

**WATER AND SEWER AUTHORITY OF CABARRUS COUNTY**  
**FEBRUARY 16, 2023**  
**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 16, 2023 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. Darrell Hinnant	Mr. Robert Ritchie
Ms. Jennifer Parsley-Hubbard	Mr. Lynn Shue
Mr. Mike Legg	

Mr. Donham and Mr. Sells were unable to attend due to a prior commitment.

Also present were Mr. Michael Wilson, Executive Director; Ms. Tammy Garifo, Executive Secretary/Secretary to the Board; Ms. Robin Moore, Deputy Executive Director/Administration; Mr. Chad VonCannon, Engineering Director; Mr. Mark Fowler, Facilities Director; Ms. Wendi Heglar, Finance Director; Mr. Thomas Hahn, Assistant Engineering Director; Mr. Thomas Jakubisin, IT Manager; and Mr. William Isenhour, Johnston, Allison & Hord, P.A. (“JAH”).

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

**UNFINISHED BUSINESS**

Request for Approval of the Minutes of January 19, 2023

**Mr. Ritchie made a motion to approve the minutes of January 19, 2023 as amended. Mr. Corley seconded the motion and the Board approved by unanimous vote.**

**NEW BUSINESS**

Request for Approval for WSACC Staff to Seek Annexation of the RRRWWTP by the City of Concord and Request to Authorize the Executive Director to Execute All Documents to Complete

Mr. Wilson said the RRRWWTP was zoned under the restrictions of Cabarrus County. Cabarrus County does not have a classification that includes wastewater facilities; therefore, RRRWWTP was currently zoned Low Density Residential with a Special Use Permit. He said the Special Use Permit requires that WSACC hold neighborhood meetings and public hearings prior to new construction. Mr. Wilson said the requirements to make changes to the Special Use Permit are time-consuming and could delay or prevent future critical work and expansions.

Mr. Wilson said WSACC would like to seek annexation under the City of Concord's Industrial 1 (I-1) for industries. WSACC would still need to follow the normal permitting requirements for new construction; however, WSACC would not need to go through the time-consuming steps required to modify the Special Use Permit for Cabarrus County.

Mr. Wilson then requested approval for WSACC staff to seek annexation of the RRRWWTP by the City of Concord.

Mr. Isenhour said upon Board approval, JAH would begin the application process. He said the process could take two to three months to complete.

**Mr. Hinnant made a motion to approve WSACC staff to seek annexation of the RRRWWTP by the City of Concord and to authorize the Executive Director to execute all documents to complete. Mr. Marshall seconded the motion and the Board approved by unanimous vote.**

Request for Approval of the Budget Amendment to Increase the Utilities Budget at the RRRWWTP

Ms. Heglar explained that WSACC received a notice from the City of Concord Electric System about a change to the purchase power adjustment. The purchase power adjustment is a line item included in WSACC's monthly electric bill. It is either a credit or a charge, and is used when needed to adjust for increases or decreases in wholesale power and transmission.

Ms. Heglar then presented a budget amendment to increase WSACC's utility budget by \$500,000. She said the \$500,000 would be appropriated from retained earnings to cover the FY 22-23 additional power expense.

**Mr. Marshall made a motion to approve the budget amendment to increase the utilities budget at the RRRWWTP. Mr. Ritchie seconded the motion and the Board approved by unanimous vote.**

The Budget Amendment was approved as follows:

**AN ORDINANCE TO AMEND FY 2022-2023 BUDGET ORDINANCE**

WHEREAS, the Board of Directors of the Water and Sewer Authority of Cabarrus County, North Carolina did on the 21<sup>st</sup> day of April, 2022, adopt the Water and Sewer Authority Budget for the fiscal year beginning July 1, 2022, and ending on June 30, 2023; 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.	\$500,000	\$1,586,912	\$2,086,912
1043110-5331	Utilities	\$500,000	\$1,424,887	\$1,924,887

REASON:

To appropriate Retained Earnings to increase the utilities budget for RRRWWTP.

Adopted this 16<sup>th</sup> day of February 2023.

WATER AND SEWER AUTHORITY OF  
CABARRUS COUNTY, NORTH CAROLINA

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

ATTEST: \_\_\_\_\_  
Tammy M. Garifo, Secretary  
(Seal)

Request for Approval of the Resolution to Join the North Carolina Investment Pool

Ms. Heglar presented a resolution for WSACC to join the North Carolina Investment Pool (NCIP). The NCIP is a comingled local government investment pool established to invest idle funds in various short-term investments in accordance with North Carolina General Statute Section 159-30(c)(10). Ms. Heglar said approval of the resolution was required to join the investment pool.

**Mr. Ritchie made a motion to approve the resolution for WSACC to join the North Carolina Investment Pool. Mr. Corley seconded the motion and the Board approved by unanimous vote.**

The resolution for the North Carolina Investment Pool was approved as follows:

**North Carolina Investment Pool**

WHEREAS, Water & Sewer Authority of Cabarrus County (WSACC) desires to join with other State of North Carolina local governments or public authorities (“Local Governmental Units”) to pool funds for investment as permitted by and pursuant to North Carolina General Statute (N.C.G.S. Section 159-30(c)(10) relating to a comingled investment pool established by interlocal agreement by two or more units of local government pursuant to N.C.G.S Sections 160A-460 through 160A-464 on containing only investments limited to those qualifying for investment under N.C.G.S. Section 159-30 (c); and N.C.G.S. Section 159-32

WHEREAS, the Trust is a statutory trust formed under the laws of the State of North Carolina in accordance with the provisions of N.C.G.S. Section 159-30 (c) as set forth above;

