

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, OCTOBER 23, 2019

RIBBON CUTTING CEREMONY

- ❖ Prior to the official start of the Commission Meeting, PWC held a Ribbon Cutting Ceremony in Celebration of North Carolina's First Community Solar Farm and Battery Installation. The event was held on the grounds of the Butler Warner Generation Plant, and was attended by all four PWC Commissioners, several former Commissioners, PWC employees, City of Fayetteville Mayor Mitch Colvin, City Council Members, County Commissioners, County and State officials, as well as the media.

Mr. David W. Trego, PWC CEO/General Manager opened the event by welcoming everyone to the ribbon cutting ceremony as they celebrated the first municipal system in NC to offer its customers community solar. He stated our solar farm will produce 1 megawatt of electricity from the sun, has over 3,300 panels and is tied to 500 kW of battery storage.

PWC Chairwoman, Evelyn Shaw stated as the chair of the Commission she is honored to be a part of this project. She stated the Commission has long had a strategic goal for long term sustainable growth, community growth and economic development. She stated this project represents a very primary part of that strategic goal.

She stated we have at PWC always maintained that a hometown utility is the very best of the best. Being first with a project such as this in the state should make all of us very proud. More importantly it should allow us to capture and believe in the fact that what we say we are going to do, we make strides to do it. And we have done that with the local partners, Horne Brothers and DSI, and of course, PWC employees. She went on to state she has worked with many boards in her 'brief lifetime' but none better than PWC.

Chairwoman Shaw stated that over the course of a year we will see this project generate 1.5 million kilowatts. That is enough energy to serve 100 homes. As we move down the road to long-term sustainable growth, we are looking forward to our second strategic priority to achieve keeping the local dollars in our community. She stated the first step is to bring in local vendors. PWC has made a concerted effort to build local business capacity. That has become somewhat of a mantra for us over the past 2+ years, with Commissioner Darsweil Rogers spearheading the effort.

She asked those present to spread the word that PWC, the Hometown Utility, is a local part of Fayetteville, Cumberland County, and as such we want our local businesses to be our partners in everything we do.

Mr. Trego stated Community Solar is a great fit for our customers, providing all our customers the opportunity to take advantage of solar energy, it doesn't matter if you own/rent or are in the military. He stated we will begin signing customers on November 1st. It is first come, first served, so he encouraged those interested to sign up as soon as possible.

PWC's Solar Kids and PWC's Commissioners cut the ribbon!

9:51 AM

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

Others Present: David W. Trego, CEO/General Manager
Kathy Jensen, City Council Liaison
Maye Hickman, DEQ, NC Weatherization Assistance Program Mgr.
Sheila Knight, DEQ, NC Weatherization Assistance Program
Kevin Martin, DEQ, Renewable Energy Program Mgr.
PWC Staff

Absent: Telly Whitfield, Assistant City Manager
Michael Boose, Cumberland County Commissioner/Liaison
Media

REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of Wednesday, October 23, 2019, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

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

- A. Approve Minutes of meeting of October 9, 2019
- B. Approve cancellation of November 27th and December 25th Commission Meetings
- C. Approve bid recommendation to award contract for 3-PH Capacitor Banks to Wesco Distribution, Inc., Raleigh, NC, the lowest responsive, responsible bidder, in the total amount of \$317,760.00, and forward to City Council for approval.

This project will provide two (2) types of Capacitor Banks for a one (1) year period, with the right to order additional quantities for an additional one (1) year period, if agreed upon by both parties.

The 3-PH Capacitor Banks are funded from Inventory.

Bids were received on October 10, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Wesco Distribution, Inc., Raleigh, NC	\$317,760.00
Anixter Utility Power Solutions, Apex, NC	\$356,060.00

SDBE/Local Participation: The bidder intends to perform 100% of the work.

- D. Approve bid recommendation to award purchase of one (1) 67kV Delta Primary Voltage Power Transformer for the Distribution Station 66 – 12 kV Power Transformer project to Virginia Transformer Corp., Roanoke, VA, the lowest responsive, responsible bidder in the total amount of \$703,563.00, and forward to City Council for approval.

