

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY MARCH 24, 2021
8:30 AM

Present: Wade R. Fowler, Jr., Chairman
Darsweil L. Rogers, Secretary
Evelyn Shaw, Treasurer

Others Present: Elaina L. Ball, CEO/General Manager
Christopher Davis, City Council Liaison

Absent: D. Ralph Huff, III, Vice Chairman
Telly Whitfield, Assistant City Manager
Michael Boose, Cumberland County Commissioner, Liaison
Melissa Adams, Hope Mills Town Manager/Liaison
Media

REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, March 24, 2021, to order.

APPROVAL OF AGENDA

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

AWARD PRESENTATION

Presented by: Chris Smith, W/R Treatment Facilities Manager

North Carolina Waterworks Operators Association (NCWOA)
2020 A-Surface Operator of the Year Award

Chris Smith, Manager of the W/R Treatment Facilities, stated he is here on behalf of NCWOA which has between 4,000 to 5,000 members. PWC has volunteered and served on the board of this organization in many capacities down through the years. He stated the NCWOA's mission is to train operators, make better operators and to advocate for operators.

Before presenting the award, Mr. Smith acknowledged Mr. Jason Greene, who is the WR Facilities Operations Supervisor. Mr. Smith explained the process for becoming certified as a C, B and A Surface Operator. Mr. David Faircloth is an 'A' Operator, the highest classification. Once a year, the members of the NCWOA can submit an application and narrative for those operators who have performed exceptionally. Del Coffman, a senior operator at the Glenville Plant, submitted an application and narrative nominating David Faircloth, and Mr. Faircloth was voted A-Surface Operator of the Year for 2020.

Mr. Chris Smith presented the A Surface Operator of the Year for 2020 Award to Mr. Faircloth.

CONSENT ITEMS

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

- A. Approve Minutes of meeting of March 10, 2021
- B. Approve bid recommendation to award contract award for the Freedom Town Center Sewer Main Replacement to JSmith Civil, LLC, Goldsboro, NC, the lowest responsive, responsible bidder in the total amount of \$809,847.00, and forward to City Council for approval.

The Freedom Town Center Sewer Main Replacement project is funded from WS-53 (CPR1000397). A total of \$429,733.68 is available in FY2021 and \$900,000.00 is budgeted in FY2022.

Bids were received February 8, 2021 as follows:

<u>Bidders</u>	<u>Total Cost</u>
<u>Award Recommendation: Base Bid with Alternates 1, 2, & 3</u>	
JSmith Civil, LLC, Goldsboro, NC	\$ 809,847.00
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,123,975.00
<u>Other Evaluated Bids and Bid Combinations with Alternates</u>	
Base Bid Only:	
JSmith Civil, LLC, Goldsboro, NC	\$ 857,159.00
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,123,975.00
Base Bid with Alternate 1	
JSmith Civil, LLC, Goldsboro, NC	\$ 828,607.00
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,123,975.00
Base Bid with Alternate 2	
JSmith Civil, LLC, Goldsboro, NC	\$ 843,899.00
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,123,975.00
Base Bid with Alternate 3	
JSmith Civil, LLC, Goldsboro, NC	\$ 851,569.00
Sandy's Hauling & Backhoe Service, Roseboro, NC	\$1,123,975.00

COMMENTS: Notice of bid was advertised on December 22, 2020 with an original bid opening date of January 27, 2021. Addendum No. 1 was issued on December 23, 2020, to provide Contract Document Revisions. Addendum No. 2 was issued on January 19, 2021, to provide minutes to the Pre-Bid Meeting and provide additional Contract Document Revisions. Addendum No. 3 was issued on January 28, 2021 to re-advertise the project with a new bid opening date of February 8, 2021, as the originally scheduled bid opening failed to produce three (3) bids.

Bids were evaluated by WR Engineering for this project. By accepting each of JSmith Civil's three (3) bid alternates, there was a reduction of \$47,312 from their base bid price, for a total recommended bid price of 809,847.00. The bid form included the option for three (3) bid alternates, each of the bid alternates provided bidders the opportunity to utilize PVC pipe in lieu of ductile iron pipe for specified distances at specific locations within the project. For each alternate, bidders could indicate either a plus or minus (+/-) from the base bid price. Alternate No. 1 required bidders to provide pricing for pipe bursting of existing 8-inch concrete pipe and install pipelined with 6-inch HDPE with 8-inch fisible PVC pipe in lieu of restrained joint ductile iron pipe. Alternate No. 2, an open cut installation, required bidders to provide pricing for furnishings and installing 8-inch

restrained joint PVC sewer main in lieu of restrained joint ductile iron pipe, and Alternate No. 3, an open cut installation, required bidders to provide pricing for the removal of existing sewer and provide replacement with 8-inch restrained joint PVC sewer main in lieu of restrained joint ductile iron pipe. **SDBE/Local:** JSmith Civil, LLC is not a local firm nor classified as SDBE, minority or woman-owned business. They anticipate \$5,000.00 of SDBE spend with Crowder Trucking, Fayetteville, NC for hauling needs.

