

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, NOVEMBER 11, 2015
8:30 A.M.

Present: Darsweil L. Rogers, Chairman
Michael G. Lallier, Secretary
Evelyn O. Shaw, Treasurer

Others Present: David Trego, CEO/General Manager
Karen McDonald, City Attorney (VIA TELECONFERENCE)
Roy Jones, CEO, ElectriCities
PWC Staff

Absent: Wade R. Fowler, Jr., Vice Chairman
Kristoff Bauer, Deputy City Manager
James Arp, City Council Liaison
Glenn Adams, County Liaison
Mike Bailey, Hope Mills Liaison
John Ellis, Hope Mills Liaison
Media

CALL TO ORDER

Chairman Rogers called the meeting of Wednesday, November 11th to order.

APPROVAL OF AGENDA

Upon motion by Commissioner Lallier, seconded by Commissioner Shaw, the agenda was unanimously approved.

Commissioner Lallier then requested to amend the agenda by adding Item 6B – Discussion of the Wholesale Power Cost Adjustment. Commissioner Shaw seconded and the amended agenda was unanimously approved.

Commissioner Rogers noted Commissioner Fowler is not present today. He is out of town and does not have access to call-in.

PRESENTATIONS

*Presented by: David W. Trego, CEO/General Manager
Roy Jones, ElectriCities CEO*

David Trego, CEO/General Manager presented Roy Jones, newly elected CEO of ElectriCities. Mr. Jones presented PWC with the following Public Power Awards of Excellence.

- Competitive Business Environment
- Energy Efficiency
- Financial Stability
- Legislative Involvement
- Service Excellence

Mr. Trego noted each year Public Power reviews the operations of all the utilities and gives out awards of excellence. For multiple years we have been fortunate to win these awards. Yet, PWC does not operate to win awards. We operate for the good of the utility and the good of the City of Fayetteville. If we are recognized it is just affirmation that how we are operating is a ‘best practice’ among our peers. Mr. Trego went on to state, PWC takes receiving these awards seriously from the aspect that it is a good check for us that we are doing a good job for our customers and are at the cutting edge of doing best practices in our industry.

CONSENT ITEMS

Upon motion by Commission Lallier, seconded by Commission Shaw, and following discussion on the Annual Contract for Tubular Steel Poles, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of October 28, 2015
- B. Approve bid recommendation to award bid for Annual Contract for the purchase of Tubular Steel Poles (approximately 120 poles) of different types and sizes to be purchased over a twelve-month period), with the option to extend the agreement for additional one-year period(s), up to a maximum of three (3) additional years, upon the agreement of both parties to Transamerican Power Products, Houston, TX, the lowest responsible bidder, in the total amount of \$408,008.00 and forward to City Council for approval.

The Annual Contract for Tubular Steel Poles is budgeted in FY2015-2016 CIP EL30 – Sub-Transmission Pole Replacement - \$700,000 was included for the replacement of aging sub-transmission wood poles with tubular steel poles as part of a thirty (30) year plan which began in 2012. Bids were received on September 24, 2015 as follows:

| <u>Bidders</u> | <u>Total Cost</u> |
|--|-------------------|
| Transamerican Power Products, Houston, TX | \$408,008.00 |
| Trinity Meyer, Memphis, TN | \$427,739.00 |
| WESCO, Raleigh, NC | \$455,145.00 |
| Dis-Tran, LLC, Pineville, LA | \$535,887.00 |
| Summit Utility Structures c/o Utility Lines, Allentown, PA | \$551,076.00 |
| Sabre Tubular Structures, Alvarado, TX | \$552,447.00 |
| Valmont, Jasper, TN | \$569,577.00 |
| HD Power Solutions, Wake Forest, NC | \$572,912.36 |
| MD Henry Co., Inc., Pelham, AL | \$635,385.00 |
| ROHN Products, LLC, Peoria, IL | \$645,400.00 |

*Notes: Bids were solicited from thirteen (13) vendors with ten (10) vendors responding.
Transamerican Power products is a certified minority owned business in Houston, TX*

C. Consider Approval of Capital Project Fund Ordinance, Series 2016 Water and Wastewater Capital Project Fund.

Expenses are beginning to be incurred for various projects that we anticipate funding through bond financing. A reimbursement declaration has been executed to enable recovery from bond proceeds project expenditures.

Attached you will find a Capital Project Ordinance to establish the Capital Project Fund (CPF). Within the ordinance are the expected revenues and expenses (the budget). The projects included in this CPF are listed on the attached schedule which includes the budget reference number in the Capital Improvement Plan (CIP). A bond issue is anticipated in the fall of 2016.

Staff recommends the Commission adopt the attached Capital Project Ordinance and forward to City Council for their inclusion in their budget at their November 23, 2015 City Council Meeting.

DISCUSS CSX TRESTLE PROJECT

Presented by: Mick Noland, Water Resources Chief Operations Officer

Mick Noland, WR Chief Operations Officer stated this is a CIP project which has been on the books for years. This request would normally be on the consent agenda but due to timing issues the bids were not evaluated in time.

Mr. Noland gave the background of the CSX Trestle Project. PWC has a 30 inch water main and a 12 inch sanitary sewer force main on the trestle which is not being maintained by the railroad. Mr. Noland stated PWC determined that it was necessary to remove our equipment off of the trestle.

