

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

Present: Evelyn O. Shaw, Vice-Chairlady
D. Ralph Huff, III, Secretary
Wade R. Fowler, Jr., Treasurer

Others Present: David W. Trego, CEO/General Manager
Michael Boose, Cumberland County Liaison
PWC Staff

Absent: Darsweil L. Rogers, Chairman
Telly Whitfield, Assistant City Manager
Kathy Jensen, City Council Liaison
Melissa Adams, Hope Mills Town Manager/Liaison
Media

REGULAR BUSINESS

Vice-Chairlady Shaw called the meeting of Wednesday, March 13, 2019, to order.

APPROVAL OF AGENDA

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

INTRODUCTION OF NEW CIO

Mr. Trego introduced Mark Lawler, PWC's new Chief Information Officer. He stated PWC engaged in a local, regional and national search to fill Paul Rao's shoes, our former Director of Information Systems. Mark Lawler comes to us from Colorado and he has in depth experience working with various software firms. Mr. Trego stated he has knowledge in Oracle and other platforms, as well as experience installing and upgrading systems.

Mr. Lawler stated he is 'super happy' to be at PWC. He has worked in the technology space for close to 30 years. He also considers himself a hands-on technology operator. He has been involved in the configuration and installation of platforms at a detailed level. Mr. Lawler is a US Army Veteran. After leaving the army, he embarked on his career in the corporate IT world, holding a number of leadership positions. His most recent employment was with Quark Software, Inc. in Colorado.

Mr. Trego went on to state Mr. Lawler received his start in IT in military intelligence. Mr. Lawler stated as intelligence analysts, they ran all the systems and operations for secure networks. Mr. Trego stated cyber security is very important for the electric industry. The Commissioners welcomed Mr. Lawler to the PWC team.

CONSENT ITEMS

Upon motion by Commissioner Huff and seconded by Commission Fowler, Consent Items were unanimously approved.

- 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 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

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

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

Mr. Trego stated at the February 27, 2019, Commission meeting PWC Staff presented recommendations for water and wastewater rates for 2019 and 2020. He stated recommendations were made based on the five year Capital and O&M projections. Staff specifically discussed several large DOT projects, including Raeford Road, Camden Road and Ramsey Street, which will require the relocation of PWC facilities estimated at \$60 million. The public hearing was also held in that meeting. We had one in-person speaker and one that submitted a written comment (or a question which was answered via email).

Mr. Trego reviewed the recommendations. He 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.
- ▶ Close the Temporary Water Service for Residential Construction Rate Schedule.
- ▶ Make Changes to the Service Regulations and Fee Schedules to facilitate rate changes, initiate the Major Road Project Rider and make other minor modifications.
- ▶ Effective May 1, 2019 combine the PWC Service and Rate Regulations and Schedule of Deposits, Fees & Charges into a single document

Mr. Trego provided scenarios for the typical customer impacts

- ▶ 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

Mr. Trego stated Staff requests that the Commission approve the following changes as published on February 17, 2019, and as presented to the Commission and made available for public comment on February 27, 2019;

- All proposed water and wastewater rate schedules with the effective dates set forth therein;
- The revised Service and Rate Regulations and the revised Schedule of Deposits, Fees and Charges, effective on March 13, 2019;
- Sunset the Service and Rate Regulations and the Schedule of Deposits, Fees and Charges on April 30, 2019, and adopt the Service Regulations and Charges, effective May 1, 2019, and as further amended effective July 1, 2019.

Commissioner Fowler motioned to approve the proposed changes to the water/wastewater rates and fees as presented. Commissioner Huff seconded the motion and it was unanimously approved. Vice-Chairlady Shaw stated Chairman Rogers wanted it to be known if he were here, he would have also voted in the affirmative.

GENERAL MANAGER REPORT

NEW PWC WEBSITE

Mr. Trego stated we have a new look to the website. It is much easier to manage and it follows the design of the customer portal. We have enhanced the drop-downs, showing all the different layers. Mr. Trego demonstrated the different areas and the ease of using the website.

RAEFORD ROAD PROJECT

Mr. Trego stated there has been a lot of news regarding the changes to the Raeford Road Project. DOT has decided to break this project into three pieces. We originally had it bid and designed as one project, which was the original way DOT planned to do it. We have had several conversations in an attempt to get a final agreement with DOT on the electric and the water side regarding the work we are going to do.

Because they broke it up into three projects, we had a conversation with them regarding the installation of the electric lines and re-engineering of the design. DOT agreed we can complete the project all at once. Mr. Trego stated we were fortunate that the contractor who was the low bidder held his bid price. Staff responded to questions from the Commissioners.

LINEWORKER PROGRAM

Mr. Trego stated the second class of line workers has graduated at FTCC. He, Commissioner Shaw and Dr. Keen will participate in a photo/press op on tomorrow morning.

Mr. Trego stated FTCC is considering an Associate Degree for Line Workers, similar to the program Nash Community College offers. He stated we are having discussions to determine how we can integrate it with our existing hires and apprenticeship program. Mr. Trego stated we have had conversations on the water side as well.

Commissioner Shaw asked if we are still identifying individuals for the program. Mr. Russell stated FTCC has a marketing initiative that is launched throughout the high schools. We will also promote the program when we participate in career day at the schools. Discussion ensued.

PWC EXPO

Ms. Justice-Hinson stated we will have our 5th PWC Expo March 22nd and 23rd at the Skyview on Hay. Most of our major areas are represented for the two days. It is very customer focused. We will have information on the TOU Rates, Incentive Program and our Conservation Specialists will be there. We will have line workers there, with a mock pole, tools and equipment. Water Resources Construction will have a display onsite.

There will Community Resource Partners also there (Red Cross, Salvation Army, Sustainable Sandhills, Action Pathways and more). Ms. Justice-Hinson stated because it is a free event, we only ask that participants bring canned goods donations for Second Harvest Food Bank. We will have four different Beasley Radio Stations onsite for Friday and Saturday as well.

COMMISSIONER/LIAISON COMMENTS

County Commissioner Boose

Commissioner Boose thanked PWC for their participation in the County's Strategic Planning initiatives.

Commissioner Fowler

Commissioner Fowler again thanked Ms. Justice-Hinson and the Communications team for their work on social media.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Personnel Report - February 2019
- B. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18777 – install of 24” HDPE temp. sanitary sewer bypass main @ US401 & US401 bypass

ADJOURNMENT

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Huff, and unanimously approved, the meeting was adjourned at approximately 9:00 a.m.