

**WATER AND SEWER AUTHORITY OF CABARRUS COUNTY**

**April 18, 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, April 18, 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. Darrell Hinnant

Mr. Randy Holloway

Ms. Jennifer Parsley-Hubbard

Mr. Mike Legg

Mr. Jonathan Marshall

Mr. Bob Ritchie

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

Also present were Mr. Michael Wilson, Executive Director; Ms. Robin Moore, Deputy Executive Director Administration; Mr. Chad VonCannon, Engineering Director; Ms. Wendi Heglar, Finance Director; Mr. Thomas Hahn, Assistant Engineering Director; Mr. Thomas Jakubisin, IT Manager; Ms. Mayara Arnold, Utility System Engineer; Ms. Shannon Kincaid, Executive Secretary/Secretary to the Board; Mr. James Sims, Wastewater Treatment Plant Operations Manager; Ms. Becky Drozd, Guerilla HR; 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**

Chairman Legg informed the Board of the need to amend the Agenda of the April 18, 2024 Board meeting to include: **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 public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.**

**Mr. Ritchie made a motion to amend the Agenda of the April 18, 2024 meeting. Ms. Hubbard seconded the motion and the Board approved by unanimous vote.**

**Mr. Hinnant then made a motion to adopt the Amended Agenda of the April 18, 2024 Board meeting. Mr. Ritchie seconded the motion and the Board approved by unanimous vote.**

## **UNFINISHED BUSINESS**

### Request for Approval of the Minutes of March 21, 2024

**Mr. Marshall made a motion to approve the minutes of March 21, 2024. Mr. Holloway seconded the motion and the Board approved by unanimous vote.**

## **PUBLIC HEARING**

Mr. Wilson gave a brief recap of the Proposed Fiscal Year 2024-2025 (“FY 24-25”) Budget stating that there are two main drivers contributing to the increases that member jurisdictions will see going into FY 24-25 which are: 1) a four-point three percent (4.3%) increase in the variable rate which increased the cost per thousand gallons of wastewater treated to \$1.842; and 2) there were substantial increases associated with the debt service for the expansions at the Rocky River Regional Wastewater Treatment Plant “(RRRWWTP)” to thirty million gallons per day (“MGD”) and then to thirty-four MGD.

At 5:02 P.M. Chairman Legg opened the Public Hearing for the Proposed FY 24-25 Budget.

There were no public comments therefore, Chairman Legg closed the Public Hearing for the Proposed FY 24-25 Budget at 5:02 P.M.

## **NEW BUSINESS**

### Request for Approval of the Adoption of the FY 24-25 Budget Ordinance

Mr. Wilson requested approval of the Adoption of the FY 24-25 Budget Ordinance.

**Mr. Ritchie made a motion to approve the Adoption of the FY 24-25 Budget Ordinance. Mr. Hinnant seconded the motion and the Board approved by unanimous vote.**

The Board then complimented and thanked Mr. Wilson and his staff for the hard work that was put into the FY 24-25 budget.

The FY 24-25 Budget Ordinance was approved as follows:

**Water and Sewer Authority of Cabarrus County**  
**BUDGET ORDINANCE**  
**For the Fiscal Year July 1, 2024 through June 30, 2025**

**BE IT ORDAINED** by the Board of Directors of the Water and Sewer Authority of Cabarrus County (WSACC), North Carolina, meeting in open session this 18th day of April, 2024, that the following fund revenues and departmental expenses, together with certain restrictions and authorizations, are adopted.

**SECTION I – GENERAL OPERATING FUND**

**A. Revenues totaling \$26,276,980 are hereby approved, comprised of the following components:**

Flow Operation and Maintenance	\$12,857,160
Fixed Shares – Treatment	9,043,765
Fixed Shares – Interceptor	1,311,510
Surcharges	850,000
Program, Sample & Lab Fees	270,864
Raw Water Charges – Lake Howell	319,664
Biosolids Disposal Tipping Charges	400,000
Septage Haulers' Fees	500,000
Investment Earnings	700,000
Other	24,017
Total Revenues	\$26,276,980

**B. The following rates and fixed charges have been established:**

Wastewater Combined Operation and Maintenance:	
Treatment Rate/1,000 gallons	\$1.842
Treatment Fixed Share	\$9,043,765
Interceptor Fixed Share	\$1,311,510
Septage Hauler Rate/ gallon	\$0.06
Lake Howell Reservoir:	
Annual Charge for Permitted Capacity	\$319,664
City of Concord	\$262,732
City of Kannapolis	\$56,932

Other user fees are shown in detail in the attached Exhibit A.