- C. Approve bid recommendation to award bid for purchase and installation of battery energy storage system at the PWC Butler Warner General Plant to Strata Solar, LLC, Durham, NC, the lowest responsive, responsible bidder in the total amount of \$3,201,417.14 and forward to City Council for approval.

The BWGP Battery Energy Storage System (BESS) Project is funded from EL48 Battery Storage (CPR1000470). Total funding available is \$5,160,000.00. Funding in the amount of \$910,000.00 in FY2021; \$2,250,000.00 (budgeted in FY2022); and \$2,000,000.00 (budgeted in FY2023)

Bids were received February 23, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
<u>Award Recommendation: Bid Schedule No. 3 – Base Bid with Extended 10 Year Warranty</u>	
Strata Solar, LLC, Durham, NC	\$3,201,417.14
Faulconer, Cary, NC	\$3,529,000.00
M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC	\$3,676,896.13
Mitsubishi Electric Power Products, Inc., Warrendale, PA	\$4,423,600.00
PowerSecure, Wake Forest, NC	NO BID
<u>Other Bids Evaluated and Bid Combinations with Alternates</u>	
<i>Bid Schedule No. 1: Base Bid for 1.44 MW / 5.76 MWh BESS</i>	
Strata Solar, LLC, Durham, NC	\$2,621,650.05
Faulconer, Cary, NC	\$2,931,900.00
M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC	\$3,184,383.88
PowerSecure, Wake Forest, NC	\$3,219,188.47
Mitsubishi Electric Power Products, Inc., Warrendale, PA	\$3,929,700.00
<i>Bid Schedule No. 1: Base Bid for 1.44 MW / 5.76 MWh BESS with Extended 10 Year Warranty</i>	
Strata Solar, LLC, Durham, NC	\$2,621,650.05
Faulconer, Cary, NC	\$3,013,900.00
M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC	\$3,266,231.30
PowerSecure, Wake Forest, NC	\$3,465,707.02
Mitsubishi Electric Power Products, Inc., Warrendale, PA	\$4,110,600.00
<i>Bid Schedule No. 2: Base Bid for 1.5 MW / 6 MWh BESS</i>	
Faulconer, Cary, NC	\$3,046,900.00
M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC	\$3,297,760.70
Mitsubishi Electric Power Products, Inc., Warrendale, PA	\$3,929,700.00
Strata Solar, LLC, Durham, NC	NO BID
PowerSecure, Wake Forest, NC	NO BID
<i>Bid Schedule No. 2: Base Bid for 1.5 MW / 6 MWh BESS with Extended 10 Year Warranty</i>	
Faulconer, Cary, NC	\$3,130,900.00
M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC	\$3,381,928.70
Mitsubishi Electric Power Products, Inc., Warrendale, PA	\$4,110,600.00

Strata Solar, LLC, Durham, NC
PowerSecure, Wake Forest, NC

NO BID
NO BID

Bid Schedule No. 3: Base Bid for 1.75 MW / 7 MWh BESS

Strata Solar, LLC, Durham, NC

\$3,201,417.14

Faulconer, Cary, NC

\$3,329,000.00

M-W Electric, Inc. DBA M-W Electrical Const., Red Springs, NC

\$3,479,087.51

Mitsubishi Electric Power Products, Inc., Warrendale, PA

\$4,216,700.00

PowerSecure, Wake Forest, NC

NO BID

Note: The purpose of this project is to install a battery storage system adjacent to PWC's Community Solar site and connect it in tandem with the existing 500 kW battery storage facility already in use. This addition will provide additional cost saving to PWC during coincident peak demands and will enable us to meet the battery storage threshold specified in our current Duke Energy Progress contract.

COMMENTS: The bid form included multiple bid schedules with each schedule providing various energy storage capabilities and warranty levels. Electrical Engineering has evaluated the bids to ensure compliance with PWC specifications and has recommended award for Alternate Bid Schedule No. 3 Base Bid + Extended Warranty as it will have the greatest impact in supplementing PWC's wholesale power cost while still operating within the terms of the wholesale contract with Duke Progress. This specialized equipment is complex in nature requiring significant manufacturing time with installation.

Notice of the bid was advertised through our normal channels on December 16, 2020 with an original bid date of January 26, 2021. Addendum No. 1 was issued on January 8, 2021. The addendum was to provide bidders with the option to attend a non-mandatory pre-bid conference. Addendum No. 2 was issued on January 15, 2021 to provide responses to questions from bidders, modify the contract documents, and to extend the bid opening from January 26, 2021 to February 23, 2021. Addendum No. 3 was issued on January 26, 2021 to clarify responses to questions in Addendum No. 2. **SDBE/Local Participation:** Strata Solar, LLC, Durham, NC is not classified as a SDBE, minority or woman-owned business.

