

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, JULY 9, 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
Brian Meyer, Assistant City Attorney
Kristoff Bauer, Deputy City Manager
Russ Rogerson, Executive Vice President,
Economic Development Alliance of Fayetteville and
Cumberland County, NC
Cathy Johnson, Fayetteville Regional Chamber
PWC Staff

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

Chairman Lallier called the meeting of July 9, 2014 to order.

Presentation of the following APPA Awards:

During the annual APPA Conference in June, the American Public Power Association honored Fayetteville PWC and CEO/General Manager Steven K. Blanchard with the following awards:

➤ ***James D. Donovan Individual Achievement Award***

On behalf of the Commission, Commissioner Wick Smith recognized and congratulated Steven K. Blanchard, PWC CEO/General Manager on receiving the ***James D. Donovan Individual Achievement Award***. This award recognizes people who have made substantial contributions to the electric utility industry, with a special commitment to public power. Commissioner Smith stated Mr. Blanchard has been with PWC since 1972 and has served as General Manager since 1994.

➤ *E. F. Scattergood System Achievement Award*

Steven K. Blanchard, CEO/General Manager presented the *E.F. Scattergood System Achievement Award* to the Commission. This award honors APPA member systems that have enhanced the prestige of public power utilities through sustained achievement and customer service.

Approval of Agenda.

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

Consent Items

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

A. Minutes of meeting of June 11, 2014.

Economic Development Alliance of Fayetteville & Cumberland County, North Carolina Quarterly Report

Mr. Russ Rogerson, Executive Vice President, Economic Development Alliance met with the Commission to provide an update regarding The Alliance economic development efforts. Mr. Rogerson reviewed in detail the fourth quarter Economic Development Dashboard report which defines the efforts of The Alliance to retain and recruit business and industry and create jobs within the Fayetteville-Cumberland County area. Categories outlined in the dashboard report included capital investments, job announcements, retention visits, community marketing and prospect contacts. Mr. Rogerson also mentioned at the end of the fourth quarter, the Alliance is working on twenty (20) active economic development projects totaling more than \$395,000,000 in potential community investments and the creation of over 3,500 new jobs. He stated 70% of these economic development projects are manufacturing projects, with more than 65% of the potential job creation. He discussed the

quarterly synchronist report which provides a trend analysis on what local companies think about services being provided in the community. Discussion ensued. Mr. Rogerson responded to questions from the Commission regarding the report. For information purposes, a copy of the Economic Development Quarterly Dashboard report was provided to the Commission.

The Commission thanked Mr. Rogerson for keeping them informed about the Alliance's initiatives and economic development matters.

Consider Request from Cumberland County for Fayetteville PWC to participate in the water line extension project to serve the Bullard Circle Area

Steven K. Blanchard, CEO/General Manager presented this item. Mr. Blanchard informed the Commission that FPWC received a request from Cumberland County to participate in the water line extension project for the Bullard Circle area due to the fact that numerous wells in this area are contaminated. Mr. Blanchard explained that FPWC will not be leading this project but that Cumberland County will be the lead agency and will be responsible for obtaining the engineer and contractor to install the water lines. Cumberland County would also order the installation and assessment. He stated the system would be designed to FPWC's urban standards.

Mr. Blanchard stated FPWC has participated in this type of project in the past by participating in the water main extension at 25% of the total main extension cost. He stated if the Commission approves to participate in the project at the 25% level, then FPWC's cost is estimated to be \$134,378. Mr. Blanchard stated the final estimated cost for the project will not be known until after the engineering work is done and bids are received, which should be near the end of this year. He recommended that FPWC participate in the Bullard Circle project with Cumberland County per PWC policy 5.A.8. (Water Service to Areas with Identified Contaminated Drinking Water Wells) at the 25% level and direct staff to develop an Interlocal agreement which would be executed by Cumberland County, the City of Fayetteville and Fayetteville Public Works Commission. Discussion ensued.

Commissioner Smith inquired if there would be any developer participation. Mr. Blanchard commended a developer has been talking with the County since the water line could serve the developer's property. The developer may decide to participate in the main extension. He stated this area is in the City's MIA area; however, the City is not planning to annex the area at this time.

Following discussion, a motion was made by Commissioner Rogers to approve Fayetteville PWC participation in the Bullard Circle project with Cumberland County per PWC Policy 5.A.8 at the 25% level and directed staff to develop an Interlocal Agreement between Cumberland County, City of Fayetteville and Fayetteville Public Works Commission in support of the Bullard Circle Project. Motion seconded by Commissioner Smith and unanimously approved.

General Manager Report

- NavIgate Phase 2 Update. Phase 2 "Go Live" was July 7th with the new Customer Care & Billing System (CC&B) and Mobile Workforce Management (MWM). The migration from the old system to the new systems went good and employees have accepted the new system. The first billing batch went out last night (July 8th) with no errors. Inputting budget data in the new system.

Very happy and thanked the employees and Infosys for their hard work.

- Susan Fritzen, Chief Corporate Services Officer stated there is a four month warranty with the system (part of the standard contract with Infosys).

Employees who were part of the NavIgate team will start transitioning back to their former positions. Have very dedicated employees.

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

- A. Personnel Report for June 2014
- B. Position Vacancies
- C. July 2014 Wholesale Power Cost Adjustment
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #17589 ó water main installation ó I-95
 - Encr. #17648 ó water main installation ó SR-2212 (Doc Bennett Road)
 - Encr. #17796 ó 8ö fire line installation ó SR-3196 (Lake Valley Drive)
- E. Approved Utility Extension Agreement(s):
 - HCC Investments, LLC ó water and sewer utilities to serve Rockfish Road Connection ó Common Road A ó Traemoor Village
 - Cumberland Ventures, LLC ó electric, water and sewer utilities to serve Grays Creek Villa, Section II
- F. Actions by City Council during meeting of June 9, 2014, related to PWC:
 - Approved PWC FY 14 Budget Amendment #1 and Project Fund Amendments
 - Phase 5 Annexation Areas 16 and 17 Public Hearing
 - Adopted Fiscal year 2015 Budget Ordinance and Fee Schedule, eliminating Section 13 and tabling sections 15 and 16, to be discussed at a meeting in August 2014
- G. Actions by City Council during meeting of June 23, 2014, related to PWC:
 - Adopted Findings Resolution and Approved Submission of Local Government Commission (LGC) Application for the Issuance of Revenue Bonds
 - Approved bid award for Glenville Lake Dam Rehabilitation Project
 - Approved Resolution Directing Construction of Phase 5 Annexation Areas 16 and 17

Comments:

- Commissioner Smith:
 - There was a meeting last week with developers to follow up on various issues presented at a previous meeting held in February/March. Very good meeting. Communication is much better and progress is being made.
 - Kudos to the electric department. An outage occurred at his office and PWC responded and service back on quickly. Appreciate the great job.

➤ Commissioner Rogers:

- Attended the APPA National Conference. Great event and learned a lot. Came to really appreciate, what was already self-evident, the quality of the team PWC has and acknowledged that to everyone directly.
- Made an observation about his overall belief of the fact that PWC have some power generation and this is critical in our conversation with Duke Progress. Would like us to think about how power generation can continue to be part of what we do moving forward. It makes a big difference in PWC being able to have some control over our future.

There being no further business, upon motion by Commissioner Greene, seconded by Commissioner Smith and unanimously approved, the meeting was adjourned at 9:30 a.m.