

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY JULY 28, 2021
8:30 AM

Present: Wade R. Fowler, Jr., Chairman
Evelyn O. Shaw, Vice Chairwoman
Darsweil L. Rogers, Secretary
Ronna Rowe Garrett, Treasurer

Others Present: Elaina L. Ball, CEO/General Manager
Telly Whitfield, Assistant City Manager
Michele Clark Jenkins, Griffin Strong, P.C.

Absent: Chris Davis, City Council Liaison
Michael Boose, Cumberland County Commissioner, Liaison
Scott Meszaros, Hope Mills Town Manager
Media

REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, July 14, 2021, to order

APPROVAL OF AGENDA

Prior to the approval of the agenda, Commissioner Darsweil Rogers motioned to amend the agenda by adding a closed session, pursuant to G.S. 143.318.11(A)(3) for legal matters; to make this Item IX, and move subsequent items to items X and XI. Motion was seconded by Commissioner Shaw and unanimously approved.

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

PRESENTATION TO WATER FOR PEOPLE COMMITTEE/NCAWWA

Presented by: Carolyn Justice-Hinson, Communications-Community Relations Officer

Carolyn Justice-Hinson stated she has a special presentation for the NCAWWA. In May during the National Drinking Water Week our campaign was to a cause related to the Water Resources Division. We sold over 1,100 candy grams, and collected \$1,041.00.

Ms. Justice Hinson gave a presentation to Ms. Linda King on behalf of the Water for People Committee. Ms. King provided a brief overview of the mission of the Water for People. She thanked PWC for choosing Water for People as the recipient of this monetary donation.

CONSENT ITEMS

A. Approve Minutes of meeting of July 14, 2021

- B. Approve bid recommendation to award bid for purchase of one (1) 35,000 Rubber Tire Loader to National Equipment Dealer, Lexington, NC, the lowest responsive, responsible bidder in the total amount of \$161,250.00 and forward to City Council for approval.

The 35,000 Rubber Tie Loader is budgeted in F2022 Operating Capital (02.0620.802.396000.2206203123).

Bids were received June 24, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
National Equipment Dealer, Lexington, NC	\$161,250.00
Hills Machinery Company, Columbia, SC	\$199,495.00
James River Equipment, Hope Mills, NC	\$202,999.59

COMMENTS: Bids were solicited from five (5) vendors with three (3) bids received. **SDBE/Local Participation:** National Equipment Dealer, Lexington, NC is not a local business and is not classified as a SDBE Minority or Woman Owned business.

- C. Approve bid recommendation to award contract the Prefabricated Relay Control House for the Black and Decker 69 to 15 kV Substation to VFP Inc., Roanoke, VA, the lowest responsive, responsible bidder in the total amount of \$227,956.00, and forward to City Council for approval.

The Prefabricated Relay Control House for the Black and Decker 69 to 15 kV is funded in CPR1000321 Electric Support Services, Substation.

Bids were received June 15, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
VFP Inc., Roanoke, VA	\$227,956.00
Birmingham Control Systems, Bessemer, AL	\$235,995.00
Modular Connections, LLC, Bessemer, AL	\$268,923.00

COMMENTS: This project is for furnishing and delivery of all materials and equipment complete and conforming to the technical specifications for the Prefabricated Relay Control House for the Black and Decker 69 to 15 kV Substation. Notice of the bid was advertised through normal channels on May 17, 2021 with an original bid opening date of May 28, 2021. Addendum No. 1 was issued on May 20, 2021 to extend the bid opening date from May 28, 2021 to June 8, 2021. Addendum No. 2 was issued on June 1, 2021 to provide responses to bidders' questions. Addendum No. 3 was issued on June 4, 2021 to extend the bid opening date from June 8, 2021 to June 15, 2021. Bids were evaluated by Electric Support Services, Substations to ensure compliance with PWC specifications. **SDBE/Local Participation:** VFP, Inc., is not an SDBE nor are they local. VFP will deliver the control house via their own workforce.

