

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, OCTOBER 14, 2020
8:30 AM

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

Others Present: David W. Trego, CEO/General Manager
Christopher Davis, City Council Liaison
Telly Whitfield, Assistant City Manager
Melissa Adams, Hope Mills Town Manager/Liaison

Absent: Media

I. REGULAR BUSINESS

A. Chairwoman Evelyn Shaw called the meeting of Wednesday, October 14, 2020, to order.

B. Election of Officers for Fiscal Year 2020-2021

Commissioner Darsweil Rogers submitted the following slate of officers for FY2020-2021.

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

The motion was seconded by Commissioner Fowler, and unanimously approved. Chairwoman Shaw congratulated Commissioner Fowler.

Mr. Trego thanked Commissioner Shaw for her leadership over the past year, as did Chairman Fowler and the other Commissioners.

C. Approval of Agenda

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

II. CONSENT ITEMS

Commissioner Shaw motioned to approve Consent Items. The motion was seconded by Commissioner Huff, and prior to approval, Mr. Trego noted Items D and E are associated with the Rockfish Peak Flow Facilities. For Item D, the Commissioners are approving the Tentative Award, and Item E is approving the contract. Both will also be forwarded to Council for approval. He stated this is an anomaly, but it

will be the process going forward with similar projects in the future because of the revised State procedures. Mr. Noland and Ms. Haskins noted the loan carries an interest rate of ‘not to exceed’ 1.11%.

Mr. Trego noted with Item F we are moving forward with the boiler tube replacement at Butler Warner, and the timing of this replacement is critical because we must coordinate an outage with Duke. We must coordinate the delivery of the tubes as well as the construction so we can meet the needs of our contract with Duke Energy.

Following comments, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of September 23, 2020
- B. Approve Special Meeting Minutes of September 23, 2020
- C. Approve Special Meeting Minutes of September 29, 2020
- D. Approve PWC Resolution – PWC2020.13 – Accepting a State Loan Offer Under the North Carolina Water Revolving Loan and Grant Act of 1987

In September 2020, the North Carolina Department of Environmental Quality (DEQ) offered PWC a \$17,912,000 State Loan for the Rockfish Creek Basin Peak Flow Facilities Project (Project) to the terms of 20 years, 1.11% interest and 2% closing fee. To accept this loan offer, PWC and the City of Fayetteville (City) must adopt a resolution accepting the loan in the form provided by DEQ.

- E. Approve contract award for the Rockfish Creek Basin Peak Flow Facilities Project to J. Cumby Construction, Cookeville, TN, the lowest responsive, responsible bidder in the total amount of \$11,170,485.00, and forward to City Council for approval.

Commission is also requested to approve PWC Resolution – PWC2020.14 in connection with the tentative award of the bid contract and authorize staff to submit a similar resolution to the City of Fayetteville for execution.

This project will construct off-line wastewater storage facilities necessary to prevent sanitary sewer overflows in the Rockfish Creek Basin interceptor system during periods of peak flows and/or extreme wet weather. This project is also needed because of increasing flows in the Rockfish Creek Basin due to the ongoing extension of wastewater service to annexed areas of Fayetteville and to support future growth potential in the south and western areas of Fayetteville. The construction of the basin is the least cost alternative to increase peak flow capacity in this area, being less than half the estimated cost of running a parallel 36” wastewater main.

Funding for this project is from WS-57 Rockfish Creek Basin Peak Flow Facilities (CPR10000135) for \$11,170,485.00. All project costs deemed eligible will be reimbursed from loan proceeds administered by the NC Division of Water Infrastructure via the Clean Water State Revolving Fund (CWSRF) Program (SRF Project No. CS370434-14)

Bids were received September 29, 2020, as follows:

<u>Bidders</u>	<u>Total Cost</u>
J. Cumby Construction, Inc., Cookeville, TN	\$11,170,485.00
M.B. Kahn Construction Co., Inc., Columbia, SC	\$11,898,033.50
Crowder Construction Company, Apex, NC	\$11,908,025.00
Wharton-Smith, Inc., Charlotte, NC	\$12,198,400.00
T. A. Loving Company, Goldsboro, NC	\$12,452,175.00
Adams Robinson Enterprises, Inc., Dayton, OH	\$12,817,000.00
State Utility Contractors, Inc., Monroe, NC	\$14,393,000.00

