

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 23, 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
Media
PWC Staff

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

Chairman Lallier called the meeting of September 23, 2015, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

Upon motion by Commissioner Rogers, seconded by Commissioner Fowler Consent Item 2B was pulled for discussion.

Upon motion by Commissioner Rogers, seconded by Commissioner Fowler Consent Items 2A and 2C were unanimously approved.

- A. Minutes of meeting of September 9, 2015
- C. PWC Resolution No. PWC2015.05 to declare personal property described as one (1) 2005 Ford F-550 Sewer Jetter Truck, VIN #1FDAF57P85EC54290 as surplus and authorize its sale by public auction.

DISCUSSION ON CONSENT ITEM 2B WHICH WAS PULLED FOR DISCUSSION:

Commissioner Rogers questioned why there was only one bidder for the project.

Mick Noland, Water Resources Chief Operations Officer and Joe Glass, Manager of Water Resources Engineering, gave an overview of the project and the need for the replacement of water and sewer mains. John Allen, Water Resources Project Manager, stated in an effort to minimize disturbance to the golf course and surrounding areas, they utilized trenchless

methods to put in the water mains and sewer mains. This trenchless technology (directional drilling) is somewhat specialized work which may have had an impact on the number of contractors bidding for the project.

Commissioner Lallier requested to know if using the trenchless technology added to the cost. John Allen replied although they did not complete a cost analysis, there was a slight increase to the material and installation cost, yet there were savings in the restoration cost, including pavement and sod replacement since they did not utilize the traditional method.

Staff responded to questions regarding the merits of trenchless technology (directional drilling) and digging a trench (traditional method) based on value to neighborhoods; the disruption to residents; need to do overlays, etc.

Mr. Noland explained funds were allocated for the entire project, yet when the budget documents were prepared the funds for the water portion were inadvertently omitted. He stated this is a very rare occurrence.

Ms. Gloria Wrench, Purchasing Manager gave a detailed account of the process Purchasing uses when posting a request for bids. She also stated they reposted a second time because there was only one initial bid. Discussion ensued.

Commissioner Lallier requested for staff to research the practice of other utilities/companies on the acceptable percentage contractors are allowed to subcontract their work.

Following discussion, upon motion by Commissioner Rogers and seconded by Commissioner Greene Consent Item 2B was unanimously approved.

- B. Bid recommendation to award contract for Surrey Road Sewer and Water Replacement to Sandy's Hauling & Backhoe Service, Roseboro, NC, the lowest responsive, responsible bidder in the total amount of \$734,284.00 and forward to City Council for approval.

Project is budgeted in CIP WS 69 – Surrey Road Sewer Main - \$490,000 and CIP WS53 – Surrey Road Water Main, however, inadvertently, no funds were allocated for the project in WS53; thereby necessitating budget transfers, with a budget transfer of \$210,000 from WS15 – Lakeview Water Main, and \$140,000 from WS57 – Lakeview Sewer Main (the Lakeview project was completed in FY2015), for a total amount of \$840,000.

Bids were received on September 9, 2015.

<u>Bidders</u>	<u>Total Cost</u>
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$734,284.00

Comments: Plans and specifications were requested by eight (8) contractors with one (1) contractor responding. Sandy's Hauling & Backhoe Service submitted a responsive, responsible bid and a review of their qualifications found that they are adequately qualified to perform the work on this project. This project was advertised twice due to the fact that an insufficient number of bids were received on the first advertisement.

PRESENTATION - CUSTOMER BILL REDESIGN EFFORTS

*Presented by: Susan Fritzen, Chief Corporate Services Officer
Carolyn Justice-Hinson, Communications and Community Relations Officer*

Susan Fritzen, Chief Corporate Services Officer and Carolyn Justice-Hinson, Communications and Community Relations Officer presented an update on the customer bill redesign efforts. Ms. Justice-Hinson stated the customer bill redesign efforts were a collaboration of several departments, including Communications, Corporate Services, Project Management and Finance.

Ms. Justice-Hinson discussed the Billing Process; Bill Types; History of Billing Changes; Revisions to Current Bill; Future Bill Design and the Schedule.

Ms. Justice-Hinson stated 115,000 bills are generated monthly and meters are read in 18 billing cycles (Days of Service: 28-32). PWC utilizes 3rd-Party Vendors to generate/deliver bills. The billing data is sent from PWC to the 3rd party to create bills and bills are mailed by the 3rd party or emailed to eBill customers.

