

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 26, 2020
8:30 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
Telly Whitfield, Assistant City Manager
Christopher Davis, City Council Liaison
Steve VanderMeer, Hometown Connections
Tim Blodget, Hometown Connections
PWC Staff

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

REGULAR BUSINESS

Chairwoman Evelyn Shaw called the meeting of Wednesday, February 26, 2020, to order.

APPROVAL OF AGENDA

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

CONSENT ITEMS

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

- A. Approve Minutes of meeting of February 12, 2020
- B. Approve bid recommendation to award contract for Labor for Installation of Bordeaux Substation to Carolina Power & Signalization, Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$923,643.30, and forward to City Council for approval.

The Labor for Installation of Bordeaux Substation Project is budgeted in CPR1000062 Electric Support Services, Substation.

Bids were received February 4, 2020, as follows:

Bidders

Total Cost

Carolina Power & Signalization, Fayetteville, NC	\$ 923,643.30
Lee Electrical Construction, Inc., Aberdeen, NC	\$1,071,630.81
Sumter Utilities, Inc., Sumter, SC	\$1,111,111.11
Davis H. Elliot Company, Inc., Lexington, KY	\$1,287,110.00
Pike Electric, Inc., Mount Airy, NC	\$1,334,223.01
Vaughn Industries, Carey, OH	\$1,617,512.06
Service Electric Co., Chattanooga, TN	\$1,749,500.00
Aubrey Silvey Enterprises, Inc., Carrollton, GA	\$1,750,000.00
Groves Electrical Services, Madisonville, KY	\$1,890,000.00

COMMENTS: Notice of the bid was advertised through normal channels on December 18, 2019, with an original bid opening date of January 23, 2020. Addendums 1 & 2 were issued January 17th to provide answers to questions and clarifications to the specifications. Addendum 3 was issued January 21 to provide change of bid opening date to February 4th. Addendum 4 was issued on January 22nd to provide clarification on drawings. Addendum 5 was issued on January 24th to provide answers to additional questions. Bids were evaluated to ensure compliance with PWC specifications and were evaluated by Electric Support Services, Substations. **Local/SDBE Participation:** Carolina Power & Signalization, Fayetteville, NC, anticipates utilizing local and SDBE subcontractor, Precision Contracting, Fayetteville, NC (\$9,350.00); They will also utilize local/non-SDBE subcontractors Gilmore Farms Hauling, Hope Mills, NC (\$70,000); and ACME Fence, Fayetteville, NC (\$140,000.00)

- C. Approve bid recommendation to award bid for purchase of the Feeder Vacuum Circuit Breaker to NTS, Inc., Raleigh, NC, the lowest responsive, responsible bidder in the total amount of \$357,180.00, and forward to City Council for approval.

The Feeder Vacuum Circuit Breaker is budgeted in CPR1000050 Electric Support Services, Substation.

Bids were received February 12, 2020, as follows:

<u>Bidders</u>	<u>Total Cost</u>
NTS, Inc., Raleigh, NC	\$357,180.00
PowerTech, LLC, Waxhaw, NC	\$363,109.20

COMMENTS: Notice of the bid was advertised through normal channels on January 22, 2020, with a bid opening date of February 12, 2020. Addendum 1 was issued February 4th to provide clarification to the technical specifications. Bids were evaluated to ensure compliance with PWC specifications by Electric Support Services, Substations. **SDBE/Local Participation:** There is no SDBE/Local Participation. The bidder intends to perform 100% of the work.

END OF CONSENT

REVIEW OF RECOMMENDED MAY 1, 2020, ELECTRIC RATE CHANGES

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

Mr. Trego reviewed the staff's recommendation of the May 1, 2020, Electric Rate Changes

The following is a summary of recommended Electric Rate changes/additions, adjustments to fees and service regulation updates as made available to the public ahead of the Public Hearing.

