

MINUTES
PIEDMONT TRIAD REGIONAL WATER AUTHORITY
December 10, 2024

The Piedmont Triad Regional Water Authority (PTRWA) met Tuesday, December 10, 2024 at 12:00 noon in the PTRWA Conference Room, 7297 Adams Farm Road, Randleman, NC. Chairman Rich Glover called the meeting to order.

Present:

- Mr. Rich Glover
- Mr. John Bencini
- Mr. Robert Bald
- Mr. Lewis Dorsett
- Ms. Melissa Blalock
- Mr. Darrell Frye
- Mr. John Thomas
- Mr. Dennis Mabe
- Mr. Thomas Phillips
- Mr. David Parrish

Welcome, by PTRWA Chairman Rich Glover

Mr. Glover welcomed the PTRWA Board members and guests.

1. Approval of October 8, 2024 PTRWA minutes

Mr. Glover asked if there were revisions to be made in the October 8, 2024 minutes.

Motion was made by Mr. Thomas, seconded by Ms. Blalock, and carried unanimously to approve the October 8, 2024, PTRWA minutes as presented.

**2. Presentation of PTRWA FY 2023-2024 Financial Statements/Audit Report
Matthew Finney, RH CPAs PLLC**

Mr. Finney provided an overview of the audit process and explained the PTRWA FY 2023-2024 financial statements and audit report. Mr. Finney stated that RH CPAs PLLC was giving an unmodified opinion on the statements. The unmodified opinion is the highest form of assurance that the statements are fairly presented in all material aspects.

Mr. Finney reported that due to the limited number of personnel in the Authority office, there are inherent limitations to segregation of duties among Authority personnel. Management is aware of this deficiency, but a cost-benefit analysis indicates that hiring more personnel to mitigate this issue is not feasible at this time.

3. Authorization to Execute the American Rescue Plan Act of 2021

**Coronavirus State and Local Fiscal Recovery Funds Subaward Agreement
between Randolph County and PTRWA
Gregory Flory, Executive Director**

This authorization pertains to the waterline project aimed at interconnecting PTRWA with Asheboro, extending a line from the end of Island Ford Road to Pineview Road in Asheboro. Randolph County is funding this project with ARPA money. According to ARPA requirements, the contract must be awarded by December 31, 2024, to avoid losing the funds. Due to the ongoing design work, including a potential pump station, it is unlikely the contract can be awarded by the end of the year. Consequently, the County has approached PTRWA to act as a subrecipient for the project.

As a subrecipient, PTRWA would be responsible for managing the project and ensuring the completion and installation of the line by November 30, 2026. This arrangement would prevent the County from losing its ARPA funds. The County initially presented an agreement to Mr. Flory in October, following his introduction of the project to the Board. The original language of the agreement posed significant risks to the Authority. Mr. Flory has since collaborated with the County to refine the language and clarify the agreement's intent.

The agreement aims to establish a partnership with an entity that has collaborated with the County for thirty years, facilitating the use of the water that Randolph County has been purchasing water from PTRWA for fifteen years, and promoting regionalization. However, due to US Treasury required language the agreement still presents potential liability for the Authority. The County's intent is for the Authority to incur no expenses unless it fails to adhere to the agreement. PTRWA and the County have worked to clarify that this is the intent of the agreement by adding additional language to the agreement. Randolph County Manager Zeb Holden attended the meeting to verify that this is the County's intention and to express the County's appreciation for PTRWA willingness to work in cooperation with the County to ensure that they did not lose this critical funding.

Mr. Flory recommends that the Authority own a portion of the waterline, as the Authority is responsible for the water quality in the line until it passes through a meter to another system. To ensure water quality, the Authority must operate and maintain the line, determine when components need replacement, and monitor the line. If PTRWA transferred responsibility to another entity but retained accountability for water quality, the Authority would be unable to fulfill this role.

Mr. Flory understands that the master meter will likely be installed at the far side where the line crosses under I-74, although the pump station question could potentially affect this location. This point would serve as the demarcation, with the Authority's ownership ending there and Asheboro owning the line from that point down to Pineview Street.

A motion was made by Mr. Phillips, seconded by Mr. Bald, and carried by a vote of 9 to 1, to authorize Mr. Flory to execute the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds Subaward Agreement between Randolph County and PTRWA. Mr. Glover was the dissenting vote for the motion.

4. Approval of Grant Policies **Gregory Flory, Executive Director**

As part of the compliance and reporting for NCDEQ, the Authority is required to have the following attached policies in place to receive American Rescue Plan Act funds:

- Property Management Policy
- Code of Ethics

Motion was made by Mr. Bencini, seconded by Mr. Bald, and carried unanimously to approve the PTRWA policies required for grant compliance.

5. Regionalism Steering Committee **Gregory Flory, Executive Director**

The Triad Real Estate and Business Industry Coalition (TREBIC) steering committee, established by Mr. John Hardister, met on November 14, 2024, with 22 members present. The committee is focused on discussing important regionalism issues and educating people to advocate for the Authority and its funding needs.

Given that the committee is serving as an advocate for the regionalism initiative that PTRWA is working to further it has become apparent that the committee should be operated as a PTRWA initiated body. Therefore, Mr. Flory recommends transitioning the committee to a PTRWA Regionalism Steering Committee instead of a TREBIC steering committee.

Mr. Flory acknowledges the benefits of Mr. Hardister's involvement and connections and aims to retain him as a committee leader. He recommends that Mr. Hardister and a member of the Authority's Board co-chair the PTRWA Regionalism Steering Committee. The Board suggests appointing Mr. David Parrish as the PTRWA co-chair and inviting Mr. John Hardister to remain in a chair position.