Bills are past due after 25 days from the date mailed and a 5% of the amount due (or minimum of \$5.00) late fee is assessed. Customer's service is cut approximately 15 days after bill is due (or approximately 40 days after date mailed).

Billing represents multiple combination of services which impacts length of bill and layout. Examples are: Electric, Water, Sewer, Irrigation, Area Light, Sewer-Only and Assessment. The bill types are Standard (current bill), Past Due Amount and Disconnection Notice. There are at least 24 bill scenarios which impact the calculation of bills.

Carolyn Justice-Hinson detailed the history of bill changes from 2001 thru 2014. Graphs were added back last month. Revisions currently in process for completion in October are increasing font size, adding lines between services for easier reading, reinstating "Previous Charges Past Due" amount, adding "new meter" notation (meter readings reflect the advanced meter change out reading), changing Estmt to Email (eStatement notation confused for estimated bills).

The team is considering the following in the future bill design: Time of Use Rates; Residential Demand Rates; Critical Peak Pricing; Prepaid Program; and other enhancements and data available through Oracle Systems & meter data.

Ms. Justice-Hinson stated PWC incorporated feedback from the PWC Community Advisory Group and they have asked for larger print, graphs, colors and at a glance summary. She stated they are soliciting input from focus groups; other utilities (electric and multiple services) and other Oracle Users. The team will create an RFP to determine the ability of vendors to design and deliver bills.

She also stated it will take 18 to 24 months to design and implement the future bill design. PWC plans to introduce the new bill design in 2017 as major initiatives are complete, such as Customer Care & Billing (Oracle) Upgrade; Advanced Meter Installation and adoption of New Rate Structure.

Commissioner Rogers questioned the length of time to implement the new bill design. Ms. Justice-Hinson stated the new bill is timed to coincide with the new initiatives. Mr. Trego

also stated the pre-paid billing will be an option with the new CC&B upgrade along with other options which will need to be incorporated into the new bill design. In the interim there will also be customer surveys and feedback from the focus groups on the changes already made to the bill.

Commissioner Lallier inquired on the pace of the Advanced Meter installs. Susan Fritzen replied that we now have two contractors performing the installation because we had poor performance with the first one. The contract states there are milestones as to how many meters must be installed. Ms. Fritzen stated we have redefined the milestones for September and December. At that time PWC will evaluate their progress and consider if we are going down the right path. She stated by December the contractors should be caught up and then we can consider increasing the installations. Commissioner Greene inquired if we fell behind because of the first contractor. Ms. Fritzen responded yes. And if they are caught up, we can consider shortening the timeframe and the impact it will have on staff. Staff's involvement was discussed in detail by Ms. Fritzen and Paula Shambach, Corporate Development Manager.

Commissioners requested for staff to explore accelerating deployment of AMI meters. Discussion then ensued on the business decision to delay turning on features of the smart meters until all are deployed and tested.

Chairman Lallier thanked staff for the presentation and discussion.

Commissioner Lallier asked staff to review a white paper relevant to late fee charges and their effects on customers.

GENERAL MANAGER REPORT

David Trego, CEO/General Manager reported PWC will celebrate 5 Million Hours Worked with no Loss Time Injuries on October 23rd. Labor Commissioner Cherie Berry will be in attendance and Mayor Nat Robertson also plans to join in the celebration.

The United Way Kickoff is coming soon. The leadership giving breakfast will be on November 3rd with the full campaign following soon after.

Mr. Trego asked Mick Noland to give an update on the stealth drought in the Jordan Lake. Mr. Noland informed the Commission that the water levels in the Jordan Lake have dropped to 60% or 40% depleted and the last time the lake level dropped this low was 2008. He reviewed voluntary conservation procedures. Discussion ensued.

COMMISSIONER COMMENTS:

Commissioner Fowler stated he has attended several safety meetings in the Water Division and Electric Division and they do a very good job in promoting safety. He is looking forward to 6 Million Hours.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report for August 2015
- B. Recap of Uncollectible Accounts

- C. Investment Report for August 2015
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18227 – 12”, 8”, 6”, 4” DIP and 2” SDR-21 Water Main @ SR2299
- E. Actions by City Council during meeting of September 14, 2015, related to PWC:
 - Appointed Evelyn Shaw to the Fayetteville Public Works Commission for a four year term - October 1, 2015 to September 30, 2019.

ADJOURNMENT

There being no further business, upon motion by Commissioner Greene, seconded by Commissioner Fowler and unanimously approved, the meeting was adjourned at 9:59 a.m.