

**WATER AND SEWER AUTHORITY OF CABARRUS COUNTY**  
**FEBRUARY 17, 2022**  
**5:00 P.M.**

The Board of Directors (the “Board”) of the Water and Sewer Authority of Cabarrus County (“WSACC”) met in regular session on Thursday, February 17, 2022 at the Administrative Offices. The meeting was also set up for virtual attendance administered by Zoom and streamed on YouTube.

Public access to the meeting could be obtained by calling into the conference bridge at 1-(267) 930-4000 and using the participant access code.

The following Board Members were present:

Mr. Jeff Corley	Mr. Jonathan Marshall
Mr. Rob Donham (virtual attendance)	Mr. Robert Ritchie
Mr. Darrell Hinnant	Mr. Jim Sells (virtual attendance)
Ms. Jennifer Parsley-Hubbard	Mr. Lynn Shue (virtual attendance)
Mr. Mike Legg	

Also present were Mr. Michael Wilson, Executive Director; Ms. Tammy Garifo, Executive Secretary/Secretary to the Board; Mr. Chad VonCannon, Engineering Director; Ms. Robin Moore, Deputy Executive Director/Administration; Mr. Thomas Jakubisin, Network Administrator; Mr. Mark Fowler, Facilities Director; Mr. Thomas Hahn, Assistant Engineer Director; Mr. Christopher Tucker, Finance Director; Mr. William Isenhour, Johnston, Allison & Hord, P.A. (“JAH”); Mr. Mike Osborne, Black & Veatch; and Ms. Kassie Watts, Town of Midland.

At 5:00 P.M., Chairman Legg called the meeting to order.

**UNFINISHED BUSINESS**

Request for Approval of the Minutes of January 20, 2022

**Mr. Hinnant made a motion to approve the January 20, 2022 minutes as corrected. Mr. Marshall seconded the motion and the Board approved by unanimous vote.**

**NEW BUSINESS**

Town of Midland Manager’s Proposal – For Information Only

Mr. Wilson informed the Board that Mr. Doug Paris, Town Manager with the Town of Midland (Midland) talked to him about the following proposals that Midland would like for WSACC’s Board to consider.

The proposals were presented to the Board as follows:

- Midland intends to acquire the water and sewer system in Midland from the City of Concord. Midland would like to have a non-voting ex officio member placed on WSACC’s Board to attend open and closed sessions of WSACC’s Board meetings until that water and sewer system is acquired.

- After Midland acquires the water and sewer system from the City of Concord, their ex officio status would be modified to become a full voting member on WSACC's Board.
- In exchange for this commitment, Midland would agree to fund the design of the Muddy Creek Wastewater Treatment Plant (MCWWTP) expansion up to \$1 million from Midland's American Rescue Plan (ARP) funds in two payments. The first payment of \$500,000 would be made to WSACC upon Midland being granted an ex officio seat on WSACC's Board. A second payment of \$500,000 would be made in May 2022, when Midland receives their second ARP disbursement from the state.
- Midland would further expend funds with their lobbyist in Raleigh to seek an earmark from the state legislature for the construction of the MCWWTP expansion to 1.0 million gallons per day (MGD).

Mr. Wilson reiterated that this information was presented to the Board for information only. He said WSACC's attorney, Mr. William Isenhour would like to look into the mechanics and legal ramifications of the proposal including WSACC's Articles of Incorporation and Bylaws and report back to the Board at WSACC's March 17, 2022 Board meeting.

Discussion then centered on WSACC's Bylaws. Mr. Isenhour said changing the make-up of WSACC's Board of Directors would require the governing bodies of every jurisdiction, Cabarrus County, City of Concord, City of Kannapolis, Town of Harrisburg, and the Town of Mt. Pleasant to vote and do a resolution to allow the Town of Midland to join WSACC's Board as a non-voting ex officio member. Each jurisdiction would have to agree to it. It would affect WSACC's Articles of Incorporation and Bylaws.

