

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
D. RALPH HUFF, III, COMMISSIONER
DAVID W. TREGO, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, MARCH 13, 2019
8:30 A.M.

AGENDA

I. REGULAR BUSINESS

- A. Call to order
- B. Approval of Agenda

II. CONSENT ITEMS

- A. Approve Minutes of meeting of February 27, 2019
- B. Approve bid recommendation to award the contract for the Scotsdale Water Main Replacement project to Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC, the lowest responsive, responsible bidder in the total amount of \$809,685.00 and forward to City Council for approval.

The Scotsdale Water Main Replacement is a budgeted item in FY2019 CIP, WS 54 (CPR1000396. This is a bond funded project and there are sufficient funds available.

Bids were received on February 19, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC	\$ 809,685.00
BridgePoint Civil, Goldsboro, NC	\$1,155,000.00
Garney Companies, Inc., Cary, NC	\$1,372,103.00
Sanford Contractors, Lemon Springs, NC	\$1,436,695.33
Odell Smith & Sons Plumbing Co., Inc., Spring Lake, NC	\$1,544,322.00

Note: This project consists of installing new eight (8) inch ductile iron pipe (DIP) and two (2) inch polyvinyl chloride (PVC) water main, valves, hydrants, blow-off assemblies, service connections, as well as the abandonment of the existing six (6) inch and two (2) inch

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water mains. Work shall include trenchless pip installation methods where specified, post-inspection of the replaced mains, and all other items necessary to provide a complete project.

COMMENTS: This project was advertised on January 23, 2019. Amendment No. 1 was issued February 12, 2019. This amendment included the sign-in sheet and Pre-Bid Meeting Notes held on January 29, 2019, Bidder Qualification form, Revision of Section 00300- Bid Proposal, and a list of questions received with the responses. Amendment No. 2 was issued on February 14, 2019. This amendment was to provide clarification for the warranty period. When the bids were opened Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC, was the lowest responsive, responsible bidder. **SDBE:** No SDBE was listed in the bidder's proposal. **Local:** The bidder intends to subcontract with Suntree Landscaping, Fayetteville, NC, for the sod installation for \$165,000.00.

- C. Approve 8th Amendment to Power Supply and Coordination Agreement with Duke Energy

The 8th Amendment to the Power Supply and Coordination Agreement (PSCA) with Duke Energy changes the date that PWC must notify Duke Energy of PWC's intent to terminate the PSCA on June 30, 2024, from December 31, 2019, to June 30, 2020.

- D. Approve Facility Investment Fee Capital Reserve Fund Amendment #1 - PWCORD2019-06

PWCORD2019-06 is an amendment to close the Facility Investment Fee Capital Reserve Fund. Commission action is requested at the March 13th meeting. This fund was originally adopted in June of 2018 in compliance with the North Carolina General Statutes. An amendment to the Statutes relieved PWC of the requirement to use this reserve fund.

END OF CONSENT

III. PRESENTATION OF PROPOSED CHANGES TO PWC'S WATER/WASTEWATER RATES AND FEES

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

Staff requests Commission Approval of the Proposed Changes to PWC'S Water/Wastewater Rates and Fees

IV. GENERAL MANAGER REPORT

- A. Open Commission Requests

V. COMMISSIONER/LIAISON COMMENTS

VI. REPORTS AND INFORMATION

A. Personnel Report - February 2019

B. Approved N.C. Department of Transportation Encroachment Agreement(s):

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Agenda - March 13, 2019

- Encr. #18777 – install of 24” HDPE temp. sanitary sewer bypass main @ US401 & US401 bypass

VII. ADJOURN

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PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 27, 2019
8:30 A.M.

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

Others Present: David W. Trego, CEO/General Manager
Telly Whitfield, Assistant City Manager
Kathy Jensen, City Council Liaison
Melissa Adams, Hope Mills Town Manager/Liaison
PWC Staff

Absent: Michael Boose, Cumberland County Liaison
Media

REGULAR BUSINESS

Chairman Rogers called the meeting of Wednesday, February 27, 2019, to order.

APPROVAL OF AGENDA

Upon motion by Commissioner Huff and seconded by Commissioner Shaw, the Agenda was unanimously approved.

PRESENTATIONS

United Way Awards Presentation

Presented by: Robert Hines, President, United Way of Cumberland County

Robert Hines, President of United Way of Cumberland County presented to PWC the awards announced at the United Way Annual Meeting yesterday. Mr. Hines stated this year's United Way Meeting was the equivalent of the Oscars. Mr. Hines thanked PWC's staff, management and Commissioners for an excellent campaign. He went on to present the following awards.