NOW, THEREFORE, it is hereby RESOLVED as follows:

1. WSACC Board hereby approves and adopts, and thereby agrees to join as a Participant with other Local Government Units pursuant to N.C.G.S. Sections 159-30(c)(10) and 160A-461 through 160A-464 that certain trust (the “Trust”) described in the Indenture of Trust entitled the North Carolina Investment Pool dated March 22, 2021 (the “Indenture”), as may be amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. The officers of the Participant, acting individually or collectively, are hereby authorized, empowered and directed to take all actions necessary or appropriate in the judgment of such officers to accomplish these resolutions, including the execution and delivery of the Indenture and all other documents, agreements, instruments and certificates contemplated by the Indenture or necessary or appropriate to join the Trust (collectively, the “Trust Documents”), with such changes or modifications as such officers determine to be necessary or advisable and in the best interest of the Participant (the signature of any such officer on the Trust Documents to be conclusive evidence of such determination); and
3. Any actions taken by any officer of the Participant prior to the adoption of the foregoing resolutions, in connection with actions described herein, are hereby ratified, confirmed and approved.

The undersigned hereby certifies that: WSACC has enacted:

- This Resolution, or
- Another form of Resolution, a copy of which is enclosed and that such Resolution is a true and correct copy of the original which is in my possession.

Name of Local Government Unit: WSACC

By: \_\_\_\_\_ Authorized Signatory

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Discussion Regarding the Allocation of Wastewater Capacity from the RRRWWTP Expansion

Mr. VonCannon gave a power point presentation with actual numbers of the RRRWWTP capacity status. The presentation included several graphs of average daily flows at the RRRWWTP, and graphs showing residential and industrial flow acceptance. A summary of the presentation is listed below:

WSACC’s 2023 capacity status:

- RRRWWTP is currently permitted at 26.5 million gallons per day (MGD).
- The RRRWWTP’s 2022 actual average daily flow was 21.11 MGD (79.7 percent of currently permitted capacity).

- Developer-controlled capacity = 3.22 MGD. Developer-controlled capacity is capacity that has been officially allocated to a specific project through the flow allocation process.
- 2.3 MGD of the developer-controlled capacity is future residential connections. This is 7,038 residential units that currently have approved flow acceptance.
- Approximately 2/3's of residential projects approved in 2020 have not been completed as of January 1, 2023.
- At the 2022 rate of 131 residential building permits/System Development Fee collections, it will take over 53 months for the currently approved residential connections to be completed.
- Jurisdictional controlled capacity = 2.17 MGD. Jurisdictional controlled capacity is the flow that has been allocated to each jurisdiction to be used toward projects.
- An additional 2.1 MGD of new capacity will be coming online in the spring of 2024.

The Board had a lengthy discussion regarding the process of administering the developer-controlled capacity. Mr. VonCannon explained that developers have two years from the time they receive the flow acceptance notification to begin the installation of water and sewer infrastructure. If construction of the project does not commence within two years, the flow acceptance is revoked and no longer available. The capacity allocated for that project goes back to the jurisdiction to be distributed for another developer-controlled flow capacity request. Mr. VonCannon said currently there are 7,038 dwelling units (residential only) that have flow acceptance that are developer-controlled that have not been built at the time of this presentation.

Mr. Wilson reminded the Board that the term of the current Interlocal Wastewater Capacity Allocation Agreement (Agreement) ends in January 2025, or when the RRRWWTP expansion to 30 MGD comes online. He said once the Phase 3 expansion was complete, WSACC would have an additional 2.1 MGD to allocate to member jurisdictions. Mr. Wilson said the Board can choose to address the additional capacity of 2.1 MGD in the new Agreement or address the entire expansion to 34 MGD which would provide 4.5 MGD by the end of 2027.

A lengthy discussion centered on allocation of capacity to each member jurisdiction. The Board agreed to continue the discussion, preferably with all Board members present, at the next meeting.

## **REPORTS**

### **WSACC's Quarterly Financial Reports**

Ms. Heglar presented a report of WSACC's revenues and expenses along with an investment report as of December 31, 2022. She told the Board to contact her if they wanted more information, or if they had any questions about WSACC's financial statements.

### **RRRWWTP Expansion Update**

Each month, Mr. VonCannon provides an update on the RRRWWTP expansion with pictures of the construction progress for the expansion. Listed below is the current expansion update and the expectations for the next month.

- Crowder Construction continues with multiple crews on site working on both the electrical replacement project and the Phase 3 plant expansion.
- Crowder Construction has completed the last wall pour with aeration basin 6.
- Crowder Construction has continued excavation for the equalization basin.
- The new maintenance canopy pad has been completed.
- Continued work for the new effluent flume.
- Continued excavation for box 101 that will tie in the equalization basin discharge to the influent line for the main pump station.
- Crowder Construction continues to receive shipments of early procured electrical equipment and large-diameter piping.
- The team has continued to work to mitigate potential issues with sourcing equipment for Phase 3 and the electrical upgrades effort.

Worked planned for next month:

- Continue excavation for the equalization basin / NEF facility following blasting.
- Continue excavation and shoring for junction box 101.
- Continue work within aeration basin 6.
- Continue work at chlorine contact basin/effluent flume 103.
- Continue work at new maintenance canopy.

## **PUBLIC COMMENTS**

There were no public comments.

## **CLOSED SESSION**

**At 6:02 P.M., Mr. Hinnant 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 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. Marshall seconded the motion and the Board approved by unanimous vote.**

**At 6:45 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.**

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

The Board meeting adjourned until the next meeting scheduled for March 16, 2023.