Mr. Isenhour said in 2018, WSACC hired a representative from the School of Government to present a study that included the Town of Midland having a seat on WSACC's Board. The study focused on WSACC's governance structure overall, along with reviewing the Articles of Incorporation and Bylaws. At that time, Midland did not contribute to any infrastructure and WSACC's Board of Directors decided not to add Midland to the Board.

Mr. Isenhour explained that Midland's possible acquisition of sewer infrastructure with the City of Concord could change the dynamics, therefore it would be good to look further into the proposal.

There was a brief discussion about the MCWWTP expansion to 1.0 MGD and discussion about annexation agreements between jurisdictions.

After continued discussion about the process it takes to have a non-voting ex officio member placed on WSACC's Board, a suggestion from the Board was made for WSACC staff to go over the extensive process with Mr. Paris and assist Midland with orientating flow locations and annexation boundaries. The Board also agreed to have Mr. Isenhour look further into Midland's proposal to determine how it would affect WSACC's Articles of Incorporation and Bylaws and report back to them at the March 17, 2022 meeting.

Request for Approval to Award the Contract for the Independent Annual Audit to Potter & Company, CPA's for the Fiscal Year Ending June 30, 2022

Mr. Tucker stated that request for proposals to perform WSACC's annual audit were sent to three regional accounting firms. He explained that Potter & Company, CPA's submitted the lone proposal with a base audit fee amount of \$18,000 with additional costs of \$6,500 to cover additional audit reviews if necessary due to the American Rescue Plan funding.

Mr. Tucker said Potter & Company, CPA's continues to provide efficient and professional service to WSACC for the past 10 years; therefore, WSACC recommends awarding the contract for the independent annual audit to Potter & Company, CPA's for the Fiscal Year ending 2022.

**Mr. Ritchie made a motion to approve the Contract Award for the Independent Annual Audit to Potter & Company, CPA's for the Fiscal Year ending June 30, 2022. Mr. Dunham seconded the motion and the Board approved by unanimous vote.**

Request for Approval to Award the Construction Contract to Insituform Technologies, LLC and Approve the Award of Services for the Construction of the Lower Back Creek Interceptor Rehabilitation Project

Mr. Hahn spoke to the Board about the Lower Back Creek Interceptor Rehabilitation project. The Back Creek Interceptor is one of many larger interceptors that collect wastewater flow from lines managed by WSACC jurisdictions and convey flow to the Lower Rocky River Pump Station. The portion of the Back Creek Interceptor between Pharr Mill Road and the Rocky River has significant wear from corrosive gases prevalent in the Lower Back Creek portion of the collection system and from general wear over time. The design and bid-phase services for the Lower Back Creek Interceptor Rehabilitation project was awarded to Frazier Engineering at WSACC's September 16, 2021 meeting.

Mr. Hahn said on January 25, 2022, WSACC received six bids for the Lower Back Creek Interceptor Rehabilitation project. Frazier Engineering reviewed the submitted bids and recommended Insituform Technologies, LLC for their total bid amount of \$2,495,086.97. Mr. Hahn said WSACC staff concurs with Frazier Engineering and request that the Board approve the award of the contract to Insituform Technologies, LLC for their bid of \$2,495,086.97.

**Mr. Shue made a motion to award the construction contract to Insituform Technologies, LLC and approve the award of services to Frazier Engineering for the construction of the Lower Back Creek Interceptor Rehabilitation project. Mr. Ritchie seconded the motion and the Board approved by unanimous vote.**

Request for Approval of the Amendment to the Capital Project Ordinance for the Lower Back Creek Interceptor Rehabilitation Budget in the amount of \$2,618,087; and Approve the Amendment to the FY 21-22 Annual Budget Ordinance for the Transfer of \$2,618,087 in Retained Earnings from the Operating Fund to the Capital Project Fund

Mr. Wilson requested an amendment to the fiscal year 2021-2022 Annual Budget Ordinance and an amendment to the Capital Project Ordinance budget for the Lower Back Creek Interceptor Rehabilitation project in the amount of \$2,618,087. He explained that the requested amount was to cover the award of the contract for \$2,495,087 to Insituform Technologies, LLC for the planned rehabilitation work and \$123,000 to Frazier Engineering for the construction administration for the project.