COMMENTS: Notice of the bid was advertised through our normal channels on August 14, 2020, with a bid opening date of September 29, 2020. Addendum No. 1 was issued on August 18, 2020 to address Contract Document Revisions, Addendum No. 2 was issued on September 17, 2020 to answer questions, and provide minutes from the Mandatory Pre-Bid. Addendum No. 3 and No. 4 were issued on September 25, 2020, to address Contract Document Revisions and to provide response to additional questions received from prospective bidders. Fourteen (14) General Contractors and seven (7) local subcontractors attended the mandatory pre-bid. **SDBE/Local Participation:** J. Cumby Construction is not a local firm. The bidder identified two (2) DBE firms for a total of \$134,553.00 in DBE spend. One (1) of the DBE firms is local from Hope Mills, NC (Patriot Hauling). J. Cumby Construction, Inc., also identified potential local spend for supplies and other expenses in the amount of \$370,000.00 in the following categories: concrete, concrete accessories, lodging and small tools.

- F. Approve bid recommendation to award bid for purchase and installation of boiler tube replacement equipment for three (3) heat recovery steam generators at the PWC Butler Warner Generation plant to Vogt Power International, Louisville, KY, the lowest responsive, responsible bidder in the total amount of \$8,309,000.00, and forward to City Council for approval.

The current equipment was installed in 1987 and is near the end of its service life. This equipment is being replaced now to improve plant reliability to meet the Delivery Performance Factor contained within our Duke Energy Progress power supply contract. Performance of the plant plays a significant role in the amount of savings that can be achieved under the power supply contract.

The Boiler Tube Replacement Equipment and Installation for three (3) Heat Recovery Steam Generators at the PWC Butler Warner Generation Plant Project is funded from EL46 BWGP Heat Recovery Steam Generator Boiler Tube Replacement (CPR1000473) for \$8,309,000.00.

Bids were received August 20, 2020, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Vogt Power International, Louisville, KY	\$ 8,309,000.00
GE Power, Atlanta, GA	\$13,848,941.00

In accordance with N.C.G.S. 143-129 purchase of apparatus, supplies, materials, or equipment, no minimum number of bids are required, and recommendation of award is to Vogt Power International, as the lowest responsive, responsible bidder.

COMMENTS: This specialized equipment is complex in nature requiring significant manufacturing time with installation expected to be complete December 2021. Notice of the bid was advertised through our normal channels on July 14, 2020, with an original bid date of August 13, 2020. Addendum No. 1 was issued on July 27, 2020. The addendum was to provide minutes and questions from the mandatory pre-bid and to extend the bid

opening to August 20, 2020. Addendum No. 2 was issued on August 12, 2020 to provide responses to questions from bidders and to modify the contract document to include performance and payment bonds. Three (3) bidders attended the mandatory pre-bid, two (2) bids were received during the bid opening. **SDBE/Local Participation:** Vogt Power International, Louisville, KY, is not classified as a SD BE, minority or woman-owned business. The bidder identified potential local spend of \$1,895,000.00 in the following categories: crane services, scaffolding, local labor (welders and boiler makers), equipment rentals, and food and lodging.

- G. Approve bid recommendation to award bid for purchase of two (2) 33,000 GVWR Cab & Chassis Equipped with HD150 ABDW Service Body and PTO Mounted Compressor to White's International, Greensboro, NC, the lowest responsive, responsible bidder in the total amount of \$245,586.88, and forward to City Council for approval.

The two (2) 33,000 GVWR Cab & Chassis Equipped with HD150 ABDW Service Body and PTO Mounted Compressor is a budgeted item for \$260,000.00, as stated below.

- a. Water Construction and Maintenance FY2021 Operating Capital replacement for Unit #301 – Budget Code 2106202515 - \$130,000.00.
- b. Water Construction and Maintenance FY2021 Operating Capital replacement for Unit #356 – Budget Code 2106202564 - \$130,000.00.