- To have rates reflect a net \$8.98 million reduced revenue requirement enabled by the reduction of Power Supply costs
- To reduce Residential and Small Power rates by 4.7% effective starting in May 2020
- To reduce Medium Power rates by 4.7% and add a Time of Use component to the structure starting in May 2020
- Starting in January 2021 offer an optional rate for Medium Power Coincident Peak for customers with demand greater than 200kW and smaller than 1000kW
- Add Standby rates for Small, Medium and Large Power classifications
- Minor changes to Service Regulations
- Make changes to several fees in both electric and water/wastewater
- No rate changes recommended for May 2021

RECOMMENDED MAY 1, 2020 CHANGES

Residential

	Current	May 1, 2020
Single Phase Fac. Charge	\$20.00	\$20.00
3-Phase Fac. Charge	\$25.00	\$25.00
On Peak Energy Charge per kWh	\$0.130	\$0.130
Off Peak Energy Charge per kWh	\$0.091	\$0.08473

Small Power (Non-Residential) - Demand <=30kW

	Current	May 1, 2020
Single Phase Fac. Charge	\$30.00	\$30.00
3-Phase Fac. Charge	\$45.00	\$45.00
On Peak Energy Charge per kWh	\$0.1350	\$0.1350
Off Peak Energy Charge per kWh	\$0.096	\$0.08935

Medium Power Service – Demand > 30kW but <= 1000kW

	Current	May 1, 2020
Single Phase Fac. Charge	\$37.00	\$37.00
3-Phase Fac. Charge	\$52.00	\$52.00
Demand Charge per kW	\$14.75	\$14.75

Energy Charge per kWh	\$0.050	N/A
On Peak Energy Charge per kWh	N/A	\$0.050
Off Peak Energy Charge per kWh	N/A	\$0.045

Large Power Coincident Peak Service – Demand > 1000kW

	Current	May1, 2020
Facility Charge	\$290	\$290
Coincident Peak Demand	Formula	Formula
Customer Peak Demand Charge	\$2.00	\$3.00
Energy Charge per kWh	\$0.0520	\$0.04545

Large Power Owning Transmission – No changes recommended

OTHER RATE CHANGES

Add optional Medium Power Coincident Peak Rate – Demand greater than 200kW and less/equal to 1000 kW – available January 1, 2021

	Proposed May 1, 2020 Rate
Facility Charge	\$290
Coincident Peak Demand Charge	Formula
Customer Peak Demand Charge	\$4.50
Energy Charge per kWh	\$0.04545

Add Standby Rates for Small, Medium and Large Power Customers

	Reservation Charge per kW	Credit when PWC Power is Used
Small Power	\$3.63	N/A
Medium Power	\$5.92	(\$5.92)
Medium Power CP Rate	\$5.92	(\$4.50)
Large Power Service	\$6.45	(\$3.00)
Large Power Owning Trans.	\$7.05	(\$1.00)

- Standby rates are for customers who install approved self-generation facilities but require PWC to provide back-up (Standby) service 24/7

- Reservation Charge based on self-generation nameplate output
- Credit is given when Power is purchase from PWC to prevent double charging
- Reservation Charge subject to transmission discount when applicable
- Primary voltage discount applies to Reservation Charge and Credit when applicable

RECOMMENDED FEE CHANGES

ELECTRIC	Current	Proposed
Temporary Underground Charges:	\$ 105	\$ 115
Service Conversion Charge:	\$ 910	\$1,000
Underground Conductor Charge:	\$5.00/ft	\$5.35/ft
70 W LED	new	\$16.00
Water / Wastewater	Current	Proposed
Water Service Laterals		
1-inch lateral	\$2,755	\$2,940
2-inch lateral	\$2,924	\$3,220
Sanitary Sewer Service Laterals		
4-inch	\$3,487	\$3,845
6-inch	\$3,842	\$4,210
Split Water Service Laterals		
1-inch (existing lateral)	\$ 731	\$ 790
New 2-inch irrigation tap w/ jumbo meter box	\$4,208	\$4,740
Other Charges		
2-inch bypass and vault	\$2,734	\$3,170
4 inch Elder Valve	\$1,250	\$1,400
Consumptive Water Loss Application	\$ 355	\$ 395
Backflow Prevention Fee	\$ 1.97/month	\$ 2.20/month

