

**MINUTES
PIEDMONT TRIAD REGIONAL WATER AUTHORITY
March 11, 2025**

The Piedmont Triad Regional Water Authority (PTRWA) met Tuesday, March 11, 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 (remote)
- Mr. Thomas Phillips
- Mr. David Parrish
- Mr. John Bencini

Welcome, by PTRWA Chairman Rich Glover

Mr. Glover welcomed the PTRWA Board members and guests.

1. Approval of January 14, 2025 PTRWA minutes

Mr. Glover asked if there were revisions to be made in the January 14, 2025 minutes.

Motion was made by Mr. Bald, seconded by Mr. Phillips, and carried unanimously to approve the January 14, 2025, PTRWA minutes as presented.

2. Approval of FY 2024-2025 Audit Contract with RH CPAs LLC in the amount not to exceed \$42,900.

Gregory Flory, Executive Director

Mr. Flory informed the Board that, in addition to the price increase specified in the contract, a single audit will be required for FY 2024-2025. This requirement arises from the Authority's agreement to act as a subrecipient of ARPA funds for Randolph County. Randolph County will reimburse PTRWA for the additional fees incurred as a result of the single audit.

Mr. Flory recommended approval of the PTRWA FY 2024-2025 audit contract with RH CPAs LLC in the amount not to exceed \$42,900.

Motion was made by Mr. Parrish, seconded by Mr. Bencini, and carried unanimously to approve the PTRWA FY 2024-2025 audit contract with RH CPAs LLC in the amount not to exceed \$42,900.

3. FY 2025-2026 Budget Presentation **Gregory Flory, Executive Director**

Mr. Flory presented and explained the proposed PTRWA FY 2025-2026 budget, along with a comparison to the FY 2024-2025 budget.

For informational purposes, the budget is divided into two main categories: administrative costs for operating the Authority, and expenses for operating the water treatment plant and transmission system. The proposed budget includes a 4.0% increase in membership dues and a 4.0% increase in the water rate, which is lower than the 6.5% increase recommended in the draft financial model developed by PTRWA's financial consultant for the expected costs to be incurred as a result of the expansion and addition of advanced treatment. Factors influencing the increased costs in this budget cycle include higher energy costs due to increased fuel rates and energy infrastructure upgrades, competing salary pressures from surrounding organizations, inflationary pressures, the age of the components at the facility and the overall instability in the utility supply market resulting in higher costs for parts and materials.

The administrative budget covers operating and maintaining the dam, reservoir, buffer, wetlands, and marina. It includes salaries for lake wardens, marina personnel, and management staff such as the Executive Director, Deputy Executive Director, Finance Director, Operations Manager, Water Quality Manager, Operations Supervisor, Maintenance Supervisor, and Executive Assistant. The allocation of management salaries has been adjusted to more accurately reflect their time allocation due to shifting administrative and engineering duties. Some of the personnel and fringe benefit increase is attributed to the pay classification study changes that were implemented in October 2024. This study aimed to ensure that the compensation structure remains competitive and equitable, which has resulted in adjustments to salaries and benefits. Marina revenue has been maintained based on an average of 30 boats per day, with the marina open only on weekends in November and closed from December through February, as in previous years. Additional funding has been allocated for maintenance activities at the dam, as the most recent engineering inspection indicates the need for more intricate maintenance on the drains and collection galleries. The expansion of the water treatment plant is set to begin during this budget cycle, with funding expected to come from revenue bond financing. Therefore, no revenue has been allocated for this project in the current budget, but it may need to be amended once bond funding is finalized.

The water treatment plant budget includes salaries for operations, laboratory, and maintenance personnel, as well as operational expenses for producing water. A cost-of-living adjustment has been incorporated to address rising salary demands and inflationary pressures. Fringe benefit expenses have also increased due to higher employer contribution percentages to the Local Government Retirement System and the proportional increase in overall expenses from previous cost-of-living adjustments and merit increases. Funds for membrane replacement and major maintenance/repair expenses have continued to be set aside. However, as the facility ages, these expenses are increasing, and further increases may be required in future budget cycles.

