

CONCORD CITY COUNCIL
2nd WORK SESSION MEETING
OCTOBER 22, 2024

The City Council for the City of Concord, North Carolina, held the City Council 2nd Work Session in the 3rd floor City Hall Council Chambers located at 35 Cabarrus Ave, W, on October 22, 2024, at 11:00 a.m. with Mayor William C. Dusch presiding.

Council members were present as follows:

Members Present:

Mayor Pro-Tem Jennifer Hubbard
Council Member Andy Langford
Council Member Lori A. Clay
Council Member Betty M. Stocks
Council Member JC McKenzie
Council Member Terry L. Crawford

Members Absent:

Council Member John A. Sweat, Jr.

Others Present:

City Manager, Lloyd Wm. Payne, Jr.
City Attorney, Valerie Kolczynski
City Clerk, Kim J. Deason
Assistant City Managers
Various Department Directors

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Discussion of Private Wastewater Package Plants – Eric Swain, President and CEO of Waste Management Pros of the Southeast (WMPSE):

The City Manager introduced Mr. Swain to present information to the Council regarding package plants.

Mr. Swain stated package plants offer different types of treatments that have been available in the past. He stated these plants cannot be owned by an HOA nor be owned privately if 15 or more customers are served. If 15 or more customers are served, the plant must be owned by a public utility. The public utility must be bonded and also must have a succession plan registered with the Utility Commission.

Mr. Swain provided a photo of one of his plants in Russellville. He stated he has a full engineering staff.

Mr. Swain stated a plant cannot be installed within Cabarrus County without the City of Concord's knowledge. He stated currently there are approximately 300 plants within North Carolina; most are privately owned and some are failing. This is the reason for the new requirements. He stated his facilities are regulated by DEQ. He then opened the floor to questions by the Council.

Mayor Dusch asked the size of a typical plant. Mr. Swain referred to the Russellville plant. He stated this facility is a 100,000 gallons per day facility.

Council Member Crawford asked what the cost was to construct this facility. Mr. Swain stated the cost was \$5.2 million.

Mr. Swain stated the rates are approved by the Utility Commission and those rates cannot be changed without the Utility Commission's approval.

Council Member Langford asked if Mr. Swain had a plant in Cabarrus County. Mr. Swain stated he did not.

Council Member McKenzie asked Mr. Swain if his company was a registered public utility in NC. Mr. Swain stated yes, his company is registered as a public utility in NC.

Council Member Stocks asked what the largest cost is in running a treatment plant. Mr. Swain stated the largest cost with these plants are maintenance.

Mayor Pro-Tem Hubbard asked what steps are taken to determine discharge points. Mr. Swain explained the steps taken to determine the discharge points of the plant. Mr. Swain stated if he constructs a plant for a developer, he owns the plant and maintains the plant per the Utility Commission and DEQ regulations.

Council Member McKenzie how many gallons per day Mr. Swain currently treating/managing. Mr. Swain stated he has eight site and services 1.3 million gallons per day with no violations.

The Council thanked Mr. Swain for attending and providing the information.

Staff presentation of amendment to City Code

The Water Resources Director, Jeff Corley, presented the changes to the required connections language in the NC State Statute. He stated due to this change, the City Code will need to be amended.

He stated the statutory changes are as follows: required connections are only allowed inside the City limits, developments could possibly build in County residential zoning and provide private wastewater but still need public water, and projects in the Midland town limits could develop with private wastewater, and the City would be required to serve the development with water, if available.

He stated due to this change, the City Code will need to be amended. He provided the following two options for the Council's feedback:

- Option 1, developer is allowed to utilize a private system regardless of whether capacity is available or not; allow it to happen any time, any place and any reason; and
- Option 2, developer seeks allocation (PSA) from the City and is denied. The intention of not awarding allocation would equate to "no available capacity". This would allow the developer to pursue development of a private system.
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Discussion was held concerning the word "denied" in Option 2.

Mayor Pro-Tem Hubbard and Council Member McKenzie agreed that just because allocation may not be granted does not mean a developer's application is denied. Mayor Pro-Tem Hubbard also stated she did not support Option 1.

It was the consensus of the Council to remove the word denied from Option 2 and replace with "not allocated". A clause also added to state if a sewer allocation meeting is not held then applications are considered at the next scheduled allocation meeting.

Sewer allocation policy changes

The Water Resources Director stated the proposed changes are just general updates, but one important change is the removal of the policy scoring system text. He presented the proposed changes and stated these would be brought before the City Council for approval in the near future.

Discussion of the LMG Incentive Agreement

The Planning and Neighborhood Development Services Director, Steve Osborne, presented a brief development history and update of the projects. He stated the current investment total is approximately \$90 million.

The Planning and Neighborhood Development Services Director presented the following information:

- In 2018 - the first MOU was completed; no affordable housing was included.
- May 2019 - Master Development Agreement was executed. This included utilizing 1.25 million in HOME funds and specified HUD rent requirements for 17 units. It was determined the use of HOME funds did not improve the financial feasibility of the project.
- July 2019 - Economic Development Agreement was executed with no affordable housing included.
- September 2020 - Master Development Agreement was amended to read as follows “151 units will constitute “Workforce Housing”, which is defined for the purposes of this Agreement as a unit that is attainable for rent by a household earning up to eighty percent (80%) of the “Area Median Income” as set forth and defined by the U.S. Department of Housing and Urban Development.” The “Workforce Housing” stipulation was a requirement from the original financier of the project, Goldman Sachs. Though LMG ultimately went with another financier, this requirement stayed in the agreement though it wasn’t legally required to. Current workforce housing status per LMG. Incentives are 3 months’ rent for one year.
- December 2020 - final Economic Development Agreement was executed. Referenced the MDA defining “Workforce Housing” for the 151 units.

He stated of the three Novi projects, 78 of the 215 units are currently offered at Workforce Housing rents and an additional 37 units are within 5% of the guidelines.

Date of presentation to Council from Concord United Committee

The City Clerk explained the Concord United Committee Co-chairs had agreed to make their annual update to the Council at the November 26th 2nd Work Session, but two have meeting conflicts. Therefore, they have requested to make their presentation at the November 14th City Council meeting.

It was the consensus of the Council to have the Co-chairs to make their presentation at the November 14th City Council meeting.

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A motion was made by Council Member Crawford and seconded by Mayor Pro-Tem Hubbard to conduct a closed session in accordance with N.C. General Statute 143-318.11(a)(1) to prevent the disclosure of privileged information under the North Carolina General Statutes; N.C. General Statute 143-318.11(a)(3) to consult with the Attorney to protect the attorney-client privilege and to consider and give instructions concerning a judicial action titled City of Concord vs. Barber Scotia College; and N.C. General Statute 143-318.11(a)(6) to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee—the vote: all aye.

A motion was made by Council Member Crawford and seconded by Council Member McKenzie to return to regular session—the vote: all aye.

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There being no further business to be discussed, a motion was made by Mayor Pro-Tem Hubbard and seconded by Council Member Stocks to adjourn—the vote: all aye.

William C. Dusch, Mayor

Kim J. Deason, City Clerk