

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

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

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

Absent: Michael Boose, County Liaison

CALL TO ORDER

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

APPROVAL OF AGENDA

Upon motion by Commissioner Rogers, seconded by Commissioner Fowler and unanimously approved, a closed session was added to the agenda to discuss legal matters pursuant to N.C. General Statutes 143-318.11(a)(3) as Item VIII and moved Adjournment to Item IX.

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

CONSENT ITEMS

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

- A. Approve Minutes of meeting of February 22, 2017
- B. Approve bid recommendation to award bid for purchase of a Forestry Track Loader to Carolina Construction Equipment, Waxhaw, NC, in the total amount of

\$89,997.00 and forward to City Council for approval. This is a replacement unit. Original unit damaged during work on Offing Drive. There is \$40,000 available in the WR Operations Capital Budget due to savings from FY17 vehicle and equipment purchases. A budget transfer in the amount of \$50,000 has been made to cover the remaining balance.

Bids were received on February 9, 2017, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Carolina Construction Equipment, Waxhaw, NC	\$89,997.00
Sound Heavy Machinery, Wilmington, NC	\$98,573.00
* Southland Rental & Supply, Fayetteville, NC	\$83,596.05
* Gregory Poole Equipment Company, Hope Mills, NC	\$89,618.00

** Reference comments below regarding these bids*

Comments: Bids were solicited from eight (8) vendors with four (4) vendors responding. Upon review of the bids it was determined that the bids submitted by Southland Rental & Supply and Gregory Poole Equipment contained exceptions which would adversely impact the operation of the crews and their ability to perform effectively. A synopsis of the exceptions taken by Southland and Gregory Poole is included for reference. The lowest responsive, responsible bidder meeting specifications is recommended.

Commissioner Rogers requested staff to note when the transaction amount will ultimately exceed the threshold that will cause the bid recommendation to go to City Council.

END OF CONSENT

SHAW HEIGHTS UPDATE

Presented by: David W. Trego, CEO/General Manager

David Trego, CEO/General Manager provided the Commission with a preliminary assessment of potential impacts on PWC related to the proposed annexation of Shaw Heights. Mr. Trego stated the numbers in this presentation are order of magnitude estimates only. They do not include any infrastructure relocations or extensions related to possible redevelopment activity. He also stated the numbers do not include extensions of service into privately owned manufactured housing parks. The extensions to these would have to be done on a case by case basis and require an Agreement with the owner. The revenue impacts are based on current housing units and customers only.

Electric Impact – Mr. Trego stated PWC is currently the electric provider in the Shaw Heights area. No significant revenue impact is anticipated unless redevelopment occurs. The only financial impact is related to increasing street lighting on Public Streets to meet new City lighting requirements. He stated many areas take lighting service under Private Streets Lighting agreements. The financial impact is estimated to be less than \$100,000.

Water Impact - PWC currently serves areas of Shaw Heights with water. Mr. Trego stated we may not serve all the privately owned manufactured housing parks in Shaw Heights. Future service to these would be based on Agreement between park owners and PWC. He also stated PWC is not anticipating any significant financial impact related to the extension of water due to annexation. Mr. Trego estimates PWC will lose an estimated \$70,000 - \$75,000 in annual revenue due to conversion to Inside City Rates.

Wastewater Impact - If required, the extension of wastewater service would have the most impact. We have a line on Murchison Road, but do not go into the neighborhoods. Estimates are based on extending service to approx. 250 current water only customers in Shaw Heights. The estimates do not include any costs due to potential redevelopment. The estimates do not include extensions to private owned manufactured housing developments. Extension would require separate Agreement with owner and PWC.

Mr. Trego stated the extension of Wastewater to the existing areas is estimated to cost approx. \$7 Million +/- . He stated it assumes we will follow the new City paving standard w/ overlay. The annual operating income is estimated to increase \$225,000 - \$275,000 annually once all current water customers connect. Customers are not required to connect when pipes are installed. The estimate is based on PWC system average of 90% residential and 10% commercial. The estimate is also based on current "typical" customer usage & current rates assuming average 3% annual rate increases. It assumes that all customers connect within first 5 years of pipes being installed

Future Issues - Determine terms under which wastewater service would be extended. It is outside the scope of the existing Phase V Agreement between PWC and COF. COF/PWC staffs are working together on options; are looking at possible grants (state funding/federal funding). Coordination is essential with any redevelopment plan. He stated the timing of extensions of service would be critical. There are plans being discussed around redevelopment. He stated if we are premature in putting the lines in, a few years later we may have to rip up or relocate water, wastewater or electric infrastructure because there is a redevelopment plan. Mr. Trego has been in contact with Doug Hewitt, Jay Reinstein and other City staff to work through the issue. He stated there is a potential impact on our watershed. Staff and Commission discussed where sewer is located along Murchison Road and Shaw Rd.

