

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, DECEMBER 10, 2014  
8:30 A.M.

Present: Michael G. Lallier, Chairman  
Lynne B. Greene, Vice Chairman  
Wade R. Fowler, Jr., Secretary  
Darsweil L. Rogers, Treasurer

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

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

Chairman Lallier called the meeting of December 10, 2014 to order.

The Chairman recognized Joan G. Starling, Clerk to the Board, who is retiring from PWC with 37 years of service. The Commission thanked Mrs. Starling for her dedication and service to PWC and presented her with flowers and her Distinguished Service Award Plaque. The Chairman welcomed Venus Durant, Clerk to the Board.

Approval of Agenda

Chairman Lallier requested the addition of a discussion item regarding letter from Representative Szoka requesting recommendations and suggestions for an update to Chapter 6 of the City's charter as item V.I.

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

Consent Items

Commissioner Fowler made a motion to approve the following Consent Items, with one change to item II.B.1. regarding a correction to the current bid price from \$3,905.00 each to \$3,720.00 each. Motion seconded by Commissioner Greene.

- A. Minutes of meeting of November 12, 2014
- B. Approved 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 Tubular Galvanized Steel Poles to be used for FY2015 pole replacement projects and forward to City Council for approval. These poles are inventory items that will be charged to projects as they are used.

Bids were received October 28, 2014, as follows:

1. Transamerican Power Products, Houston, TX, lowest bidder in the amount of \$93,000.00 for purchase of 25 Tubular Galvanized Steel Poles, 75 ft., S-04.9 (PWC Stock # 1-220-665).

This item was last purchased in October 2012 at \$4,287.00 each. The current bid price is \$3,720.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Transamerican Power Products, Houston, TX	\$ 93,000.00
WESCO, Raleigh, NC	\$ 98,500.00
Valmont, El Dorado, KS	\$118,025.00
Dis-Tran Steel, LLC, Pineville, LA	\$121,025.00
ROHN Products, Peoria, IL	\$121,250.00
Trinity Meyer, Memphis, TN	\$121,950.00
MD Henry, Pelham, AL	\$122,600.00
Sabre Tubular Structures, Alvarado, TX	\$145,150.00

2. Transamerican Power Products, Houston, TX, lowest bidder in the amount of \$97,625.00 for purchase of 25 Tubular Galvanized Steel Poles, 80 ft., S-04.9 (PWC Stock # 1-220-675).

This item was last purchased in July 2012 at \$5,096.00 each. The current bid price is \$3,905.00 each.

<u>Bidders</u>	<u>Total Cost</u>
Transamerican Power Products, Houston, TX	\$ 97,625.00
WESCO, Raleigh, NC	\$107,025.00
Trinity Meyer, Memphis, TN	\$119,150.00
Valmont, El Dorado, KS	\$124,250.00
Dis-Tran Steel, LLC, Pineville, LA	\$126,950.00
MD Henry, Pelham, AL	\$129,125.00
ROHN Products, Peoria, IL	\$132,500.00
Sabre Tubular Structures, Alvarado, TX	\$153,475.00

- C. Approved 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 two (2) bus breakers and ten (10) feeder breakers to be used in various PWC substations and forward to City Council for approval.

These are budgeted items in FY2015 CIP EL36 – Circuit Breaker Replacement. The budgeted amount is \$400,000.00.

Bids were received on October 30, 2014, as follows:

1. Siemens Industry, Inc., Wendell, NC, lowest bidder in the amount of \$62,690.00 for purchase of two (2) 2000 Ampere Bus Breaker.

<u>Bidders</u>	<u>Total Cost</u>
Siemens Industry, Inc. Wendell, NC	\$ 62,690.00
ABB, Inc., Lake Mary, FL	\$ 64,712.00

2. Siemens Industry, Inc. Wendell, NC, lowest bidder in the amount of \$276,040.00 for purchase of ten (10) 1200 Ampere Feeder Breakers.

<u>Bidders</u>	<u>Total Cost</u>
Siemens Industry, Inc., Wendell, NC	\$276,040.00
ABB, Inc., Lake Mary, FL	\$288,910.00

- D. Bid recommendation to award contract for purchase and installation of a Soft Touch Hands-Free Car Wash System at the Fleet Maintenance Wash Bay to Mark VII Equipment, Arvada, CO, lowest bidder in the total amount of \$133,999.00 and forward to City Council for approval.

This is a budgeted item for FY2015 CIP CS6 – Automatic Car Wash System. The budgeted amount is \$195,000.00.

Bids were received November 6, 2014.

<u>Bidders</u>	<u>Total Cost</u>
Mark VII Equipment, Arvada, CO	\$133,999.00
AUTEC, Inc., Statesville, NC	\$173,027.43
HOWCO, Inc., Charlotte, NC	\$173,418.66

- E. Bid recommendation to award contract for the Doc Bennett Road Water Main project to Tony E. Hawley Construction, Kenly, NC, the lowest bidder in the total amount of \$1,227,262.00 and forward to City Council for approval.