Motion was made by Mr. Phillips, seconded by Mr. Bald, and carried unanimously to appoint Mr. David Parrish as the PTRWA Board representative co-chair and to invite Mr. John Hardister to serve as the co-chair for the PTRWA Regionalism Steering Committee.

6. Executive Director's Report **Gregory Flory, Executive Director**

Mr. Flory provided a brief overview and explanation of the Authority's financial report for the periods of July 2024-October 2024. He also provided an update on the following items:

Administration: Mr. Flory announced the upcoming retirement of two members of the management team. Randy Howard, Chief Lake Warden, will retire effective December 31, 2024, and Steve Pope, Water Treatment Plant Manager, will retire effective February 28, 2025. Mr. Flory is currently assessing the requirements for

these positions and will initiate the recruitment process in the coming months.

Regionalism: The regional water and wastewater utility master plan is progressing, with meetings scheduled with several major interested entities. Mr. Flory anticipates that by the end of summer 2025, a decision will need to be made regarding the plan's future direction.

Marina: The marina is now closed for the season. Mr. Trogdon, a current part-time Lake Warden, is available to serve in a part-time capacity for the Chief Lake Warden position until it is filled.

Deep River State Trails (DRST): Mr. Flory previously discussed with the Board the concept of trails potentially within the PTRWA buffer around the lake. Representatives from the Deep River Trail approached the Authority to explore this possibility. Mr. Flory initially expressed doubts, citing the Army Corps permit. However, the State believed they could influence the Corps. The Corps has since informed the State that they do not believe the permit as currently written allows any leeway on this issue. The Corps response was definitive, stating that the permit does not allow for walking trails in the buffer around the lake.

Following this discussion, Mr. Flory inquired with the Corps if there is any avenue to reopen the permit to further examine this issue should the Board have an interest in doing so at some point in the future. As of now, he has not received a response. Mr. Flory anticipates the next conversation with the State regarding the Deep River Trails will be how to further the paddle trail aspect of the trail since walking trails do not seem to currently be a viable option.

Water Treatment Plant: Mr. Flory recently met with representatives from Greensboro to address reports of brown water in the southern part of the city, which receives water from our system. Both parties are collaborating to identify the cause of the issue. Mr. Flory believes the problem is not solely due to the presence of iron and manganese, but rather related to the different corrosion inhibitors used by our systems. He is confident that the issue stems from the corrosion inhibitors, as previously discussed with Greensboro.

To resolve this, both parties will work together to better understand the situation. It may be necessary to change the corrosion inhibitor we use, which operationally is not expected to be a significant challenge. A change from the current corrosion inhibitor would be that PTRWA would lose the current products sequestration benefit that helps mitigate iron and manganese discoloration. As we transition to Reverse Osmosis (RO), the iron and manganese that is present in the water will be removed so that should serve as an ultimate resolution. Any changes made now will be incorporated into the corrosion control planning for the RO system, potentially resulting in cost savings. The partners and PTRWA will collaborate with the State on any required changes to ensure a smooth transition.

Construction: Mr. Flory informed the Board that the 30% design estimate, received over the weekend, is approximately \$130 million, which is nearly double HDR Engineering's original estimate. The Authority has decided to table the sludge portion of the improvements until the decision on regionalization is made. Removing

the sludge portion reduces the estimate by \$41 million. Additionally, there is approximately \$20 million in contingencies included in the current estimate.

A meeting with the design team is scheduled for this week to discuss these figures in detail. Mr. Flory aims to gain a better understanding of the discrepancies. The Board has expressed concern over the significant difference in estimates. Mr. Flory assured the Board that there will be thorough discussions with the Design Build Team to clarify the reasons behind the variance.

The final Joint Governmental Agreement, which addresses concerns regarding the allocation of water losses, has been circulated to all partners. Mr. Flory is confident that all partners are now in agreement. The remaining approvals from Greensboro, Archdale, Jamestown, and High Point are expected next week. This will enable the Authority to seek approval from the Local Government Commission on January 7, 2025, followed by closing with the bank on interim financing after the Board meeting on January 14, 2025.

The construction team is beginning to address aspects related to advanced treatment, and it is important for the Board to consider and align with our approach. The team is moving forward with purchasing equipment to analyze PFAS and 1,4 Dioxane in-house as part of the Reverse Osmosis installation, which is the purpose of the current trailer on-site. Initially, the plan was to incorporate this lab space into the advanced treatment building.

However, considering staffing needs, potential regionalization, and future growth, it seems more practical to expand the current lab space, located next to the board room, by utilizing the existing board room area. This would necessitate the creation of a new board/training room within the new advanced treatment building, rather than placing the lab space there.

The Board's input is requested to determine if there are any objections to exploring this option. No opposition was relayed from the Board.

Old Business

There was no old business.

7. New Business

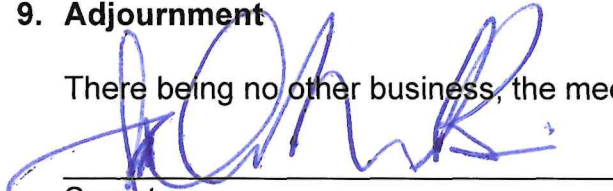
Mr. Glover reported that the annual review of the Executive Director would be conducted by the Personnel Committee at 11:00 am on Tuesday, January 14, 2025 prior to the Board meeting. Board members serving on the Personnel Committee will be Mr. Glover, Mr. Bald, Mr. Frye, and Mr. Thomas.

8. Next PTRWA annual meeting date – Tuesday, January 14, 2025

The next meeting date was set for Tuesday, January 14, 2025 at 12:00 noon in the PTRWA conference room.

9. Adjournment

There being no other business, the meeting adjourned at 1:00 p.m.



Secretary



Recording Secretary