Bids were received on October 4, 2019, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Virginia Transformer Corp., Roanoke, VA	\$ 703,563.00
Anixter, Apex, NC	\$ 714,738.00
WEG Transformers USA, Washington, MO	\$ 895,662.00
Niagara Transformer Corp., Buffalo, NY	\$ 900,395.00
ABB Inc., Crystal Springs, MS	\$ 900,990.00
Delta Star, Inc., Lynchburg, VA	\$ 978,978.00
Delta Star, Inc., St-Jean-sur-Richelieu, Quebec	\$ 981,283.00
SPX Transformer Solutions, Inc., Waukesha, WI	\$1,049,421.00

COMMENTS: Notice of the bid was advertised on September 9, 2019, with a bid date of September 26, 2019. Addendum No. 1 was issued on September 11, 2019, to issue an extension of the bid opening date to October 4, 2019, after receiving requests from multiple bidders. Addendum No. 2 was issued on September 19, 2019, to answer all bidders' questions. **SDBE/Local Participation:** Virginia Transformer Corp., Roanoke, VA, is not classified as a SDBE, minority or woman owned business.

E. Approve Capital Project Budget Ordinances PWCORD2019-27 and PWCORD2019-28

- PWCORD2019-27 – Amends the Annexation Phase V, Areas 20-21 CPF to adjust the revenues. The adjustments are necessary to reallocate Series 2016 proceeds and to update the Series 2018 proceeds from estimated to actual.
- PWCORD2019-28 – Amends the Annexation Phase V, Areas 32 through 34 CPF to adjust the revenues to specifically allocate a portion of the Series 2016 bond proceeds to this CPF.

END OF CONSENT

DISCUSSION REGARDING PWC COMMUNITY SOLAR PROGRAM
PARTICIPATION IN NCDEQ COMMUNITY SOLAR AND WEATHERIZATION
PROGRAM

Presented by: Kathy Miller, Customer Programs Marketing Manager

Kathy Miller, Customer Programs Marketing Manager, introduced the Department of Environmental Quality employees in attendance: Maye Hickman, DEQ, NC Weatherization Assistance Program Mgr.; Sheila Knight, DEQ, NC Weatherization Assistance Program; and Kevin Martin, DEQ, Renewable Energy Program Mgr.

Ms. Miller stated PWC has been accepted into a Federal Department of Energy (DOE) Pilot Program and participating requires the Commission's approval. Ms. Miller stated there were certain requirements for PWC to participate in the pilot program. You must have a program that provides grant funding for 15 years for participation into the Community Solar. They will benefit from the value of participation into the program, as well as efficiencies to the home through home weatherization.

DOE required a targeted value of savings from the solar of \$365.00, a year, per household. Statewide funding was available for 80 households; a minimum of ten (10) per utility. The customers will be identified by the NC Weatherization Assistance Program local action agency. In our case it will be Action Pathways.

Ms. Miller stated in order to reach the targeted savings, we had to increase the allotment to 12 panels per customer for the 10 customers. They (NCDEQ) pays \$3,200 per customer. That pays the enrollment fee and the subscription fee for the 10 customers up to 15 years. Each of those customers will receive the benefit of the bill credit every month, which as of now is \$2.51 per month (\$362 per year). Action Pathways will also receive up to \$4,000.00 to fund weatherization for the participating customers.

PWC was selected to participate in this pilot, and staff requests the Commission to approve an exemption to the maximum 5 panel per customer restriction previously adopted by the Commission for the Community Solar Project. This exemption will be limited to the first ten (10) NCDEQ Community Solar Pilot program grantees, each of whom will be allowed to subscribe up to twelve (12) solar panels (120 in total). Staff also requests for the Commission to authorize the Public Works Commission's CEO to execute the agreements and instruments required for PWC's participation in the Pilot program. Commissioner Fowler asked for clarification regarding the amount Action Pathways will receive on behalf of customers to fund weatherization. Ms. Miller stated Action Pathways will receive \$4,000 per customer.

Commissioner Rogers motioned to accept the staff's recommendation and allow the exemption to the maximum 5 panel per customer restriction for the first 10 ten NCDEQ Community Solar Pilot Program grantees, each of whom will be allowed to subscribe up to twelve (12) solar panels. Motion was seconded by Commissioner Fowler and unanimously approved.

