

MINUTES

Regular Meeting
Cleveland County Water Board Room

October 8, 2019
Tuesday, 7: 00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Dewey Cook, Treasurer Pete Pedersen, Secretary Bill Cameron, Commissioners Amy Bridges, John Taylor and Tony Brooks, General Manager Brad Cornwell and Attorney Tim Moore.

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Secretary Bill Cameron who gave the invocation and Treasurer Pete Pedersen led the *Pledge of Allegiance*.

A. Approval of agenda:

Chairman Melton asked Commissioners if anyone had any questions related to the adoption of the agenda. With no questions, he requested a motion to approve the agenda.

1) Motion to adopt the proposed agenda

ACTION TAKEN: Upon a motion by Mr. Pedersen and second by Mr. Cook, the Board of Commissioners voted unanimously to approve the agenda.

B. Public Comment:

Chairman Melton requested the time for Public Comment and Mr. Cornwell noted that no one had signed up for Public Comment.

C. Consent Agenda:

Action Taken: Chairman Melton presented the Consent Agenda Items. Upon a motion by Mr. Brooks second by Mr. Taylor the Board of Commissioners voted unanimously to approve the Consent Agenda. The Consent Agenda consisted of the following items:

- 1) Approval of the Minutes of the Regular Meeting of September 10, 2019
- 2) Approval of the Minutes of the Closed Session of September 10, 2019

D. Unfinished Business:

- 1) Consideration of Ordinance Number 9-2019 An Ordinance Establishing a Capital Project Ordinance and Budgets for Cleveland County Water's Greenway Project

Mr. Cornwell presented a budget ordinance to appropriate the funding for the beginning of the Greenway Project. The previous two properties were purchased with budgeted funds from the prior fiscal year. This budget ordinance would include the two properties purchased in this fiscal year. This ordinance will also include land and area maintenance for rental equipment to be used in clearing these properties. A portion of these funds will be used to begin the RFQ process for professional services for the master plan for the Greenway Project. This ordinance will also be used for consultants assisting with the greenway project, the surveyor was contacted to assist with a new survey of the properties purchased. Mr. Cornwell explained that this budget ordinance would be in place during the duration of the Greenway Project and would be amended several times as the project continues.

Action Taken: Upon a motion by Mr. Pedersen, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Ordinance Number 9-2019 *An Ordinance Establishing a Capital Project Ordinance and Budgets for Cleveland County Water's Greenway Project*

- 2) Consideration of Resolution Number 18-2019 A Resolution Ratifying the Purchase of Real Property Located in the Town of Lawndale, NC from Ambrose B. Cline and wife, Jean P. Cline

Mr. Cornwell explained the process of the property purchase. This resolution accepts the property and formally ratifies the purchase of the Cline property.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Resolution Number 18-2019 *A Resolution Ratifying the Purchase of Real Property Located in the Town of Lawndale, NC from Ambrose B. Cline and wife, Jean P. Cline*

- 3) Consideration of Resolution Number 19-2019 A Resolution Ratifying the Purchase of Real Property Located in the Town of Lawndale, NC from Jamie S. Ledford and wife, Mary Jividen Ledford

Mr. Cornwell explained the process of the property purchase. This resolution accepts the property and formally ratifies the purchase of the Ledford property.

Action Taken: Upon a motion by Mr. Taylor, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Resolution Number 19-2019 *A Resolution Ratifying the Purchase of Real Property Located in the Town of Lawndale, NC from Jamie S. Ledford and wife, Mary Jividen Ledford*

E. New Business:

- 1) Consideration of Resolution Number 20-2019 A Resolution Authorizing the Execution of a Financial Advisory Services Agreement with First Tryon Advisors

Mr. Cornwell explained the agreement with First Tryon Advisors and the process involved in obtaining a bond rating. A Local Government entity must have a bond rating when borrowing funds by issuing revenue bonds. Mr. Cornwell noted that diversity with different types of borrowing methods allows different terms and agencies to be obtained for financing. The District currently does not have a current bond rating because all the revenue bonds have been retired in prior fiscal years under the prior management. This Financial Advisor will assist in the process of creating an analysis to enter the market to receive a bond rating. The advisor can also assist with decision making for private banking or revenue bonds. Mr. Cornwell also presented references for other municipalities that used the services of First Tryon Advisors. Mr. Pedersen questioned the costs of the analysis. Mr. Cornwell explained the costs and the contents of the analysis. Mr. Pedersen asked if there were any municipalities that required the services in a closer proximity to the District. Mr. Cornwell noted that he knew that the advisors had assisted several municipalities in our area, including the Cleveland County YMCA. Mr. Pedersen questioned if the services were required to obtain