Bids were received September 30, 2020, as follows:

<u>Bidders</u>	<u>Total Cost</u>
White's International, Greensboro, NC	\$245,586.88
H&H Freightliner, Hope Mills, NC	\$248,202.00

COMMENTS: Notice was advertised through our normal channels on September 4, 2020, with a bid opening date of September 30, 2020. Bids were solicited from twelve (12) vendors with two (2) bids received during the bid opening and the award is recommended to White's International, Greensboro, NC. **SDBE/Local Participation:** White's International, Greensboro, NC, is not a local business and is not classified as a SD BE Minority or Woman-Owned Business.

END OF CONSENT

III. WATER SOURCE RESILIENCY AND RESPONSE PLAN DISCUSSION

Presented by: Mick Noland, Chief Operations Officer – Water Resources

Mr. Noland stated the State adopted in 2019, the State Source Water Resiliency and Response Plan. It requires all utilities using surface water to evaluate risks to their water supply and implement strategies to respond to those risks

- Source Water Protection Plans must include:
 - ID potential contamination sources & potential natural & human caused emergencies
 - Develop strategies for dealing with contamination or loss of source water
 - Develop SOP for closing raw water intake and/or switch to alternate source
 - ID critical equipment that upon failure would result in loss of water
 - Identify emergency contacts
 - Be adopted by governing body & revised every 5 years/or as conditions dictate

Three Major Risks to PWC's Source Water:

Three major risks to PWC's source water are Contamination Events, Failure of Lock and Dam 3, Drought.

Risk: Contamination Event – Mr. Noland described a possible event, and then described PWC's action:

- Close Intake
- Switch to Glenville Lake
- Implement Emergency Water Restrictions (I.e., essential use only, no irrigation, shut down commercial/industrial facilities)
- Evaluation indicates we could maintain system pressure between
- 2 – 6 days depending on clear well storage at the time of the outage and system demand

Risk: Failure of Lock & Dam 3

- PWC proactively working to obtain control of this structure so we will have greater control over its long-term viability
- If failure occurs:
 - Switch to Glenville Lake as water source
 - Implement Emergency Water Restrictions (I.e., essential use only, no irrigation, shut down commercial/industrial facilities)
 - Acquire temporary pumping capacity to withdraw water from the river, work with USCOE to implement temporary repairs
 - Long-term - construct run of river intake and/or repair dam

Risk: Drought

- Monitor river levels and implement water use restrictions based on targets established in the Water Shortage Response Ordinance.
- Implement Emergency Water Restrictions (I.e., essential use only, no irrigation, shut down commercial/industrial facilities) if necessary

Mr. Noland indicated staff recommends the Commission adopt the Source Water Resiliency and Response Plan as presented by staff and approve the attached PWC Resolution (PWC2020.12), which will be provided to the State of NC Division of Water Quality.

Commissioner Shaw motioned to adopt the Source Water Resiliency and Response Plan as represented and approve the PWC Resolution (PWC2020.12). Motion was seconded by Commissioner Huff and unanimously approved.

Commissioner Rogers requested a presentation on the process we follow in the event of a Lock and Dam failure.

IV. GENERAL MANAGER REPORT

FUQUAY-VARINA INTER-BASIN TRANSFER

Mr. Trego stated on September 1st, Fuquay Varina submitted a notice of intent to the Sate for an Inter-basin Transfer.

Fuquay-Varina is requesting an average day transfer of approximately 4 million gallons per day (MGD) and a maximum day transfer of 8 MGD from the Cape River basin to the Neuse River basin. The transfer amount is based on 2055 water demand projects in the Town's service area.

Fuquay does not own its own water capacity. They purchase water from Raleigh, Harnett Count and Johnston County. They would purchase the water that would necessitate the Inter-basin Transfer from Sanford. Fuquay currently takes water from both basins and returns wastewater to both basins.

Fayetteville is solely dependent on the Cape Fear River for its water supply and takes any transfer request extremely serious because of the long term impacts on our water supply needs.

Mr. Trego stated several years ago we took Cary-Apex to court over an inter-basin transfer. That situation was somewhat different, when reviewing the approval process for Cary-Apex we noted they did not follow the procedures that were outlined. Most importantly, they had the ability to return water to the CFR through a plant they built, but they were choosing not to take that action.

