

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, MAY 28, 2014  
8:30 A.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  
Mike Bailey, Hope Mills Liaison  
Karen McDonald, City Attorney  
Kristoff Bauer, Deputy City Manager  
Jay Reinstein, Assistant City Manager  
PWC Staff

Absent: James Arp, Council Liaison  
Billy King, County Liaison  
John Ellis, Hope Mills Liaison

Chairman Lallier called the meeting of May 28, 2014 to order.

Approval of Agenda.

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

Consent Items

Upon motion by Commissioner Smith, seconded by Commissioner Rogers, the following Consent Item was unanimously approved:

A. Minutes of meeting of May 14, 2014.

Consideration of Financial Matters

Rhonda Haskins, Director of Financial Planning presented this item. Ms. Haskins reviewed in detail the budget summary pages for the following budget amendments for Commission consideration:

A. Electric, Water/Wastewater & Fleet Maintenance Internal Service Fund Budget Amendment #1 for Fiscal Year 2014

The current adopted budget for Fiscal Year 2014 is \$353,882,200 and the Amendment #1 increase is \$25,492,000. This brings the proposed Fiscal Year 2014 budget to \$379,374,200.

1. Electric Fund Budget has a net increase in revenues and expenses of \$13,617,650
2. Water and Wastewater have a net increase in revenues and expenses of \$11,275,450
3. Fleet Maintenance Internal Service Fund has a net increase in revenues and expenses of \$598,900

B. Capital Project Fund Budget Amendments:

1. Electric Rate Stabilization Fund Amendment #19

Increases the loan advance to the General Fund for Fiscal Year 2014 and increases the transfer to the Electric Fund to cover Duke Energy Progress true-up payments and unanticipated change in rates.

2. Electric Rate Stabilization Fund Amendment #20

Transfers to and from the Electric Fund the budgeted amount for Fiscal Year 2015 and provides for repayment of loan advances and recovery of the power cost true-up transfer. Budget effective July 1, 2014.

3. Water and Wastewater Rate Stabilization Fund Amendment #11

Reduces the transfer to the Water and Wastewater Fund for FY 2014 consistent with General Fund Amendment #1.

4. Water and Wastewater Rate Stabilization Fund Amendment #12

Transfers from the Water and Wastewater fund the budgeted amount for Fiscal Year 2015. Budget effective July 1, 2014.

5. Annexation Phase V Reserve Fund Amendment #11

Reflects expected activity for Fiscal Year 2014

6. Annexation Phase V Reserve Fund Amendment #12

Reflects expected activity for Fiscal Year 2015 including the repayment of loans and advances due to the reimbursement from bonds for annexation project costs. Budget effective July 1, 2014.

C. Resolution (PWC 2014.03) to Establish 2014 Revenue Bond Capital Project Fund and its associated budgets

New 2014 Revenue Bond Capital Project Funds resolution and budgets establishing capital project funds for projects to be funded with the 2014 Revenue Bonds as follows:

1. Series 2014 Water and Wastewater Revenue Bond Capital Project Fund
2. 2014 Water Connect Revenue Bond Capital Project Fund
3. 2014 Electric Connect Revenue Bond Capital Project Fund
4. 2014 LED Street Lighting Revenue Bond Capital Project Fund

Discussion ensued. Ms. Haskins and Mr. Blanchard responded to questions from the Commission related to the proposed budget amendments. Following considerable discussion, upon motion by Commissioner Rogers, seconded by Commissioner Greene, the Commission unanimously approved to adopt the Electric, Water/Wastewater & Fleet Maintenance Internal Service Fund Amendment #1 Budget Ordinance for Fiscal Year 2014 and the Capital Project Fund Budget Amendments as presented and forward to City Council

for adoption and to adopt Resolution No. PWC 2014.03 Establishing the 2014 Revenue Bond Capital Project Funds and Associated Budgets as presented and request City Council adopt a similar resolution. (See Budget Amendments and PWC Resolution 2014.03 on Pages \_\_\_\_\_ of Minutes).

General Manager Report

⇒ PWC to sponsor the Plant Managers' Association Luncheon on June 10<sup>th</sup> at the Butler-Warner Generation Plant.

⇒ Report on Upcoming Projects:

⇒ Glenville Lake Spillway Replacement Project:

Glenville Lake to be drained in June. This has been coordinated with the City of Fayetteville Parks and Recreation Department

⇒ Connect Program:

The meter change out will start in June. This is a multi-year program.

⇒ NavIgate Phase 2:

Go live for Phase 2 – Customer Care & Billing is July 7<sup>th</sup>.

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

A. Monthly Cash Flow Report for March 2014

B. Recap of Uncollectible Accounts

C. Investment Report for March 2014

D. Position Vacancies

E. Approved N.C. Department of Transportation Encroachment Agreement(s):

⇒ Encr. #17763 – water main installation – Hwy 24/87 (Bragg Blvd)

F. Approved Utility Extension Agreement(s):

⇒ Fayetteville Mall Holdings, LLC – water and sewer utilities to serve Marketfair Mall Expansion

- ⇒ Randall Hinds – water and sewer utilities to serve Hinds Yakin Site
- ⇒ SRW Builders, Inc. – sanitary sewer outfall to serve SRW Stoney Point Sewer Outfall

G. Actions by City Council during meeting of May 12, 2014, related to PWC:

- ⇒ Approved bid award for purchase of 24,000 feet of 750 MCM AL Underground Primary Distribution Cable
- ⇒ Approved tentative award of contract for Lobster House Sewer Relocation Project
- ⇒ Approved bid award for installation of Carver Falls 69 to 15x25KV Substation
- ⇒ Set Public Hearing to order improvement for Phase 5 Annexation Areas 16 and 17

H. Actions by City Council during meeting of May 14, 2014, related to PWC:

- ⇒ Call Center update

Comments:

⇒ Commissioner Smith:

Wanted to clarify a comment made by city staff at last night's Council meeting which stated PWC would not have any cost associated with extending water services to residents of Bullard Circle. Commissioner Smith commented there will be a cost to PWC to extend the water main. According to PWC policy, PWC will participate in 25% of the main charge for the water main extension.

Closed session for Personnel Matters as allowed under N.C. General Statutes 143-318.11(6).

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

Upon motion made by Commissioner Rogers, and seconded by Commissioner Greene, the Commission unanimously voted to go into closed session at 9:50 a.m.

Following discussion, upon motion made by Commissioner Greene and seconded by Commissioner Smith, the Commission voted to return to open session at 10:20 a.m.

There being no further business, upon motion by Commissioner Greene, seconded by Commissioner Rogers and unanimously approved, the meeting was adjourned at 10:20 a.m.