- D. Approve bid recommendation to award bid for purchase of five (5) 16,000 GVR 4X4 with Enclosed Body to Piedmont Truck Center, Inc., Greensboro, NC, the lowest responsive, responsible bidder in the total amount of \$329,645.00 and forward to City Council for approval.

The five (5) 16,000 GVR 4X4 with Enclosed Body are budgeted in FY2022 Operating Capital for a total of \$375,000 (\$75,000 each) in the following budget codes: 002.0620.802.392.2206203104; 002.0620.802.392.2206203121; 002.0620.802.392.2206203105; 002.0620.802.392.2206203156; 002.0620.802.392.2206203093

Bids were received July 13, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Piedmont Truck Center, Inc., Greensboro, NC	\$329,645.00
Cooper Ford, Carthage, NC	\$330,800.00
Schetky Northeast, Inc., Portland, OR	\$347,400.00

COMMENTS: Notice of bid was advertised through our normal channels on June 24, 2021, with a bid opening date of July 13, 2021. Bids were solicited from eight (8) vendors with (3) bidders responding. SDBE/Local Participation: Piedmont Truck Center, Inc., Greensboro, NC, is not a local business and is not classified as a SDBE Minority or Woman-Owned business.

- E. Approve bid recommendation to award contract the Relay Control Switchboards for the Black and Decker 69 to 15 kV Substation to Birmingham Control Systems, Inc., Bessemer, AL, the lowest responsive, responsible bidder in the total amount of \$194,070.00, and forward to City Council for approval.

The Relay Control Switchboards for the Black and Decker 69 to 15 kV Substation is funded in CPR1000321 Electric Support Services, Substation.

Bids were received June 15, 2021, as follows:

<u>Bidders</u>	<u>Total Cost</u>
Keystone Electrical Mfg. Co., Des Moines, IA	\$168,961.06 *
Electrical Power Products, Inc., Des Moines, IA	\$185,924.00 **
Birmingham Control Systems, Inc., Bessemer, AL	\$194,070.00
Kemco Industries, LLC, Sanford, FL	\$200,774.00

* Keystone Electrical Mfg. Co. did not include pricing for all required components in their bid price. Due to omission and pricing error, bidder withdrew proposal.

** Electrical Power Products, Inc. did not include required shipping costs in bid price. Due to this omission, their bid is not responsive to bid requirements.

COMMENTS: Notice of the bid was advertised through normal channels on May 17, 2021 with an original bid opening date of May 28, 2021. Addendum No. 1 was issued on May 20, 2021 to extend the bid opening date from May 28, 2021 to June 8, 2021. Addendum No. 2 was issued on June 1, 2021 to provide responses to bidders' questions. Addendum No. 3 was issued on June 4, 2021 to extend the bid opening date from June 8, 2021 to June 15, 2021. Addendum No. 4 was issued on June 10, 2021 to clarify part numbers and specifications. Bids were evaluated by Electric Support Services, Substations to ensure compliance with PWC specifications. . **SDBE/Local Participation:** Birmingham Control Systems, Inc., is not an SDBE nor are they local. Birmingham Control Systems, Inc., will build and deliver the relay control switchboards via their own workforce.

- F. Adopt PWC Ordinance # PWCORD2021-31

PWCORD2021-31 is an Electric and W/WW Fund amendment changing the fund balances as follows: The Electric Fund is increasing by \$3,802,300 to \$268.5 million and the W/WW Fund is decreasing \$22,200 to \$140.6 million.

- G. Adopt PWC Ordinance # PWCORD2021-32

PWCORD2021-32 amends the budget ordinance for the Electric Rate Stabilization Fund (ERSF). As a result of the CCR adjustment credit for coal ash expenses received in June from Duke Energy Progress, the Electric General Fund will transfer \$12,827,100 to ERSF for reimbursement of prior year coal ash

expenses and \$235,000 for CP true-up. The remaining CCR adjustment credit will be transferred to Coal Ash Reserve therefore removing the \$4,272,900 needed from ERSF for FY22 coal ash expenses. The offset of \$2,091,000 is to cover the 2020 true-up for energy and demand.

