

WATER AND SEWER AUTHORITY OF CABARRUS COUNTY

August 15, 2024

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, August 15, 2024, 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. Mike Legg
Mr. Rob Donham	Mr. Jonathan Marshall
Mr. Darrell Hinnant	Mr. Bob Ritchie
Mr. Randy Holloway	Mr. Lynn Shue
Ms. Jennifer Parsley-Hubbard	

Also present were Mr. Michael Wilson, Executive Director; Ms. Robin Moore, Deputy Executive Director Administration; Mr. Chad VonCannon, Engineering Director; Mr. Thomas Hahn, Engineering Director; Ms. Mayara Arnold, Utility Systems Engineer; Mr. Chris Carpenter, Wastewater Operations Director, Mr. Thomas Jakubisin, IT Manager; Ms. Wendi Heglar, Finance Director; Ms. Shannon Kincaid, Executive Secretary/Secretary to the Board; Mr. George Anipsitakis, Brown and Caldwell; Mr. Derric Beach, Crowder Construction Company; Ms. Anne Marie Fowler; Ms. Sarah Wilson; and Ms. Sheldon Stokes and Mr. William Isenhour, Johnston, Allison & Hord, P.A. (“JAH”).

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

ADOPTION OF THE AGENDA

Request for Adoption of the Agenda of the August 15, 2024 Board Meeting

Mr. Donham made a motion to adopt the Agenda of the August 15, 2024 Board meeting. Mr. Marshall seconded the motion, and the Board approved by unanimous vote.

SPECIAL RECOGNITION

Twenty-Seventh Consecutive Certificate of Achievement for Excellence in Financial Reporting

Ms. Heglar presented the Board with the Certificate of Achievement for Excellence in Financial Reporting Award (the “Award”) from the Government of Finance Officers Association, noting that this is WSACC’s twenty-seventh consecutive year to receive the Award.

Ms. Heglar thanked Mr. Wilson and the finance team for their hard work and contribution to making winning the Award possible.

Recognition of Retirement of Michael Wilson and Mark Fowler

Chairman Legg recognized the retirement of Mr. Fowler. He stated that Mr. Fowler began his career with the City of Concord in 1989 and was a WSACC Board member from 1998 until 2011, when he resigned his position to join WSACC as the Facilities Director.

Chairman Legg thanked Mr. Fowler for his years of service to the WSACC organization and presented to Mr. Fowler a token of appreciation from the WSACC organization.

Next, Chairman Legg recognized the retirement of Mr. Wilson. He stated that with more than a decade of experience in local government, Mr. Wilson began his career with WSACC as the Finance Director in 1997, was named Deputy Executive Director of Finance in 2009, and was then named as WSACC's Executive Director in 2017.

Chairman Legg thanked Mr. Wilson for his years of service to the WSACC organization and presented to Mr. Wilson a token of appreciation from the WSACC organization.

PUBLIC COMMENTS

Mr. Beach asked to make a statement to the Board on behalf of Crowder Construction Company and Brown and Caldwell.

Mr. Beach stated that both organizations wanted to publicly thank Mr. Wilson, Mr. Fowler, and their teams for a wonderful working relationship during the Phase 3 expansion at the Rocky River Regional Wastewater Treatment Plant ("RRRWWTP").

UNFINISHED BUSINESS

Request for Approval of the Minutes of June 20, 2024

Mr. Corley made a motion to approve the minutes of June 20, 2024. Ms. Parsley-Hubbard seconded the motion, and the Board approved by unanimous vote.

NEW BUSINESS

RRRWWTP Phase 4 Expansion – Charlotte Water Participation Discussion

Mr. VonCannon informed the Board that WSACC met with Charlotte Water ("CLTW") in 2023 to discuss Charlotte Water's ideas to reduce their future expenditures related to the Phase 4 expansion of the RRRWWTP (the "Project"). At that time, WSACC made the recommendation to CLTW that WSACC would assume a larger share of the Project to reduce CLTW's expenditures. This would in turn, help Cabarrus County with more wastewater treatment capacity. CLTW was not receptive to WSACC's recommendation because CLTW desired the capacity.

