

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, FEBRUARY 8, 2017  
8:30 A.M.

Present: Evelyn O. Shaw, Chairwoman  
Wade R. Fowler, Jr., Vice Chairman  
D. Ralph Huff, Secretary (VIA TELECONFERENCE)  
Darsweil L. Rogers, Treasurer

Others Present: David Trego, CEO/General Manager  
Jay Reinstein, Assistant City Manager  
Jeff Bradford, Assistant City Attorney  
Jim Arp, City Council Liaison  
Melissa Adams, Hope Mills Interim Town Manager  
Media  
PWC Staff

Absent: Karen McDonald, City Attorney  
Michael Boose, County Liaison

CALL TO ORDER

Chairwoman Shaw called the meeting of Wednesday, February 8, 2017, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

Upon motion by Commissioner Rogers and seconded by Commissioner Fowler the Consent Items were unanimously approved.

- A. Approve Minutes of meeting of January 25, 2017
- B. Capital Project Fund (CPF) Budgets
  - a. Annexation Phase V – Areas 18 & 19 CPF Amendment #1 increasing the budget for the recent Area 19 contract bid and remaining project estimates.
  - b. Annexation Phase V Reserve Fund #21 increasing the funding for the above CPF

Staff recommends the Commission adopt the above budget amendments.

- C. Approve bid recommendation to award contract for construction of Annexation Phase V – Project VIII, Area 19 – Arran Lakes Subdivision to Billy Bill Grading, Inc., Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$6,181,903.00 or \$6,515,581.42 (overlay)\* and forward to City Council for approval. The Annexation Phase V – Project VIII, Area 19 – Arran Lakes Subdivision is a budgeted item in the FY2017 CIP WS44 Phase V Annexation. The total of \$7,221,665.13 was budgeted for construction of Area 19. Bids were received on January 19, 2017 as follows:

<u>Bidders</u>	<u>Total Cost</u>
<u>Base Bid (Permanent Patch)</u>	
Billy Bill Grading, Inc., Fayetteville, NC	\$6,181,903.00
State Utility Contractors, Inc., Monroe, NC	\$8,147,314.00
<u>Alternate Bid (Overlay)</u>	
Billy Bid Grading, Inc., Fayetteville, NC	\$6,515,581.42
State Utility Contractors, Inc., Monroe, NC	\$8,815,750.00

*\*contingent upon agreement by the City of Fayetteville to pay additional cost for overlay versus permanent patch.*

**COMMENTS:** The Commission is asked to approve award of the bid to Billy Bill Grading Company, Fayetteville, North Carolina, for the Base Bid or the Alternate Bid. Award of the Alternate Bid would be contingent upon agreement by the City of Fayetteville to pay the additional cost associated with overlay included in the Alternate Bid versus permanent patch included in the Base Bid.

If the City does not agree to the additional cost, the Contract will be awarded for the Base Bid. Plans and specifications were requested by five (5) contractors with two (2) contractors responding. This project was advertised twice due to the fact that an insufficient number of bids were received on the first advertisement.

- D. Approve bid recommendation to award contract for Outfall Rehabilitation – Camden Road to Hope Mills Road to Insituform Technologies, Monroe, NC, the lowest responsive, responsible bidder, in the total amount of \$1,838,962.70 and forward to City Council for approval. The Outfall Rehabilitation – Camden Road to Hope Mills Road Project is a budgeted item in FY2017 CIP WS57 (budgeted amount of \$2,500,000). Bids were received on January 20, 2017 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Insituform Technologies, Monroe NC	\$1,838,962.70
Layne Inliner, Gastonia, NC	\$2,206,477.00
Am-Liner East, Berryville, VA	\$2,737,684.80

**COMMENTS:** Plans and specifications were requested by sixteen (16) contractors with three (3) contractors responding. The lowest responsive, responsible bidder is recommended.

- E. Approve bid recommendation to award contract for Methodist University Lift Station Replacement to Odell Smith & Sons Plumbing, Inc. Spring Lake, NC, the lowest responsive, responsible bidder, in the total amount of \$891,845.00 and forward to City Council for approval. The Methodist University Lift Station Replacement Project is a budgeted item in FY2017 CIP WS 73 (budgeted amount of \$1,000,000). Bids were received on January 26, 2017 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Odell Smith & Sons Plumbing Co., Inc., Spring Lake, NC	\$ 891,845.00
Eberhart Construction, Willow Springs, NC	\$ 999,805.00
T.A. Loving Co., Goldsboro, NC	\$1,102,000.00
Lanier Construction Co., Inc., Snow Hill, NC	\$1,170,002.00
State Utility Contractors, Monroe, NC	\$1,488,786.00

**COMMENTS:** Plans and specifications were requested by five (5) contractors with five (5) contractors responding. The lowest responsive, responsible bidder is recommended.

#### END OF CONSENT

Commissioner Rogers requested clarification on how bids are sent out. Gloria Wrench stated staff previously sent notifications through the mail but found that some were being returned undeliverable. Now staff sends notices through email. She stated staff is now reviewing the list to determine if the emails on record are still valid. Discussion ensued.

