

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, JUNE 26, 2019

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

Others Present: David W. Trego, CEO/General Manager  
Jay Reinstein, Assistant City Manager  
Kathy Jensen, City Council Liaison  
PWC Staff

Absent: Telly Whitfield, Assistant City Manager  
Michael Boose, Cumberland County Liaison  
Melissa Adams, Hope Mills Town Manager/Liaison  
Media

REGULAR BUSINESS

Chairman Rogers called the meeting of Wednesday, June 26, 2019, to order.

APPROVAL OF AGENDA

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

PRESENTATION OF APPA SCATTERGOOD AND ENERGY INNOVATOR AWARDS

Presented by David W. Trego, CEO/General Manager

David Trego, CEO/General Manager presented the Energy Innovator and the Scattergood Awards.

He stated the Energy Innovator Award is given through the DEED program, which is an R&D arm of the APPA. This award recognizes the ability to determine where a default is based on the information derived from SCADA. Mr. Trego stated this information may not necessarily be a benefit to PWC because we are installing an Outage Management System (OMS), but it has been recognized as a benefit to smaller systems that may not be able to install an OMS or our rural co-ops. Mr. Trego thanked Rick Anderson and the Engineering Group for spearheading this effort.

The Scattergood Award is named after one of the first general managers of the Los Angeles Power District, which is the largest municipal electrical entity in the United States. This is the highest award an organization can receive from the APPA. It recognizes sustained leadership in customer service and other areas. We were specifically recognized for our customer service to our customers (internal and external). Mr. Trego stated though this

award was awarded through APPA, it is a reflection on the entire organization. Mr. Trego stated we will have the Scattergood Award sent to every department at PWC. It is indicative of the importance of the award and overall contribution of all. He stated this is the second time we have received it over the last five years.

## CONSENT ITEMS

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

- A. Approve Minutes of meeting of June 5, 2019
- B. Approve bid recommendation to award bid for purchase of 6,000 tons of Ferric Sulfate Liquid, over a one-year period, with the option to extend the contract for additional one-year periods upon the agreement of both parties to Pencco, Inc., San Felipe, TX, the lowest responsive, responsible bidder, in the total amount of \$1,060,000.00, and forward to City Council for approval.

Water and Water Reclamation treatment chemicals are budgeted under operating expenses in the water or water reclamation facilities' budgets.

Bids were received June 11, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Pencco, Inc., San Felipe, TX	\$1,060,000.00
Kemira Water Solutions, Lawrence, KS	\$1,295,000.00

COMMENTS: Bids were solicited from six (6) bidders with two (2) bidders responding. This bid was advertised through the normal channels on May 28, 2019. Addendum No. 1 was issued on May 29, 2019, to clarify the contract term period. Addendum No. 2 was issued on June 5, 2019, to answer questions submitted by the bidders. The bid received from Pencco represents the lowest responsive, responsible bid. Although Pencco's corporate office is located in Texas, they have a manufacturing plant in Middlesex, NC. There are no local providers of this product.

- C. Approve Public Meeting for July 24, 2019 during regular Commission Meeting at 8:30 a.m.

PWC is seeking to utilize a low interest North Carolina state loan available through the Clean Water State Revolving Fund to fund the estimated \$17.9 million Wastewater Equalization facility to relieve peak wet-weather flows in the Little Rockfish Creek Outfall. In compliance with the North Carolina Department of Environmental Quality Division of Water Infrastructure's Guidance for the Preparation of Engineering Reports and Environmental Information Documents for Collection System Projects, PWC is required to conduct a public meeting after providing a two week prior advertisement of the public meeting. The notice will contain the time and location of the public meeting, when and where a copy of PWC's ER/EID can be reviewed, a brief description of the proposed project, the project cost, the amount of funding required, and the source(s) of funding.

Staff recommends that the Commission authorize the advertisement of a public meeting to be held at the regularly scheduled July 24, 2019 Commission meeting in compliance with the State requirements.