The new rate for water sales will be \$1.3104/1000 gallons

4. Approval to Designate First Citizens Bank as an Official Depository

Gregory Flory, Executive Director

Mr. Flory presented the proposal to designate First Citizens Bank as an official depository for the organization's funds. First Citizens Bank offers an alternative investment strategy that PTRWA will be investigating and comparing against the returns that we have been able to achieve through CD's, Money Markets and the use of the Capital Management Trust.

Motion was made by Mr. Phillips, seconded by Mr. Bald, and carried unanimously to approve First Citizens Bank as an Official Depository of the Authority.

5. Approval to Extend Owner Advisor Contract Gregory Flory, Executive Director

Mr. Flory advised the Board that the original Owners Advisor contract with Hazen and Sawyer, serving as the Authority's engineering agent for the expansion and advanced treatment, was established as a task order contract. The initial task order was authorized for \$250,000, and the Authority is now approaching the limit, with approximately \$10,000 remaining. An additional \$110,000 is estimated to be needed to fund this service through this budget year. The funds for the OA contract will require a corresponding adjustment to the construction budget of \$18.9 million with these funds ultimately being reimbursed to PTRWA through bond financing.

As part of the Owners Advisor services, Hazen and Sawyer provides engineering oversight that the Authority cannot currently perform with internal engineering staff. Staff are focused on the direct impact to the plant, while Hazen and Sawyer offer a higher-level perspective, adding significant value to the team through their reviews. This is a major project that necessitates extensive oversight to ensure successful integration, implementation and completion.

Motion was made by Mr. Parrish, seconded by Mr. Bald, and carried unanimously to approve the extension of the Owner Advisor Contract with Hazen and Sawyer.

6. Advanced Treatment Design Guidance Gregory Flory, Executive Director

Mr. Flory discussed the issue of 1,4 Dioxane with the Board. He explained that the Board had chosen to proceed with Reverse Osmosis (RO) for advanced treatment because it can remove both PFAS and 1,4 Dioxane. However, pilot testing has shown that while RO can effectively remove 1,4 Dioxane, it struggles with higher influent 1,4 Dioxane levels.

The design question is what influent 1,4 Dioxane level should the RO system be designed for. Reservoir 1,4 Dioxane levels have been observed as high as 9.9 ppb, these mainly have been observed in conjunction with unforeseen events in High Point's wastewater system. For instance, in July, an effluent measurement at the wastewater plant showed 1,4 Dioxane levels approaching 1,000 ppb, resulting in the 9.9 ppb at the plant. This high level lasted for about a week or two before dropping to 2 ppb and then to around 1 ppb within a month.

If the engineers are instructed to design for 10 ppb, it will significantly increase the cost of membranes, energy, and pumps. Mr. Flory sought guidance from the Board on whether to design for an RO system guaranteed to meet the 1,4 Dioxane health

standard of 0.35 ppb at all times or one that meets the standard 95-99% of the time which could potentially result in an overall 20 – 30 percent cost reduction of the system when looking at initial investment and operation costs. There is currently no regulatory limit for 1,4 Dioxane, only a health standard. Mr. Flory mentioned that Greensboro staff recommended designing for 95-99% compliance, considering the cost implications. The Board requested that Mr. Flory consult with the Design-Build team to determine if significant cost savings could be achieved by lowering the percentage of compliance with the health standard for 1,4 Dioxane.

Mr. Flory informed the Board that one of the vendors that PTRWA pilot-tested offers a highly attractive and flexible unit. This vendor is an Israeli-owned company, but their most cost-effective construction is done in China. Mr. Flory sought the Board's opinion on whether there was any opposition to working with such a company.

The vendor, a relatively new entrant in the market with 14 years of experience, was founded by an individual who previously designed the DuPont Desalitech system and worked at DuPont for 13 or 14 years. While the product may qualify as being assembled in the US, the lowest cost is achieved if all manufacturing is done in China, which the vendor has clearly communicated.