H. Adopt PWC Resolution # PWC2021.26 – Resolution Designating Official Depositories

END OF CONSENT

DISPARITY STUDY PRESENTATION

Presented by: Michele Clark Jenkins, Griffin Strong, P.C.

Ms. Clark Jenkins stated Griffin Strong, PC is a firm that specializes in disparity research, contract compliance, program development, training & supplier diversity consulting:

She stated they are the most qualified team in the industry:

- 4 Juris Doctors
- 2 PhD Economists
- PhD Statistician
- PhD in Anthropology
- All with expertise in disparity research.

Ms. Clark Jenkins stated no study conducted by Griffin & Strong, P.C. has ever been challenged or overturned in court.

What Is A Disparity Study?

A disparity study is an objective research tool that determines whether a governmental agency has actively or passively discriminated against certain groups due to their race or gender. Such studies can also be used to measure disparities between availability and utilization for race and gender neutral groups.

Discrimination, which may be the current effects of past discrimination, is determined through quantitative (statistical) and qualitative (anecdotal) evidence, as well as an examination of current policies and procedures. The findings of the disparity study will result in recommendations by the study team to remedy any discrimination or disparities found. The recommendations, if accepted, are intended to be implemented as policy.

She described why disparity studies are performed. They form the factual basis for remedial programs.

- Strict Scrutiny for race and gender-based programs
- (Intermediate for gender-based programs)
- Must have a factual predicate
- Methodology dictated by Case Law
- Must have narrowly-tailored remedy (to avoid over- or under-inclusion)

Ms. Clark Jenkins described their process, as well as their policy review process.

- Do policies, as written, present a barrier to MWBE and Local firms?
- Are the policies understood by staff?
- Is there a discrepancy in policy as written and policy as implemented?
- What policies can be modified to promote inclusion?

She stated data is essential to this process.

- We determine data needs
- We assess your data
- We collect all available electronic data and provide the manpower to enter manual data
- We fill in any data gaps (no worries)
- Maintain chain of evidence
- We keep you informed
- Transparent processes

Relevant Market Analysis

- Geographic Market
- Measured by where City & PWC are spending at least 75% of dollars
- Analysis disaggregated by five (5) major work categories:
 - Construction
 - A&E
 - Professional Services
 - Other Services
 - Goods
- Product Market
- Only include work type utilized by the City or PWC

Availability Analysis

GSPC will present a “list-based” approach looking at bidders, vendors, awardees, payees, certified MWBE and local firms and third party certified lists (i.e., State HUB List & NCDOT DBE List)

Availability is measured for both prime and subcontractors

Factors in contract size, business capacity, and experience to determine true availability.

- Includes: availability analysis of local firms
- Availability analysis based on business presence and headquarters
- Availability of firms outside of the current MSA

Disparity Analysis

GSPC compares Availability and Utilization to develop Disparity Index (DI) for each race/gender/ethnicity group and local firms, disaggregated by procurement categories. Includes disparity analysis between local MWBEs and non-local MWBEs.

- Perform Statistical Significance Tests (Standard Deviation)
- Regression-analysis to determine if disparities can be explained by factors other than race/ethnicity/gender status.

Private Sector Analysis

Determines whether race, ethnicity or gender status has affected the utilization of firms owned by members of these groups in both the public and private sector. Includes: Self-employment disparities; Construction market disparities; and Credit markets

COMMUNITY ENGAGEMENT AND ANECDOTAL EVIDENCE

- Informational Meetings

- Anecdotal Interviews
- Survey of Business Owners
- Public Hearings
- Focus Groups
- Business, Civic and Trade Organization Meetings
- Email/Social Media Comments

FINDINGS & RECOMMENDATIONS

Findings

- Summary of findings
- Includes a comparison between the City and PWC

Recommendations

- Recommendations based on detailed policy review, anecdotal evidence, and institutional knowledge.
- Best Practices and Innovative Approaches for:
 - Race/Gender Neutral or;
 - Race/Gender Conscious Remedies.