#### DEMONSTRATION OF NEW PWC INTRANET WEBSITE

*Presented by: Carolyn Justice-Hinson, Communications/Community Relations Officer*

Carolyn Justice-Hinson, Communications/Community Relations Officer demonstrated the new PWC Intranet Website. The new intranet site was launched in January 2017. She stated this project was a collaborative effort, led by Letitia Cisco-Smith of the Project Management group. Nicole Stiff (Communications) was also very instrumental in ensuring the project was completed as well as the IS group.

Ms. Justice-Hinson provided a live demonstration of the site, highlighting samples of the many areas of interest. She stated employees' opinions were requested and their input was vital to the final outcome. Ms. Justice-Hinson responded to questions from the Commissioners.

Chairwoman Shaw thanked Ms. Justice-Hinson for the Intranet Website Demonstration.

## STRATEGIC PLAN PRIORITY ACTION ITEMS UPDATE

*Presented by: Mick Noland, Chief Operations Officer, Water Resources*

Mick Noland, Chief Operations Officer, Water Resources recognized John Allen, Senior Engineer in the Water Resources Engineering Department. Mr. Noland stated staff started a focused program in 2005-2006 related to asset evaluation and rehabilitation. Each year staff generates a report that shows what has been accomplished in the year. The report also projects what staff plans to do going forward.

Mr. Noland discussed what they have accomplished, what they are working on and what they plan to do. He provided statistics on the following:

Water Main Rehabilitation - Epoxy Lined 290,000+ LF (linear feet); Replaced 55,000+ LF; Water Lateral Replacement; Total = \$50 Million

Sewer Main Rehabilitation - Lined 400,000+ LF (linear feet); Replaced 40,000+ LF; Total = \$42.3 Million

Manhole Rehabilitation - Rehabilitated 1,400+ manholes; Total = \$5.5 Million

Sewer Lateral Rehabilitation - Lined/Replaced 900+ laterals; Total = \$2.4 Million

Mr. Noland also discussed Treatment Plant Activity. PWC has two water plants and two water reclamation plants. He provided the following data on these plants.

### Glenville Lake (Drinking Water)

- Filter Control Upgrades
- Spillway Replacement
- Structural Repairs;
- Total = \$5.8 Million

### P.O. Hoffer (Drinking Water)

- Reliability Upgrades;
- Water Main Assessment;
- Refurbished the entire plant which was Phase 1A. The next phase, Phase II, is Expansion;
- Total = \$56.9 Million

Rockfish Creek (Water Reclamation) - Mr. Noland stated we need to begin preparing for expansion at this plant as the majority of growth is taking place in the western part of the county.

- Aeration Upgrades;
- Rehabilitate Sand Filters;
- Phase 3 Expansion – first time showing in the budget;
- Total = \$32.4 Million

#### Cross Creek (Water Reclamation)

- Clarifier & Influent Pump Station Rehabilitation
- Screening & Alkalinity Feed Improvements
- Total = \$6.5 Million

Other activities include:

#### Assess Large Water Main & Force Mains

- East Fayetteville Force Main
- Prestressed Concrete Cylinder Pipe
- Total = \$540,000

#### Relocate Utilities off CSX Cape Fear River Trestle

- Total = \$3.8 Million – removed utilities off the CSX Cape Fear River Trestle and relocated them underneath the river.

#### NCDOT Projects

- Replacements – at times may have to relocate mains that have not reached their useful life due to the need to relocate them.
- Total = \$13.3 Million

#### Encase Water Mains Under Railroad Tracks

- Total = \$4.3 Million – encasing water mains in the event there is a break; this will ensure the railroad is not washed out and potentially result in a derailment.

#### Rockfish Creek Equalization Basin

- Total = \$11.7 Million – This will allow us to continue to make use of the large diameter outfall to the Rockfish Wastewater Treatment Plant – It was built in the 1980s to take care of 30-40 years of flow. The equalization basin handles the high flow during certain times of the day or during heavy rainfall events.

Discussion ensued regarding the Raeford Road widening.

Mr. Noland outlined the total expenditures over the last ten years (or more) and the plan going forward: System Rehabilitation - \$100.2 Million; Treatment Plants - \$101.6 Million; Other Projects - \$33.7 Million; Lift Stations - \$20.7 Million; TOTAL = \$256.2 Million

The Asset Management Plan has several phases. Listed below are the phases as outlined by Mr. Noland.