- Marquee Award – This award is presented to the organization that has the most employees that give at least \$1,000.00.
- Chairman's Award – This award is presented to organizations (with 500 or more employees) for overall campaign and support.
- Volunteer of the Year Award – This award was presented to Mark Brown, Senior Customer Programs Officer.

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- Campaign Manager Award – The PWC (Communications) Team received this award for an excellent campaign.
- Spirit of NC Award - PWC has won this award for the 13th time. There were over 30 organizations that were recognized with this award.
- Excellence in Community Spirit Award – Mr. Hines stated PWC is one of only 5 organizations state-wide that earned this award.

CONSENT ITEMS

A. Approve Minutes of meeting of February 13, 2019

B. Approve Resolution No. PWC2019.02

The Proposed Resolution # PWC2019.02 Authorizes PWC to officially designate Ike Copeland, Director of Legal, Risk and Procurement Services and Ray Jackson, Environmental Compliance and Emergency Management Manager as the PWC Applicant Agents for Hurricane Florence Claims (declaration FEMA 4285 DR-NC). This authorization allows each designated Agent to file, request, and authorize acceptance of financial assistance from FEMA for damages related to Hurricane Florence on behalf of PWC. This request is required in order for FEMA to issue reimbursements to PWC for qualifying damages.

END OF CONSENT

PRESENTATION ON RECOMMENDED CHANGES TO PWC'S WATER/WASTEWATER RATES AND FEES

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

Mr. Trego, CEO/General Manager stated the purpose of this presentation is to present to the Commission and the Public, PWC's senior staff recommended action for retail water and wastewater rates and fees for the next 2 years.

He went on to state recommendations are based on our 5 year capital and O&M budget projections. Staff's complete recommendations are included in the Commission's packet and consistent to what was publicly posted as part of the Public Hearing notice. He stated after reviewing staff's recommendation and hearing from the public, staff will request that the Commission vote on the final rate action at a future Commission meeting.

Mr. Trego stated the guiding principles in developing the recommended water/wastewater rates are consistent with the Commission's Strategic Plan, which include the lowest responsible rates, most financially sound utility; strong core business with quality and reliable services; sustainable environmental, economic and community growth. Mr. Trego went on to state these strategic priorities coordinate with regional infrastructure needs to support economic development; rehabilitate aging infrastructure; and ensure cyber and physical security.

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Staff also followed the rate philosophy the Commission has used consistently over the years, which are to have rates better mirror the cost structure of our water/wastewater operations. Reflect ongoing fixed costs of operating and maintaining facilities in the Basic Facilities Charge. Reflect variable costs of operating and maintaining facilities in per gallon usage charges. Minimize, to the greatest extent possible, cross subsidization across rate classes. Have rates that meet the Charter requirement to manage and operate PWC in “the best interest of the City”.

Mr. Trego went on to state operating expenses have been increasing at or below inflation, and capital needs are outpacing inflation.

- ▶ Over the past 7 fiscal years (FY2013 – FY2019) the W/WW operating expense budget increased an average of 2.8% per year, while the capital budget increased an average of just over 6% per year
- ▶ While at same time revenue used for W/WW Capital Projects has remained relatively flat.

Staff recommends increasing level of capital projects funded through revenues to help sustain PWC’s Bond Rating while at the same time, enable PWC to make capital investments that ensure long term reliability of PWC’s W/WW systems.

Mr. Trego stated the Capital Drivers over the 5 Year Planning Period include:

- ▶ New infrastructure required for system growth
 - Phase V Annexation, North Fayetteville, I-295 corridor
 - Major trunk-line upgrades and peak flow facilities
 - Continue to address areas where pressure nearing lower limits
 - Add water tanks and pumping facilities
- ▶ Consistent with Commission direction increased budget for rehabilitation
 - \$16.5 million in FY2017 to \$22.7 million in FY2019
 - Includes water lines, sewer lines and manholes
- ▶ Major road projects
 - Three major projects Raeford Rd., Ramsey St. and Camden Rd. are estimated to require nearly \$60 million in capital to relocate water/sewer facilities

Summary of Recommendations

Mr. Trego stated In order to meet the long term capital and operational needs of the water and wastewater system Staff recommends the following:

- May 2019: put in place rates that will result in retail water revenues increasing 8.6% and retail wastewater revenues by 4.0% for an overall revenue increase of 6.1%
- May 2020: put in place rates that will result in retail water revenues increasing 6.9% and retail wastewater revenues by 3.4% for an overall revenue increase of 5.0%
- Create a Utility Line Relocation Rider to fund the 3 major road projects (Raeford, Ramsey & Camden) to generate \$4 million +/- annually that will go into a reserve fund for road projects
- Maintain current Outside City differential at 75% in both years
- Increase certain fees that are currently charged below the actual cost to provide

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- Close the Temporary Water Service for Residential Construction Rate Schedule – this has only been used once since 2006
- Make changes to Service Regulations to facilitate rate changes, initiate the Major Road Project Rider and make other minor modifications.

Mr. Trego explained the Utility Line Relocation Rider. It will be designed to fund the estimated \$60 million needed for Raeford Road, Ramsey Street and the Camden Road Projects, and it will be designed similar to the Coal Ash Rider in Electric. He mentioned that Raleigh has a similar ‘infrastructure fee’ which was started in 2014. For all residential customers he proposes \$2.00 per month for water and \$1.00 per month for sewer regardless of the meter size. For non-residential it will be scaled based on meter size, using the same ratios as the basic facilities charge (¾” meter same as residential). He stated the outside City rate differential does not apply to the rider.

Recommendations – Facilities Charges

Recommended Water & Wastewater Basic Facilities Charges all Rate Classes - Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
5/8” & 3/4” Meter	\$13.00	\$ 14.50	\$ 16.00
1” Meter	\$20.80	\$ 23.10	\$ 25.40
1-1/2” Meter	\$35.10	\$ 38.30	\$ 41.50
2” Meter	\$58.50	\$ 63.70	\$ 68.90
2-1/2” Meter	N/A	\$ 96.00	\$ 115.20
3” Meter	\$104.00	\$ 149.10	\$ 194.20
4” Meter	\$169.00	\$ 248.70	\$ 328.40
6” Meter	\$331.50	\$ 444.00	\$ 556.50
8” Meter	\$520.00	\$ 732.10	\$ 944.20
10” Meter	N/A	\$1,335.80	\$1,603.40
12” Meter	N/A	\$2,270.00	\$2,724.00

Mr. Trego noted the Outside City Rates apply the 75% differential to what is shown for Inside City rates. Also, PWC no longer utilizes the 5/8” meters, so they will be removed from the proposed rates.

Recommendations – Water Usage Charges

Residential Water per Gallon – Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
First 2,000 Gallons	\$0.00245	\$0.00258	\$0.00268
Next 3,000 Gallons	\$0.00291	\$0.00307	\$0.00319
Next 5,000 Gallons	\$0.00396	\$0.00417	\$0.00433
Each Additional Gallon	\$0.00473	\$0.00499	\$0.00518

Non-Residential Water per Gallon - Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
All Gallons	\$0.00294	\$0.00310	\$0.00322

Large Water User per Gallon - All Users

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
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Water All Gallons	\$0.00243	\$0.00259	\$0.00269
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Mr. Trego noted Outside City Rates apply the 75% differential to what is shown for Inside City Rates.

Recommendations – Wastewater Usage Charges

Residential Wastewater per Gallon – Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
All Gallons	\$0.00525	\$0.00528	\$0.00528

Wastewater Monthly Flat Rate – Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
All Gallons Included \$35.05	\$35.62		\$37.12

Non-Residential Wastewater per Gallon – Inside City

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
All Gallons	\$0.00525	\$0.00528	\$0.00528

Large Water User per Gallon – All Users

	<u>Current</u>	<u>May 2019</u>	<u>May 2020</u>
Wastewater All Gallons	\$0.00394	\$0.00396	\$0.00396

Mr. Trego noted Outside City Rates apply the 75% differential to what is shown for Inside City Rates

Recommended Changes – Fees and Charges

LATERAL FEES

	Current	Proposed
1" Water	\$2640	\$2755
2" Water	\$2758	\$2924
4" Sewer	\$3424	\$3487
6" sewer	\$3784	\$3842
1"&4" Combo	\$5864	\$6042
2"&4" Combo	\$5982	\$6211
1"&6" Combo	\$6224	\$6397
2"&6" Combo	\$6342	\$6566
1" Split w/ new lateral	\$464	\$643

SERVICE CHARGES

	Current	Proposed
2" irrigation. tap w/ jumbo meter box	\$3179	\$4208
Consumptive Water Loss app.	355	377
Hydrant Deposit	\$200	\$500
Water Permit Fee	\$360	\$500
Sewer Permit Fee	\$450	\$500
Permit Resubmittal Fee	\$75	\$75
Fire Flow Test	N/A	\$500
Backflow Charge	\$1.60/mo.	\$1.97/mo.