Recommend Goals.

- Includes determination if Local area definition should be expanded and
- Identifying gaps or potential areas for vendors to compete.

POST STUDY SUPPORT

Study Roll Out Plan

- Review findings & recommendations with the City and PWC
- Consult on release of the Study.

Implementation is Key

- Establish best practices and Innovative approaches for promoting MWBE and Local utilization.

Post-Study Consultation

- Experience operating and consulting for MWBE and Local programs.
- Experience with peer cities to serve as resources in your growth.

Ms. Clark Jenkins responded to questions from Commissioners.

Ms. Ball thanked the City for allowing PWC to participate in the disparity study. It establishes a legal basis for programs and provides an insight into our supply patterns.

CAPE FEAR REGIONAL THEATER DISCUSSION

Presented by: Elaina Ball, CEO/General Manager

Ms. Ball stated during the last Commission meeting we had a presentation from the Cape Fear Regional Theater. We placed this topic on today's agenda to provide for discussion on potential support for the capital campaign for the theater.

Commissioner Shaw asked since the presentation, have we looked into the options that may be available to us from the statute and its parameters, and how can we be creative if we want to participate.

Ms. Ball stated we have discussed this internally, and procedurally if it be the will of the Commission to support the capital campaign in some level over some duration, we will put forth a resolution relating to the direction and then we would seek council approval. Providing both bodies approve it, we will budget and support the initiative. Additional discussion ensued.

Commissioner Garrett asked for information on past practices. Ms. Ball stated generally we have entertained sponsorships on a year by year basis. We have had one outlier, but generally our max has been about \$25,000 per year, but that does not mean it cannot go higher than that. It has been based on need. Ms. Justice-Hinson manages budget and a lot of community needs, and we try to make dollars go to many organizations.

Ms. Justice Hinson stated the \$25,000 donations were typically not contributions to capital campaigns. We supported the Sandhills Veterans Cemetery Construction Project. We also supported the Freedom Memorial Park during some of the construction. Ms. Ball stated a lot of our charitable giving has been tied to specific needs in the community, and based on her takeaway from the presentation it is tied to economic development. And there is a hope this will bring traffic to the area and potentially jobs, and other events.

Commissioner Rogers stated he felt our understanding is this is tied to economic development. He feels due diligence is appropriate. Also, if we say yes to this request, what are the implications for the future. Commissioner Garrett stated parameters are important, which is why past practice and legal opinion are important. She is interested in the outlier and the context.

Ms. Ball stated this is helpful discussion, and we can come back with some structure around due diligence. She stated regarding the outlier, some years ago when the ASOM building was being built, the Commission extended a \$10M loan to the facility which was subsequently forgiven by the City. So essentially, we donated about \$10M. It was not an intended donation, but it translated to it. She believes we are proud to be a part of that facility, While it is a substantial outlier, it was not intended to be that large of a donation.

Commissioner Fowler stated he believes there must be some forward thinking on what the City should look like and how we can be a part of it. He believes this is a substantial benefit to the City, and a very valuable project if we can make it happen. However, it will be up to the Council to approve what we desire to do. If the due diligence is done, he would like to see what we can do to help this project along. Additional discussion ensued.

Commissioner Shaw asked the Commission at least to endorse the idea of support at some level and request for Ms. Ball and her staff to bring to them any items of due diligence the Commission deem is needed, and bring a draft resolution without a dollar amount so they can have a working framework. Chairman Fowler stated we do not need a vote, just a consensus is good. He asked if it is reasonable to have the requested due diligence and draft resolution back by the second meeting in August (25th). Ms. Ball confirmed. Additional discussion ensued.