END OF CONSENT

#### REHABILITATION PROGRAM STATUS UPDATE

Presented by: John Allen, PE - WR Engineering

Mick Noland, WR Chief Operating Officer, stated there have been a couple years since the last update. This is a strategic item in the Commission's purview.

John Allen, Water Resources Senior Engineer, stated this will be an update on the asset management and rehabilitation programs. He stated we will review our starting point; current progress; performance indicators to measure success of program; next steps; and asset management program.

Mr. Allen stated the Strategic Rehabilitation initiative began in 2004. He stated it basically focused on the main lining of water main, sewer mains and manhole rehabs. The program has evolved over the last 15 years. We are now doing lateral rehabs; lateral replacements; lift station rehab; water and sewer main replacements. We are doing a lot of work under the title of Rehabilitation. The totals below are the totals of the PWC system only. They do not include Norcross or Stedman.

- Water Main Rehabilitation
  - 1,385 miles (FY2017)
  - 1,399 miles (FY2018)
- Sewer Main Rehabilitation
  - 1,265 miles (FY2017)
  - 1,269 miles (FY2018)
- Manhole Rehabilitation
  - 31,511 manholes (FY2017)
  - 31,721 manholes (FY2018)

Mr. Allen stated 29% of our system is over 40 years of age. It does not mean that the assets will begin to fail, but the best years of the asset is behind them. On average, we are completing less than 1 percent of the system each year, which means we are at a replacement cycle of 100 – 200 years of all assets throughout the system.

The rehab program took up approximately 20% of the budget in 2018; and expects to consume 32% of the budget in 2020.

Mr. Allen detailed and compared the rehabilitation totals for the following:

Water Main Rehabilitation

	FY2016	FY2018
Epoxy Lined	56+ miles	59+ miles
Replaced	14+ miles	19+ miles
Total Expenditure	\$55,000,000	\$65,000,000
System	1,385 miles	1,399 miles

#### Sewer Main Rehabilitation

	FY2016	FY2018
Lined	88+ miles	112+ miles
Replaced	7+ miles	8+ miles
Total Expenditure	\$47,000,000	\$57,000,000
System Size	1,265 miles	1,269 miles

#### Manhole Rehabilitation

	FY2016	FY2018
Lined	1,600+	2,000+
Total Expenditure	\$6,700,000	\$9,600,000
System	31,511 manholes	31,721 manholes

#### Sewer Lateral Rehabilitation

	FY2016	FY2018
Lined/Replaced	1,100+	1,600+
Total Expenditure	\$3,500,000	\$5,500,000
System Size	85,600 laterals	94,700 laterals

#### Performance Indicators:

Mr. Allen provided an update on the Sanitary Sewer Overflows, comparing 2007 thru 2018. He noted the increase in 2017 and 2018. Possible causes include Hurricane Matthew, and increased consistency in reporting SSOs. He also stated most of the overflows are not capacity related. They are the result of grease, roots or vandals. Discussion ensued.

Unaccounted for Water – the average for 36 month rolling average is 8.36%. Unaccounted for Sewer, the average for a 36 month rolling average is 35.68%.

Mr. Allen stated Water Main Repairs average 9.15 per 100 miles (11.01 in FY2018). Sewer Main Repairs average 1.24 per 100 miles (.95 in FY2018).

#### Other Activities - FY2020 & Future

Mr. Allen enumerated the following additional activities PWC is involved in:

Assess Large Water Mains - Pre-stressed Concrete Cylinder Pipe - Total = \$460,900

NCDOT Projects (6-Year CIP) - Replacements - Total = \$60.1 Million

Encase Water Mains under Railroad Tracks (6-Year CIP) - Total = \$4.0 Million

Rockfish Creek Equalization Basin - Total = \$16.9 Million

Large Diameter Sewer Outfall Rehabilitation (6-Year CIP) - Total = \$17.5 Million