1" Split w/ exist lateral	\$678	\$731
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Typical Customer Impacts - May 2019

Mr. Trego stated the following:

- ▶ Typical residential customer- Inside City rate using 5,000 Gallons/month:
 - Water bill increase \$2.24 in May 2019
 - Wastewater bill increase \$1.65
- ▶ Non residential account- Inside City rate with a 3/4" meter using 10,000 Gallons:
 - Water bill increase \$3.10 in May 2019
 - Wastewater bill increase \$1.80
- ▶ Non residential account - Inside City rate with a 2" meter using 30,000 Gallons:
 - Water bill increase \$10.00 in May 2019
 - Wastewater bill increase \$6.10

PWC Rate Comparisons - Residential

Water 5,000 gallons		Wastewater 5,000 gallons	
OWASA-Orange County	\$40.42	Cary	\$54.95
Harnett County	34.25	Hoke County	54.00
Wilmington	33.88	Raleigh	47.16
Raleigh	33.44	OWASA-Orange County	45.29
Hoke County	31.00	Harnett County	41.25
Greenville	29.85	Greenville	41.20
PWC-Proposed	28.87	PWC-Proposed	40.90
Cary	27.45	PWC-Current	39.25
PWC-Current	26.63	Wilmington	37.70
Durham	25.46	Durham	36.16

PWC Rate Comparisons – Non-Residential

Water 90,000 gallons		Wastewater 90,000 gallons	
Durham	\$759.03	Cary	\$958.62
OWASA-Orange Co.	623.54	OWASA-Orange Co.	649.69
Cary	515.82	Greenville	645.54
Harnett County	487.00	Raleigh	636.13
Wilmington	472.04	Durham	556.01
Raleigh	466.19	PWC-Proposed	538.90
Hoke County	415.75	Wilmington	533.10
Greenville	356.66	PWC-Current	531.00
PWC-Proposed	342.70	Harnett County	509.50
PWC-Current	323.10	Hoke County	463.00

PWC Rate Comparisons - Large User

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Water		Wastewater	
1,500,000 gallons		1,500,000 gallons	
Durham	\$12,758.54	Cary	\$15,630.26
OWASA-Orange County	9,083.80	OWASA-Orange Co	10,073.39
Cary	8,244.26	Greenville	10,010.57
Harnett County	7,889.50	Raleigh	9,548.23
Raleigh	7,093.78	Durham	8,611.07
Hoke County	6,690.25	Harnett County	7,912.00
Wilmington	6,374.50	Hoke County	7,372.00
Greenville	5,094.80	Wilmington	7,308.75
PWC-Proposed	4,133.70	PWC-Proposed	6,188.70
PWC-Current	3,814.00	PWC-Current	6,079.00

Staff responded to questions from Commission and City Council Liaison. Staff was requested to provide comparisons with Greensboro and Winston Salem.

PUBLIC HEARING ON PROPOSED WATER/WASTEWATER RATES AND FEES

Chairman Rogers opened the Public Hearing. There was one speaker and one written comment.

Speaker:

Connie Spell, Eastover – voiced concern over the impact of the rate increase on Eastover's interconnect.

Written Comments:

Dara Lawson, 1055 Elm St., Apt. A, Fayetteville, NC 28303

There being no more speakers or written comments, the Public Hearing was closed.

RC WILLIAMS BUILDING UPDATE

Presented by: Patrick Murray, Grant-Murray Real Estate

Patrick Murray, Grant-Murray Real Estate provided an update regarding the RC Williams Building, located at 201 Hay Street in downtown Fayetteville. He provided highlights of the building which include:

- 57,023 SF Class A office building
- Next to and connects with the downtown parking deck
- Full service leases-includes utilities, janitorial service, etc.
- Proxy card system for after-hours access
- Downtown's historic district

He stated the current occupancy rate is 78%. During the last update on 12/14/16, the occupancy rate was 63%.

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Mr. Murray gave an update on the Fayetteville office market and the downtown area in particular. Among other things, Mr. Murray stated the downtown market rent/sf averages \$16.88.

Mr. Murray delineated the strengths and weaknesses of the RC Williams Building.

