WATER AND SEWER AUTHORITY OF CABARRUS COUNTY
June 16, 2011
5:00 P.M.

The Board of Directors of the Water and Sewer Authority of Cabarrus County (WSACC) met on Thursday, June 16, 2011 at the Administrative Offices.

The following Board members were present:

Mr. Troy Barnhardt  Mr. Michael Legg
Mr. Bob Carruth  Mr. David Phillips
Mr. Mark Fowler  Ms. Elizabeth Poole
Mr. Darrell Hinnant  Ms. Rhonda Poppen (conference call)
Mr. Mike Quickel

Ms. Poppen participated without voting, via conference call until 5:30 p.m.

Also present were: Mr. Coleman M. Keeter, Executive Director; Ms. Tammy Garifo, Executive Secretary/Secretary to the Board; Mr. Michael Wilson, Deputy Executive Director/Finance; Ms. Robin Moore, Deputy Executive Director/Administration; Mr. Van Rowell, Engineering Director; Mr. Ray Furr, Operations Manager; Mr. Everett Stotesbury, Maintenance Manager; Mr. Tom Bach, Utility Systems Engineer; Mr. Chad VonCannon, Water Operations Manager; Mr. Chuck Willis, Willis Engineers; Ms. Jennifer Bell, CH2M Hill; Ms. Angela Roberts, CH2M Hill; Mr. Rich Wise, Town of Midland; and Mr. David Pugh, Town of Midland.

Chairman Quickel called the meeting to order.

SPECIAL RECOGNITION

15th Consecutive Certificate of Achievement for Excellence in Financial Reporting

On behalf of WSACC, Chairman Quickel accepted the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year 2009-2010.

Mr. Keeter stated that WSACC first received this award when Mr. Wilson was hired as WSACC’s Finance Director, and has received it consecutively for 15 years. He thanked Mr. Wilson for his continued dedication to WSACC.

ISO 14001 Environmental Management System Registration

Mr. Furr presented Chairman Quickel with WSACC’s ISO 14001:2004 Certificate of Registration for Water Treatment, Wastewater Treatment and Collections. He stated that WSACC is the only municipality in the State of North Carolina with the Public Sector Star Certification and the ISO 14001:2004 Certification.

Being that each jurisdiction is represented by WSACC’s Board of Directors, Mr. Keeter presented a framed copy of WSACC’s ISO 14001:2004 Certificate of Registration to each Board member.
UNFINISHED BUSINESS

Request for approval of the minutes of May 19, 2011

The minutes of May 19, 2011 were presented for approval.

Mr. Barnhardt made a motion to approve the minutes of May 19, 2011. Mr. Fowler seconded the motion and the Board approved by unanimous vote.

NEW BUSINESS

Heat Recovery and Power Generation Project Bids

Mr. Keeter provided a hand-out regarding the Heat Recovery and Power Generation Project that contained the following summaries: Recommendation of Award, Technical Evaluation Summary, Summary of Business Plan, and Summary of Value Engineering. He informed the Board that as a result of rebidding the Biosolids Handling Facility, the bid was reduced by $2.4 million.

Mr. Keeter stated that Mr. Wilson will talk about the Summary of Business Plan and Mr. Rowell will discuss the Summary of Value Engineering. He then suggested that the Board review the project summaries and make a decision at the July 21, 2011 Board meeting to continue or not continue with the project.

Mr. Wilson explained that the Summary of Business Plan is from a model developed by CH2M Hill which shows two different scenarios: Combined Heat and Energy; and Sludge Only for the year 2013. He stated that the estimated amounts are variable based on the circumstances. The Combined Heat and Energy net income average for the year 2013 is $1,269,331; net income high is $1,695,487. The Sludge Only net income average for the year 2013 is $658,436; net income high is $971,958.

Mr. Wilson informed the Board that the Capital Investment for the Combined Heat and Energy which includes the startup amount for the use of two trucks for hauling sludge is $13,800,000; and the Sludge Only is $7,300,000. Mr. Wilson stated that he is very comfortable with these estimates.

Mr. Rowell explained the Summary of the Value Engineering by providing the steps taken to reduce the cost of the Biosolids Handling Facility. He briefly discussed the Five “C’s” to get to $5 million which was included in the hand-out.