This is a budgeted item in FY2015 CIP WS12. The budgeted amount is \$1,292,900.00.

Bids were received November 18, 2014.

<u>Bidders</u>	<u>Total Cost</u>
Tony E. Hawley Construction, Kenly, NC	\$1,227,262.00
Odell Smith & Sons, Inc., Spring Lake, NC	\$1,248,738.45
Gaines & Company, Knightdale, NC	\$1,295,274.00
State Utility Contractors, Monroe, NC	\$1,315,228.00
Herring-Rivenbark, Inc., Kinston, NC	\$1,427,176.50
Utilities Plus, Inc., Linden, NC	\$1,437,558.57
Autry Grading, Hope Mills, NC	\$1,737,073.57

- F. Approved the issuance of a purchase order in the amount of \$99,827.00 to Advanced Control Systems, Inc. (ACS), Norcross, GA, for all hardware, software licenses, technical support, installation, on-site engineering services, and testing necessary to upgrade PWC's current SCADA system to a Prism Linux System in accordance with N.C.G.S. 143-129(e)(6) "sole source exception".

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.

This contract would upgrade the current SCADA system hardware and software used to perform process control operations. The current system hardware is at end-of-life and the operating system on our dispatcher workstations is no longer supported and no longer receiving security patches. It is recommended that we upgrade the current system in order to continue to meet NERC CIP005 cyber security standards.

Advanced Control Systems, Inc. (ACS) is the current vendor for PWC's SCADA system. PWC's current SCADA administrator is certified in the operation of the ACS master SCADA system and the Linux Red Hat operating system. Additionally, PWC dispatchers are trained in the use of the ACS SCADA system. The SCADA system is vendor specific and changing vendors would cause issues with the operation of the PWC electric system, as well as add extra expenses to PWC in terms of training and operating the system.

The total cost of the upgrade to include all services, hardware, software licenses and support is \$99,827.00.

This is a budgeted item in the amount of \$105,500 for the SCADA Upgrade Project in the SCADA operating capital budget.

- G. Adopted PWC Resolution No. PWC2014.08 to declare personal property described as one (1) 2003 Sterling LT7501 Vector Truck, VIN No. 2FZHATAK33AK74628; and one (1) 2004 International 7400 Truck with Bucket, VIN No. 1HTWEAAR74J083685, as surplus and authorize its sale by public auction. (Please see PWC Resolution No. PWC2014.08 on Page \_\_\_\_\_).

### III. Update on "CONNECT" Program (Advanced Metering Infrastructure/Smart Grid)

*Susan Fritzen, Chief Corporate Services Officer provided an update on the "CONNECT" Program to the Commission.*

Susan Fritzen provided a detailed description of the scope, schedule, budget and the risks PWC faces or anticipate we may face.

Commissioner Rogers raised questions on the tamper detection feature in the devices (meters). Mark Brown, Customer Programs Senior Officer, stated that the system has the capability to inform us of a 'power off alert' and a 'tilt alert'. If a meter loses power and is tilted at the same time, it is a very good indication that power is being stolen and we can be proactive in reducing our losses.

The water meters will have leak detection, tamper detection and will be capable of remote disconnection in the future. They are in the testing phase now and we expect it to be capable in early July 2015.

Susan Fritzen discussed Cyber Security and the ability to enhance our reliability across the entire network.

The program is a six year program and Phase 1 will culminate in June of 2017. Phase I encompasses building advanced infrastructure; the towers; and the communication network. Ms. Fritzen updated the Commissioners on the process of choosing the vendors and the logistics of the towers' locations. All towers should be installed by the end of December 2014 or January 2015.

Ms. Fritzen provided a short recap of the project to date since two Commissioners were not on board when the project began: Prior to rolling out meters, in August 2013, Ms. Fritzen had presented a recommendation to the Commission which was approved. A presentation to Council was made in September 2013 and Council approved moving forward with the selected vendor to negotiate a contract at a maximum (not to exceed) price of \$46.7 million. In November 2013, Ms. Fritzen again presented at the Council meeting and asked for Council to approve the contract to the selected vendor, Sensus. Sensus is the water meter supplier as well as the installer for the water and electric meters. The Council also approved for PWC to award the contract for the electric meters to Landis & Gyr. Ms. Fritzen reminded the Commission on the decision to utilize Landis & Gyr as the electric meter provider. In January 2014, we initiated the roll out to customers, starting with small pilot areas and commenced with full deployment in June 2014.

The second phase will begin after the meter installations are complete, and it will focus on advancing our electric systems (distribution automation/substation automation). It will allow us to function in a more proactive manner (versus reactive) and allow us to see if we have issues on lines.

Ms. Fritzen and the Commission discussed the feasibility of postponing the deployment of water meters since the remote disconnect feature is expected to be available in June 2015.