Strengths

- Limited Class-A office space within the Fayetteville market
- Iconic “trophy property”
- Noticeable uptick in tenant interest and showings
- Development of the baseball stadium, hotel, condos etc. show emerging market strength

Weakness

- Higher than average vacancy
- High operating expenses per SF
- Inefficient building layout (i.e. high core factor)
- Expiration of the parking deck agreement with the COF and long term uncertainty

He explained with the expiration of the parking deck agreement in approximately 15-20 years, some uncertainty may be created. There may be an opportunity to discuss/negotiate with the City a longer agreement.

Opportunities for the building include reduction in operating budget; renegotiation of parking deck agreement with the COF for a longer term; increase occupancy rate and average rental rate.

Mr. Murray stated threats for the building include 150,000+ SF of new space coming on the market over the next two years to include an office tower next to the baseball stadium; the possibility of a recession within the next 12-24 months. He stated Cap rates are bottoming out and will begin to rise again. He also stated the Federal Reserve is expected to raise the interest rate which can affect the rental/lease of the office space.

Mr. Murray and staff responded to questions and comments from Commissioners regarding the sale-ability of the building and leasing of office space.

Discussion then began on the possibility of extending the lease on the parking deck. Council Liaison Jensen stated she believes there is a limit on leases to 29 years.

DISCUSSION ON FAYETTEVILLE/CUMBERLAND COUNTY TIER 1 STRATEGY INITIATIVE

Presented by: Commissioner Darsweil L. Rogers, PWC Chairman

Commissioner Rogers stated he and Mr. Trego attended the latest meeting of the Fayetteville/Cumberland County Tier 1 Strategy Initiative. He stated he believes their decision is to complete a 10 year vision related to a strategic plan for the entire community.

Commissioner Rogers stated he is directing the staff to develop an RFP for a Utility Focused Strategic Plan, one that will have us to look internal to our operation and determine where we want to go in the next 5-10 years. We will then see what unfolds regarding the broad

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community strategy. He stated we will see if we can get the entire community to think forward so we can do our planning to determine where our growth should be and where the opportunities are related to that growth. He stated he is cautiously optimistic and has a sense of anticipation of good things to come.

He stated the goal is to have a strategic planning session after this fiscal year ends.

GENERAL MANAGER REPORT

Key Accounts Breakfast

Mr. Trego stated our Key Accounts Breakfast was held yesterday. This was for our largest customers that Mark Brown's team invited. Mr. Trego stated participation was very good. He thanked our Chairman for attending. This is part of our ongoing education regarding rate changes that are coming. Most of these customers are part of our large power users, so they will be on the Coincident Peak Rate that the Commissioners approved. We also brought in a couple of people from the industry who have ideas that may help them to lower their coincident peak demand and give them additional tools to help them lower their costs and demand costs. Mr. Trego stated since we are doing this as a pass through, dollar for dollar, we are agnostic if the customers do it from a revenue perspective. It is a win-win.

Mr. Trego stated it was very well received based on the comments from those who attended. They appreciated their Hometown Utility taking the time to meet with them and giving them ideas to think about. They appreciated us meeting with them, and giving full disclosure on the rates and giving them ideas to work with.

Power Agreement with Duke

The Commission previously approved a revision to our power agreement with Duke to get the state aided charges and the materials and supplies. Mr. Trego stated FERC has approved this agreement.

PWC Power Tools Brochure

Mr. Trego stated our Communications Department has published a tri-fold brochure entitled PWC Power Tools. He stated with TOU Rates coming soon, it provides useful information for our customers to save on their utility bills by changing how they use energy. He stated we have also initiated some new programs that our customers can take advantage.

Water Treatment Changeover

On March 1st, as required we will change over our water treatment from the ammonia based system to straight chlorine. This will be in effect through March 31st.

PWC Day

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Mr. Trego stated our next PWC Day is scheduled for Thursday, May 2nd. We currently have 20 people signed up for this tour. It provides an opportunity for customers, community leaders, and politicians to see what PWC is.

COMMISSIONER/LIAISON COMMENTS

Commissioner Shaw and Council Liaison Jensen commended staff on the Power Tools brochure.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information:

- A. Monthly Cash Flow Report
 - January 2019
- B. Recap of Uncollectible Accounts
 - January 2019
- C. Investment Report
 - January 2019
- D. Purchase Orders
 - December 2018
 - January 2019
- E. Position Vacancies
- F. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18789 – install 8” SDR-26 sewer main & 8” C900 water main @ SR4415 (Farmers Rd) and US401 (Ramsey St.)