Typical Monthly Bill Impacts*

Residential

	Current	May 1, 2020	Difference
Using 1,000 kWh	\$117.63	\$112.43	(\$5.20)
Using 2,500 kWh	\$264.08	\$251.06	(\$13.02)

Small Power Non-Residential

	Current	May 1, 2020	Difference
Using 1,250 kWh	\$159.26	\$152.53	(\$6.73)
Using 3,000 kWh	\$340.23	\$324.07	(\$16.16)

Medium Power Non-Residential

	Current	May 1, 2020	Difference
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Using 28,800 kWh w/ 80kW Demand	\$2,657	\$2,549	(\$108)
Using 28,800 kWh w/ 160 kW Demand	\$3,837	\$3,729	(\$108)

*Assumes Single Phase Service and does not include taxes, coal ash surcharge, lighting charges or adjustments. Also assumes customers on-peak/off-peak split is same as average for the entire rate class.

PUBLIC HEARING ON RECOMMENDED ELECTRIC RATE CHANGES

Chairwoman Shaw opened the Public Hearing. The Clerk to the Board notified Chairwoman Shaw, there were no speakers or written comments.

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

Mr. Trego stated the staff will request approval of the recommended rate changes as we have posted online and made available for customers to review on the March 11, 2020, Commission Agenda.

GENERAL MANAGER REPORT

115th PWC Anniversary

Mr. Trego stated PWC will celebrate its 115th Anniversary next week. The Legislature created PWC in 1905 and has been Fayetteville's Hometown Utility since its inception.

PWC Receives Awards during the United Way Annual Meeting

Mr. Trego announced PWC was recognized for three local campaign related awards during the UW Annual Meeting on February 25th. They include:

- *The Campaign Excellence Award.* This award is given to campaigns who have 85% participation; more than \$104, per capita gift; and a 20% increase in giving.
- *The Chairman's Award* – This award recognizes the best overall local campaign.
- *The Marque Award* – this award is given to the company who has the most marque givers, which are givers who give more than \$1,000. PWC had 51 Marque givers which includes three retirees and two commissioners.
- Rhonda Graham – Received the ***Common Good Award*** for her work on the board and on various committees.
- Carolyn Justice-Hinson – Received the Spirit of Caring Award for all the hard work she does for UW and here at PWC with our campaign. She was also nominated and accepted to be a board member with the United Way.
- The Spirit of NC Award – We are the only recipient in Cumberland County to receive the award this year. We have received it for 14 out of the 15 years this award has been given.

Commissioner Shaw, on behalf of the Commissioners, congratulated the employee workforce for the United Way awards and double congratulations to Ms. Justice-Hinson and Ms. Graham.

Change in Disinfectant

Mr. Trego announced PWC will change the disinfectant in March per state regulations. We will disseminate this information to customers as well.

COMMISSIONER/LIAISON COMMENTS

Council Liaison Davis

Requested a copy of Mr. Trego's presentation regarding Electric Rate recommendations for May 1st. Mr. Trego will request for Venus Durant to forward it to our liaison.

Commissioner Rogers

Requested for Recommended May 1, 2020, Electric Rate Changes to be added to the Council agenda. Council Liaison Davis will ensure it is added.

Chairwoman Shaw

Chairwoman Shaw informed the Commissioners there were drafts of two letters and a copy of a letter at their seat.

Regarding the letter, she stated PWC received correspondence from County Chairman Faircloth pertaining to water in the Grays Creek area. She stated after the most recent meeting with the County, PWC walked away with the understanding we would address the two schools and provide water to them as new PWC customers under our current policies. She stated as we left the meeting, we felt all minds were clear as to our first directive. When we received the letter, you will note that Chairman Faircloth sort of lumped the schools in with the provision of water services to the entire area. That was not our understanding, nor was that the agreement. She stated in the draft of the letter to Chairman Faircloth you will see she has segregated those two items and assured him PWC is ready to proceed to provide water service to the two schools, but PWC's position is still the original position with regard to the lack of density in the Grays Creek area to provide water under the auspicious which was originally described. She also stated in the draft letter the County should proceed in pursuing grants and any other mechanisms which will assist them in making that a viable opportunity for us.