**Mr. Hinnant made a motion to approve the amendment to the Capital Project Ordinance for the Lower Back Creek Interceptor Rehabilitation budget in the amount of \$2,618,087; and approve the amendment to the FY 21-22 Annual Budget Ordinance for the transfer of \$2,618,087 in retained earnings from the Operating Fund to the Capital Project Fund. Mr. Marshall seconded the motion and the Board approved by unanimous vote.**

The Capital Project Ordinance was approved as follows:

**AN ORDINANCE TO AMEND A CAPITAL PROJECT FUND ORDINANCE**

WHEREAS, the Board of Directors of the Water and Sewer Authority of Cabarrus County, North Carolina (WSACC) did on the 16<sup>th</sup> day of September 2021, adopt the **Lower Back Creek Interceptor-Rehabilitation Project Ordinance**; and

WHEREAS, the Board of Directors of WSACC has determined that it is appropriate to amend the Capital Project Ordinance for the reasons stated below; and

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Water and Sewer Authority of Cabarrus County, that in accordance with the authority contained in G.S. 159-13.2, the ordinance is amended as shown and that the total amounts are herewith appropriated for the purposes shown.

**Water and Sewer Authority Capital Project Fund**

<b>Account</b>	<b>Account Title</b>	<b>Amount</b>	<b>From</b>	<b>To</b>
6038202-4990	Retained Earnings Approp.	\$ 2,618,087	\$50,000	\$ 2,668,087
6048202-5198	Engineering	\$ 123,000	\$50,000	\$ 173,000
6048202-6570	Capital Outlay-Lines	\$ 2,495,087	\$ 0	\$ 2,495,087

REASON:

To increase the transfer of Retained Earnings from Operating Fund to Lower Back Creek Rehab CPO for rehabilitation construction and engineering services.

Adopted this 17<sup>th</sup> day of February, 2022.

WATER AND SEWER AUTHORITY OF  
CABARRUS COUNTY, NORTH CAROLINA

\_\_\_\_\_  
Mike Legg, Chairman

ATTEST:

\_\_\_\_\_  
Tammy M. Garifo, Secretary

The Budget Ordinance Amendment was approved as follows:

**AN ORDINANCE TO AMEND FY 2021-2022 BUDGET ORDINANCE**

WHEREAS, the Board of Directors of the Water and Sewer Authority of Cabarrus County, North Carolina did on the 15<sup>th</sup> day of April 2021, adopt the Water and Sewer Authority Budget for the fiscal year beginning July 1, 2021, and ending on June 30, 2022; and

WHEREAS, it is appropriate to amend the accounts in the fund listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Water and Sewer Authority of Cabarrus County, that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as shown and that the total amounts are herewith appropriated for the purposes shown.

**Operating Fund**

Account No.	Account Title	Amount	From	To
1031010-4990	Retained Earnings Approp.	\$ 2,618,087	\$ 867,162	\$3,485,249
1049996-7996	Transfer to Fund 60	\$ 2,618,087	\$ 50,000	\$2,668,087

REASON:

To transfer Retained Earnings from the Operating Fund to the Capital Projects Fund for construction admin. and rehabilitation construction of the Lower Back Creek Interceptor.

Adopted this 17th day of February, 2022.

WATER AND SEWER AUTHORITY OF  
CABARRUS COUNTY, NORTH CAROLINA

\_\_\_\_\_  
Mike Legg, Chairman

ATTEST:

\_\_\_\_\_  
Tammy M. Garifo, Secretary

Request for Approval of the Scope of Services and Fee to Black & Veatch to Perform the WSACC Master Plan Project

At WSACC’s January 20, 2022, Board meeting, the Board approved the selection of Black & Veatch to perform the 2022 WSACC Master Plan project for an amount of \$3,651,809. A copy of the Scope of Services was included in the agenda.