#### Lift Stations

- Planned Upgrades (1) - \$16.2 Million
- Planned Replacement (1) - \$1.6 Million
- Planned Rehabilitation (8) - \$1.8 Million

In summary, projected expenditures (6-Year CIP) are:

System Rehabilitation - \$174.1 Million

Lift Stations - \$19.6 Million

Equalization Basin - \$16.9 Million

Sewer Outfall Rehabilitation - \$17.5 Million

Water Main Assessment - \$0.46 Million

TOTAL = \$228.56 Million

Mr. Allen also discussed the Asset Management Program and Plan, which includes three Phases, as well as future tasks. Phase 1 began in FY17 and is completed. Phase 2 began in FY18 and is also completed. Phase 3 is ongoing.

#### Phase 1 (FY2017 - complete)

- Evaluate Current Asset Management Program
- Perform Gap Analysis
  - Technology (condition assessment, rehab, work order system)
  - Operating Strategy
  - Management Strategy
  - Staffing Needs
  - Budget Needs
- Initial Assessment of Long-Term Financial Needs of the Collection System and Distribution System
- Specific Asset Management Plans
  - Collection (including manholes) and Distribution

#### Phase 2 (FY2018 - complete)

- Implement Asset Mgt. Plans for Collection & Distribution Systems
- Develop Prioritization Methodology for Rehab and Replacement
- Develop KPI's, Levels of Service
- Develop Business Processes for Asset Management
- Cost - \$226,000

### Phase 3 (FY2019)

- Working with Consultant to Implement Prioritization Methodology for Rehab and Replacement
- Develop Change Management strategy
- Implement Business Processes for Data Management
- Integrate Legacy Work Order Data into Prioritization Methodology
- Develop Critical Valve Exercise Program
- Cost - \$283,300

### Asset Management – Future Tasks

- Utilize Prioritization Methodology for CIP Development
- Condition Assessment:
  - Cast Iron Water Mains, Force Mains, Sewer Mains and Manholes
- Develop Rehab and Replacement Strategy
- Collection of Data Needed for Asset Management Program
- Implement and Track KPI's, Levels of Service
- Implement Change Management
- Develop and Implement Data Collection Standards
- Create Asset Management Working Group
- Develop
  - Risk-Based Maintenance Program, and System-Wide Valve Exercise Program

Staff responded to questions and comments from Commissioners and Council Member Jensen regarding parallel of rehabilitation; funds expended; consultant assistance in developing predictive models; and capacity of contractors.

## GENERAL MANAGER REPORT

### JAY REINSTEIN

Mr. Trego recognized Jay Reinstein, Assistant City Manager. Mr. Reinstein will retire as of June 30<sup>th</sup>. Mr. Trego stated not only has Jay Reinstein been a good person to work with on a professional basis, but he has also been a good friend to PWC.

Mr. Reinstein thanked PWC for a great working relationship. He stated the next chapter in his life as he moves away from public service is to work with the National Alzheimer's Board. His focus will be younger onset Alzheimer, raising awareness, and new legislation to increase funding to hopefully find a cure. The Jay Walkers team will walk on September 7<sup>th</sup> and has raised \$10,000 so far. He stated the goal is \$40,000. He thanked Mark Brown in assisting in this effort. Mr. Reinstein will throw out the first pitch on July 27<sup>th</sup> at the ballpark (Alzheimer's Awareness Day).

### FLEET TRANSITION

Mr. Trego stated July 1<sup>st</sup> will be the transition of the City's Fleet to Vector. He commented on the smoothness of the transition and the coordination by PWC, the City and Vector. Mr. Trego stated there have been several meetings between PWC/City and Vector to ensure the closeout is done correctly. The parts have been sent over to Vector already, as well as the

vehicles that are to be decommissioned. There are a handful of vehicles that may be caught in transition that are out for long-term repairs at a vendor (such as firetrucks or garbage trucks). On a case-by-case basis, it will be determined if the vendor will bill Vector or the City directly.

