once the AIT audit is complete by the AIT auditor, should we undertake some type of public relations campaign. Chairman Fowler replied we will get our message out.

Mr. Trego mentioned we did have one other inquiry by a customer who stated they were taking a look at their bill. They had a question regarding sales tax because they are a manufacturer and should not be charged sales tax. It was determined that the customer never filed the exemption with the state agencies, which is why the exemption was not received. It was a case that the error was with the customer and not with PWC.

Chemours Update – Requested by Commissioner Rogers

Commissioner Rogers requested an update of the County and PWC collaboration on the Chemours Plant and the attempt to get water down there.

Mr. Trego stated the County is taking the lead as they need to be. As a review, back in 2009 there was a study completed with PWC and the County. It took a look at what the overall infrastructure needs would be to get water service to other areas of the County. That included areas other than where the Chemours Plant is. It included out west, up north and other places.

Last year, we met several times with the County (once with then Chairwoman Shaw and current Chairman Fowler). Basically what we agreed to do with the County was to dust off a portion of the 2009 infrastructure assessment, basically just target the area that would be called the Grays Creek area. We agreed since we co-funded the original study, we would pay for 50% and so would the County. He stated the County has the ability to set up the water districts. They have the ability to go after any federal funding or grants that are available. PWC, as a public authority cannot do it. The County has taken the appropriate lead. We are at the table to see what we can do to provide service to them to meet the needs

of the County. We have in mind the overall fiscal responsibility as the Commission. Mr. Noland stated we will be involved with working with the engineering firm developing the report. The task authorization has recently been put in place and the evaluation should be complete in 4 to 6 months.

City Council Liaison Comments

Council Member Dawkins complimented PWC on the excellent audit. He stated to keep in mind, winning the public relations battle is always a challenge. He thanked Carolyn Justice-Hinson on spreading the good news. Any good news we can give to the public is helpful. We want our citizens to have full confidence in the PWC and it is a reflection on the City. He stated he is very pleased to hear of the audit report. He mentioned \$200 over 9 years. Mr. Trego stated that the \$200 was an under-bill.

Update on PWC Payment Arrangements/Extended Bill Due Dates

Chairman Fowler requested an update on our volume of payment arrangements and extended due dates.

Mr. Trego stated we have reached almost 30,000 in granting payment arrangements and extending due dates. He stated customers are now receiving their next cycle bills. The weather was milder then. He stated the requests are beginning to come down. We continue to work with customers on an individual basis, in an attempt to meet their needs and keep their services on.

Commissioner Fowler asked if other utilities like Duke are doing the same. Mr. Trego stated Duke makes payment arrangements. The investor owned utilities have more prescriptive rules on what they can and are allowed to do. They are more standardized. Mr. Trego stated he has had conversations with a lot of the other ElectriCities members; they had the similar things we had due to the record cold. Their customers' bills were double in some situations.

Jay Reinstein commended Mark Brown for doing a masterful job during/after the City Council meeting. He stated there were approximately 60-70 angry customers there. He handled them 1 by 1 and some in small groups. Mr. Reinstein stated they were very, very impressed and appreciate the level of customer service he provides.

Comments by Commissioner Huff

Commissioner Huff stated he had three leaks and patches in his neighborhood and he stopped to talk to the patch people. They are doing a fabulous job. He stated when you roll over the patches you will not know. He stated whoever is doing the patching, they are doing fabulous work. Mr. Noland thanked Commissioner Huff for the commendation. Mr. Trego stated part of it is the new paving ordinance that the City has that PWC and all the utilities are following. He stated the ordinance, in addition to a quality contractor works out very well.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – January 2018
- B. Recap of Uncollectible Accounts – January 2018
- C. Investment Report – January 2018
- D. Position Vacancies
- E. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18230 – install. of 8” C900 water main @ Sr1411 (Bunce Rd) & SR1410 (Old Bunce Rd)
 - Encr. #18621 – install water laterals @ US Hwy 401 BYP and SR1400
- F. Approved Utility Extension Agreement(s):
 - Miracle Temple Holy Deliverance Church of God, Inc. – water/sewer
- G. Actions by City Council during meeting of February 12, 2018, related to PWC:
 - Approved Phase 5 Annexation Areas 16 and 17 Resolution Declaring Costs, Preliminary Assessment Roll, and Public Hearing

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers seconded by Commissioner Huff and unanimously approved the meeting was adjourned at 9:28 a.m.