#### Phase 1 (FY2017)

- Evaluate Current Asset Management Program
- Perform Gap Analysis
  - Technology (condition assessment, rehab, work order system)
  - Operating Strategy
  - Management Strategy
  - Staffing Needs

- Budget Needs
- Develop Long-Term Financial Models
  - Collection System
  - Distribution System
- Specific Asset Management Plans
  - Collection (including manholes) Distribution

Phase 2 (FY2018)

- Implement Asset Mgt. Plans for Collection & Distribution Systems
- Update Prioritization Tool
- Develop Strategic Asset Mgt. Plan
- Condition Assessment of Cast Iron, Older Cement Water Mains

Phase 3 (Future)

- Implement Strategic Asset Mgt. Plan
- Develop Specific Asset Mgt. Plans for Lift Stations, Water Storage Tanks, Water Treatment Facilities, Water Reclamation Facilities

Phase 4 (Future)

- Implement PWC-wide Asset Mgt. Program (Water, Electric, Facilities)

Chairwoman Shaw thanked Mr. Noland for the Water Resources Action Items update

## GENERAL MANAGER REPORT

### *INTRABASIN TRANSFER*

David Trego, General Manager/CEO stated PWC received a favorable decision in the IBT case. He stated we were successful on two separate issues. The first, on the technical merits of the case in which the judge stated a certain amount of water needs to be returned to the Cape Fear River because their analysis was not completed or implemented correctly. The judge also made it clear that they need to have a better process in place. Mr. Trego stated this is not the last time we will deal with an Interbasin transfer issue. Some may impact PWC and others may not. This decision will force that group to take a hard look at their process and procedures. He stated this is a win for the entire state.

Mr. Trego commended Mr. Noland. He stated Mr. Noland did an excellent job. He quickly made the case to the GM and the Board to proceed with the case. Discussion ensued.

Mr. Trego thanked the Mayor and City Council for their support as well as Cumberland County. Mr. Noland also recognized Lower Cape Fear Water and Sewer Authority; and the City of Eastover who intervened on our behalf.

### *HOPE MILLS REFUNDS*

Mr. Trego stated we have processed over 3,800 refund checks, which is \$4.3M. This is approximately 50% of the potential \$8.7M we originally identified. The average residential refund is \$985.00; the average commercial refund is \$4,700. Mr. Trego stated staff understood everyone who is mailed a verification form will not respond. He stated only 32% of the potential residential claimants have submitted forms. 48% of the non-residential claimants have submitted forms. He also stated the claims have slowed down. We were cutting checks twice a week, now once a week.

Mr. Trego stated staff has identified those individuals who are still PWC customers and will send an additional mailing to these customers in the near future, reminding them with another verification form. Mr. Trego reminded Commission staff will stop accepting/processing claims as of 6/30/17. After processing claims in June, staff will begin the process of identifying the money that has to be turned over to the State Treasurer. Discussion ensued.

#### *UNITED WAY*

Mr. Trego informed the Commission that PWC has received the Spirit of North Carolina Award for the 11<sup>th</sup> year. He stated our participation is the highest it has ever been. Over 99% of employees participated. He stated this is phenomenal especially considering Hurricane Matthew and a lot of the employees experienced damage to their cars and homes. Commissioner Shaw commented she enjoyed the employee appreciation event.

#### **Comments by Commissioners:**

##### *Commissioners Rogers:*

Commissioner Rogers requested to know when an update will be coming on Technology Integration within the Oracle system. Mr. Trego reminded the Commission that the system was rolled-out essentially 'out of the box'. Extended discussion ensued regarding customizations, the governance process and the Business Intelligence system.

Commissioner Rogers requested for a presentation to explain the issues further and the planned resolution. Mr. Trego stated it may be beneficial to explain the efforts that have been accomplished to stabilize the system and the plans which are in place moving forward. Additional discussion ensued.

##### *Commissioner Fowler:*

Commissioner Fowler stated he would like to have the overlay costs factored in when we are in the process of rate making decisions. He wants to Commission to consider when we are doing sewer extensions and we are cutting up roads to do the overlays and pick up the costs. He stated the charter is very specific that we are to serve the interests of the City. He also stated he has spoken to groups and asked if they would like to have the permanent patch and have slightly lower power rates and have the City (at some time in the future) apply the overlay or would they prefer the slightly higher power rates and have the overlays done right

away. He stated the groups prefer the later. Commissioner Fowler commented on the quality of the overlays.

Mr. Trego stated for completion of Phase V, it would be a \$12M impact. He also stated this is a policy level decision. Additional discussion ensued.

Commissioner Rogers requested for staff to research the impact to rates if PWC provided the overlay and the resulting comparison to other utilities.

## REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Incident Summary - January 2017
- B. Personnel Report - January 2017
- C. Position Vacancies
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #18267 – installation of 3 HDPE conduits at NC Hwy 24 (Grove St.) and SR 2311 (Ramsey St.)
  - Encr. #18463 – 8 inch water main tap at HWY 87 (Bragg Blvd) and SR(1437) Shaw Rd
  - Encr. #18474 – installation of DI water main at SR 1600 & SR 2460
  - Encr. #18475 – installation of 8” & 6” RJDI water main; type ‘K’ copper water service; fire hydrant at NC HWY 53 and SR 2008
  - Encr. #18476 – installation of 24” HDPE temporary by-pass sewer main at SR1003

## ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Fowler and unanimously approved, the meeting was adjourned at 10:02 a.m.