Mr. VonCannon said the Master Plan would be an extensive project that includes three significantly large studies: the Master Plan itself (approximately \$1,500,000), the safe yield analysis (approximately \$600,000) and the RRRWWTP permitting effort (approximately \$1,500,000). He explained that combining these studies into the project was the best option for WSACC due to the growth impacts that the system currently faces.

Next, Mr. Mike Osborne, Project Manager with Black & Veatch gave a presentation on the 2022 WSACC Master Plan project. He said Black & Veatch met with WSACC staff to discuss the goals for the Master Plan. The project goals were to plan for the next NPDES permit expansion; plan for system CIP projects; and to be proactive, not reactive.

Mr. Osborne then went over the primary project tasks for the Master Plan. The task were listed in the presentation and Scope of Services as follows:

- Task 1. Existing System Evaluation - historical data review (provide usage analysis for development fees), system flow metering, hydraulic model development and calibration, and parameters for analysis including storm frequency.
- Task 2. Future Growth Planning – stake holder involvement from member jurisdictions and Charlotte Water and work closely with the jurisdictions to plan for future growth.

- Task 3. RRRWWTP NPDES Permitting – this task consists of a Rocky River Qual2 Model for the entire reach of the RRRWWTP, coordinating on spec limits with the North Carolina Department of Environmental Quality (NCDEQ), conducting environmental assessments and engineering alternative analysis, and preparing environmental documentation to support an expansion of the RRRWWTP NPDES permit.
- Task 4. Water Resources Analysis – conduct a water supply safe yield analysis for WSACC and the member jurisdictions’, look at alternative water strategies for expanding water supply including optimization of existing supplies, water reuse, Inter Basin Transfers (IBT) via purchase of treated or raw water and other alternatives.
- Task 5. System Capacity Assessments – this task will look at future model scenarios, capacity driven CIP recommendations with identified trigger criteria, and define bulk customer vs. member jurisdiction projects.
- Task 6. CIP Development – Utility management tools, CIP dashboard.

The Board briefly discussed the tasks that were included in the Master Plan and the goals and RRRWWTP NPDES permit application.

**Mr. Marshall made a motion to approve the Scope of Services and Fee to Black & Veatch to perform the 2022 WSACC Master Plan project. Mr. Ritchie seconded the motion and the Board approved by unanimous vote.**

Request for Approval of the Capital Project Ordinance for the Master Plan and Permitting Project in the Amount of \$3,671,809; and Approve the Amendment to the FY 21-22 Annual Budget Ordinance for the Transfer of \$3,671,809 in Retained Earnings from the Operating Fund to the Capital Project Fund

Mr. Wilson requested approval for an amendment to the fiscal year 2021-2022 Annual Budget Ordinance and the Capital Project Ordinance in the amount of \$3,651,809 to cover the award of the contract to Black & Veatch for the 2022 Master Plan and permitting work, including \$20,000 to cover other incidental costs that could arise in completing the project.

Mr. Wilson requested to use and transfer retained earnings from the Operating Fund to the Capital Project Fund to fund the project since it does not directly increase treatment or transportation capacity and would be ineligible for funding with System Development Fees.

**Mr. Hinnant made a motion to approve the Capital Project Ordinance for the Master Plan and Permitting project in the amount of \$3,671,809; and approve the amendment to the FY 21-22 Annual Budget Ordinance for the transfer of \$3,671,809 in Retained Earnings from the Operating Fund to the Capital Project Fund. Mr. Corley seconded the motion and the Board approved by unanimous vote.**

The Capital Project Ordinance was approved as follows:

**AN ORDINANCE TO ADD A CAPITAL PROJECT FUND FOR THE  
MASTER PLAN AND PERMITTING**

This Ordinance is adopted by the Board of Directors of the Water & Sewer Authority of Cabarrus County (WSACC) in accordance with Section 13.2 of Chapter 159 of the General Statutes of North Carolina for a capital project consisting of the **Master Plan and Permitting**.