financing. Mr. Cornwell replied that the analysis would be required in order to obtain the bond rating. Mr. Pedersen asked if all these municipalities used revenue bond financing. Mr. Cornwell explained that not all municipalities required revenue bonds others used private bank financing. The advisors will assist in choosing the best options for loan financing. Mr. Pedersen asked if the work required would be one day or a period of time, for example the financial audit. Mr. Cornwell replied that the analysis would be much more in depth and would require several months of work to complete. Mr. Cameron asked if the only choice would be funding through revenue bonds. Mr. Cornwell explained the difference between revenue bonds and general obligation bonds. Mr. Cameron questioned the best financing options for the future water plant. Mr. Cornwell replied with the USDA being the best funding option for the water plant. The smaller projects, including the Marion Street Pump Station, the Fallston USDA debt, and the Clearwell Transmission Line project will be included in one project. These projects will be lumped together into one loan, the advisors will assist in the possibilities of financing through revenue bonds or private bank financing. Mr. Brooks assisted in clarification of the necessity of the analysis and the bond rating. Mr. Brooks noted that this analysis would allow for the bond rating to be established and open other avenues for financing options, hopefully some avenues with cheaper financing. Mr. Pedersen asked if the auditor could acknowledge anything during this process. Mr. Cornwell explained that the auditor would not be able to assist in this situation.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Brooks, the Board of Commissioners voted 6-1 (Mr. Pedersen voted nay) to adopt Resolution Number 20-2019 *A Resolution Authorizing the Execution of a Financial Advisory Services Agreement with First Tryon Advisors*

F. General Manager's Report:

Mr. Cornwell began with the financial reports from September. It was noted that Cleveland County property tax for August had been received. The quarterly transfer had been completed. The property purchases are included in the totals. The maintenance report was included for reference. The water plant report reflected that the max day was September 12, 2019. The billing report was increased over the August 2019 billing and a decrease from last

years' August billing. The Town of Fallston project has a certified substantial completion date as September 27, 2019. The USDA loan closing process has begun with an official closing date of November 5, 2019. Mr. Brooks asked about the penalty fees. Mr. Cornwell noted that the liquidated damages began in July. The Town of Fallston is the owner of the note. Since the contractor went over the original completion date additional interest has been assessed to the project. The liquidated damages can assist with the costs of these interim interest charges during the period of reaching substantial completion. The requests for qualifications for the architect for the Centrally Located Office and the engineer for the Weir project are due this week. The recommendations will be made at the next board meeting after the requests have been reviewed by the staff. Mr. Cornwell presented a letter that was hand delivered to the tenant living in the home on the property recently purchased from Jamie Ledford. The home owner has until November 8, 2019 to vacate the premises. The other mobile home located on the property purchased from John Elmore has been lifted and readied for relocation. Mr. Cornwell delivered the letter to the mobile home owner and has had no further contact with that person since the letter was delivered. There was one customer compliment this month for Josh Millwood. Mr. Millwood assisted a customer in understanding the water meter to help find a water leak. The customer reported appreciation in the time needed to help them in understanding. The Kings Mountain State of the Community breakfast transportation was discussed. Mr. Cornwell presented some examples of the modern technology of radio read data logging. The examples included different situations showing dated information of the usage logging obtained through the radio read meters. This information allows the capability of noting the exact date and time that the water was used through their water meter. Mr. Brooks asked if the meters are still read on a monthly basis. Mr. Cornwell verified that the meters are drove by every month. Mr. Brooks inquired about the future of meter technology and the possibility of WI-FI meters. Mr. Cornwell answered that technology is very costly and is not probable at this time. Mr. Melton shared about a recent high bill that he received and his process of searching of a water leak.

G. Board Members Announcement and Remarks

Mr. Cameron mentioned the General Manager evaluation will be at next month's meeting and the forms would be mailed along with a postage paid self-addressed envelope. Mr. Brooks inquired about the balance in the capital reserve

fund. Mr. Cornwell replied with the balance being \$1,900,000.00. Mr. Brooks questioned when the reserve fund had been started. Mr. Cornwell noted that the Capital Reserve Fund had been in place for approximately two years.

H. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Taylor the Board of Commissioners voted unanimously to adjourn at 8:09 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary

