

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, MARCH 28, 2018  
8:30 A.M.

Present: D. Ralph Huff, III, Vice-Chairman  
Darsweil L. Rogers, Secretary  
Evelyn O. Shaw, Treasurer

Others Present: David W. Trego, CEO/General Manager  
Jay Reinstein, Assistant City Manager  
Johnny Dawkins, City Council Liaison  
Melissa Adams, Hope Mills Town Manager/Liaison  
PWC Staff

Absent: Wade R. Fowler, Jr., Chairman  
Michael Boose, Cumberland County Liaison  
Media

REGULAR BUSINESS

Vice-Chairman Huff called the meeting of Wednesday, March 28, 2018, to order.

APPROVAL OF AGENDA

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

Vice-Chairman Huff stated Chairman Fowler was conducting a radio interview and could not be present today.

CONSENT ITEMS

Upon motion by Commissioner Shaw and seconded by Commissioner Rogers, the consent items were unanimously approved.

- A. Approve Minutes of meeting of March 14, 2018
- B. Approve bid recommendation to award bid for purchase of Filter Equipment and Components for the Rockfish Creek Water Reclamation Facility to Aqua-Aerobic Systems, Inc., Loves Park, IL, the lowest responsive, responsible bidder in the total amount of \$1,469,000.00 and forward to City Council for approval.

The Rockfish Creek WRF Filter Equipment and Components Project is budgeted in FY2018 CIP WS 45 CPR10000333 - \$2,635,031.49 is available for this purchase.

*The remaining project funds may be used for additional equipment and installation services.*

Bids were received on February 28, 2018 as follows:

Bidders	Total Cost
Aqua-Aerobic Systems, Inc., Loves Park, IL	\$1,469,000.00
Suez Treatment Solutions Inc., Richmond, VA	\$1,587,800.00

**COMMENTS:** The purchase of this equipment is to support the complete refurbishing of six traveling bridge filters at the Rockfish Creek Water Reclamation Facility, which were severely damaged by Hurricane Matthew. Two contractors requested plans and specifications and the same contractors submitted bids. The lowest responsive, responsible bidder is recommended. **SDBE/Local Participation:** Aqua-Aerobic Systems, Inc. is not classified as a SDBE or minority owned business. There are no known local suppliers of this type of equipment.

- C. Award bid for the purchase and delivery of seven (7) Goulds Model 3396 In-Line Process Pumps, to include all materials, equipment and incidentals to Tencarva Machinery Company, Wilmington, NC, the lowest responsive, responsible bidder in the amount of \$104,665.27 and forward to City Council for approval.

The Seven (7) In-Line Process Pumps Project is budgeted in the Butler Warner Generation Capital Budget, budget code CPR1000414, in the amount of \$130,000. Funds are available for this purchase.

Bids were received on March 20, 2018.

<u>Bidder</u>	<u>Total Cost</u>
Tencarva Machinery Company, Wilmington, NC	\$104,665.27

**COMMENTS:** Bids were solicited from the Goulds pump distributor for this region. Additionally, the bid specifications allowed for bids from other manufacturers who could offer pumps equal to the pump specified. No alternate bids were received. The sole bid received was from the only authorized distributor for Goulds pumps in this region. **Local/SDBE Participation:** Tencarva Machinery Company is not classified as a SDBE, minority or woman-owned business. There are no known local vendors who can supply this equipment.

- D. Approve the issuance of a purchase order to CenturionCARES in the amount of \$274,351.12 for all software, software licenses, technical support, and update services to provide an upgrade to the existing Interactive Voice Recognition (IVR) system in accordance with N.C.G.S. 143-129(e)(6) "sole source exception".

Information Systems' staff has researched multiple sources for this system and has determined that CenturionCARES is the sole source provider who can meet the unique requirements necessary to work within the Commission's Oracle environment and provide necessary interfaces to existing PWC equipment and software. Additionally, this upgrade will enhance customer engagement with self-service functionality not available within the Commission's current IVR System.

This “sole source” request is supported by the following specifications available only with the Centurion hardware and software environment:

**Hardware:**

- (204) Dialogic HMP SIP Port Licenses
- (50) Agent Wireless Headsets

**Software:**

CARES ACD Solution, Base Package with Collaboration and System Reporting w/ 50 Concurrent Agents

- Auto Attendant
- Queuing
- Remote Agent
- Call Type Tracking
- Call History
- Verification Detail
- Notes
- Advanced Reporting Package

CARES Quality Assurance Package

- CARES Communications Experience Monitoring & Recording
- CARES Integrated QA Scorecard
- CARES Integrated Survey

CARES CC&B Integration Package

- CARES Pre-Authentication
- CARES Pro Speak
- CARES Call-Back

CARES Outage Reporting Package

- CARES Multispeak Integration
- CARES Outage Reporting Self-Service Application

N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements when (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration.

This project is budgeted in the IS Infrastructure Capital Budget, Budget code 1803810984, in the amount of \$300,000. Funds are available for this project.

END OF CONSENT

REVIEW OF PWC’S ELECTRIC RELIABILITY STATISTICS

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

David Trego, PWC CEO/General Manager stated Jon Rynne, COO Electric Systems, will present this review. He stated there is a balance we try to maintain between having the lowest responsible rates possible; having high reliability; and of course concentrating on safety. He stated we just received the most recent reliability statistics from APPA for 2017.

These stats show how we fare against our peers, the co-ops and against investor-owned utilities. We wanted to share this information with the Commissioners. It is the balance between lowest responsible rates and making sure we provide reliable service to our customers.

Mr. Trego presented Jon Rynne. Mr. Rynne stated we have been participating in the APPA program E-Reliability since 2016. It helps us to track our outages and calculate our reliability indices. He stated the most common reliability index is the System Average Interruption Duration Index (SAIDI). SAIDI is defined as the average interruption duration (in minutes) for customers served by the utility system during a specific time period. Basically this is the average amount of outage minutes that each customer on our system would see. Mr. Rynne used the example 'For a utility with 100 customer minutes of outages and 100 customers would have a SAIDI of 1'.

Our SAIDI for 2017 was 27.42 minutes. The average for public power was 161.76 minutes. Mr. Rynne stated the reliability for our system is much higher per customer than what you would see for other public powers within our region. PWC's region encompasses the southeastern states. Discussion ensued.

**Table 2**  
Average SAIDI for all utilities that use the eReliability Tracker (with and without MEs), belong to your region, and are grouped in your customer size class

	All	No MEs	Unscheduled	Scheduled
Your utility's SAIDI:	27.42	3.9993	22.0519	5.3466
Average eReliability Tracker SAIDI	161.7605	62.1498	157.4675	4.4295
Average SAIDI for Utilities Within Your Region	227.6868	60.2665	219.7298	8.2006
Average SAIDI for Utilities Within Your Customer Size Class	94.3573	41.6052	91.7546	2.8151

**Table 3**  
Summary statistics of the SAIDI data compiled from the eReliability Tracker

	All	No MEs	Unscheduled	Scheduled
Minimum Value	0.1282	0.1282	0.1282	0
First Quartile (25th percentile)	23.6535	10.6552	20.5479	0
Median Quartile (50th percentile)	54.863	27.2189	52.3865	0.097
Third Quartile (75th percentile)	120.8739	60.6194	114.7618	1.3001
Maximum Value	5208.0378	1412.0408	5199.7198	208

Mr. Rynne then explained another reliability index which is SAIFI (System Average Interruption Frequency Index). SAIFI is defined as the average number of instances a customer on the utility system will experience an interruption during a specific time period. For example, a utility with 150 customer interruptions (outages) and 200 customers would have a SAIFI of 0.75 interruptions per customer.

PWC's SAIFI average was 0.6733. The average is .8515 and the average for our region is .8483. Mr. Rynne stated we exceeded the average and the average for our region. This is another indicator that we are maintaining the utility system and we are doing the right things to keep the reliability up.

**Average SAIFI for all utilities that use the eReliability Tracker, belong to your region, and are grouped in your customer size class**

Your utility's SAIFI:	0.6733
Average eReliability Tracker SAIFI	0.8515
Average SAIFI for Utilities Within Your Region	0.8483
Average SAIFI for Utilities Within Your Customer Size Class	0.7749

**Table 5  
Summary statistics of the SAIFI data compiled from the eReliability Tracker**

Minimum Value	0.0009
First Quartile (25th percentile)	0.2812
Median Quartile (50th percentile)	0.6357
Third Quartile (75th percentile)	1.0948
Maximum Value	8.0499

Mr. Rynne noted our region and our weather pattern lends for more interruptions which would be tree interactions or lightning which would cause the frequency of outages.

Another indicator is the Average Service Availability Index (ASAI). This indicator is defined as a measure of the average availability of the electric systems that serve customers. Mr. Rynne gave the example, an ASAI of 99.99% means that electric service was available for 99.99% of the time during the given time period.

PWC's ASAI was 99.9947, which means we are 99.9947% available.

**Average ASAI for all utilities that use the eReliability Tracker, belong to your region, and are grouped in your customer size class**

Your utility's ASAI (%):	99.9947
Average eReliability Tracker ASAI	99.9693
Average ASAI for Utilities Within Your Region	99.9566
Average ASAI for Utilities Within Your Customer Size Class	99.9823

**Table 11  
Summary statistics of the ASAI data compiled from the eReliability Tracker**

Minimum Value	99.0091
First Quartile (25th percentile)	99.9954
Median Quartile (50th percentile)	99.9896
Third Quartile (75th percentile)	99.9779
Maximum Value	99.9999

Commissioner Shaw asked if the above indices are a measure of the reliability of the provider or of the equipment. Mr. Rynne responded 'it is a mix'. He stated the transmission supply coming into our system is included in these numbers (DEP supply); a measure of everything we do from our points of delivery all the way to the customer level; all the equipment; the labor; and the response time. It is everything that is involved in maintaining the system itself. Mr. Trego also explained how the indicators work together (SAIDI and SAIFI). He stated if we had a lower incidence or frequency of outages (the SAIFI) and if the SAIDI was high, it would mean we were not responding quickly enough. The indicators work together to determine our level of service to our customers. Discussion ensued

regarding APPA and the differing states' estimation of an outage. The IEEE Standards allow utility providers to compare using the same set of standards. Additional discussion ensued.

Commissioner Huff thanked Mr. Rynne for the review of electric reliability stats.

## GENERAL MANAGER REPORT

### *Fleet Agreement*

Mr. Trego stated last year the Commission took action to cancel our Fleet Agreement with the City because it was not compliant with being a Public Authority. We embarked on a committee to work with the City on what the future would be as far as our fleet operations and what the city wanted to do. The City issued an RFP. The RFPs have been received back and they are being reviewed by the City. He stated PWC is not a part of the evaluation team of the RFPs. We are there as a technical resource if they have a question.

He stated one of the key aspects of our charter is the City or PWC can provide a shared service as long as the service is provided at or below market rates. He stated we really did not know what market rates were before. The RFPs will let us know what market rates are. Our job will be once the City has evaluated and determined the top one or two; we (Corporate Services and Finance) will take a look at them and mirror the pricing model to see if we can meet the hurdle that is in the charter. If when we do our analysis and we determine we cannot provide the service at or below market rates, the decision is made by the Charter. If we can provide the service at or below market rates then the decision is made by City Council, from a policy perspective which direction they want to take.

Mr. Trego stated as we previously discussed with the Commission and with the committee, the biggest 'hurdle' we have is we need to make a significant investment in our fleet facility. It does not meet current safety standards, though it is grandfathered because it is an old facility, it does not really meet the needs. Also, with the growth of the City's fleet we have projected, it is not big enough. We have a significant investment we need to make and we need a commitment in the long term with the City to justify the investment.

He stated we hope to have a decision by July. Once the City makes the decision (or decision is made by the Charter) we will have one of several options. The first option is to enter into a transition agreement if the City decides to go with an outside vendor. The second option is to enter into a new Interlocal agreement if we will continue to provide services to the City. Mr. Trego then asked Jay Reinstein, Assistant City Manager for an update.

Mr. Reinstein stated we received eight responses to the RFP. He stated six of the eight were local. He then gave a timeline for the review of the proposals. He stated he expects for recommendations to be submitted to City Council by the May or June work session. He is sending updates to the Committee as he receives them and expects to have a meeting of the Committee by late April. Mr. Trego stated it may take some time to do the comparison based on how detailed and complicated the top contending offerings are.

Commissioner Rogers stated there is a third scenario. As a policy board we can decide what we want to take on from the City. Commissioner Shaw inquired about the June 30<sup>th</sup> date we have given to the City. Mr. Trego stated we will have to enter into a transition agreement or

an interim agreement. The Commission then discussed the difference in a transition agreement and interim agreement. Commissioner Shaw also asked if there will be concern regarding respondents' proposals who might be vying for the very service we may perform for the City. Jamie West, PWC General Counsel stated since it is two governmental entities and we are in an Interlocal Agreement we do not have that concern. If we were a competitive entity or a private entity and we were looking at bids it would be a serious problem. He went on to state because of our relationship and our ability to do Interlocal Agreements without going through a competitive process it should be okay. Additional discussion continued.

### ***PWC Expo***

Mr. Trego stated we held our PWC Expo last week. There were approximately 900-1000 people in attendance.

Ms. Justice-Hinson stated we not only focus on conservation but we also provide information on a variety of PWC's programs and services. She stated in addition to conservation we had information on our meters, our LED street lights, community solar project and more. We also had a demonstration from Line Construction crew. Our procurement department was also in attendance. Over 40 employees also served during the event. A lot of the employees were CSRs, so they were able to log into the system to answer customer questions right there. Our Customer Programs department scheduled some walk-throughs in response to customer inquiries.

Ms. Justice-Hinson stated we also partnered with the City of Fayetteville Storm Water, the Second Harvest Food Bank, and the Salvation Army. This was our 4<sup>th</sup> Annual PWC Expo and it was very successful and we look forward to next year's event.

### ***Call Center Phone Calls***

Mr. Trego stated in January we received record high calls due to the cold weather. He stated the call volume has come down approximately 20% from the high right after the cold spell. They are back to nearly normal levels. We had nearly 1/3 of our customers on a pay plan or extended due date.

Mr. Trego asked Bevan Grice, Director of Customer Service to give an update. Mr. Grice stated the pay plans have decreased nearly 19% to 20% also. He stated it takes about 60 days for the call volume to return to normal and our March stats are fairly normal. He stated we are always there to help the customer. Though most of our calls are credit/collection calls we work with our customers every month.

Mr. Trego stated we will need to get the message across that although March is not as cold as January, it has been a cold month and was colder than normal. He stated we will get the message out that if you have difficulties with your bill, call us early. He thanked Customer Service as well as Customer Programs for assisting our customers.

Mr. Trego stated he compared our call volume to other utilities. Our demographics are different than the others. Even though the call volume is back to normal, it means we receive roughly 40,000 calls a month which means 1/3 of our customer base (some customers may call more than once a month) calls us each month. We have a lot of

customers who tend to call in. Our call volume is extremely high as well as our walk-in customers.

***Commissioner Comments:***

**Commissioner Shaw** asked if when the customer makes a request is there a standard a plan for each customer. Mr. Grice stated it is based on a case by case scenario. He gave the differing reasons for payment arrangements and pay plans. Discussion ensued.

**Commissioner Rogers** requested for staff to post our reliability statistics on the website. Mr. Trego responded we have done so.

Commissioner Rogers also stated the Building Business Rally will be on May 22<sup>nd</sup> at Fayetteville Tech, 3pm to 7p.m. He thanked staff for their assistance in getting the word out.

**Commissioner Huff** asked about water to Grays Creek. Mr. Trego stated we have been in contact with the County in getting a study done, other than that we have not heard anything. He suggested a meeting with the County and PWC staff. Discussion ensued.

Commissioner Huff also requested to know the occupancy rate at the RC Williams building. Discussion ensued.

***Council Liaison Comments:***

Council Member Dawkins thanked Mark Brown, Customer Programs Senior Officer and Liaison to City Council for all his assistance. He also thanked PWC for what we are doing to assist the customers and asked for PWC to continue with offering the different pay plans.

**REPORTS AND INFORMATION**

The Commission acknowledges receipt of the following reports and information.

- A. Position Vacancies
- B. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #18625 - RJDI/Steel Water Main Replacement @ Bingham Dr. (SR4160)
  - Encr. #18626 = RJDI Water Main and SDR-26 Sewer Lateral installation @ SR2237 (Smith Rd.) and NC HWY 87.
- C. Actions by City Council during meeting of March 19, 2018, related to PWC:
  - Approved Phase 5 Area 16 and 17 Resolution Confirming Assessment Roll and Levying Assessments.
  - Approved Bid Recommendation – Lafayette Substation

**ADJOURNMENT**

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw and unanimously approved the meeting was adjourned at 9:22 a.m.