As outlined in Amendment 9 of the sewer agreement between WSACC and CLTW, CLTW has agreed to participate in the Phase 3 and Phase 4 expansion projects of the RRRWWTP at a forty percent (40%) cost share. On July 25, 2024, CLTW requested that they not be required to participate in the Phase 4 expansion of RRRWWTP at this time. Mr. VonCannon summarized the request for the Board which included:

- CLTW proposes to forgo 1 MGD of capacity from the Phase 4 expansion, thus allowing WSACC to allocate that flow as needed for its customer base. CLTW's total capacity in the RRRWWTP will be 8 MGD once the current expansion is complete.
- CLTW proposes to reserve the 0.6 MGD capacity in the Phase 4 expansion. CLTW would like to "lock-in" its pro-rata cost share of the Phase 4 expansion until a later date when WSACC is proceeding with a future expansion project (i.e., Phase 5). CLTW would not be billed for any costs towards the Phase 4 expansion during its construction.
- In exchange, CLTW would permit WSACC to "borrow" the 0.6 MGD of capacity, and allocate it in the future as needed, until a future expansion (i.e., Phase 5) can replace the "borrowed" 0.6 MGD capacity. During the next expansion, when the 0.6 MGD capacity is made available to CLTW, payment for the 0.6 MGD capacity would be required. CLTW's cost for the 0.6 MGD would be based on the Phase 4 costs for capacity.

Mr. VonCannon went on to say that there are many factors to consider in CLTW's request, and that WSACC staff would like to have an open discussion with the Board to decide the best path forward for WSACC concerning this request.

Ms. Heglar informed the Board that Charlotte Water's financial obligation to the Project is \$56,182,664 for 1.6 MGD of wastewater capacity, with the cost of 1 MGD being \$35,114,165. Ms. Heglar stated that WSACC has \$56,243,500 in grant money from the North Carolina 2023 Appropriations Act (S.L. 2023-134), and that she has confirmed that the grant money can be used to help fund the Project.

The Board then had a lengthy discussion centered on the terms of Charlotte Water's request. Following the discussion, it was decided by the Board that WSACC staff should respond to CLTW's request as follows: WSACC will assume financial responsibility for Charlotte Water's share of the Project in the amount of \$56,182,664 and WSACC will retain Charlotte Water's wastewater capacity of 1.6 MGD from the Project; or WSACC will retain and pay for 1 MGD of wastewater capacity, while Charlotte Water retains 0.6 MGD of wastewater capacity of which Charlotte Water would pay for as contractually obligated during the Project.

Sole-Source Purchase of Xylem Wastewater Pump for Reedy Creek Pump Station

Ms. Heglar requested that Xylem be approved, as required by North Carolina state statute, as the sole-source provider of the wastewater pump for the Reedy Creek Pump Station. She stated the quoted cost of the project is just beyond \$215,113.25.

Mr. Hahn explained that WSACC has Xylem pumps throughout their existing system, noting that controls and replacement parts are common to the pumps, which allows for standardization across the system.

Mr. Marshall made a motion to approve Xylem as the sole-source provider of the wastewater pump for the Reedy Creek Pump Station. Mr. Hinnant seconded the motion, and the Board approved by unanimous vote.

REPORTS

Wastewater Flow Acceptance Update

Mr. Hahn provided a wastewater flow acceptance update that included a Power Point presentation with data from June and July of 2024. Highlights of the presentation included:

- Phase 3 capacity at the RRRWWTP is permitted for 30 MGD.
- The actual flow at the RRRWWTP for calendar year 2023 was 22.218 MGD, seventy-four-point one percent (74.1%) of Phase 3 capacity.
- Cabarrus County developer-controlled capacity that has been officially allocated through the flow allocation acceptance process is 2.228 MGD.
- Charlotte Water developer-controlled capacity that has been officially allocated through the flow allocation acceptance process is 1.290 MGD.
- Charlotte Water jurisdictional-controlled capacity is 0.917 MGD.

For a copy of the presentation, contact the Executive Secretary to the Board.

Wastewater Treatment Facilities Plan / Preliminary Engineering Report Update

Mr. Hahn provided an update on the Wastewater Treatment Facilities Plan and Preliminary Engineering Report. Mr. Hahn provided a Power Point presentation which centered on: Wastewater Treatment Facilities Plan Tasks; Progress and Remaining Work; and the Projected Schedule.

For a copy of the presentation, contact the Executive Secretary to the Board.

CLOSED SESSION

At 6:13 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 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; and closed session – G.S.143-318.11 (a)(4) - to discuss matters relating to the location or expansion of industries or other businesses in the area served by the local body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. Ms. Parsley-Hubbard seconded the motion, and the Board approved by unanimous vote.**

At 7:24 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. Parsley-Hubbard then made a motion to adjourn. Mr. Hinnant seconded the motion, and the Board approved by unanimous vote.

The Board meeting adjourned until the next Board meeting scheduled for September 19, 2024.