WHEREAS, the engineering, design, and construction of the **Master Plan and Permitting** is required to continue to meet the water and sewer planning and permitting needs of the service areas; and

WHEREAS, the Board of Directors of WSACC wishes to be responsive to the needs of the service area; and

WHEREAS, the period for the completion of the **Master Plan and Permitting** could extend over more than one (1) fiscal year; and

WHEREAS, the Board of Directors of WSACC wishes to comply with the Local Government Budget and Fiscal Control Act.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of WSACC that the following capital project ordinance is hereby adopted:

1. The project authorized is for the engineering, design, right of way acquisition and construction of the **Master Plan and Permitting**.
2. The following revenues are anticipated to be available to WSACC:  
Transfer from Operating Fund` \$3,671,809
3. The following amounts are appropriated expenses for the project: \$3,671,809
4. Accounting records are to be maintained by the Executive Director of WSACC in such a manner as to provide all information required to comply with the Local Government Budget and Fiscal Control Act of the State of North Carolina.
5. At the completion of the project, the Executive Director is authorized to transfer all excess funds to any open project and close the project into capital assets.
6. The Executive Director is directed to report on the financial status of this project in accordance with the policy established by the Board of Directors.
7. The Executive Director is authorized to execute contracts for the completion of this project to the extent allowed by law.

Adopted this 17<sup>th</sup> day of February, 2022.

WATER AND SEWER AUTHORITY OF  
CABARRUS COUNTY, NORTH CAROLINA

\_\_\_\_\_  
Mike Legg, Chairman

ATTEST: \_\_\_\_\_  
Tammy Garifo, Secretary

The Budget Ordinance for the Master Plan and Permitting project was approved as follows:

**AN ORDINANCE TO AMEND FY 2021-2022 BUDGET ORDINANCE**

WHEREAS, the Board of Directors of the Water and Sewer Authority of Cabarrus County, North Carolina did on the 15th day of April, 2021, adopt the Water and Sewer Authority Budget for the fiscal year beginning July 1, 2021, and ending on June 30, 2022; and

WHEREAS, it is appropriate to amend the accounts in the fund listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Water and Sewer Authority of Cabarrus County, that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as shown and that the total amounts are herewith appropriated for the purposes shown.

**Operating Fund**

Account No.	Account Title	Amount	From	To
1031010-4990	Retained Earnings Approp.	\$ 3,671,809	\$3,485,249	\$7,157,058
1049996-7996	Transfer to Fund 60	\$ 3,671,809	\$2,668,087	\$6,339,896

REASON:

To transfer Retained Earnings from the Operating Fund to the Capital Projects Fund for the Master Plan and Permitting CPO.

Adopted this 17th day of February, 2022.

WATER AND SEWER AUTHORITY OF  
CABARRUS COUNTY, NORTH CAROLINA

\_\_\_\_\_  
Mike Legg, Chairman

ATTEST:

\_\_\_\_\_  
Tammy M. Garifo, Secretary

**REPORTS**

WSACC Wastewater Capacity Distributions - February 2022

Mr. VonCannon said WSACC completed the fifth distribution of wastewater capacity to the member jurisdictions. He informed the Board that WSACC received approval from the North Carolina Division of Water Quality for the multi-family flow factor reduction. This completes the flow factor reduction efforts with the State that began in March of 2021.

Mr. VonCannon said as outlined in the Interlocal Wastewater Agreement, WSACC has allocated the capacity to the member jurisdictions. The total volumes for each jurisdiction for flow distributions one through five are shown below.