**Water and Sewer Authority of Cabarrus County  
BUDGET ORDINANCE  
For the Fiscal Year July 1, 2024 through June 30, 2025**

**C. Expenses totaling \$26,276,980 are hereby approved, comprised of the following program budgets:**

Administration	\$1,979,544
Engineering	925,773
Rocky River Regional Wastewater Treatment Plant	7,307,467
Biosolids Incineration	2,062,623
Laboratory	658,304
Pretreatment	296,551
Muddy Creek Wastewater Treatment Plant	301,256
Interceptors	2,004,416
Lake Howell Reservoir	319,664
Debt Service/Capital Outlay – Treatment	8,674,085
Debt Service/Capital Outlay – Interceptor	776,507
Non-departmental	970,790
Total Expenses	<u>\$26,276,980</u>

**D. Compensation adjustments have not been incorporated into the budget ordinance at this time:**

Performance Increases- Merit Range	Up to 5%
Board Members	
Compensation as allowed by State Statute.	

**SECTION II – SYSTEM DEVELOPMENT FEE FUND**

**A. Revenues totaling \$3,200,000 are hereby approved, comprised of the following components:**

System Development Fees	<u>\$ 3,200,000</u>
Total Revenues	<u>\$ 3,200,000</u>

The System Development Fees (SDF) are authorized by ordinance and collected by Cabarrus County on WSACC's behalf.

**Water and Sewer Authority of Cabarrus County  
BUDGET ORDINANCE  
For the Fiscal Year July 1, 2024 through June 30, 2025**

**B. The following fees have been established:**

<u>Meter Size in Inches</u>	<u>System Development Fee</u>
5/8 & 3/4"	\$ 2,968
1"	\$ 4,947
1.5"	\$ 9,893
2"	\$ 15,829
3"	\$ 31,659
4"	\$ 49,467
6"	\$ 98,933
8"	\$ 158,293
10"	\$ 415,520
12"	\$ 524,347
Multi-Family*	
1 or 2 Bedrooms	\$ 1,696
Greater Than 2 Bedrooms	\$ 2,968

\*Multi-family is apartments, townhomes, condos, duplexes, etc.

**C. Expenses totaling \$3,200,000 are hereby approved, comprised of the following components:**

Contribution to SDF Reserve	<u>\$3,200,000</u>
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The Board of Directors will authorize all SDF transfers to a Capital Project Fund for each specific capital project.

**SECTION III – ENCUMBRANCES AS OF JUNE 30, 2024**

Funds appropriated in the FY 2023-2024 Budget and encumbered on June 30, 2024, shall be authorized as part of the Budget Appropriation by adoption of this Budget Ordinance.

**Water and Sewer Authority of Cabarrus County**  
**BUDGET ORDINANCE**  
**For the Fiscal Year July 1, 2024 through June 30, 2025**

**SECTION IV – SPECIAL AUTHORIZATIONS**

- A. The Finance Director shall be authorized to transfer monies within program budgets to conduct the objectives of each program, without limitation.
- B. The Finance Director shall be authorized to transfer monies between program budgets as necessary for the efficient operation of WSACC without action by the Board of Directors.
- C. The Finance Director shall be authorized to transfer monies from the Nondepartmental program budget to other program budgets, to reflect:
  - 1. The difference in the actual percentage increase authorized by the Board of Directors for merit increases, and the amount budgeted within the programs.
  - 2. To conduct the results of any personnel action taken by the Board of Directors.
  - 3. The difference in actual insurance premiums and the amount budgeted within the programs.
  - 4. Unplanned and unanticipated maintenance of equipment of a critical nature.
- D. The Finance Director shall be authorized to reallocate monies among the various objects of expenditures for Capital Project Ordinances and between Capital Project Ordinances as needed.
- E. The Executive Director is hereby authorized to transfer monies from the contingency designation into program budgets as necessary for the efficient operation of the WSACC organization. The transfer is to be reported to the Board of Directors at the next scheduled meeting.
- F. The Finance Director is authorized to establish the capitalization threshold of \$10,000 for capital assets and \$250,000 for infrastructure.
- G. The Executive Director and the Engineering Director are authorized to establish rates for biosolids cake and liquid taking into consideration the percent solids, volatiles content, difficulty of processing, and the impact on the plant.

