

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 11, 2019
8:30 AM

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

Others Present: David W. Trego, CEO/General Manager
Telly Whitfield, Assistant City Manager
Kathy Jensen, City Council Liaison
Michael Boose, Cumberland County Liaison
PWC Staff

Absent: Melissa Adams, Hope Mills Town Manager/Liaison
Media

REGULAR BUSINESS

Chairman Darsweil Rogers called the meeting of Wednesday, September 11, 2019, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

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

- A. Approve Minutes of meeting of August 28, 2019
- B. Approve bid recommendation to award bid for purchase of two (2) Cab and Chassis Equipped with HD150ABDW Service Body and PTO Mounted Compressor to H & H Truck, Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$244,054.00, and forward to City Council for approval.

The two (2) Cab and Chassis Equipped with HD150ABDW Service Body and PTO Mounted Compressor are budgeted items (budgeted amount of \$293,000.00 in the Water Construction & Maintenance Capital Budget Codes 2006201805 & 2006201836).

Bids were received on August 20, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
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H&H Truck, Fayetteville, NC

\$244,054.00

Comments: Notice of the bid was advertised through our normal channels on July 22, 2019. Addendum No. 1 was issued on August 9, 2019 to extend the bid opening date from August 13, 2019, because bidders requested more time to August 20, 2019. Bids were solicited from various vendors with one (1) vendor responding. Fleet staff concurs it is in the best interest of PWC to purchase the units from H&H Truck, Fayetteville, NC. **SDBE:** H&H Truck, Fayetteville, NC is a local business that is not classified as a SDBE, minority or woman-owned business.

- C. Approve bid recommendation to award bid for purchase of three (3) 4X4 Pick-ups to Cooper Food, Carthage, NC, the lowest responsive, responsible bidder in the total amount of \$96,519.00, and forward to City Council for approval.

The three (3) 4X4 Pick-ups are budgeted items (budgeted amount of \$101,310.00 in the Electric Construction & Maintenance Capital Budget Codes 2008201769 & 2008201847 to replace Units 261, 2304 and 2306).

Bids were received on August 20, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Cooper Ford, Carthage, NC	\$96,519.00
Lafayette Ford, Fayetteville, NC	\$97,109.00

COMMENTS: Notice of the bid was advertised through our normal channels on July 22, 2019. Addendum No. 1 was issued on August 9, 2019 to extend the bid opening date from August 13, 2019 to August 20, 2019. Bids were solicited from various vendors with two (2) vendors responding. **SDBE:** Cooper Ford, Carthage, NC, is not classified as a SDBE, minority or woman-owned business.

- D. Approve bid recommendation to award contract for Inventory Steel Poles, to Meyer Utility Structures, LLC, Memphis, TN, the lowest responsive, responsible bidder, in the total amount of \$361,704.00, and forward to City Council for approval.

These poles will be used to support the planned replacement of wood poles. This project will provide seven (7) various types of steel poles for a one-year period, with the right to order additional quantities for an additional (3) year period, upon the agreement of both parties.

This project is funded from Electric Inventory

Bids were received on August 15, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Meyer Utility Structures, LLC, Memphis, TN	\$ 361,704.00
TAPP, Inc., Houston, TX	\$ 384,100.00
Shealy Electrical Wholesales (Keystone), Greenville, SC	\$ 390,069.55
MD Henry Company, Inc., Pelham, AL	\$ 426,636.00
Rohn Products, LLC, Peoria, IL	\$ 466,950.00
Shealy Electrical Wholesales (MICA), Greenville, SC	\$ 474,121.00

Summit Utility Structures LLC, Allentown, PA	\$ 489,757.00
Valmont Newmark, Valley, NE	\$ 681,492.00
Sabre Industries, Alvarado, TX	\$ 695,695.00

COMMENTS: Notice of the bid was advertised through our normal channels on August 1, 2019 with a bid opening date of August 15, 2019. **SDBE/Local:** There is no SDDBE/Local participation. The bidder intends to perform 100% of the work.