Mr. Trego stated we are monitoring the situation and from his perspective, we (City, County, citizens and PWC) have to make sure that all options that Fuquay has, have been explored that could minimize or eliminate the need for the CFR basin. Do they have the means to return the water back to the Cape Fear Basin? Is there another place, other than Sanford where they (Fuquay Varina) can enter into a contract that is in the Neuse River basin? We must ensure all options are explored for the benefit of our citizens.

Fuquay-Varina has scheduled a public hearing here in Fayetteville on Wednesday, October 21st @ 6:30 pm to hear comments. The meeting will be held at Cross Creek Mall in the parking lot adjacent to Macy's at the intersection of Skibo and Morganton Road.

Mr. Trego requested for the Commission's consensus in giving the chairman the authorization to work with staff to develop a written response to the State. The Commission provided their consensus.

Commissioner Rogers asked if we will ask the City, County, Wilmington and others to do something similar. Mr. Trego stated yes, as part of our strategy we will make sure all who rely on our water supply are included.

Commissioner Rogers asked if Fuquay returns water to both basins now. Mr. Trego stated from his knowledge they do not own their own water plant; they own a wastewater plant, but they also contract for wastewater from Harnett County, so some of the wastewater is returned to the Cape Fear Basin. Since they are asking for an inter-basin transfer, they are requesting for water to come from the Cape Fear Basin and be returned to the Neuse River Basin. Additional discussion ensued.

UPDATE ON POST EXECUTIVE ORDER 124 & 142

We are collecting funds from customers in the 6-month recovery period. Mr. Trego stated we did not wait for customers to request a payment plan; we placed all customers who were in arrears on a payment plan.

Arrears as of 10/13/20 for Residential Customers,

▶ >25 Days

23,070 Accounts

- ▶ >37 Days
 - \$4.1M¹
 - 10,480 Accounts
 - \$1.3M¹

¹\$ value is utility bill portion, not Payment Arrangements (PA's)

Commissioner Shaw inquired about the payment arrangement if the customer goes into the severance process. Mr. Trego explained the process, as well as the timeline. He stated if the customer is disconnected, pays the bill and is reconnected, we will reinstate the payment plan. Additional discussion ensued regarding customer payments.

RESIDENTIAL PAYMENT ARRANGEMENTS

	Total PA	Total PA Dollars
August	33,200	\$ 11.0M
September (thru 9/22)	28,900	\$ 9.1M
October (thru 10/13)	28,265	\$ 8.2M

Since 9/18/20	Disconnected	Reconnected
August Bills	1,519	1,228

RESIDENTIAL PAYMENT EXTENSIONS

- 2,559 payment extensions granted (from Aug 13 thru Oct 12)
- Total payment extensions
 - Sept 2019: 11,728
 - Sept 2020: 1,927
 - 1 revised payment arrangement

CUSTOMER ASSISTANCE

There are various means in which customers can get assistance.

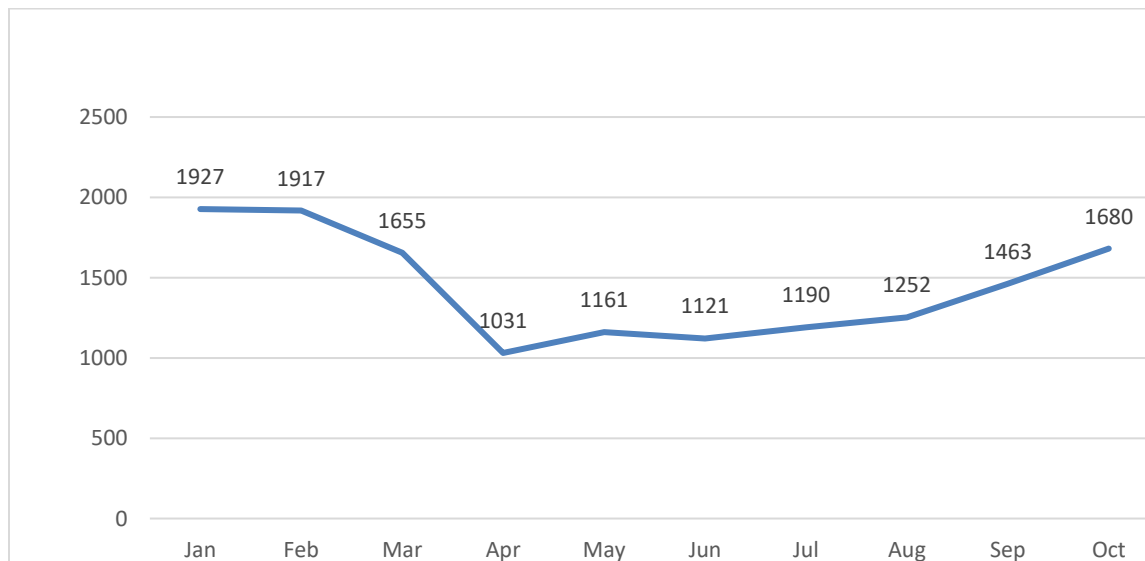
As of 10/12/20	Number of Accounts	Amount
SS ¹ (beginning Sept 1)	465	\$140,933
Action Pathways	39	\$ 16,733
Connections of Cumberland County	61	\$ 39,658
Operation Blessings	2	\$ 300