D. Approve PWC Resolution # PWC2021.08 - Resolution Authorizing the Solicitation of Offers for the Sale of Real Property and the Initiation of an Upset Bid Process

Staff recommends that the Commissioners adopt a resolution authorizing the solicitation of offers for the sale of the RC Williams Building and the initiation of an upset bid process in order to sell the RC Williams Building in accordance with applicable law, specifically G.S. 160A-269. Staff further recommends that the Commissioners delegate authority to the CEO/General Manager to retain a commercial broker for that purpose.

Comments: PWC has determined that it would be prudent to explore a potential sale of the RC Williams Building at this time by authorizing the solicitation of offers and engaging in an upset bid process.

E. Approve PWC Resolution # PWC2021.09 - Resolution to Authorize the Condemnation of Easements and the Delegation of Real Estate Acquisition Authority to the General Manager

END OF CONSENT

GENERAL MANAGER REPORT

W/WW Cost of Service Study

Ms. Elaina Ball, PWC CEO stated we continue to work on our W/WW Cost of Service Study. We will bring back the cost of service model to the Commission in April. We are currently in rate design, looking at customer allocation between customer classes and as well as bench marking rates for those customer classes.

We are also looking at fee options. Recently we discussed economic development and some of our infrastructure that is fully depreciated and some of the costs we access which can be significantly prohibitive, especially for brown-fill development. We will look systematically at fees and bring back suggestions at a later time. We will also need to discuss if there are changes, what the effective date of the changes will be. Commissioner Rogers asked if there is time for another rate discussion. Staff confirmed.

Grays Creek

Ms. Ball stated we recently met with the County to continue our discussion around Grays Creek. We provided them with an array of options from just serving the schools in that area to serving all public roads in the area.

We are both (PWC & County) looking at the same numbers and the same issue. There is a large fixed cost to providing water service. For this to work, we must have rates in the area that would incent connection. Just like Annexation, if we assessed all the fixed costs to the customers, the bills would be prohibitive. No one would want to connect. Additionally, we can't recover those fixed costs on other customers. When you look at a precipitating event, we had an industrial pollution issue generated from a private company, and it would not be prudent to necessitate those costs from customers. We are having the conversation with the County, but Amy Cannon and I are looking at the same problem, which is we need a funding source. We are at the table and we want to be solution oriented. But whether it is private dollars or public dollars we are going to need support to consider serving the area. Discussion ensued regarding the life of the potential funding.

Pilot Study for Groundwater Remediation for TEXFI

Ms. Ball stated staff provided information to Rep. Szoka in support of a plan to introduce a bill to conduct a pilot study for ground water remediation in the abandoned TEXFI area. PWC does not own the property. It is owned by the City, however the trichlorethylene in the area and is spreading in the area is a risk to the utility. We want to be a good partner with the city and ensure we are exploring technology that will address the remediation effort. It is called in situ enhanced reductive dichlorination. We want to test it out. We are hoping it goes through the budgeting process at the state and we can kick off the pilot project with the City on a 50/50 cost share. Additional discussion ensued. Council Member Davis asked if the City is aware of this conversation. Mr. Noland stated we discuss this at our City/PWC meetings. Ms. Ball stated she has personally spoken to CM Doug Hewett and she also understands when the City Council met with the State Delegation, Rep. Szoka brought up this issue.

Virtual PWC EXPO and Speaking Engagements

It will be held on Friday from 11 am to 1pm. This is our first virtual EXPO, with all the normal live events, however it will be streamed from our Facebook page.

Elaina Ball is a guest speaker at the Virtual Chamber Coffee Club on Thursday morning. She is also a guest on the CityView Podcast on Friday. She has some upcoming visits with leadership at Cape Fear Valley as well as ASOM.

Policy and Procedures Manual

We have a team working through policies and procedures, and they have done a terrific job. A majority of the policies are being sunset or placed into a procedures manual. There are some policies that were approved by the Commission in the past, and we will bring them back for the Commissioners to review, likely by the next Commission meeting.

Update of Performance Management System

We have a firm helping us re-establish goals and re-tune our performance management system as an organization. We currently have a performance management system that is ongoing that evaluates employees' performance, on their anniversary. We are going to reset it for July 1st and evaluate both the organization's performance and the team's performance based on the fiscal year.

COMMISSIONER/LIAISON COMMENTS

Commissioner Rogers

Staff responded to questions from Commissioner Rogers regarding Virtual PWC Expo, and the Dogwood Festival

Commissioner Shaw

Commissioner Shaw commended the Water Resource employees who come out to inspect the customers' backflow system. She stated they are knowledgeable and possess very good customer service skills.

Commissioner Fowler

Commissioner Fowler thanked Jason Greene for the tour he gave of the Hoffer Plant. He stated it was done in the rain, and he did a very good job.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Monthly Cash Flow Report – February 2021
- B. Payment Analysis – February 2021
- C. Recap of Uncollectible Accounts – February 2021
- D. Investment Report – February 2021
- E. Purchase Orders
 - January 2021
 - February 2021
- F. Position Vacancies
- G. Financial Statement Recaps
 - Electric – February 2021
 - Water – February 2021

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, and unanimously approved, the meeting was adjourned at 8:52 a.m.