- E. Staff requests the Commission approve the issuance of a purchase order in the amount of \$368,130.00 to ABB, Inc., Wickliffe, OH, for the purchase of Console Upgrade to SPO 2.0 from 1.1 for the PWC Butler Warner Generation Plant HMI Upgrade, in accordance with N.C.G.S. 143-129(e)(6), commonly known as the “sole source” bidding exception.

COMMENTS: N.C.G.S. 143-129(e)(6) allows an exception to the bidding requirements for the purchase of apparatus, supplies, materials or equipment when a needed product is available from only one source of supply. ABB, Inc. is the only vendor world-wide who produces this product and meets the necessary requirements for the HMI Upgrade. The existing platform was built on ABB proprietary technology. Therefore, staff requests approval to issue a purchase order in the amount of \$368,130.00 for the purchase of the HMI Upgrade. Currently, the Commission needs to purchase a Site Console Upgrade to Symphony Plus Operations (SPO) 2.1 from the existing 1.1 platform for the PWC Butler Warner Generation Plant HMI Upgrade. The current System is operating off the System Version 1.1 which was sold to PWC back in 2012. This platform was sold on Dell Computers and Windows 7 / Server 2008 operating systems. Microsoft has decided to conclude support of Windows 7 / Service 2008 in January 2020. This is out of our control and we must create new versions of our software to comply and run on newer operating Systems. In addition, the Dell Workstations and Servers have a lifecycle of 5-7 years. This upgrade will provide a version of Windows called 2016 LTSB (Long Term Servicing Branch) that allows for industrial users to have extended support for the new version of Windows, so that it will no longer be the determining factor for these types of upgrades.

This is a budgeted item. \$375,000.00 budgeted in CPR1000435 (EL62 – ABB Control System Microsoft Windows Upgrade). The amounts stated are the dollar amounts budgeted for engineering under the CIP project.

END OF CONSENT

COMMUNITY SOLAR OFFERING AND STANDBY RATE FOR LARGE POWER COINCIDENT PEAK CUSTOMERS

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

Mr. Trego provided a review of the Community Solar Offering and Standby Rate for the Large Power Coincident Peak Customers.

He reminded the Commissioners at the August 28, 2019, Commission meeting PWC staff presented recommended Rate Riders for Community Solar and a Standby Service Rider for Large Power Coincident Peak Customers.

He stated the Community Solar Rider will set the enrollment fee and the initial monthly subscription fee and bill credit for those customers who choose to participate. The Rider is based on the Community Solar installation being 100% breakeven over its useful life. The Rider also sets the initial customer class set asides to promote maximum participation.

The Standby Rider is for those Large Power customers who decide to install generation behind the PWC meter but require PWC to provide back-up or standby service.

He stated at the August 28th meeting the Commission set September 11th for a Public Hearing and vote on the two Riders.

Community Solar Offering Summary

- \$20 Enrollment Fee on 1st panel, each additional panel \$10
- Monthly Fee to recover balance of installed 1st cost - \$1.53/panel
- Initial monthly customer credit net of O&M and Reserve - \$2.51/panel
- Initial monthly bill credit \$2.51 - \$1.53 = \$0.98/panel
- PWC to retain solar RECS for REPS compliance

Panels	Enrollment Fee	Net Monthly Credit	Annual Credit	Payback on Enrollment Fee
1	\$20	\$ 0.98	\$ 11.80	20 months
2	\$30	\$ 1.97	\$ 23.61	15 months
3	\$40	\$ 2.95	\$ 35.41	14 months
4	\$50	\$ 3.93	\$ 47.21	13 months
5	\$60	\$ 4.92	\$ 59.02	12 months