Commissioner Fowler asked about the assessments. Mr. Trego stated the City has the power to assess. He deferred to Karen McDonald, City Attorney. She stated there has not been any conversation yet. At this point it is a General Assembly initiated Annexation. The legislation at this point has not addressed the issue of sewer. There has been some discussion that there may be funds available from some of the state agencies to extend that. She stated it all depends on where the legislation goes.

Commissioner Shaw stated she has read conversations that express the hesitancy amongst some of the representatives is that the residents of the Shaw Heights area are economically disadvantaged and it would be an onerous burden on them to take on the fees associated with Annexation. She stated she has also heard that the locale is primarily rental property

and it would not affect the residents. Commissioner Huff responded the landlords would raise the rental rates to recoup the expenses of the annexation. Mr. Trego reiterated Assessments will have to be addressed by City Council. Discussion ensued.

Commissioner Huff stated he needed to disclose he is under contract to purchase three acres on Murchison Road (the first three acres off I-295). There are currently 11 residences on the three acres. He petitioned for the area to be rezoned. The sewer is 1,000 feet away and there is contamination in the I-295 off-ramp that he is having tested. Once he has purchased it he plans to plant grass on the property and make it look nicely. He stated if this comes about he will recuse himself from any vote of what needs to happen on Murchison Road. Discussion ensued.

Ms. McDonald stated the City of Fayetteville has programs in place for our low to moderate income citizens to help defray the costs of those assessments. At this point we do not know what the assessment will look like. Ms. McDonald stated part of the reason the area was not included in Phase V was because of its demographic and income level. They were told by the County there would be money available to apply to provide the water and sewer, but that never happened and the funding has dried up as well.

City Council Member Arp stated the State Legislature has passed very specific language regarding annexation and we have to make sure we are in compliance with it. He stated the timeframe to have all the sewer in after Annexation is 3 ½ years. Discussion ensued.

Commissioner Arp also stated if 60% of the owners in the area vote they do not want to be annexed, they will not be annexed. He stated it is the law. Additional discussion ensued.

DISCUSSION OF SENATE BILL 144 – FAYETTEVILLE SMALL BUSINESS ENTERPRISE PROGRAM

Mr. Trego stated he brought this bill to the Commission to determine if there was interest in joining. Commissioner Shaw stated she has polled the Commissioners and unanimously they have stated they are interested in pursuing. She also stated she has spoken to Senator Clark and the deadline for adding to local bills was 4pm on yesterday. It was suggested that PWC submit a resolution. She suggested the Chair and CEO will work together on forming a resolution to have PWC establish goal setting percentages. They will also inquire to see if we can get an extension to be added to the Small Business Senate Bill 144. Commissioner Shaw distributed a list of the general statutes which are already in place. These govern how the state does business with small and minority business as well as women owned certified businesses.

Discussion ensued regarding the resolution and format the Commission will address the request to Senator Clark.

Upon motion by Commissioner Rogers, seconded by Commissioner Huff and unanimously approved, the Commission will issue a Resolution in favor of PWC being added to Senate Bill 144 with a cover letter from Chairwoman Shaw to the primary sponsor, Senator Clark.

DISCUSSION AND ASSIGNMENT OF AD HOC COMMISSIONER COMMITTEES

Commissioner Shaw stated in the last meeting the Commissioners received a list of Ad Hoc Commissioner Committees in which they were to make their choices where they desired to serve. Commissioner Rogers clarified the committees will meet quarterly and not monthly. He also stated two Commissioners will serve on each committee. He stated one of the four committees was the Executive Committee, in which the Chair and Vice-chair will serve on. Discussion ensued on the logistics of the committees.

