

MINUTES

Regular Meeting
Cleveland County Water Board Room

January 11, 2022
Tuesday, 7:00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Dewey Cook, Secretary Bill Cameron, Commissioners Amy Bridges, Tony Brooks, Bruce Martin and Pete Pedersen. General Manager Brad Cornwell was also present. Attorney Tim Moore attended the meeting via video conference.

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Commissioner Dewey Cook who gave the invocation and Commissioner Bruce Martin led the *Pledge of Allegiance*.

A. Approval of agenda:

General Manager Brad Cornwell noted that he had placed an updated table of contents at each Commissioners seat and Commissioners should adopt the agenda with the removal of Special Presentation Items B-1 and B-2 since the persons to be recognized could not be in attendance. Item B-3 should become item B-1 on the amended agenda adoption.

Chairman Melton asked Commissioners if anyone had any questions related to the adoption of the agenda. Chairman Melton requested a motion to adopt the agenda.

ACTION TAKEN: Upon a motion by Mr. Pedersen and second by Mr. Cook, the Board of Commissioners voted unanimously to approve the agenda with the removal of Items B-1 and B-2 and correcting Item B-3 to B-1.

B. Special Presentation

- 1) Recognition and Presentation of Resolution Number 43-2021 to Commissioner John Z. Taylor for his Service to Cleveland County Water.

Chairman Melton requested Mr. Taylor to come forward and read aloud to him the adopted and framed Resolution Number 43-2021 noting Mr. Taylor's part in the actions of the Board from 2009-2021.

Mr. Taylor's board picture was presented to him along with his name plates and photos were made. The Board of Commissioners thanked Mr. Taylor for all his service to the Board for the past twelve years.

C. Public Comment

There were no public comments and Mr. Cornwell noted to the Chairman that no one had signed up.

D. Consent Agenda:

Action Taken: Mr. Cornwell summarized the Consent Agenda Items and Chairman Melton requested any comments on the Consent Agenda Items. Upon a motion by Mr. Brooks, second by Mr. Cameron, 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 December 14, 2021
- 2) Approval of the Special Meeting Notice for February 19th, 2022
- 3) Consideration of Ordinance Number 1-2022 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Lawndale Park Project

E. Unfinished Business:

- 1) Consideration of Resolution Number 1-2022 A Resolution Ratifying the Purchase of Real Property from Bryan H. Thrift and wife, Rebecca Hardin-Thrift and Todd Allen Thrift and wife, Sharon Thrift.

Mr. Cornwell noted to Commissioners that when the original deed was recorded for this purchase of three tracts, that the deed the Attorney copied had an exception in it that was recorded, and the county tax mapping office had not transferred ownership of one of the three parcels to Cleveland County Water due to that verbiage in the deed. Attorney Martin has prepared a new Quit Claim deed to remove the exception and the parties have all signed and the additional deed has been recorded at this time. Mr. Cornwell noted that no additional funds were exchanged, and that Commissioners simply needed to act again on the ratification to formally accept all three properties due to the original error.

ACTION TAKEN: Upon a motion by Mr. Cook and second by Mr. Martin, the Board of Commissioners voted unanimously to approve Resolution Number 1-2022.

2) Consideration of Resolution Number 2-2022 A Resolution Ratifying the Purchase of Real Property from Broad River Holdings, LLC

Mr. Cornwell noted to Commissioners that this property was the site of the existing Airport Road Tank and that it had been in place and constructed since about 1987. He indicated that staff knew that the land had never been officially transferred and that Mr. Drew Beam and Mr. Dennis Beam (brothers), owners of Broad River Holdings, LLC had discovered this and wished to get the property transferred to Cleveland County Water at no additional cost to the District. Mr. Cornwell summarized his review of the previous minutes from 1986-1987 and discovered there was discussion about the site, and the District Attorney at the time had discussions about the transfer of the property and it appeared the District had provided some considerations to the current owners at the time in 1987. In addition, Mr. Cornwell found correspondence between the District Attorney in the early 1990's to the District Attorney at the time in 1987 questioning why this was never transferred or recorded, but no definitive answers were found. Mr. Cornwell informed Commissioners that not only had the Beam brothers transferred the original parcel based on the construction plan sheets, they had also transferred an additional easement in the event our access is prohibited by the new bypass bridge being planned. Mr. Cameron inquired if any additional funds exchanged hands to complete this transaction. Mr. Cornwell told him no, the Beam's did it of their own free will and the only expense to the District was our own Attorney's fees.

