

MINUTES
PIEDMONT TRIAD REGIONAL WATER AUTHORITY
January 14, 2025

The Piedmont Triad Regional Water Authority (PTRWA) met Tuesday, January 14, 2025, 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. Robert Bald
 Mr. Lewis Dorsett
 Ms. Melissa Allred Blalock
 Mr. Darrell Frye
 Mr. John Thomas
 Mr. Dennis Mabe
 Mr. Thomas Phillips

Absent: Mr. David Parrish
 Mr. John Bencini

Welcome, by PTRWA Chairman Rich Glover

Mr. Glover welcomed the PTRWA Board members and guests.

1. Approval of December 10, 2024 PTRWA minutes

Mr. Glover asked if there were revisions to be made in the December 10, 2024 minutes.

Motion was made by Mr. Bald, seconded by Ms. Blalock, and carried unanimously to approve the December 10, 2024, PTRWA minutes as presented.

2. Adoption of Resolution Authorizing and Approving the Amendment and Restatement of its Joint Governmental Agreement Among the Authority and Certain Local Governments

Gregory Flory, Executive Director

Mr. Flory presented the Amended and Restated Joint Governmental Agreement. The agreement between the members and PTRWA has been updated as part of the interim funding for the expansion of the water treatment facility and addition of advanced treatment facilities.

Key points of the agreement include:

- Allocation of treated water among members.
- Financial obligations for treated water, capital expenditures, and administrative costs.

- Debt service obligations
- Expansion and improvement obligations for water treatment facilities.
- Covenants to ensure compliance and financial stability.
- Management of PFAS claims and proceeds.
- Provisions for amendments and termination of the agreement.

Motion was made by Mr. Phillips, seconded by Mr. Bald, and carried unanimously to adopt the Resolution Authorizing and Approving the Amendment and Restatement of the Joint Governmental Agreement Among the Authority and the member Governments

3. Adoption of Series Resolution Providing for the Issuance of up to \$130,000,000 Water System Revenue Bond Anticipation Note, Series 2025
Gregory Flory, Executive Director

The Bond Anticipation Note Series resolution pertains to interim financing of up to \$130,000,000, designated for expansion and advanced treatment costs. We anticipate transitioning to a final bond note by April 2027. The financing structure is a drawdown, with an initial draw of \$10,000,000 to cover costs incurred to date. As necessary funds will be drawn to fund the remaining expenses for the Phase 1 Design-Build Services that were approved by the Board of Directors in June 2024. It is expected that the remaining funds approved under this Note will be used to fund the initial portions of the water treatment plant expansion and advanced treatment plant projects. Guaranteed maximum prices for these two projects are expected to be finalized and presented to the Board for approval in the summer of 2025 (expansion) and fall of 2026. Upon approval of the guaranteed maximum prices for the two projects this note will be transitioned to a final bond for the entire construction cost. Some of the Authority's members are considering cash contributions for portions of these projects, and we are working with them to finalize the details to minimize interest expenses. The Bond Anticipation Note closing is scheduled for January 22, 2025.

Motion was made by Mr. Bald, seconded by Mr. Frye, and carried unanimously to adopt the Series Resolution Providing for the Issuance of up to \$130,000,000 Water System Revenue Bond Anticipation Note, Series 2025

4. Adoption of the Resolution Awarding Badge and Service Sidearm to Retired Chief Lake Warden, Randy L. Howard.
Gregory Flory, Executive Director

WHEREAS, Chief Lake Warden, Randy L. Howard, retired from The Piedmont Triad Regional Water Authority on December 31, 2024; and

WHEREAS, Chief Howard has demonstrated his dedication to duty and to the safety and protection of our community; and

WHEREAS, North Carolina General Statutes 20-187.2 allows the governing body of a law enforcement agency to award to a retiring member, upon request, the badge and service side arm of the retiring member;

NOW, THEREFORE, BE IT RESOLVED by the Piedmont Triad Regional Water Authority Board of Directors that the Directors adopt this resolution awarding the badge and service side arm to Chief Randy L. Howard.

Motion was made by Ms. Blalock, seconded by Mr. Bald, and carried unanimously to adopt the Resolution Awarding Badge and Service Sidearm to Retired Chief Lake Warden, Randy L. Howard.

**5. Approval of Program Administrator Assignment for QuickBooks to be Rebecca Brown, Finance Director
Gregory Flory, Executive Director**

Mr. Flory explained that QuickBooks requires documentation from the Board to ensure that access to the software is restricted and only authorized personnel can use it.

Motion was made by Ms. Blalock, seconded by Mr. Phillips, and carried unanimously to approve the Program Administrator Assignment for QuickBooks to be Rebecca Brown, Finance Director.

**6. Executive Session – Personnel Matters (NCGS 143-318.11(a)(6))
Rich Glover, PTRWA Chairman**

Motion was made by Mr. Frye, seconded by Mr. Dorsett, and carried unanimously to go into executive session for the purpose of: NCGS 143-318.11(a)(6) considering the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee.

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E-X-E-C-U-T-I-V-E S-E-S-S-I-O-N E-N-D-E-D

Motion was made by Mr. Phillips, seconded by Ms. Blalock, and carried unanimously to end the Executive Session and return to the public meeting. Mr. Glover reconvened the meeting.