	Distribution #1	Distribution # 2	Distribution # 3	Distribution # 4	Distribution #5	Total
Concord	-14,075 gpd	261,486 gpd	504,095 gpd	155,303 gpd	189,934 gpd	<b>1,096,743 gpd</b>
Kannapolis	24,767 gpd	170,637 gpd	320,270 gpd	75,564 gpd	123,945 gpd	<b>715,183 gpd</b>
Harrisburg	8,905 gpd	60,015 gpd	80,409 gpd	24,773 gpd	43,592 gpd	<b>217,694 gpd</b>
Mt. Pleasant	1,429 gpd	27,822 gpd	12,209 gpd	3,761 gpd	20,209 gpd	<b>65,430 gpd</b>
Totals	21,026 gpd	519,960 gpd	916,983 gpd	259,401 gpd	377,680 gpd	<b>2,095,050 gpd</b>

WSACC staff will continue to work in coordination with staff from each jurisdiction to answer questions and process projects.

Revenue Bond Issue and Wastewater Service Agreement Update

Mr. Wilson went over the following items related to the upcoming revenue bond issue for the construction of the RRRWWTP expansion to 30 MGD project:



- Charlotte Water has executed Amendment #9 which requires them to fund 40% of the expansion cost and 26.47% of the upgrade, repair and replacement cost related to the project.
- The current estimate for the first phase of the project is \$109,756,676. Charlotte Water's estimated reimbursement will be \$32,929,703 with the remaining \$76,835,973 to be funded by revenue bonds issued by WSACC.
- Based on concerns expressed by the School of Government regarding the eligibility of using ARP monies for design build projects, WSACC decided to use the \$35 million toward the Lower Coddle Creek Parallel Interceptor project, which is a traditional design, bid, and build project.
- WSACC will ask the member jurisdictions to approve the new Wastewater Service Agreement (Agreement) between WSACC and the member jurisdictions at the March 17, 2022 Board meeting. It is critical that WSACC's member jurisdictions approve the Agreement because it is the basis for security of WSACC's repayment of the revenue bond debt that WSACC will be selling.

The Board discussed the fact that most of the jurisdictions had signed the Agreement, or the Agreement was on the respective jurisdiction's agenda for their upcoming Board meeting to approval and sign. Mr. Wilson said WSACC's Agreement will be on the March 17, 2022 Board meeting agenda for approval.

## **PUBLIC COMMENTS**

There were no public comments.

Chairman Legg then asked the Board if they had any comments.

Mr. Hinnant commented on the rehabilitation being done at the Lower Back Creek Interceptor. He asked WSACC's engineering staff if they had considered using magnesium hydroxide for treating areas with higher volumes of corrosion at the Lower Back Creek Interceptor because he had seen successful results in using it to treat corrosion.

Mr. Hahn said the upgrades to the Lower Back Creek Interceptor will consist of polymer reinforced concrete manhole inserts and other features which should help to reduce future impacts to WSACC infrastructure. WSACC should have a more robust system regardless of the environment moving forward. He said currently WSACC uses sulphatrox chemicals around the system to minimize odors and corrosion.

Next, Ms. Hubbard thanked Mr. Fowler for taking the time to show her the RRRWWTP and introducing her to some of WSACC's staff.

## **CLOSED SESSION**

At 6:20 P.M., Ms. Hubbard made a motion to go into closed session - G.S.143-318.11(a)(1) - to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and closed session – G.S.143-318.11 (a)(3) - to consult with WSACC's attorney in order to preserve the attorney-client privilege for consideration of and to give instructions to WSACC's attorney concerning the handling or settlement of a claim, judicial action or administrative procedure. Mr. Shue seconded the motion and the Board approved by unanimous vote.

At 6:52 P.M. **Mr. Hinnant made a motion to come out of closed session. Mr. Marshall seconded the motion and the Board approved by unanimous vote.**

**Mr. Ritchie then made a motion to adjourn. Mr. Shue seconded the motion and the Board approved by unanimous vote.**

The meeting was adjourned until the next meeting scheduled for March 17, 2022.