

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, AUGUST 26, 2015
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: David Trego, CEO/General Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
James Arp, City Council Liaison
Glenn Adams, County Liaison
Leslie Lurgo, Methodist College Student
PWC Staff

Absent: Mike Bailey, Hope Mills Liaison
John Ellis, Hope Mills Liaison
Media

Chairman Lallier called the meeting of August 26, 2015, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

Upon motion by Commissioner Rogers, seconded by Commissioner Greene Consent Items were unanimously approved.

A. Approve Minutes of meeting of August 12, 2015

UPDATE ON WATER & SEWER REHABILITATION/UNACCOUNTED FOR SEWER

*Presented by: Mick Noland, Water Resources Chief Operations Officer
John Allen, Senior Engineer - Water Resources Engineering*

Mick Noland, Water Resources Chief Operations Officer introduced John Allen, Water Resources Senior Engineer who gave an update on PWC's Water & Sewer Rehabilitation Program. The presentation included current program information, annual performance indicators, and summary of costs and proposed future funding.

Mr. Allen stated the rehab program began in 2004. At that time the engineering department outlined costs and defined the approach to get the work completed.

The Water Main Rehabilitation program consists of both the lining of water mains and the replacement of water mains and laterals. It also consists of the rehabilitation of valves and fire hydrants in the area construction crews are working. There are 1,365 miles within the system.

Sewer Main Rehabilitation consists of replacement or lining of sewer mains and the lining or replacement of sewer laterals. There are approximately 1,241 miles of sewer mains within the system.

Manhole Rehabilitation consists primarily of lining the manholes, and they replace manholes as well. In FY15 there were 30,870 manholes within the system.

Mr. Allen stated currently 25% of system is over 45 years of age which has not been touched. 50 years is the normal design life of mains within the system. Crews are completing approximately 1/2 % of the system per fiscal year. We are on pace to renew the system every 200 years based on current funding and current efforts. A line that is lined or replaced today would not be touched again for two hundred years. Councilman Arp asked if that was the industry standard. Mr. Allen replied that according to our consultants the industry standard is 1 to 2 % per year, which is every 50 to 100 years.

Total FY2016 funding is \$9,205,000 (Water - \$4,000,000; Sewer - \$4,000,000; Manhole - \$1,205,000) which represents 13% of FY16 Water Resources CIP budget.

Commissioner Rogers asked if PWC does a cost analysis of repairing vs. replacing/relining before a repair is needed. Mr. Trego responded PWC is considering predictive model software to determine which mains to maintain or replace. Mr. Allen also stated we have software that a consultant developed which helps determine the condition and criticality of our water mains.

The Water Main Rehabilitation began in FY2004 as a result of a significant number of discolored water complaints in 2002-2003. The program focused on unlined Cast Iron Mains which was the main cause of discolored water. It was strictly focused on lining.

The current approach is a comprehensive approach which includes lining mains, replacing services, meter boxes, valves and hydrants. Mr. Allen stated they consider the condition of the main, determine if it needs to be replaced or relined. The team is currently looking at Structural Liners – evaluating its use. It is PWC's goal to leave residents of a neighborhood with a completely new system once they have completed working in the neighborhood. Mr. Allen also stated they coordinate with NCDOT and the City concerning resurfacing. Discussion ensued.

Mr. Allen stated the sewer main rehabilitation began in FY2005. It was mainly focused on structural issues and small diameter mains. Large diameter main rehabilitation began in FY2007. The current approach is evaluations thru CCTV Inspections and Smoke Testing; determining structural vs. inflow & infiltration; street paving/resurfacing and lateral replacement/rehabilitation. Mr. Allen and Mr. Noland responded to questions from the Commissioners.

Mr. Allen stated the Manhole Rehabilitation began in FY2006 with a structural focus on force main discharge manholes and brick/block manholes. They are currently addressing inflow & infiltration in manholes, attempting to keep unwanted water out of the sewer system. The team is also coordinating manhole rehab efforts with sewer main rehab efforts to have one seamless effort.

Mr. Allen reviewed Sanitary Sewer Overflows Performance which is consistently less than 1 per 100 miles (0.4 in FY15). Commissioner Fowler asked how PWC compares to industry wide stats. Mr. Noland responded PWC 'probably is as good as or better than anyone else in the state'. He stated sometimes we have overflows because the line is not large enough and not because of I/I problems.