- Cut - remove the non-essential elements that can be added later such as the TSS Meters, 3rd Bunker and Pump, and Covered Storage;
- Compete Equipment – improve competition of the equipment vendors and reduce markups through separate bidding and direct-buy;
- Constructability Improvements – relocate the main structure for the sludge receiving bins;
• **Choices** – get alternate bids to clarify cost benefit relationship of stainless verses painted steel, one bin verses two bins, live bottom verses sliding frame, and glass-lined verses standard pipe; and

• **Cost-Share** – bid itemization allowed WSACC to allocate a percent of odor control cost to plant expansion budget.

Discussion centered on the fact that: the summaries provided are for the Biosolids Handling Facility only; the original bid amount for the Biosolids Handling Facility was approximately $7 million. Re-bidding the Biosolids Handling Facility with separate bidding, reduced the bid total by approximately $4.7 million; eliminating the 3rd storage bin will not have an effect on WSACC’s potential revenues, it only reduces storage availability; the Power Generation portion of the project still needs to be re-bid with an estimated amount of $6.8 million; delivery time on the Power Generation equipment could be up to 65 weeks, therefore, the Biosolids Handling Facility can begin and be under way for 12-15 months once approved.

Mr. Tim Kiser, P.E. of Keck & Wood, Inc. stated that he is assisting WSACC with the sludge disposal opportunities in South Carolina (SC). He stated that Keck & Wood and WSACC staff have visited the City of Rock Hill, City of York, Chester Sewer District, City of Lancaster and the Town of Fort Mill. These municipalities would like to find a new way to dispose of their sludge due to the expense of the current method they are utilizing. He stated that each municipality expressed an interest in the sludge disposal opportunity at the Rocky River Regional Wastewater Treatment Plant (RRRWWTP). Mr. Kiser stated that the RRRWWTP is a first class facility.

Mr. Kiser informed the Board that Keck & Wood met with SC Department of Health & Environmental Control (DHEC) and received approval for RRRWWTP to be a disposal site for the SC municipalities. SC DHEC informed him that each municipality will need to modify their permit, stating that their sludge will be disposed of at the RRRWWTP instead of the method currently being used.

Lastly, Mr. Kiser stated that if the Biosolids Handling Facility is approved, Keck & Wood will inform the SC municipalities that RRRWWTP will be capable of receiving their sludge in approximately two (2) years; therefore, they can begin modifying their process of sludge disposal and plan their annual budgets.

**PUBLIC COMMENTS**

There were no public comments.

**GENERAL DISCUSSION**

Conference Room chairs to be donated to the Town of Mt. Pleasant

With no discussion, **Mr. Phillips made a motion to donate the chairs to the Town of Mt. Pleasant. Mr. Hinnant seconded the motion and the Board approved by unanimous vote.**
OATHS OF OFFICE / ELECTION OF OFFICERS

Ms. Garifo administered the oaths of office to Mr. David Phillips, City of Concord; and Mr. Darrell Hinnant, City of Kannapolis for re-appointment to WSACC’s Board of Directors for the years 2011-2014.

Mr. Keeter presented Chairman Michael Quickel with a plaque and a gift in appreciation of his most successful terms of office and his leadership and commitment to WSACC from 2000-2011. Mr. Quickel served as Chairman to WSACC’s Board of Directors from 2002-2011.

Chairman Quickel expressed his appreciation and said he has enjoyed being on WSACC’s Board and will certainly miss it. Mr. Keeter thanked Chairman Quickel for his dedication to WSACC. The Board members expressed their appreciation for what the Chairman has brought to WSACC’s Board.

Discussion and Election of the Following WSACC Board Officers for the Fiscal Year 2011-2012
– Chairman, Vice Chairman, Secretary, Treasurer

Mr. Keeter made the request that the Board postpone the Election of WSACC’s Board Officers and have the Vice Chairman serve as Chairman until the July 21st Board meeting.

With no discussion, Mr. Fowler made a motion to postpone the election of WSACC Board Officers until the July 21st Board meeting. Mr. Legg seconded the motion and the Board approved by unanimous vote.

Mr. Carruth made a motion to go into Closed Session for the purpose of: G.S. 143-318.11(a)(6) – to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. Ms. Poole seconded the motion and the Board approved by unanimous vote.

Mr. Fowler made a motion to come out of closed session. Mr. Barnhardt seconded the motion and the Board approved by unanimous vote.

As a result of closed session, Mr. Carruth made a motion to approve a 2.5% salary increase for the Executive Director, along with a deferred compensation in the amount of $5,000. Mr. Fowler seconded the motion and the Board approved by unanimous vote.

Mr. Fowler made a motion to adjourn. Ms. Poole seconded the motion and the Board approved by unanimous vote.

The Board adjourned at 6:44 p.m.