

# WATER AND SEWER AUTHORITY OF CABARRUS COUNTY

November 21, 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, November 21, 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. Rob Donham  
Mr. Randy Holloway  
Mr. Darrell Hinnant

Mr. Mike Legg  
Mr. Jonathan Marshall  
Ms. Jennifer Parsley-Hubbard  
Mr. Bob Ritchie

Mr. Shue was unable to attend due to a prior commitment.

Also present were Mr. Chad VonCannon, Executive Director; Mr. Thomas Hahn, Engineering Director; Mr. Chris Carpenter, Wastewater Operations Director, Mr. Thomas Jakubisin, IT Manager; Ms. Wendi Heglar, Finance Director; Mr. John Kapelar, Potter & Company, P.A.; Ms. Robin Moore, Deputy Executive Director Administration; Ms. Shannon Kincaid, Executive Secretary/Secretary to the Board; 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 November 21, 2024 Board Meeting

**Mr. Hinnant made a motion to adopt the Agenda of the November 21, 2024 Board meeting. Mr. Ritchie seconded the motion, and the Board approved by unanimous vote.**

## **NEW BUSINESS**

Presentation of Fiscal Year 2023-2024 Independent Auditor’s Report and Annual Comprehensive Financial Report

Ms. Heglar, together with Mr. Kapelar of Potter & Company, P.A., presented the Fiscal Year 2023-2024 (“FY 23-24”) Independent Auditor’s Report (“Audit”) and the Annual Comprehensive Financial Report (“ACFR”) to the Board of Directors.

Ms. Heglar informed the Board that WSACC received an Unmodified Opinion on the FY 23-24 Financial Statements, which is the highest level of assurance that the financial position of WSACC was fairly presented as of June 30, 2024. An Unmodified Opinion was also issued for the Compliance Audit that was required as a part of the state and federal awards that were issued to WSACC.

Ms. Heglar stated there were no Financial Statement Findings on WSACC's FY 23-24 Financial Statements, and the Financial Statements have been submitted for the Certificate of Achievement for Excellence in Financial Reporting.

Ms. Heglar and Mr. Kapelar provided a Power Point presentation that included the following highlights:

- Update on Audit highlights of WSACC's Financial Statements
- Update on WSACC's Net Position
- Update on WSACC's Total Operating Revenues and Expenses
- Update on WSACC's System Development Fees
- Update on Financial Performance Indicators

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

Request for Approval of the Resolution Accepting Appropriations from a Directed Projects Grant from the 2023 Appropriations Act

Ms. Heglar requested approval of the Resolution Accepting Appropriations from a Directed Projects Grant from the 2023 Appropriations Act.

**Mr. Marshall made a motion to approve the Resolution Accepting Appropriations from a Directed Projects Grant from the 2023 Appropriations Act. Mr. Holloway seconded the motion, and the Board approved by unanimous vote.**

Request for Approval of the Resolution with Multi-Bank Securities

Ms. Heglar requested approval of the Resolution with Multi-Bank Securities, stating that the non-corporate resolution is required by Multi-Bank Securities to update WSACC's contact information following the retirement of Mr. Wilson.

**Mr. Ritchie made a motion to approve the Resolution with Multi-Bank Securities. Ms. Parsley-Hubbard seconded the motion, and the Board approved by unanimous vote.**

Request for Approval of the Resolution Authorizing Condemnation to Acquire Property

Mr. VonCannon requested approval of the Resolution Authorizing Condemnation to Acquire Property for Phase 2 of the Lower Coddle Creek Parallel Interceptor Project.

<b><u>Schedule 1</u></b>		
<b>Record Property Owners</b>	<b>Property</b>	<b>Interest to be acquired</b>
David L. McLain Denise M. McLain	3501 Cedar Springs Drive SW Concord, NC 28027 PIN: 5509-91-2606	Permanent Utility Easement: 0.090 AC  Temporary Construction Easement: 0.333 AC

**Mr. Donham made a motion to approve the Resolution Authorizing Condemnation to Acquire Property. Mr. Ritchie seconded the motion, and the Board approved by unanimous vote.**

## Request for Approval of the Resolution Authorizing Amendment of Schedule of Regular Meetings

Mr. VonCannon requested approval of the Resolution Authorizing Amendment of Schedule of Regular Meetings to amend WSACC's regular meeting schedule from the third Thursday of each month to the third Wednesday of each month.