John Allen reviewed the unaccounted for sewer/water performance indicators. For water the average unaccounted for is 8% (36-month rolling average) and the average for sewer is 35% (36-month rolling average).

Commissioner Lallier asked Mr. Allen to quantify how unaccounted for sewer is determined. Mr. Allen stated they look at the amount of water customers are billed for. If the customer used 2,000 gallons of water we assume they use 1,800 gallons of sewer, or 90% of the water purchased. We then determine how much sewer we are treating at the plant and compare the numbers. Mr. Miller stated we back out the irrigation usage, the estimated amount the fire department reports and the overflows to determine an amount of unaccounted for sewer. Staff responded to questions from Commissioners and discussion ensued.

Mr. Allen reviewed the water main repairs performance indicators, which is an average of 9.95 per 100 miles over a 6 year period. For FY2015, repairs were down to an average of 5.59 per 100 miles. The sewer main repairs performance indicators reflect an average 1.40 per 100 miles. For FY2015, repairs were down to an average of .56 per 100 miles.

The Rehabilitation Program Goal was also presented: The goal is for rehabilitation and replacement to be greater than the rate of decay; to rehabilitate/replace at a rate of 1% each fiscal year. In order to complete this goal, \$16,500,000 would need to be budgeted in each fiscal year (water - \$8,500,000; sewer - \$6,400,000; manhole - \$1,600,000) which would be 24% of the FY2016 Water Resources CIP. Commissioners and staff explored the possibility of increasing the yearly rate of rehabilitation and using bond financing in future years.

Staff responded to questions concerning the age of water mains, reliability of older mains and quality of cast iron lines; directional drilling (trenchless technology) and the feasibility of its use.

Commission requested for staff to return with a recommendation to accelerate water, sewer and manhole rehabilitation considering the impact to rates.

Commissioners thanked and commended Mr. Allen for the in-depth presentation.

UPDATE ON INTERBASIN TRANSFER ISSUES

Presented by: Mick Noland, Water Resources Chief Operations Officer

Mr. Noland updated the Commission on the Cary/Apex IBT Timeline detailing events from September 30, 2013 thru August 17, 2015. In February 2016, a tentative administrative hearing date has been scheduled.

The budget for this case is \$150,000. Approximately \$60,000 has been spent to date. Discussion then ensued concerning legal invoices and if the City Attorney is receiving sufficient information regarding them.

Commission directed staff to draft a letter requesting a letter of support from other municipalities who are affected by the Interbasin Transfer Issue.

Commission thanked Mr. Noland for providing the timeline and update on the Interbasin Transfer Issue.

GENERAL MANAGER REPORT

David Trego, CEO/General Manager stated the Open Commission Requests are updated and incorporated into the Commission Meeting Schedule.

He also informed Commissioners PWC received a release from NCDOT for the last section of Glensford Drive. We will be completed with the installation of LED lights ahead of schedule.

Mr. Trego stated he has instructed the Electrical Engineering Department to coordinate with NCDOT and the contractor on installation of LED lights along Business 95 (from Cape Fear River Bridge to Soffe) while the thoroughfare has not been completely opened and the traffic is still light.

Mr. Trego requested for Mark Brown, Customer Programs Senior Officer to give an update on the Wildfire antennas.

Mr. Brown stated PWC approved Wildfire's design for installing their antennas on the two water tanks approximately two weeks ago though they have not installed the antennas yet. PWC is working closely with Chief Petty and Captain Urian and the Police Department to make sure their needs are met. He stated we are still working on determining a cost-based public safety rate.

Mr. Trego also updated the Commission on Eastover's Emergency Interconnect. Mr. Trego stated PWC and Eastover had a number of conversations regarding the emergency interconnect. Eastover had a concern surrounding any possible issues with the line near Dunn in case of a fire. Per our agreement, PWC will install the connection and if we are not having an emergency on our system, we will respond within two hours to their need to open the interconnection. If we are having an emergency on our system we will work with their request and take reasonable actions to meet their need. Eastover will pay the connection fee and a standard monthly service charge, based on the size of the connection.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report for July 2015
- B. Recap of Uncollectible Accounts
- C. Investment Report for July 2015
- D. Position Vacancies
- E. Actions by City Council during meeting of August 10, 2015, related to PWC:
 - a. Approved bid recommendation to purchase Cab and Chassis with Service Body
 - b. Approved Interlocal Agreement – Bullard Circle Water Extension

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