City Council Liaison Arp reiterated the need for a strong Cyber Security environment and asked if we are focusing on it. Susan Fritzen responded we are actively focusing on Cyber Security and have hired a Security Supervisor. An RFP has been drafted to comprehensively look at our IT system and ensure it is secure. COO-Electric Systems David Trego also discussed security of the electric grid. Discussion ensued.

Susan Fritzen provided the total program cost for the entire 6 year program, as previously presented to the Commission and the City Council. Discussion ensued.

Susan Fritzen discussed the strategy going forward once we have 50% of the meters installed. We will begin analyzing the data and embark on an educational campaign. Once 90% of the meters are installed, a new rate structure will be addressed. Discussion ensued.

### General Manager Report

Susan Fritzen, Chief Corporate Services Officer provided the following updates:

- PWC reached a milestone on Monday, December 8, 2014 with 4 Million Man Hours Worked with No Lost Time Injuries.
- Employee Opinion Survey is being conducted as of December 9, 2014.
- PWC Employees exceeded our goal of \$114,000 in the United Way Giving campaign, pledging \$116,255 in support of our community.
- The City's Call Center will be transferred over to the PWC Administration building on Saturday, December 13, 2014.
- The North Carolina Department of Environment and Natural Resources will hold a Public Hearing in reference to the Inter-basin Transfer Certificate Modification for the Towns of Apex, Cary and Morrisville, and Wake County (for RTP South) on January 7, 2015 at 6:30 p.m. at the Town of Apex Public Works, 105-B Upchurch St., Apex, NC.

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

- A. Monthly Incident Summary for November 2014
- B. Personnel Report for November 2014
- C. Position Vacancies
- D. December 2014 Wholesale Power Cost Adjustment
- E. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #17972 – Sewer Main Installation – NC-162 (Elk Road)
- F. Approved Utility Extension Agreement(s):
  - Methodist University – water utilities to serve Methodist University Lower Campus Water Extension

- Sackos Properties, LLC – water and sewer utilities to serve Bopie’s Pearls and Gems
- G. Actions by City Council during meeting of November 24, 2014, related to PWC:
- Approved Capital Project Ordinance Amendment – Change 2015-19
  - Approved the following bid recommendations:
    - Underground Primary Distribution Cable
    - 35’ Fiberglass Poles
    - Photo Controls
    - LED Luminaires
  - Set Public Hearing – Phase 5 Annexation Areas 12 and 13
  - Rejected the following Bid recommendations to be rebid to new standards:
    - Annexation Phase V, Project VII, Area 17, Section 1 – Blue Spring Woods, Beacon Hill and Emerald Gardens Subdivisions
    - Annexation Phase V, Project VII, Area 17, Section II - Blue Spring Woods, Beacon Hill and Emerald Gardens Subdivisions
    - Annexation Phase V, Project VII, Area 16 – Hampton Oaks & Southgate
- H. Actions by City Council during meeting of December 1, 2014, related to PWC:
- Risk Management Update
  - Technology/Business Change Initiatives Update
  - Considered Logo/Branding recommended by City staff for the City of Fayetteville PWC in accordance with City Council Resolution No. R2013-052
- I. Letter from Representative John Szoka requesting recommendations and suggestions for the updating of Chapter 6 of the City’s charter.

Chairman Lallier stated in closed session the Commission will discuss the letter from Representative Szoka concerning the Chapter 6 of the City’s charter.

Closed Session as allowed under N.C. General Statutes 143-318.11(a)(6) for Personnel Matter and N.C. General Statutes 143-318.11(a)(3) for Legal Matters

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

Upon motion made by Commissioner Fowler and seconded by Commissioner Rogers, the Commission unanimously voted to go into closed session at 9:20 a.m. as allowed under N.C. General Statutes 143-318.11(a)(6) for personnel matters.

Following discussion, upon motion made by Commissioner Fowler and seconded by Commissioner Greene, the Commission voted to return to open session at 9:43 a.m.

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

Upon motion made by Commissioner Fowler and seconded by Commissioner Rogers, the Commission unanimously voted to go into closed session at 9:50 a.m. as allowed under N.C. General Statutes 143-318.11(a)(3) for legal matters.

Following discussion, upon motion made by Commissioner Fowler and seconded by Commissioner Rogers, the Commission voted to return to open session at 11:15 a.m.

As a result of the closed session the following actions were taken by the Commission.

Upon motion by Commissioner Greene and seconded by Commissioner Rogers the Commission unanimously approved to send a letter to Representative John Szoka from the Chairman regarding acceptance of mediation. A list of issues will be prepared and forwarded to Representative Szoka by January 9, 2015.

Upon motion by Commissioner Fowler, seconded by Commissioner Rogers the Commission unanimously approved to hold a special meeting on January 6, 2015 at 8:30 a.m. to begin a consolidated list of comments and suggestions for the local delegation to begin the update of the charter.

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Rogers and unanimously approved, the meeting was adjourned at 11:25 a.m.