Mr. Flory asked the Board whether he should inform the vendor not to bother bidding, or if their bid should be considered. The Board decided to consider the vendor.

Lastly, Mr. Flory addressed the issue of RO concentrate discharge. He informed the Board that the state is likely to contest the discharge of RO concentrate inland due to their internal policies. Mr. Flory indicated that this might lead to a disagreement with the state, as the Authority believes it should be allowed to discharge RO concentrate if currently established standards are met. Mr. Flory provided this information as an update on the intended design path and to ensure that the Board did not have any adverse reaction to pursuing this discharge strategy even though it could be a contentious issue with the regulatory agency, the Board did not disagree with the approach.

7. Lawsuit Updates

Gregory Flory, Executive Director

The group Napoli, which is handling the multidistrict litigation claim for us regarding PFAS, is also starting to explore potential claims under CERCLA legislation. About a year ago, new avenues for CERCLA violations related to PFAS contamination were opened. Napoli would like to investigate if there are any potential claims for the Authority.

Mr. Flory explained to the Napoli representatives that PTRWA's emerging contaminant levels appeared to be influenced by the High Point Wastewater Discharge and the Seaboard waste site and that pursuing a CERCLA claim against High Point or the group charged with cleaning up the Seaboard might not be desirable at this time given the larger scale regionalization discussions. However, Napoli felt it may still be worth exploring potential claims. Mr. Flory asked the Board if there is any interest in making such claims, noting that while it could potentially provide funding for PFAS treatment, it could also work against other initiatives currently being investigated by the Authority.

Mr. Flory expressed his opinion that the potential negative consequences outweigh the benefits and recommended against pursuing CERCLA claims at this time. The Board

did not hold a discussion regarding this item and agreed with Mr. Flory's recommendation.

8. 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 - March 2025. He also provided an update on the following items:

Construction: The Authority received approval for the bond anticipation note and has already made the first draw and interest payment. The challenge lies in the variability of how the funds are drawn and the interest generated, which is not fixed. The Authority does not need to draw a specific amount each month, and the interest rate is variable, making it difficult to provide the partners with a consistent budget figure.

Mr. Flory suggested that the Board authorize the authority to fund these interest payments a year in advance from unrestricted fund balance. This approach would allow the Authority to provide the partners with a reliable number to include in their budgets moving forward. Essentially, the Authority would be floating the interest payment for a year until the transition through this interim financing period is complete.

While the Authority would forgo a small amount of interest by using reserve funds, the administrative savings would outweigh this loss. This method would significantly reduce the administrative burden.

Motion was made by Mr. Bencini, seconded by Mr. Phillips, and carried unanimously to authorize the Authority to fund interest payments for the Bond Anticipation Note a year in advance from the unrestricted fund balance.

Lobbyist: During the last meeting, the Board authorized exploring John Hardister as a potential lobbyist. However, there were concerns and suggestions that better options might be available. Consequently, John has not been officially brought on as a lobbyist for PTRWA, although he continues to work on behalf of the Authority voluntarily in conjunction with his role as co-chair for the wastewater steering committee.

John's influence has led to a request to the state for \$1,000,000 from Business High Point and the Greensboro Chamber of Commerce to fund the master plan study. Despite his contributions, other options are being considered. Business High Point works with Dylan Reel, who would be more expensive than John, costing \$6,000 to \$10,000 per month, especially if lobbying at the federal level, which is where the Authority will likely need the most assistance. Mr. Mabe is also exploring other potential lobbyists who might be a better fit. Mr. Flory sought direction from the Board regarding lobbying efforts, emphasizing the importance of having a lobbyist to advance wastewater initiatives, particularly at the federal level. Mr. Frye suggested considering Dana Simpson and Harold Brubaker as potential lobbyists.