GENERAL MANAGER REPORT

C2M – Go Live

This weekend we will go live with our new Customer Information System (C2M). It is the latest version of our CCB. It will also bring in another system, MDM into one software application. The upgrade is on track. It will be a big weekend for the IT, and Customer Service Teams, as well as Project Management in Corp. Development. During the upgrade the customers will have all payment options available except our web and app based payments. While coming out of the upgrade, we will not have a lot of new functionality, it is a

great platform that will allow for a lot of new functionality. We have a taskforce to decide which enhancements to roll out to our customers and we will be doing that over the next 24 months. Hopefully it will be a smooth weekend. We elected to stay on premise, and hopefully in the future we will go to the cloud.

Electric System Cost of Service Study

Ms. Ball stated we are kicking off our electric system COS study. She mentioned funds that were received due to a settlement related to coal combustion residuals from coal ash. We are flowing the dollars into both rate stabilization and coal ash. She also mentioned staff had discussions relating to adjustments to the power supply adjustments, and structure surrounding cost adjustment changes. Staff will also return with simplification related to true-ups. Will also look at EV rate options and solar net metering.

COVID

The CDC issued new guidance again related to vaccinated individuals in areas of high transmission. HR and the medical teams are looking at the guidance to see if we need to make any changes to protocols at this time. We have five employees who are positive, and twelve employees are quarantined. We think seven, based on test results may return today.

COMMISSIONER/LIAISON COMMENTS

Commissioner Ronna Rowe Garrett

Thanked Susan Fritzen, Bobby Russell and Rhonda Haskins and her team. She appreciated the time they took to provide the two briefs on Risk Management and Compensation Strategy. She also stated she will reschedule tours with the Electric Team after September.

Commissioner Darsweil Rogers

Stated he has been about the town, participating in two events. Our new CEO was the speaker at the Chamber Event. He commended the CEO on being engaged in the community.

Commissioner Wade Fowler

Also commended Ms. Ball on being engaged in the community. He also stated he also appreciates the utility for doing a great job. He appreciates the work our employees are doing.

Commissioner Fowler stated Commissioner Boose sent a text to remind everyone to complete the online questionnaire regarding the new Arts and Educational venue.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. Uncollectible Accounts – June 2021
- B. Investment Report – June 2021
- C. Position Vacancies
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):

- Encr. #19169 – install 2” SDR-21 PVC water lateral and 2” Threaded Pipe @ NC210 (Cedar Creek Rd)
- Encr. #19172 – install 2” SDR-21 water and 4” DI sewer service @ US401 Business (Ramsey St.) for Riverbark Veterinary Hospital

Closed Session Added to Agenda

CLOSED SESSION PURSUANT TO NCGS 143-318.11(A)(3) TO DISCUSS LEGAL MATTERS.

Commissioner Rogers motioned to go into closed session, pursuant to NCGS 143-318.11(a)(3) to discuss legal matters. Motion was seconded by Commissioner Garrett and unanimously approved at 9:17 am.

There being no more discussion, upon motion by Commissioner Shaw, seconded by Commissioner Garrett, and unanimously approved, the meeting returned to open session at 9:44 am.

CLOSED SESSION PURSUANT TO NCGS 143-318.11(1) TO PREVENT DISCLOSURE OF CONFIDENTIAL AND OTHER NON-PUBLIC INFORMATION AND NCGS 143-318.11(9) TO DISCUSS PLANS REGARDING THE PROTECTION OF PUBLIC SAFETY

Commissioner Rogers motioned to go into closed session pursuant to NCGS 143-318.11(1) to prevent disclosure of confidential and other non-public information and NCGS 143-318.11(9) to discuss plans regarding the protection of public safety. Motion was seconded by Commissioner Shaw, and unanimously approved at 9:44 am.

There being no more discussion, upon motion by Commissioner Rogers, seconded by Commissioner Shaw, the meeting returned to open session at 10:39 am.

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Garrett, and unanimously approved, the meeting was adjourned at 10:39 a.m.