ADJOURNMENT

There being no further business, upon motion by Commissioner Huff, seconded by Commissioner Fowler, and unanimously approved, the meeting was adjourned at approximately 9:55 a.m.

**PUBLIC WORKS COMMISSION
ACTION REQUEST FORM**

TO: David W. Trego, CEO/General Manager

DATE: March 6, 2019

FROM: Trent K. Ensley, Procurement Manager

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ACTION REQUESTED: Approve contract award for Scotsdale Water Main Replacement project. This project consists of installing new eight (8) inch ductile iron pipe (DIP) and two (2) inch polyvinyl chloride (PVC) water main, valves, hydrants, blow-off assemblies, service connections, as well as the abandonment of the existing six (6) inch and two (2) inch water mains. Work shall include trenchless pip installation methods where specified, post-inspection of the replaced mains, and all other items necessary to provide a complete project.

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BID/PROJECT NAME: Scotsdale Water Main Replacement

BID DATE: February 19, 2019

DEPARTMENT: Water Resources Engineering

BUDGET INFORMATION: Funding for this project is from the FY2019 CIP, WS 54 (CPR1000396). The projected contract will be in the amount of \$809,685.00. This project is bond funded and there are sufficient funds available.

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BIDDERS	TOTAL COST
Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC	\$ 809,685.00
BridgePoint Civil, Goldsboro, NC	\$1,155,000.00
Garney Companies, Inc., Cary, NC	\$1,372,103.00
Sanford Contractors, Lemon Springs, NC	\$1,436,695.33
Odell Smith & Sons Plumbing Co., Inc., Spring Lake, NC	\$1,544,322.00

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AWARD RECOMMENDED TO: Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC

BASIS OF AWARD: Lowest responsive, responsible bidder

.....

COMMENTS: This project was advertised on January 23, 2019. Amendment No. 1 was issued February 12, 2019. This amendment included the sign-in sheet and Pre-Bid Meeting Notes held on January 29, 2019, Bidder Qualification form, Revision of Section 00300- Bid Proposal, and a list of questions received with the responses. Amendment No. 2 was issued on February 14, 2019. This amendment was to provide clarification for the warranty period. When the bids were opened Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC was the lowest responsive, responsible bidder.

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ACTION BY COMMISSION

APPROVED _____ **REJECTED** _____

DATE _____

ACTION BY COUNCIL

APPROVED _____ **REJECTED** _____

DATE _____

BID HISTORY
SCOTSDALE WATER MAIN REPLACEMENT
BID DATE: FEBRUARY 19, 2019

Consulting Engineer

McKim & Creed, Inc., Raleigh, NC

Advertisement

- | | | |
|----|------------------------|-------------------------------|
| 1. | PWC Website | 01/23/2019 through 02/19/2019 |
| | Amendment No.1 | 02/12/2019 |
| | Amendment No. 2 | 02/14/2019 |
| 2. | The Fayetteville Press | General Monthly Ad |

List of Prospective Bidders

1. Sanford Contractors, Sanford, NC
2. Sandhills Contractors, Sanford, NC
3. Sandy's Hauling & Backhoe Service, Inc., Roseboro, NC
4. State Utility Contractors, Monroe, NC
5. Step Construction, Lagrange, NC
6. T.A. Loving Company, Goldsboro, NC
7. Utilities plus, Linden, NC
8. Wells Brothers Construction, Inc., Turkey, NC
9. Lanier Construction, Snow Hill, NC

List of Organizations Notified of Bid

Small Business Administration Programs:

Small Business Administration Regional Office (SBA)
NC Procurement & Technical Assistance Center (NCPTAC)
Veterans Business Outreach Center (VBOC)
Small Business Technology Center (SBTDC)
Women's Business Center of Fayetteville (WBC)

Local Business and Community Programs

FSU Construction Resource Office (FSUCRO)
FSU Economic Development Administration Program (FSUEDA)
NAACP, Fayetteville Branch
FTCC Small Business Center (SBC)
Greater Fayetteville Chamber
Hope Mills Chamber
Spring Lake Chamber
Fayetteville Business & Professional League (FBPL)

State Business and Community Programs

NC Institute of Minority Economic Development (The Institute) Durham, NC
NAACP, State Branch Raleigh, NC
National Utility Contracting Association- NC Chapter (NUCA)
Durham Chapter of the National Association of Women in Construction (NAWIC)
South Atlantic Region of National Association of Women in Construction (NAWIC)
The Hispanic Contractors Association of the Carolinas (HCAC)
United Minority Contractors of North Carolina (UMCNC)

Media

Bladen Journal
Fayetteville Press News
Fayetteville Observer
iBronco Radio at FSU
Up & Coming Weekly
WIDU, AM1600

SDBE/Local Participation

SDBE: No SDBE listed in the Bidder's Proposal.