Enterprise Risk Management & Compliance Committee	Commissioner Evelyn Shaw Commissioner Darsweil Rogers
Budget, Finance & Purchasing Committee	Commissioner Darsweil Rogers Commissioner Ralph Huff
Human Resources Committee	Commissioner Wade Fowler Commissioner Ralph Huff
Executive Committee	Commissioner Evelyn Shaw Commissioner Wade Fowler

The Clerk of the Board is requested to send an email to each Commissioner, indicating who is serving where, as well as the staff contact for each Ad Hoc Committee.

GENERAL MANAGER REPORT

LED Conversion Project

Mr. Trego updated the Commission on the LED Conversion Project. Staff is:

- 85% complete with Neighborhood Lighting
- 70% complete with Thoroughfare Lighting (main roads outside of neighborhoods)
- 67% complete with Surcharge Private Lighting (rental property that does not have city streets /private streets)
- 2% - Area Lighting program - just began this program. We purposely made this a lower priority because we wanted to work on the street lights first.

Mr. Trego stated we continue to receive positive comments regarding the LED lights. He stated we are approximately 50% complete with the total project.

Mr. Reinstein asked for a timeframe in completing the City. Mr. Trego stated it should be completed in the next fiscal year.

Mr. Trego stated we are replacing area lights when they fail. He also discussed staff's strategy on replacing lights in parking lots.

S.T.E.M Program

Mr. Trego stated PWC has agreed to participate in the S.T.E.M Program again this year. The program will last for 6 weeks. Mr. Reinstein stated last year the program consisted of 15 students between PWC, the City and the private sector. This year, PWC will accept 10 of the 30 students in this year's program.

COMMISSIONER COMMENTS:

Commissioner Fowler commended PWC for their efforts in providing LED Lighting. He stated he is in an area served by Lumbee River. He addressed his comments to our City Council Liaison in regard to Lumbee River's purpose in requesting a special use permit for an extension of an electrical substation in order to provide City services in accordance with City's standards. He stated the engineer was under oath when this request was made. If Council checks their records they may be able to force Lumbee to provide lighting per the City code.

REPORTS AND INFORMATION

Commission acknowledges receipt of the following reports and information.

- A. Purchase Order Report – January 2017
- B. Monthly Incident Summary – February 2017
- C. Personnel Report – February 2017
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18465 – 12" RJDI water main and 24" steel casing on SR-1400 (Cliffdale Rd.)
 - Encr. #18473 – 2" SDR-21 PVC water lateral w/split tap @ SR1141 (Cumberland Rd.)
- E. Actions by City Council during meeting of February 27, 2017, related to PWC:
 - Approved Bid Recommendation - Outfall Rehabilitation - Camden Road to Hope Mills Road
 - Approved Bid Recommendation - Methodist University Lift Station Replacement
 - Approved Bid Recommendation - Annexation Phase V - Project VIII, Area 19 - Arran Lakes Subdivision

**CLOSED SESSION PERSUANT TO N.C. GENERAL STATUTES 143-318.11(A)(3) TO
DISCUSS LEGAL MATTERS RELATED TO COAL ASH**

Upon motion by Commissioner Rogers and seconded by Commissioner Fowler, the Commission unanimously approved to go into closed session at 9:15 a.m. as allowed under N.C. General Statutes 143.318.11(a)(3) for legal matters to discuss Coal Ash.

Following discussion, upon motion by Commissioner Rogers, seconded by Commissioner Fowler and unanimously approved, the Commission returned to open session at 9:58 a.m.

RETURN TO OPEN SESSION

Upon returning to open session, Commissioner Huff asked staff if they were anticipating getting an unsolicited offer from a current tenant of the RC Williams Building to purchase the building. Mr. Trego indicated that a tenant had expressed interest in providing an unsolicited offer to purchase and that staff executed an Agreement with Patrick Murray to negotiate on PWC's behalf and that discussions are proceeding. Mr. Trego indicated that if an unsolicited offer was made he would bring it to the Commission for consideration. Mr. Miller reminded the Commissioners that if they accepted the unsolicited offer, PWC would have to advertise to allow someone to give PWC an Upset Bid. Mr. Huff expressed a desire for PWC to exit the real estate business and felt the Commission should give serious consideration to any reasonable offer.

ADJOURNMENT

There being no further discussion, upon motion by Commissioner Rogers, seconded by Commissioner Fowler and unanimously approved, the meeting was adjourned at 10:05 a.m.