Mr. Trego stated we will have the lines of communication open with Vector after July 1<sup>st</sup> to answer any questions or concerns. Mr. Trego thanked staff for their assistance in making this transition very smoothly.

Ms. Fritzen stated the bid for the Fleet building construction will be sent out next week, with the opening of the bids on August 8<sup>th</sup>. She expects to bring the recommendation to the Commission on August 28<sup>th</sup>.

#### APPA DAY OF GIVING

Mr. Trego stated the APPA has a Day of Giving during the National Conference. PWC has joined in with this effort. Ms. Justice-Hinson stated this is the second year we have participated in the Day of Giving. There are several different fan clubs that give box fans to people who do not have or cannot afford to run their air conditioning. This year PWC employees donated and delivered 93 fans, half were delivered to the WFNC Fan Club, which is administered in conjunction with Fayetteville Urban Ministries and the other half were delivered to the Council on Older Adults.

Ms. Justice-Hinson stated in addition to the fan donations, employees also assisted the Fayetteville Urban Ministries Nehemiah Project. This project helps local residents with their homes. This year we assisted a resident near Hopewell Street. There were 25 PWC employees who assisted the resident with cleaning, mowing and trimming the resident's property. Ms. Hinson stated each year we plan to focus on this type of project on the Day of Giving.

#### ELECTRICITIES ANNUAL REPORT

Mr. Trego stated PWC is featured in the middle of this report.

#### COMMISSIONER/LIAISON COMMENTS

***Commission Wade Fowler*** - Commissioner Fowler requested an item to be placed on a future agenda: Overlays on Private Streets within the City When PWC Installs Sewer.

#### REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – May 2019
- B. Recap of Uncollectible Accounts – May 2019
- C. Investment Report – May 2019
- D. Monthly Incident Summary – May 2019

- E. Personnel Report – May 2019
- F. Position Vacancies
- G. Approved N.C. Department of Transportation Encroachment Agreement(s):
  - Encr. #18288 – install. of 1 pole with 3 phase overhead (primary and neutral)
  - Encr. #18806 – install. of 2” water lateral and 6” RJDJ fire line @ SR3569
  - Encr. #18809 – abandon water laterals and sanitary sewer lateral @ NC59 (Rockfish Rd).
  - Encr. #18811 – install. of 6” RJDJ water main and tapping sleeve and valve on NC 24/87 (Bragg Blvd.)
  - Encr. #18812 – install of 1” copper water lateral @ SR1006 (Clinton Rd) & SR18831 (Baywood Rd.)
  - Encr. #18813 – install. of 24 in. DIP storm water culvert and driveway @ SR1710 (Slocumb Road).
  - Encr. #18814 – install. 12 inch DI storm water culvert @ US401 (Ramsey St.)
- H. Approved Utility Extension Agreement(s):
  - Water and Sewer to serve The Sentinels, located @ Thrower and Cypress Lakes Roads.
  - Electric, Water and Sewer to serve the Skibo Road Project, located at 2050 Skibo Rd.
  - Water and Sewer to serve Campbell Soup Distribution, located at Clark West and Evans Dairy Roads.
- I. Actions by City Council during the meeting of June 10 2019, related to PWC:
  - Approved Bid Recommendation - Annexation Phase V Project X - Area 22 - Emerald Gardens and Arran Lakes West Subdivisions Project

**CLOSED SESSION PURSUANT TO N.C. GENERAL STATUTES 143-318.11(a)(6) TO DISCUSS PERSONNEL MATTERS**

Commissioner Fowler motioned to go into closed session pursuant to NC General Statutes 143-318.11(a)(6) to discuss personnel matters. Motion was seconded by Commissioner Huff and unanimously approved at 9:38 a.m.

Following discussion, upon motion by Commissioner Fowler, seconded by Commissioner Shaw and unanimously approved, the meeting returned to open session at 11:09 a.m.

**ADJOURNMENT**

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Shaw, and unanimously approved, the meeting was adjourned at 11:10 a.m.