Local: The Bidder intends to subcontract with Suntree Landscaping, Fayetteville, NC for the Sod Installation for \$165,000.00.

DARSWEIL L. ROGERS, COMMISSIONER
WADE R. FOWLER, JR., COMMISSIONER
EVELYN O. SHAW, COMMISSIONER
D. RALPH HUFF, III, COMMISSIONER
DAVID W. TREGO, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
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March 7, 2019

MEMO TO: David Trego, CEO/General Manager

MEMO FROM: Rhonda Haskins, Chief Financial Officer

SUBJECT: Close the Facility Investment Fee Capital Reserve Fund

Attached is an amendment to close the Facility Investment Fee Capital Reserve Fund for Commission action at the March 13th meeting. This fund was originally adopted in June of 2018 in compliance with the North Carolina General Statutes. An amendment to the Statutes relieved PWC of the requirement to use this reserve fund.

Background

Session Law 2017-138, as originally enacted, required that all system development fee revenues be accounted for by a means of a capital reserve fund establish under Part 2, Article 3 of Chapter 159 of the North Carolina General Statutes. Certain provisions of Session Law 2017-138 created potential conflicts with various revenue bond orders governing water and sewer revenue bonds issued by local government units. In many existing bond documents for local government units, system development fees are either required or permitted to be deposited into a revenue fund, together with other water and sewer revenues, and applied to pay operating expenses, debt service and other payment requirements permitted by the bond documents. Thus, the requirement to deposit these system development fees into a separate capital reserve fund conflicted to some extent with applicable bond document provisions.

In June 2018, the General Assembly adopted Session Law 2018-34 (HB 826), which amended G.S. 162A-211 relating to the accounting for, and application of, system development fee revenues by local government units. This amendment permits system development fees to be deposited and applied in the manner set forth in the Bond Order.

PWC's Bond Order permits FIFs to be deposited in the general fund as revenues and thus become security for the outstanding bonds. The primary reason for doing so is to allow FIFs to be included in "Income Available for Debt Service" which benefits PWC's debt coverage ratios.

Jamie West and I discussed the issue thoroughly with Bond Counsel and both concluded that depositing FIFs in the general fund would be of benefit to PWC.

Recommendation

Staff recommends that the Commission adopt the attached budget ordinance amendment closing the Facility Investment Fee Capital Reserve Fund.

CAPITAL RESERVE FUND AMENDMENT - CLOSEOUT
FACILITY INVESTMENT FEE CAPITAL RESERVE FUND AMENDMENT #1
PWCORD2019-06

BE IT ORDAINED by the Fayetteville Public Works Commission (PWC) that pursuant to Article 8 of Chapter 162A and Sections 18 to 22 of Chapter 159 of the General Statutes of North Carolina, the following capital reserve fund ordinance is hereby amended:

Section 1. The amendment for closeout authorized is to the Facility Investment Fee Capital Reserve adopted June 13, 2018 by PWC to account for the collection and uses of PWCs system development fees formally named Facility Investment Fees (FIF) to make payments on existing debt related to past capital projects for its water and wastewater system.

Section 2. The officers of this unit are hereby directed to proceed with final closeout of the project and make necessary closing entries.

Section 3. The 2018-2019 revenues anticipated to be available and authorized to be accumulated by PWC for the reserve fund are:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Transfer from PWC Water/Sewer Fund	\$ 1,063,500	\$ (1,063,500)	\$ -	\$ -

Section 4. The 2018-2019 uses of accumulated funds are authorized:

	Current Budget	Budget Closeout	Revised Budget	Actual Closeout
Transfer to PWC Water/Sewer Fund - Debt Service	\$ 1,063,500	\$ (1,063,500)	\$ -	\$ -

Section 5. Copies of this capital reserve fund amendment shall be made available to the PWC budget officer and finance officer.

Adopted this 13th day of March 2019.