Commissioner Huff motioned to allow the PWC CEO to execute the agreements and instruments required for PWC to participate in the Pilot program. Motion was seconded by Commissioner Rogers, and unanimously approved.

GENERAL MANAGER REPORT

Time Of Use (TOU) Rates

Mr. Trego stated effective November 1st, the time changes on our TOU Rates. It will change from afternoon to morning. The peak time will be 6am to 10am. He stated we want the customers to take advantage and change their thermostats.

1,4 Dioxane Release in the Cape Fear Basin

Mr. Trego stated we received a report this morning that there was another release of 1,4 Dioxane into the Cape Fear River Basin. It was released south of Reidsville approximately 10 days ago. Though it was elevated from previous levels, it was within the bandwidth they have previously seen at Reidsville. Because Reidsville is north of Jordan Lake, we believe it will be well diluted before it gets here. He stated we are cautiously optimistic it will not cause a significant spike here. To make sure, Mick Noland has instructed his personnel to do additional testing at our intake so we can monitor the levels, but since it happened 10 days ago, it may already be past here. At least we did receive some notification of it. Mr. Trego stated we are gathering more information on it. We are cautiously optimistic we will not see a significant elevation here.

Mr. Noland stated we are not sure if it is part of the normal operations of the two industries up in that area. We don't know if it was an accidental release or a part of the two industries normal processing. The State has stated it will enforce permit violations.

Commissioner Rogers suggested the Commission ask the staff to look at what pro-active measures/advocacy we may want to be a part of initiating in terms of the due care of our water source, that would not be just a PWC initiative, but those of us downstream would advocate for having as good of a water source as possible. Mr. Trego responded that the model we used with the Inter-basin Transfer is probably a good place to start, we able to get the City and the County involved, we had all the leaders here as well as the utilities downstream with a unified voice to make something happen. Additional discussion ensued.

Mr. Noland added we did not find out about this until the EPA did a study that analyzed for unregulated contaminants. When they did it three to four years ago, they found Dioxane to be really high in the Cape Fear River. He stated at that time he put together a stakeholder group and they have quarterly conference calls with the DEQ, tracking what they are doing. He felt like they were making some progress. They (DEQ) initiated some basin wide sampling to find out where everything was coming from. The DEQ also formulated a permitting approach to tell people what they needed to do to get the levels down. The sampling was just completed in September. There was progress being made in coming up with a scientific approach in letting industries know what they need to do to get the levels down. Additional discussion ensued on having a unified message for Fayetteville and Cumberland County.

Council Member Jensen stated we have to educate people to let everyone know what PWC is doing; that we are going over and beyond.

COMMISSIONER/LIAISON COMMENTS

Commissioner Fowler thanked Ace May and the Butler Warner staff for the hospitality shown to all who came for the Ribbon Cutting and the Commission meeting.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the Reports and Information.

- A. Monthly Cash Flow Report - September 2019
- B. Recap of Uncollectible Accounts – September 2019
- C. Cash and Investment Report – September 2019
- D. Position Vacancies
- E. Approved Utility Extension Agreement(s):
 - E/W/S to serve Raeford Road Center, located @ Strickland Bridge Rd and Raeford Corporate Park
 - Sewer to serve College Lakes Aquatic Center, located @ 4943 Roseville Rd.
 - E/W/S to serve Hay Street Mixed-Use Development, located @ 470 Hay St and Winslow St.
 - W/S to serve Highcroft Subdivision Section 4, located off Hoke Loop Road
- F. Actions by City Council during the meeting of October 14, 2019, related to PWC:
 - Approved Bid Recommendation – One (1) 56000 LBS Excavator

- Approved Bid Recommendation – Six (6) Trucks with Utility Body
- Approved Bid Recommendation – One (1) 35,000 GVWR Crew Cab & Chassis
- Approved Resolution to Declare Property as Surplus & Authorize Sale by Sealed Bid Through the Fayetteville PWC
- Community Solar Customer Offering – Received Presentation by Mark Brown
- Phase V Annexation Sewer Ext. Project Area 32 – Reviewed Construction Schedule

ADJOURNMENT

There being no further business, upon motion by Commission Rogers, seconded by Commission Fowler, and unanimously approved, the meeting adjourned at 10:15 a.m.