**Mr. Hinnant made a motion to approve the Resolution Authorizing Amendment of Schedule of Regular Meetings. Mr. Marhsall seconded the motion, and the Board approved by unanimous vote.**

## GENERAL DISCUSSION

### Update from the Executive Director

Mr. VonCannon provided the following updates to the Board:

- WSACC hosted an employee luncheon at the Rocky River Regional Wastewater Treatment Plant ("RRRWWTP") on October 31, 2024 to celebrate the completion of Phase 3.
- The water level at Coddle Creek/Lake Don T. Howell is down dramatically due to contract work that is being performed on the dam gates. Weather permitting, the work is expected to be completed by mid-December, at which time the gates will be raised to allow water levels to return to normal.
- WSACC's actual wastewater flows are anticipated to be flat for 2024 as current flows are comparable to 2023. WSACC is hopeful that the system development fee numbers will translate into completed projects resulting in the possibility for each jurisdiction to regain wastewater flow capacity.
- RRRWWTP failed the toxicity testing for the month of August 2024. Following the failed test, WSACC retrieved additional samples, all of which showed RRRWWTP as being in compliance. WSACC contacted North Carolina Division of Environmental Quality ("NCDEQ") to inform them of the failed test and the steps WSACC was taking to identify the problem. NCDEQ agreed with WSACC's plan of action and were appreciative that WSACC contacted them. To date, there are no definitive answers as to what caused the failed test. WSACC has received a Notice of Violation from NCDEQ however no fine was assessed.
- WSACC has begun the budget process for Fiscal Year 2025-2026 ("FY 25-26"). In the past, WSACC's Capital Improvement Project ("CIP") has been presented concurrently with the budget. Mr. VonCannon asked for the Board's approval to present the CIP separately from the FY 25-26 budget. This is due to WSACC's CIP being more difficult to predict until the ongoing Wastewater Facilities Plan Study is completed. Although no formal action was needed by the Board, the Board unanimously agreed.
- The City of Kannapolis ("Kannapolis") has approached WSACC regarding the Irish Creek project that is a joint project in Rowan County with the developer and the Town of Landis. Kannapolis has been working with Rowan County to put in a pump station to send wastewater flow from the Irish Creek project to the City of Salisbury for treatment at their wastewater treatment facility. Mr. VonCannon said the Master Sewer Service Agreement states that WSACC must grant a release for a jurisdiction to send wastewater flow to another wastewater treatment system. However, the level of approval needed is unclear to WSACC and JAH. It was determined by the Board that no formal Board action was needed. The Board

unanimously agreed that the Executive Director has the authority to grant a release to a jurisdiction for wastewater flow to be sent to another wastewater treatment facility.

## **UNFINISHED BUSINESS**

### **Request for Approval of the Minutes of October 17, 2024**

**Mr. Corley made a motion to approve the minutes of October 17, 2024. Ms. Parsley-Hubbard seconded the motion, and the Board approved by unanimous vote.**

## **REPORTS**

### **WSACC RRRWWTP Construction Project Update**

Mr. Hahn provided an update on WSACC's construction projects at the RRRWWTP. Mr. Hahn provided a Power Point presentation which showed a schematic of the RRRWWTP and identified each component of the plant. Mr. Hahn then provided an in-depth review of the components and identified if the component was associated with the Phase 3 expansion or the Phase 4 expansion of the RRRWWTP.

## **PUBLIC COMMENTS**

There were no public comments.

## **CLOSED SESSION**

**At 5:44 P.M., Mr. Marshall 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. Mr. Hinnant seconded the motion, and the Board approved by unanimous vote.**

**At 5:45 P.M. Ms. Parsley-Hubbard made a motion to come out of closed session. Mr. Hinnant seconded the motion, and the Board approved by unanimous vote.**

**Also, at 5:45 P.M., Mr. Marshall made a motion to adjourn. Mr. Ritchie seconded the motion, and the Board approved by unanimous vote.**

The Board meeting adjourned until the next Board meeting scheduled for December 18, 2024.