Standby Rider Summary

- ▶ Customer will pay a monthly demand based standby charge for the amount of standby service required above what they purchase directly from PWC
- ▶ The monthly Standby Rate is based upon PWC’s cost of service for Large Power Coincident Peak Customers and can change from time to time
 - Initial rate set at \$6.70/kW
- ▶ If the facility is a Public Utility Regulatory Policies Act (PURPA) qualified facility under 1 MW we will purchase any excess power at an avoided cost rate, currently \$0.04114 per kWh
- ▶ All electric not self-generated will be purchased from PWC at our standard Large Power Coincident Peak Rates

Additional Changes

- ▶ In order to facilitate the adoption of the Community Solar and Standby Service Riders other minor changes to other rate language is necessary

- They create a consistent definition for Demand across all PWC nonresidential rates to be consistent with how we apply it to the Standby Rider
- Eliminates the term “System Average Avoid Cost” from the rate we pay under Buy All/Sell All for power purchased under that schedule

Requested Action

Mr. Trego stated staff recommends that following the Public Hearing that the Commissioners approve the Community Solar Rider and the Standby Service Rider and other minor wording and definitional changes to the Buy All / Sell All Rider and other rate schedules required to facilitate these two new riders as presented for public inspection and as included in the Commissioners Agenda packet.

PUBLIC HEARING ON COMMUNITY SOLAR OFFERING AND STANDBY RATE FOR LARGE POWER COINCIDENT PEAK CUSTOMERS

Chairman Rogers opened the Public Hearing on the Community Solar Offering & Standby Rate for Large Power Coincident Peak Customers.

The Clerk, Venus Durant, informed the Chairman there were no speakers or written comments for the Public Hearing.

There being no speakers or written comments, the Chairman, Darsweil Rogers, closed the Public Hearing.

COMMISSION VOTE ON COMMUNITY SOLAR OFFERING (RIDER) AND STANDBY RATE FOR LARGE POWER COINCIDENT PEAK CUSTOMERS

Commissioner Fowler motioned to approve the recommendations for the Community Solar Rider and the Standby Service Rider and other minor wording and definitional changes to the Buy All / Sell All Rider and other rate schedules required to facilitate these two new riders, as presented by staff. Motion was seconded by Commissioner Huff, and unanimously approved.

UPDATE ON HURRICANE DORIAN

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

Mr. Trego stated fortunately for the Fayetteville-Cumberland area, Hurricane Dorian was a non-event. He stated staff prepared as if we would have another major event like Matthew and Florence, however the storm remained on the path that the NWS and NOAA stated it would be, off the coast of NC until it reached the Outer Banks. We had hurricane force winds here, but we did not get a direct hit. We had less than 50 customers without power.

Mr. Trego stated staff was prepared and worked very hard. We also participated in a news conference with the County, Mayor and City staff. We all worked together, and Bill Kirby of the Fayetteville Observer wrote a nice article highlighting how all the parties collaborated well

together. Mr. Trego stated he is glad we prepared, though we did not have to use our preparedness. So basically, his update is really no update because we faired very, very well.

Commissioner Fowler thanked Duke for having crews staged close-by in case there was a transmission issue with our PODs. Mr. Trego stated Jon Rynne, Electric Systems Chief Officer, checked and they had someone very close by in case we needed them.

Commissioner Rogers asked notwithstanding this was a non-event, were there any lessons learned? Mr. Trego responded several days before this event, we completed a table-top exercise related to a hurricane. During this event we reviewed the action items following the last hurricane (Hurricane Florence). The positive thing is we implemented almost everything that was on the Florence to-do list. We are in the process of implementing an OMS system, but we have a stop-gap in place until it is fully implemented. Mr. Trego stated he believes we did an excellent job preparing for this storm.

Commissioner Fowler also stated he believes PWC staff did well on setting the expectation regarding the winds. Staff informed the public ahead of time if the wind speed was above 30 miles mph, the trucks could not go up.

GENERAL MANAGER REPORT

Reappointment and Certification

Mr. Trego stated Commissioner Evelyn O. Shaw has been reappointed to the PWC Board of Commissioners for a second term. She will be sworn in/affirmed at a future Board Meeting.