Mr. Thomas reported that the Personnel Committee (Mr. Rich Glover, Mr. Darrell Frye, Mr. Robert Bald, and Mr. John Thomas) had met with Mr. Flory, PTRWA Executive Director, on January 14, 2025 for his annual performance review and discussed the proposed objectives and projects for the next year.

The Personnel Committee will provide a written report outlining the proposed objectives, goals, and projects for completion by the Executive Director during the period leading up to the next annual review. The Committee also recommended the following actions to be included in the employment contract relative to the Executive Director's compensation and benefit package effective January 1, 2025:

- Increase current salary base to \$170,000
- Provide a monthly auto reimbursement of \$500

Motion was made by Mr. Bald, seconded by Mr. Dorsett, and carried unanimously to approve the recommendations from the Personnel Committee relative to the Executive

Director's performance goals, compensation and benefit package including: increasing the current salary base to \$170,000 and continuing the \$500 per month auto reimbursement effective January 1, 2025.

7. Executive Director's Report

Gregory Flory, Executive Director

Mr. Flory provided a brief overview and explanation of the Authority's financial report for July 2024 - January 2025. He also provided an update on the following items:

Regionalism: Mr. Flory was directed by the Board to explore lobbying options. He reached out to Mr. John Hardister and previously spoke with Greensboro's lobbyist. Mr. Flory asked the Board for their recommendation to proceed with negotiations with Mr. Hardister for a lobbying contract, noting other lobbyists are available. He suggested moving forward with Mr. Hardister due to the current legislative session and the need for immediate representation. The proposed contract with Mr. Hardister includes a \$5,000 monthly fee and a 30-day out clause. The Board discussed the performance expectations and potential alternatives, ultimately deciding to authorize Mr. Flory to enter into a contract with Mr. Hardister, pending positive feedback from legislative members.

Motion was made by Mr. Phillips, seconded by Mr. Thomas, and carried unanimously to authorize Mr. Flory to enter into a contract with Mr. Hardister, pending positive feedback from other legislative members that would be solicited by PTRWA Board members.

Construction: Mr. Flory reported that during the last design-build meeting, it was reported that the preliminary 30% construction cost estimate came in at \$130 million, significantly higher than the original estimate of \$50-80 million. This includes a \$20 million contingency. A major cost driver is the chemical building required for storage capacity, which exceeds technical requirements but is necessary for future planning. There are higher costs attributed to long-term planning, and Archdale and Jamestown will incur additional costs by participating in this expansion. The board discussed the equitable distribution of costs among participating cities, with the current model having Greensboro, High Point and Randolph County bearing most of the expense due to their percent ownership. As the board is considering larger scale regionalization to potentially save costs, equitable distribution of expenses will need to be examined. The board believes the \$130 million estimate is valid but expects to reduce it through further revisions.

PFAS Class Action Lawsuit: Mr. Flory discussed ongoing PFAS lawsuits, noting that some settlements are already in progress. The funds from these settlements are expected to be received within the next year or two. The joint governmental agreement specifies that any settlement money will be used to lower the cost of advanced treatment or cover operational costs if received after construction. The agreement also ensures that if Greensboro receives settlement funds based on water supplied from PTRWA, they are required to pass that portion to PTRWA. Currently, there are 17 defendants in the lawsuit, with four or five having settled and one declaring bankruptcy. Mr. Flory is actively involved in the legal process and has filed for special status to get credit for expenses already incurred.

Treatment: Mr. Flory advised the Board regarding water quality concerns raised by Greensboro and High Point, who reported brown water in their systems. Greensboro's issue is in the South system which is influenced by PTRWA, while High Point's issue is in their Randleman zone. Staff is working closely with both cities to resolve their concerns. It was noted that High Point's issue might be due to a misunderstanding of their system, and it is believed that the water quality problem is not caused by PTRWA water. For Greensboro, the issue is likely due to the orthophosphate the PTRWA began using in 2019. The orthophosphate is used for corrosion control protection and PTRWA uses a specialty product that is also designed to hold iron and manganese in suspension, it can also clean out long-term iron and manganese buildup in distribution systems. PTRWA believes that the majority of the issues Greensboro is seeing can be attributed to the orthophosphate and the fact that PTRWA's water has recently been introduced into a new section of Greensboro distribution system.

8. Old Business

There was no old business.

9. New Business

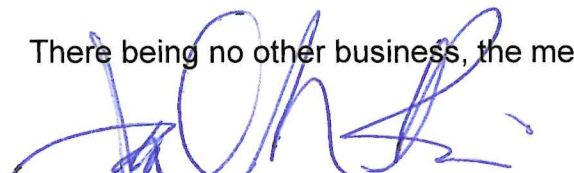
To support regionalization efforts, PTRWA is in the process of updating the website and creating a one-page handout to distribute to interested parties, ensuring clear and accessible information on water and wastewater services.

10. Next PTRWA annual meeting date – Tuesday, March 11, 2025

The next meeting date was set for Tuesday, March 11, 2025 at 12:00 noon in the PTRWA conference room.

11. Adjournment

There being no other business, the meeting adjourned at 1:07 p.m.


Secretary
Recording Secretary