Open Commission Requests

As of 3/13/19

<u>Commission Meeting Date</u>	<u>Presentation/Discussion Item</u>	<u>Presenter (Staff)</u>
To be Determined	Discuss Employees' Compensation Policy outside the Max Payscale Requested by: Commissioner Rogers/Lallier – 7/27/16	D. Trego B. Russell
To be Determined	Presentation on Customer Segmentation Relative to Smart Grid. Requested by: Commissioner Rogers – 2/24/16	M. Brown
To be Determined	Develop criteria for determining successful design-build projects, including evaluating the completed projects against expectations. Requested by: Commissioner Rogers 11-3-17 (via email)	
COMPLETED (VIA EMAIL) February 27, 2019	Research how PWC compares to Greensboro and Winston Salem regarding water/wastewater rates and fees. Requested by: Commission – 2-27-19	D. Trego
COMPLETED City Selected New Vendor	Review of Fleet Management Services Agreement Updated: 1/20/17	S. Fritzen
COMPLETED November 14, 2018	Update on the Community Solar Project Requested by: Commissioner Rogers 10-24-18	J. Rynne M. Brown
COMPLETED (VIA EMAIL) 11/7/18	Provide sub-report to the Analysis of Local Procurement Spending in FY2018 Requested by: Commissioner Shaw – 10-24-18	D. Trego

PREVIOUSLY CLOSED COMMISSION REQUESTS HAVE BEEN ARCHIVED

February 1-28, 2019

Personnel Report

<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
MANAGEMENT						
Executive	5	5				
Customer Programs Admin	1	1				
Human Resources Admin	1	1				
Communications/Comm Rel	1	1				
Corporate Services	1	1				
Financial Administration	1	1				
Water Administration	1	1				
Electric Administration	1	1				
Total	12	12	0	0	0	0
COMM/COMM REL						
Communications/Comm Relations	4	4				
Total	4	4	0	0	0	0
HUMAN RESOURCES						
Human Resources	7	6			1	
Medical	1	1				
OD/Safety & Training	1	1				
Total	9	8	0	0	1	
CUSTOMER PROGRAMS						
Programs Call Center	11	9			2	
Development & Marketing	4	4				
Water Meter Shop	2	2				
Electric Meter Shop	2	2				
Utility Field Services	19	17			2	
Meter Data Management	6	6				
Total	44	40	0	0	4	
CORPORATE SERVICES						
Project Management	15	13			2	
Warehouse	13	12			1	
Fleet Maintenance	42	34			8	2
Facilities Maintenance	7	7				
Information Systems	3	2			1	
Telecommunications	11	10			1	
Applications Support	9	7			2	
End User Computing	8	5			3	
Total	108	90	0	0	18	2

February 1-28, 2019

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FINANCIAL						<i>or Part-time</i>
Accounting	12	12			0	
Payroll	1	0			1	
Accounts Receivable	9	9				
Customer Accts Call Center	44	*44			*2	1
Customer Service Center	12	12				
Risk Management	2	2				1
Environmental Compl	1	1				
Claims	1	1				
Property & ROW Mgmt	6	6				
Collections	0	0				
Internal Auditing	1	1				
Financial Planning	5	5				
Budget	2	2				
Rates & Planning	2	2				
Financial Planning Admin	3	3				
Purchasing	8	7			1	1
Total	109	107	0	0	2	3
WATER RESOURCES						
W/R Engineering	36	35			1	
W/R Construction	103	96			7	
P.O. Hoffer Plant	10	10				1
Glenville Lake Plant	7	7				1
W/WW Facilities Maint.	25	25				1
Cross Creek Plant	11	11				
Rockfish Plant	8	8				
Residuals Management	2	2				
Environmental Services	1	1				
Laboratory	6	6				
W/R Environ. Sys. Prot.	4	4				
Watersheds	1	1				1
Total	214	206	0	0	8	4
<i>DIVISION</i>	<i>AUTHORIZED POSITIONS</i>	<i>ACTUAL EMPLOYEES</i>	<i>Part -time Employees</i>	<i>CONTRACT POSITIONS</i>	<i>VACANT POSITIONS</i>	<i>Staff by Temp Agency</i>
ELECTRIC						
Electrical Engineering	23	22			1	
Fiber	2	2				
Electric Construction	77	74			3	
Substation	14	13			1	
Apparatus Repair Shop	5	5				
CT Metering Crews	4	4				
Compliance	3	3				
Power Supply SEPA	0	0				
Power Supply Progress Energy	0	0				
Generation	26	25			1	
Total	154	148		0	6	
TOTAL	654	615	0	0	39	9

*2 temporary overstaff in Customer Service