He informed the Commissioners Venus Durant, Clerk to the Board, received her certification as an NCCMC (North Carolina Certified Municipal Clerk). She received the certification in Wilkesboro while attending the NCAMC Summer Conference in August.

Fleet Building

Council approved the Bid Recommendation for the Fleet Building. Our goal is to begin construction in early October.

Solar Panels

Solar panels are operating. We have charged the battery. We have some punch list items for Dewberry to complete. Once all is complete, we plan to have a ribbon-cutting ceremony when we are ready to go commercial. Mr. Trego stated we may schedule it in conjunction with a Commission meeting, with the Commissioners' agreement. Commissioner Rogers stated he assumed it is a given we invite the community leaders to attend. Mr. Trego stated we will create an invite list. Commissioner Rogers also suggested offering a tour.

Mr. Trego stated this is the first installation in NC by a municipality that combines solar with battery. There was a lot of interest in our community solar at the ElectriCities Conference because of the uniqueness. It is a way to control demand and lower cost.

Jay Reinstein

Mr. Trego stated for years our liaison with the City was Jay Reinstein. He has been diagnosed with early onsite Alzheimer's. He has been very active in raising money and awareness. Mr. Brown stated before Mr. Reinstein retired, they played Putt-Putt regularly. After a friendly event, staff discussed and planned a Putt-Putt event as a fundraiser for Alzheimer awareness in support of Mr. Reinstein. Mr. Brown then described the event which will take place on Wednesday, October 16th.

Business NC Magazine

PWC has an ad in the Business North Carolina magazine on page 64. On page 70, our building, (RC Williams) is pictured.

COMMISSIONER/LIAISON COMMENTS

Commissioner Wade Fowler

Commissioner Fowler inquired about the Electric Charge Stations which are free. He wanted to know why they are free; and why we are cross-subsidizing them. Mr. Trego stated we received a grant for the stations. As a condition of the grant, we were to provide the charging stations free for three years. After the three years, we came back to the Commissioners, and asked if the consensus was to continue to offer them free of charge, to encourage their use. Mr. Trego stated there was a minimum amount of people using them, and the cost was very low. The Commission agreed. He stated we will re-address this issue when we discuss electric rates. Mr. Brown stated Kathy Miller and her staff are working on in-depth research on electric vehicles and electric vehicle re-charging.

Council Member Kathy Jensen

Council Member Jensen requested for staff to offer a presentation to the Council regarding the Solar Offering and the Standby Rate. Mr. Trego stated we have a set-aside for the City and County as well.

Commissioner Michael Boose

Commissioner Boose also requested for staff to offer a presentation to the County Board of Commissioners on the Solar Offering and Standby Rate, and set-asides.

He also stated though this storm was not as bad as other hurricanes, PWC under-promised and over delivered.

City Liaison Dr. Telly Whitfield

City Liaison Whitfield thanked PWC for the coordination during the storm. There was a representative from PWC at the CCC they set up in City Hall. He feels the communication was very well.

Commissioner Darsweil Rogers

Commissioner Rogers reminded everyone the Chamber Coffee Club will be held next Thursday morning. It is being sponsored by H&H Homes at Segra Stadium. Commissioner Rogers will discuss the BBR. Mr. Trego stated the BBR and Tier One was mentioned at the Hope Mills Commissioners Meeting (it was noted in the FayObserver).

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Personnel Report - August 2019
- B. Position Vacancies
- C. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18820 – install water lateral for fire hydrant @ SR1219 (Ireland Dr.)
- D. Approved Utility Extension Agreement(s):
 - E/W/S to serve North Ridge Park Phase IV, located on Mount Rainer Drive
 - E/W/S to serve Fayetteville Minor League Baseball Stadium/Entertainment

ADJOURNMENT

There being no further business, upon motion by Commissioner Fowler, seconded by Commissioner Huff, and unanimously approved, the meeting adjourned at 8:58 a.m.