Miscellaneous ²	9	\$ 2,521
Total	576	\$200,145

¹ DSS is electric only and is not COVID specific but we are measuring during COVID Recovery.

² Miscellaneous includes Churches and other guarantees.

CALL VOLUME



Non-Residential Customers

Mr. Brown stated throughout the emergency we contacted 568 business customers who at some point were in arrears during that period. When we began in July, we had 356 customers on payment arrangements. We disconnected 32, and of those 29 have stated they will discontinue service. We have 312 business customers currently on payment arrangements. Twenty three customers are still adversely affected by the Governor's order. We will contact them to schedule payment arrangements as appropriate.

Commissioner Shaw announced there is an agency called Re-Tool North Carolina, through the State of NC. The disadvantaged and HUB small businesses can apply for rent money. She stated the minimum amount available is \$10,000 that may help some of these small disadvantaged or HUB certified businesses. There is no restriction on the use of the money if it is related to the business.

Mr. Trego stated the general message to the Commission is we have followed your direction in working with the customers, but also in keeping with our fiduciary responsibility to not put PWC's finances in any due risk. Additional discussion ensued.

Mr. Trego stated we wanted to give the Commissioners this snapshot, and we will also give a presentation in November, with the current Days Cash.

COMMISSIONER/LIAISON COMMENTS

Melissa Adams, Hope Mills Town Manager

Ms. Adams stated she will speak to Ms. Justice-Hinson regarding the Inter-Basin Transfer. She is interested in drafting a resolution of support and will address her Commissioners regarding it.

Council Member Chris Davis

Council Member Davis stated he has received the questions from PWC regarding the transformers. He has requested for the issue to be added to the Council's next work session. Mr. Trego stated any technical questions can be addressed to him and we will get the answers to Mr. Brown. Mr. Trego explained the need for approval of these bid recommendations as soon as possible. Chairman Fowler stated if Council has questions, Mr. Brown will be present, and they can field them through him.

Mr. Trego also stated he is and was available to answer Council Member Dawkins questions surrounding the transformers.

Commissioner Darsweil Rogers

Commissioner Rogers stated the BBR's focus is local initiatives. We are making a transition to the Chamber of Commerce taking the lead. We will move from a BBR which has been once a year to a series of virtual events throughout the year with the basic purchasing entities having the opportunity for vendors to come and interact with them. A letter will go out to the policy makers, and staff of various large purchasing entities to introduce the new format.

Commissioner Rogers offered to make a presentation to the City on our efforts surrounding the BBR.

Commissioner Ralph Huff

Commissioner Huff stated we are the largest city in the United States without a television station; without our own congressman; and we are going to be the largest city without our own Chamber of Commerce. Commissioner Huff stated the demise of the Chamber began when the City and County took all support funds from the Chamber. When the Chamber was in a situation of life and death, they chose the wrong person to lead it. The demise has gone from the Neuse to the Mississippi. There is going to have to be a concerted effort to save the Chamber. He stated he has personally saved the chamber twice, but he is not going to save it again, but he is willing to help get the right people involved

to try to not make the same mistake the next time as they have done. He doubts they have the funds to get the right person in there to keep it going. The City Council and County will have to step up to fund it or it will not survive.