Following discussion, Commissioner Lallier motioned, Commissioner Shaw seconded and it was unanimously approved to accept staff's recommendation to award the bid to relocate the 12" Sewer Force Main off of the Cape Fear River Railroad Trestle and relocate the 30" Water Main off of the Cape Fear River Railroad Trestle to Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC for \$3,009,400.00, the lowest responsive, responsible bidder.

UPDATE ON WATER RESOURCE PROJECTS FOR FY 2017 AND BEYOND

Presented by: James Michel, WR Engineer II, Water Resources Engineering

Mick Noland presented James Michel, Water Resource Engineer. He gave a background of the existing North Fayetteville Lift Station which has been in operation since 1989. Mr. Michel stated its capacity has been tracked since then and it is now reaching its maximum capacity.

Mr. Michel stated in 2009 they were seeing signs that the station was beginning to reach its maximum capacity. A sewer basin study was completed in 2009 which gave a timeline of when the pump station would need increased capacity.

In 2013 an engineering study was completed which delineated how to upgrade the pump station and how the force main routing will operate.

As of today, the station is 73% of capacity and the electrical components are dated, as they have not been replaced since the pump station began operations in 1989. Discussion ensued on the peak flow and capacity

Commissioner Rogers asked about the useful life of the electrical components of the station. Mr. Michel responded it is 20 to 25 years. He also stated there are approximately 2500 acres that PWC could possibly gain sewer flow from. Discussion ensued.

The upgrade is planned in four phases.

Phase 1 – 24” Force Main to Tokay Dr. – extend new force main from lift station to Tokay.

Phase 2 – 24” Force Main to Hoffer Outfall – continue force main to gravity sewer.

Phase 3 – 42” Outfall to Cross Creek – pump full capacity to Cross Creek.

Phase 4 – North Fayetteville Lift Station Upgrade – add two additional pumps and full electrical upgrade.

Once completed the lift station would have total capacity of 9 million gallons a day. Mr. Noland stated once the parallel line is complete, a survey can be completed of the existing lift station to determine which repairs are needed.

Commissioner Lallier asked if work is within existing right-of-way. Mr. Michel responded we have a 10-30 foot easement around the existing force main. Some areas are within the existing easement and some are not.

Mr. Michel stated the 1st phase of the project is being designed by an engineer. Construction has been budgeted as of FY18 with budgeting through FY2022. Mr. Trego verified that the timeline can be modified or compressed if needed. Mr. Michel and Noland confirmed.

Staff responded to questions and concerns by Commissioners and discussion ensued on developer issues and Harnett County encroaching into Cumberland County service areas. Commissioner Lallier also requested for Council Member Arp, our liaison to see this presentation. Karen McDonald, City Attorney, agreed it may be good to do this presentation to members of the Council. .

Commission thanked staff for the presentation.

GENERAL MANAGER REPORT

David Trego, CEO/General Manager stated PWC received notification that our Cross Creek and Rockfish Water Reclamation facilities have won the AWWA George W. Burke, Jr. Safety Award. This is another recognition related to our 5 Million Hours Worked Without a Lost Time Accident. Mick Noland also stated that PWC won the Large Collection System of the Year and the Courman Safety Award.

Mr. Trego also stated PWC has had ongoing discussions related to revising our customer bill format. Based on feedback from our Community Advisory Group; discussions with other utilities and Commissioners, the bill has been revised.

He introduced Paula Shambach, Corporate Services Manager who discussed the changes to the new bill.

Ms. Shambach stated a few months ago her group was asked to assist with issues to the bill that have been identified. Letitia Cisco was tasked to spearhead this project. Ms. Cisco worked very closely with Customer Service, Billing, Communications and the IT staff to look at identifying the issues, prioritizing them and fixing those things we could on the current bill format by enhancing the readability and reducing some of the issues that were causing some confusion for customers.

The new bill format went into production on November 2nd. Ms. Shambach discussed in detail each change on the customer bills. Based on feedback from Commissioners, additional changes will be considered in future revisions.

DISCUSSION OF THE WHOLESALE POWER COST ADJUSTMENT

Commission and staff discussed the Wholesale Power Cost Adjustment Policy and the balance in the Electric Rate Stabilization Fund.

Commission and staff discussed timing of refunding excess amounts in the Electric Rate Stabilization Fund to customers.

Commission directed staff to modify the language in the policy and present the revised policy to the Commission for approval.

REPORTS AND INFORMATION

Commission acknowledges receipt of the following Reports and Information.

- A. Monthly Cash Flow Report for October 2015
- B. Recap of Uncollectible Accounts – October 2015
- C. Investment Report for October 2015
- D. Monthly Incident Summary for October 2015
- E. Personnel Report for October 2015
- F. Position Vacancies
- G. Actions by City Council during meeting of October 26, 2015, related to PWC:
 - Approved Bid Recommendation – Surrey Road Sewer and Water Replacement
 - Approved Bid Recommendation – Purchase and Install Transformer Loss Test System
 - Approved PWC General Fund Budget Amendment #1; Electric Rate Stabilization Fund Amendment #23; and Capital Project Ordinance – NCDOT Capital Project Fund

There being no further business, upon motion by Commissioner Shaw, seconded by Commissioner Lallier and unanimously approved, the meeting was adjourned at 10:22 a.m.