**SECTION V – INSTRUCTIONS – EXECUTIVE DIRECTOR**

The Board of Directors authorizes the adoption of the General Operating Fund budget on the program budget level.

**Water and Sewer Authority of Cabarrus County**  
**BUDGET ORDINANCE**  
**For the Fiscal Year July 1, 2024 through June 30, 2025**

**SECTION VI – BUDGETARY ACCOUNTING FOR APPROPRIATIONS**

Any salaries, benefits, and expenses paid under this budget ordinance have been preaudited under the requirements of GS 159-28(a) and the finance officer has determined that an unencumbered balance remains in the appropriation sufficient to pay in July 1, 2024 through June 30, 2025 fiscal year the sums obligated by the transaction. The following certification shall apply to payments during the fiscal year:

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

  
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Wendi Heglar, Finance Officer

**SECTION VII - UTILIZATION OF BUDGET AND BUDGET ORDINANCE**

This Budget Ordinance and the Operating Budget document, which is on file with the Executive Director and incorporated fully as part of this Budget Ordinance, shall be the basis of the financial operations of WSACC during the Fiscal Year. The Executive Director shall administer the Budget and shall ensure that the Board of Directors is provided with sufficient financial information to allow the setting of appropriate financial policies. The Executive Director shall establish and maintain records that agree with the Budget, the Budget Ordinance, and the appropriate statutes of the State of North Carolina.

**THIS ORDINANCE IS HEREBY** approved and adopted this 18th day of April, 2024.



ATTEST:

  
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Shannon Kincaid, Secretary to the Board

BOARD OF DIRECTORS  
Water and Sewer Authority of  
Cabarrus County, North Carolina

  
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Michael B. Legg, Chairman

## Implementation of HR Compensation Study Market Pricing and Analysis

Ms. Drozd of Guerilla HR gave a presentation of WSACC's Compensation Study and Market Pricing Analysis. Ms. Drozd provided a PowerPoint presentation which highlighted the following:

- Ms. Drozd's background and experience
- General trends in the current labor market
- Statistical data from the Bureau of Labor
- Competitiveness of WSACC's position in the labor market
- Recommendation of changes to WSACC's overall pay structure and pay ranges
- Recommendation of a general increase of three-point five percent (3.5%) for each employee or to bring each employee to the minimum pay of their range
- Recommendation of a fixed percentage market adjustment for each employee of zero-point eight percent (0.8%) for each completed year with WSACC, minimum of \$1500
- Recommendation that the total increase for each employee should not exceed eight percent (8%) unless more is needed to reach range minimum

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

Ms. Moore requested approval of the Implementation of the HR Compensation Study Market Pricing and Analysis effective June 14, 2024.

**Mr. Holloway made a motion to approve the Implementation of the HR Compensation Study Market Pricing and Analysis effective June 14, 2024. Mr. Marshall seconded the motion and the Board approved by unanimous vote.**

## REPORTS

### RRRWWTP Expansion Update and Startup Preview

Mr. Hahn provided an update on the RRRWWTP Expansion Update and Startup Preview. Mr. Hahn provided a Power Point presentation with pictures showing updates of the work to-date, which included the following information:

- Overall Expansion Project Status Update
- Update on the Medium Voltage Switchgear
- Update on Aeration Basin 6
- Update on the Blower Building
- Update on the Gravity Thickeners/Thickened Sludge Pump Station
- Update on the work planned for the next month
- Update on Crowder Constructions current projected timeframes for equipment start-ups, testing, and commissioning of Phase 3 capacity upgrades

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

Following the presentation, Mr. Hahn gave a brief update that changes are being made to the Master Plan presentation that was presented to the Board at the March 21, 2024 meeting.



Mr. VonCannon stated that he is hopeful to start rolling out the Master Plan Presentation to member jurisdictions and elected officials in June of 2024.

## **PUBLIC COMMENTS**

There were no public comments.

## **CLOSED SESSION**

At 5:37 P.M., Mr. Corley 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; 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 public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session. and closed session – G.S.143-318.11(a)(6) – to consider the qualifications, competence, performance, character, fitness, conditions or appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. Mr. Hinnant seconded the motion and the Board approved by unanimous vote.

At 7:40 P.M. Mr. Hinnant made a motion to come out of closed session. Ms. Hubbard seconded the motion and the Board approved by unanimous vote.

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

The Board meeting adjourned until the next Board meeting scheduled for May 16, 2024.