

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, APRIL 30, 2014  
3:00 P.M.

Present: Michael G. Lallier, Chairman  
Wick Smith, Vice Chairman  
Lynne B. Greene, Secretary  
Darsweil L. Rogers, Treasurer

Others Present: Steve Blanchard, CEO/General Manager  
Nat Robertson, Mayor  
James Arp, Council Liaison  
Karen McDonald, City Attorney  
Kristoff Bauer, Deputy City Manager  
PWC Staff

Absent: Billy King, County Liaison  
John Ellis, Hope Mills Liaison  
Mike Bailey, Hope Mills Liaison

Prior to calling the meeting to order, Chairman Lallier recognized Commissioner Wick Smith and wished him a Happy Birthday on behalf of the Commission and PWC staff.

Chairman Lallier called the meeting of April 30, 2014 to order.

Approval of Agenda.

Upon motion by Commissioner Rogers, seconded by Commissioner Greene, the agenda was unanimously approved.

Consent Items

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

- A. Minutes of meeting of April 16, 2014.

- B. Tentative award of contract for the Lobster House Sewer Relocation project to Sullivan Eastern, Inc., Durham, NC, the lowest responsive, responsible bidder in the amount of \$1,970,720.00 and also adopted Resolution PWC2014.01 titled “Resolution of Tentative Award – Lobster House Sewer Relocation” in accordance with the requirements of the State of North Carolina Department of Environment and Natural Resources - Division of Water Quality State Revolving Loan Offer and approved to forward to City Council for tentative bid award and adoption of a similar resolution. Consistent with the loan requirements, the State will provide PWC written authorization to award the contract after their approval. (See Resolution PWC2014.01 on Page \_\_\_\_\_ of Minutes)

This project is a budgeted item – FY2015 – WS49 - \$2,910,000. PWC has accepted a State Revolving Loan from the State of North Carolina’s Department of Environment and Natural Resources - Division of Water Quality in the amount of \$2,967,243 to fund this project. Construction of this project is not expected to begin until July 2014. Bids were received April 8, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Sullivan Eastern, Inc., Durham, NC	\$1,970,720.00
TA Loving Co., Goldsboro, NC	\$2,174,009.20
Step Construction Co., Lagrange, NC	\$2,283,331.14
Sandy’s Hauling & Backhoe Service, Roseboro, NC	\$2,418,560.00
State Utility Contractors, Monroe, NC	\$2,536,940.00

- C. Bid recommendation to award bid for purchase of 24,000 feet of 750 MCM AL Underground Primary Distribution Cable, PWC Stock No. 1-065-522 (with the option to purchase additional quantities within a one-year period to HD Supply Power Solutions, Wake Forest, NC, the lowest bidder in the total amount of \$144,840.00 and to forward to City Council for approval.

This cable is a regularly stocked electric inventory item and was last purchased in November 2012 at a cost of \$6,660 per one thousand feet. The current bid price per one thousand feet is \$6,035. The cost of this cable fluctuates due to metals pricing. Bids were received April 10, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
HD Supply Power Solutions, Wake Forest, NC	\$144,840.00
WESCO Distribution, Inc., Raleigh, NC	\$145,560.00
Stuart C. Irby, Rocky Mount, NC	\$164,280.00

- D. Bid recommendation for labor, materials and equipment necessary for the installation of the Carver Falls 69 to 15 x 25KV substation to Sumter Utilities, Inc., Sumter, SC, the lowest responsive, responsible bidder in the amount of \$1,287,598.17 and to forward to City Council for approval. This is a budgeted item in FY2014 CIP EL 49 – Carvers Falls Substation. \$1,500,000 is available for construction. Bids were received April 8, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Sumter Utilities, Inc., Sumter, SC	\$1,287,598.17
Lee Electrical Construction, Aberdeen, NC	\$1,314,218.00
MasTec, Roxboro, NC	\$1,386,048.00
*Coastal Power & Electric, Wilmington, NC	\$1,216,502.57

\*Note: The lowest price bid was received from Coastal Power & Electric, Wilmington, NC; however, staff feels that Coastal did not provide adequate substation construction experience to demonstrate their ability to perform this work. Coastal was only able to provide one (1) substation project as a reference. The majority of their experience is in transmission line work. Staff is therefore recommending the bid be awarded to Sumter Utilities, Inc., as the lowest responsive, responsible bidder. Sumter has demonstrated experience with PWC on similar substation projects and staff feels they are adequately qualified to perform this work.

Dwight Miller, Chief Finance Officer reported on this item. Mr. Miller reviewed the proposed changes to the employee benefits to be effective July 1, 2014. He stated PWC's medical and dental plans are self insured plans which cover PWC employees, retirees up to age 65, and dependents of employees and retirees. Mr. Miller commented that PWC's current Stop Loss Medical is \$175,000. He stated PWC's health care plans are experiencing increasing cost due to rising healthcare costs and the Affordable Care Act.

Mr. Miller informed the Commission that PWC and the employees share the plan cost. He stated the employees share approximately 25% of the cost of the plan. Mr. Miller commented if the proposed benefit changes are approved; the employee medical premium cost will increase by 6.2% on July 1, 2014. He reviewed the proposed medical and Cobra premium costs. Mr. Miller stated no increase is recommended for the dental premiums. He said staff is also proposing the available Flex Credits increase by \$10.00 going from \$940.00 to \$950.00 per month. Mr. Miller also discussed the Commission's recommendation to decrease the 'Opt Out' option from 90% to 80% and make available the additional Wellness Credits. He stated for employees opting out of PWC's insurance plan, if they take advantage of the Wellness Program (Know Your Numbers Screening), Wellness credits will be available to them which would result in the employee receiving approximately the same dollar amount as in the past. It was noted that employees opting out must provide proof of insurance. Mr. Miller also stated covered employees and spouses can also receive additional Flex Credits for non-tobacco use and a BMI of less than 40.