Mr. Flory noted that Dylan Reel is actively working on other water issues, including Charlotte's IBT, and is engaged in water discussions at both the state and federal levels. All lobbying contracts typically include a thirty-day termination clause, allowing for changes if needed. Mr. Flory requested authorization to either spend a certain amount per month on lobbying or to engage a specific lobbyist. He recommended moving forward with Dylan Reel, as he is likely to receive a more favorable response at the state

level. Mr. Flory can also consult with Dana Simpson if he has comparable influence at the federal level.

Additionally, Mr. Flory mentioned his discussions with Elizabeth Biser and the PFAS coalition, which is lobbying for additional funds for PFAS treatment. He was asked if the Authority would like to join the coalition but recommended against it, citing potential conflicts and Biser's contentious reputation with the legislature.

Operations: Mr. Flory stated that the plant is overall running well. The Authority is still collaborating with Greensboro to address the dirty water issue in the southeast area. The problem is likely due to the mixing of Orthophosphate from both systems and legacy iron and manganese being removed from the system by PTRWA's corrosion inhibitor. While the Authority's Orthophosphate is functioning as intended, efforts are ongoing to resolve the issue.

Mr. Flory informed the Board that in 2019, the Authority authorized the installation of a Suez membrane in the last cell of the membranes as a test to see if it would operate similarly to the Memcor system. Unfortunately, the Suez membrane has not performed as expected and is showing evidence of irreversible membrane fouling. Consequently, the likely course of action will be to remove the Suez membranes and leave the cell empty for the foreseeable future, possibly up to the next 10 years, as the additional capacity is not currently needed. This project was funded by the Authority, and this update is to inform the Board of the membrane's performance.

Mr. Flory reported that there was a news story on Fox 8 about trash in the reservoir on Canter Road. This issue has been recurring, and Mr. Flory has been monitoring it over the past few years. While the situation hasn't been severe, high rainfall can cause debris to bypass the river cleaning device upstream, leading to trash accumulation. Residents have recently contacted Fox 8 directly instead of notifying the Authority. Mr. Flory explained that cleaning the water during winter is not feasible due to the cold temperatures and associated hazards. The trash does not pose a significant risk to drinking water quality. Cleanup efforts will be scheduled for the spring when conditions are safer. Mr. Flory also mentioned that volunteer groups could potentially assist with cleanups. However, there are safety concerns with accessing the site, which include navigating over tree stumps and other obstacles. Additionally, allowing volunteers into the buffer zone contradicts the usual policy of keeping people out of this area. Another problematic area is near the wastewater plant on Riverdale, where trash is trapped by a boom and does not enter the reservoir. Although this solution is effective, it is not visually appealing.

Mr. Flory also addressed a letter from a woman associated with a blog group in Jamestown. He has not yet responded to her FOIA request due to its unclear nature. Some of her comments about the calendar and meeting updates are valid, and improvements are ongoing. Mr. Flory invited the Board to specify any particular issues they want addressed. The blog group's last post highlighted the regionalization study by the state, indicating renewed interest in this topic. Mr. Flory assured the Board that all meeting agendas and minutes are available and will be linked to the website for automatic updates.

Marina: The marina is open and has reported good numbers for the start of the season. Tyler Stout has come on board as the new Chief Lake Warden. He is ambitious and focused on making improvements, and we believe he will do an excellent job.

9. Old Business

There was no old business.

10. New Business

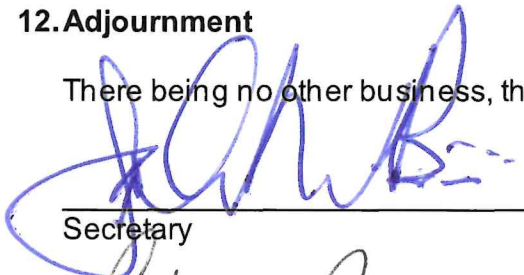
There was no new business.

11. Next PTRWA meeting date – Tuesday, May 13, 2025

The next meeting date was set for Tuesday, May 13, 2025 at 12:00 noon in the PTRWA conference room.

12. Adjournment

There being no other business, the meeting adjourned at 1:21 p.m.



Secretary

Recording Secretary