Chairwoman Shaw stated she wanted to clear the air in terms of what we agreed on in the meeting and what his letter stated they want us to do, and what we are capable of doing at this time.

Commissioner Rogers asked who attended the meeting from the County. Chairwoman Shaw stated Chairman Faircloth, Amy Cannon, the County Manager, and Jeffrey Brown, the County Engineer. Commissioner Rogers affirmed that they were in every meeting we have had on this

subject. Discussion ensued. Following discussion, Chairwoman Shaw stated with the Commission's consent, we will send the letter to Chairman Faircloth.

Chairwoman Shaw then addressed the second draft before the Commissioners. She stated as most may know, a week ago this past Sunday there was an article printed in the local newspaper which spoke to Phase V Annexation. There have been previous articles and previous conversations amongst various groups. During those conversations and the articles particularly, we get the sense that there is some miscommunication and misconceptions regarding PWC's role in the Phase V Annexation, particularly with regard the assessed fee. She stated we had some conversation in a meeting with the Mayor, Council Member Davis, Commissioner Rogers, Mr. Trego, the City Manager, and the City's CFO. She stated we thought we made productive progress and some options that might be available that the City would advance for the people who had concerns that they expressed during the City Council's meeting regarding the fee.

After that meeting in the past Sunday's newspaper, an article appeared again and couched in that article was the same misconception about PWC's role, other than the provision of the actual work regarding the assessed fee. So, we believe, and probably not inaccurately, that we have a duty, not only for the organization, but for what the Commissioners are charged to do, to clear those matters. Chairwoman Shaw stated before the Commissioners is a draft letter that has been drafted to send to the editor. She went on to state what they have before them, is what we will submit in whole, and if there are questions or if any wishes to discuss it, she is open to discuss. Unless there are comments or questions, she will send it to the editor as an op-ed. There were no objections.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – January 2020
- B. Recap of Uncollectible Accounts – January 2020
- C. Investment Report - January 2020
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18625 – Install. of RJDI/Steel Water Main Repl @ US Hwy 162 & SR4160 (Bingham Dr.)
- E. Actions by City Council during the meeting of February 10, 2020, related to PWC:
 - Approved NCDOT Request for Right-of-Way (ROW) on Hollow Bridge Rd.
 - Approved Bid Recommendation – One (1) 54,000 GVWR Cab & Chassis with Flatbed
 - Approved the adoption of a resolution authorizing the conveyance of a parcel to the Board of Trustees of the Endowment Fund of Fayetteville State University and the Execution of an agreement confirming certain utility easements.

STRATEGIC PLANNING SESSION

Presented by: Steve VanderMeer, Hometown Connections
Tim Blodget, Hometown Connections

Hometown Connections, the Commission and Staff met to continue the update of PWC's Strategic Plan.

Mr. VanderMeer stated there has been a fair amount of activity with the Implementation Team as well as some of our stakeholder engagement has begun.

He stated when we talk about Strategic Planning, we want to answer these questions.

What do you do today?

What do you want to do tomorrow?

Who will you do it for?

What will be the most important things to focus on?

How will you know when you've succeeded?

Mr. VanderMeer summarized the progress to date. He reviewed the staff and Commission's work on the plan. Initial priorities were identified, and steps to be completed were outlined. Discussion ensued.

Mr. VanderMeer stated he has completed two employee focus groups as well as a meeting with the CAG.

Mr. Blodgett reviewed the Board's priorities from the previous meeting. He provided an update of the staff's work on their assignments. He then proceeded to discuss the draft Vision Statement the board submitted. Discussion continued and the Board refined their Vision Statement. The Board continued discussion on various Strategic Planning topics.

ADJOURNMENT

There being no further business the meeting was adjourned by unanimous consent at 12:05 pm.