Commissioner Wade Fowler

Thanked Former Chairwoman Shaw for her leadership through some interesting times.

As many know, David Trego has announced his retirement. He will retire at the end of the year. We set out on a course to replace him, and Chairwoman Shaw signed the final the documents that made it official. We have offered and have an acceptance from Elaina Ball to be the new Chief Executive Officer/ General Manager of PWC. She has a wealth of experience in the electric industry, including the generation, which is unusual. She has been with outstanding utilities in San Antonio, Austin and El Paso, TX.

Commissioner Fowler stated she was sought after by some high powered other people. She turned them down to come to PWC. She liked what she saw here. She like the people she met; She appreciated the time she met with senior staff. We are excited about the future of PWC and what she will bring to it. She is a very relationship oriented person. She is interested in the community and having an impact to the community. Elaina Ball's effective start date is December 1st.

Ms. Justice Hinson stated Elaina is very excited to join the team here at PWC. She and her family are very excited to be a part of the community. PWC is a significant asset and plays a vital role in the community's success. It is known throughout both the electric and water utility industries for its excellent operations, and she looks forward to continuing the legacy of strong leadership at PWC and continuing that excellence of providing safe and reliable service to our customers.

Ms. Justice Hinson also stated Ms. Ball is already getting a list of community opportunities. She wants to know all the things that are out there. It is not only a win for PWC, it is also a win for the community.

V. REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Safety Report – September 2020
- B. Personnel Report – September 2020
- C. Position Vacancies
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - Encr. #18874 – install 8" C900 water main nr. SR2011 (AB Carter Rd) and SR2012 (Sids Mill Rd)
 - Encr. #18875 – install 4" DIP sewer lateral and 6" RJDI water lateral for fire hydrant @ US HWY 401 Bypass for Church of Christ
 - Encr. #19156 – install 1" water lateral @ SR2333 (Corporation Dr.) & SR1403 (Chicken Foot Rd.)
- E. Actions by City Council during the meeting of September 28, 2020 related to PWC:
 - Deferred Bid Recommendation for 30 to 60 Days – Two 67kV Delta Primary Voltage Power Transformers for Black & Decker & PO Hoffer Substation Rebuild Projects
 - Deferred Bid Recommendation for 30 to 60 Days - Two 67kV Delta Primary Voltage Power Transformers

VI. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.10(E), 143-318.11(C), 143-318.11(A)(1), 143-318.11(A)(3), AND 143-318.11(A)(6), IN ORDER TO REVIEW AND APPROVE CLOSED SESSION MINUTES FROM COMMISSION MEETINGS ON THE FOLLOWING DATES: SEPTEMBER 23, 2020 AND SEPTEMBER 29, 2020.

VII. Commissioner Shaw motioned to go into Closed Session Pursuant to North Carolina General Statutes 143-318.10(E), 143-318.11(C), 143-318.11(A)(1), 143-318.11(A)(3), and 143-318.11(A)(6), in Order To Review and Approve Closed Session Minutes From Commission Meetings on the Following Dates: SEPTEMBER 23, 2020 AND SEPTEMBER 29, 2020. Motion was seconded by Commissioner Huff, and unanimously approved at 9:27 a.m.

There being no further discussion, upon motion by Commissioner Huff, seconded by Commissioner Shaw, the Commission returned to open session at 9:31 a.m.

VIII. CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(1) TO DISCUSS CONFIDENTIAL INFORMATION AND 143-318.11(A)(3) TO CONSULT WITH AN ATTORNEY IN ORDER TO PRESERVE THE ATTORNEY-CLIENT PRIVILEGE.

Commissioner Huff motioned to go into Closed Session Pursuant To North Carolina General Statutes 143-318.11(A)(1) To Discuss Confidential Information and 143-318.11(A)(3) To Consult with An Attorney in Order to Preserve the Attorney-Client Privilege. Motion was seconded by Commissioner Shaw, and unanimously approved at 9:31 a.m.

There being no further discussion, Commissioner Rogers motioned to return to open session, motion was seconded by Commissioner Shaw and unanimously approved at 10:10 a.m.

IX. ADJOURNMENT

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