Discussion ensued. Chairman Lallier commented PWC is self insured up to the stop loss amount. He noted Mr. Miller is investigating the stop loss premiums and once the premium quote is obtained the Commission will be asked to consider whether to change the stop loss amount. Chairman Lallier also commented that PWC's Third Party Administrator gives PWC premium guidelines, notwithstanding the stop loss. He asked over the past three years has PWC been plus or minus these estimates. Mr. Miller stated PWC have been over the estimates. Chairman Lallier also inquired if PWC is within the premium cap based on the lowest paid employee and Mr. Miller said yes. Commissioner Smith commented the steps that are being taken today will help us in the long term, especially with cost as it relates to the services that PWC provides. Mr. Blanchard stated since the opt out option changed there may be issues with some employees, therefore, he requested the Commission allow

employees who opt out an additional 90 days to meet these requirements in order to qualify for the additional flex credits. He stated a new testing program will be set up so these employees can have the benefit of these additional credits. The Commission concurred with Mr. Blanchard's request.

Following discussion, upon motion by Commissioner Rogers, seconded by Commissioner Greene, the Commission unanimously approved to adopt management recommended changes to the employee medical and dental plan beginning July 1, 2014 and to allow those employees who opt out of PWC's medical plan an additional 90 days to meet requirements to qualify for the additional flex credits. (See Medical, Dental and COBRA premium schedules on Pages \_\_\_\_\_ of Minutes)

#### General Manager Report

⇒ On May 15<sup>th</sup> PWC will host the Chamber Breakfast at 7:30 at Highland Country Club.

⇒ Sewer spill occurred last night (April 29, 2014) at Raeford Road/Ireland Drive as a result of the excessive rainfall.

Carolyn Hinson, Communications/Community Relations Officers stated as required by state regulations, when a spill of 1,000 gallons or more reaches surface waters, a media release is required. PWC will notice this sewer spill in the Fayetteville Observer.

Mick Noland, Chief Operations Officer – Water Resources provided an update on this sewer spill. He stated as a result of excessive rainfall, which caused flooding, a total of approximately 800,000 gallons of untreated wastewater (which was heavily diluted due to the rain) overflowed into Buckhead Creek. The overflow occurred after a sanitary sewer bypass pumping operation became submerged by elevated storm waters in the creek. PWC cleaned and treated the affected area and the Division of Water Quality was notified of the event. No environmental impact was associated with this spill.

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

A. Position Vacancies

B. Approved Utility Extension Agreement(s):

- ⇒ Best Locations, LLC – electric, water and sewer utilities to serve Applebee’s Restaurant, Ramsey Street
- ⇒ CRA Home Builders, Inc. – water and sewer utilities to serve Stonegate, Section 3
- ⇒ Riddle Commercial Properties, Inc. – electric, water and sewer utilities to serve Panera Restaurant, Ramsey Street/Meadowcroft Drive

C. Actions by City Council during meeting of April 14, 2014, related to PWC:

- ⇒ Approved bid recommendation for purchase of two 500 HP Centrifugal Blowers for the Rockfish Creek Water Reclamation Facility Aeration Improvements
- ⇒ For assessed property (4070 Rosehill Road) - approved resale of real property back to former owner
- ⇒ FY 15 City Council Budget Guidelines

Comments:

- ⇒ Commissioner Smith: Had two positive comments regarding PWC – one from his neighbor who had an issue with his meter. A PWC employee came out on a Sunday about a week ago to work on the meter. The employee was very cordial and upbeat about being there. Great experience for his neighbor. There was another incident on Sunday down and across from Snyder Baptist where the storm water culvert had failed and a sewer bypass pump was in operation. A PWC employee was checking the pumps. He had a great attitude, very positive.
- ⇒ Kristoff Bauer, Deputy City Manager: Regarding Commissioner Smith’s comments on benchmarking for health insurance, City staff provided information to Council in February which included plan comparisons for PWC, the City and other agencies. He will provide a copy of this to the Commission and staff for reference.

⇒ Chairman Lallier: Asked Mark Brown, Sr. Customer Programs Officer how PWC is doing on industrial rate notifications and what type of reaction is PWC receiving.

Mr. Brown stated PWC sent letters to customers identified as key accounts. Working with four customers whose rate increase was higher since they had been on a special rate to help these customers reduce their cost. Mr. Brown stated PWC is working on a process to help communicate and notify these key account customers of potential rate increases.

Closed session for legal consultation as allowed by NC General Statutes 143-318.11(a)(3)

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

Upon motion made by Commissioner Greene and seconded by Commissioner Rogers, the Commission unanimously voted to go into closed session at 3:47 p.m. as allowed under N.C. General Statutes 143-318.11(a)(3).

Following discussion, upon motion made by Commissioner Greene and seconded by Commissioner Rogers, the Commission voted to return to open session at 5:25 p.m.

There being no further business, upon motion by Commissioner Greene, seconded by Commissioner Smith and unanimously approved, the meeting was adjourned at 5:25 p.m.