ACTION TAKEN: Upon a motion by Mr. Cameron and second by Mr. Pedersen, the Board of Commissioners voted unanimously to approve Resolution Number 2-2022.

F. New Business:

1) Consideration of Resolution Number 3-2022 A Resolution Designating HomeTrust Bank an Official Depository

Mr. Cornwell reminded Commissioners that staff sent out a request for proposals for banking services in October, since we had been with HomeTrust for six years and the last RFP was issued six years ago. Mrs. Fern, Finance Director, summarized the responses from the three banks who submitted proposals. The banks who submitted proposals were Bank OZK, HomeTrust, and Truist (formerly BB&T). Mrs. Fern noted that all three banks required us to maintain a minimum balance and Truist was eliminated from the recommendation due to the higher balance they desired us to maintain. She then summarized that the earnings credit rate with HomeTrust was more favorable than that offered by Bank OZK. With the favorable earnings credit rating of HomeTrust, coupled with the lower monthly service charges, the interest earned versus the monthly fees would be a net zero to the District. The minimum balance to maintain would also be \$4,700,000 by HomeTrust which was the lowest minimum balance of all three proposals. Mr. Cook questioned the difference between the collateral pooling method and FDIC. Mrs. Fern explained that the Local Government Commission (LGC) required public deposit investors to be a part of the collateral pooling method, which basically means how the bank is allowed to invest our deposits and they must be secure, low-risk investments. FDIC stands for Federal Deposit Insurance Corporation and protects against the loss of the insured deposits by the United State government in the event the bank goes bankrupt, or investments are lost. Mr. Pedersen questioned the length of the new proposed contract with HomeTrust and Mrs. Fern responded that it would be three years as stated in the Request for Proposals.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 3-2022.

G. General Manager's Report:

Mr. Cornwell began with the financial reports and noted December contained five full payrolls, there was a large expense for meter changeouts, and that the materials budget continued to be out of line based on the tremendous cost increase in materials. He also noted the election expenses of approximately \$21,000 from the County Board of Elections. Mr. Cornwell directed Commissioner's attention to the Maintenance, Billing and Water Plant statistics and summarized them. He noted the completion of a water line

extension on Hatcher Spangler Road done by maintenance personnel. He reminded Commissioners of the adopted Retreat date of February 19th. He provided a status update on the Clearwell project and the Centrally Located Operations Center Project. He requested Commissioners review the lease to Lawndale for the LWCF grant and summarized the changes requested by the Recreation Resources staff to include the verbiage related to perpetuity and the grant assurances regarding default. Mr. Cornwell directed Commissioner's attention to the OSHA 300 log and he noted that our records went back to 1995 and we have never had a year where we had no worker's compensation claims, no lost time accidents or reportable injuries. He thanked Mr. Earl for his hard work on safety as the Operations Director. Commissioners thanked and applauded Mr. Earl for the previous year's safety record and Mr. Pedersen suggested to the General Manager have a lunch provided for staff for this recognition. Mr. Cornwell responded to Mr. Pedersen that he would plan to do that once COVID relents somewhat since we have several employees out sick.

H. Board Members Announcement and Remarks

Chairman Melton asked for Board member comments and remarks. No members had any remarks or updates.

I. Closed Session.

Chairman Melton called for a motion to go into Closed Session.

ACTION TAKEN: Upon a motion by Mr. Pedersen and second by Mr. Cook, the Board of Commissioners voted unanimously to go into Closed Session to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or other proposed contract for the acquisition of real property by purchase, option, exchange or lease in accordance with NCGS 143-318.11 (5) at 7:41 PM.

ACTION TAKEN: Upon a motion by Mr. Cameron and a second by Mr. Cook, the Board of Commissioners voted to return to Open Session at 7:59 PM.

ACTION TAKEN: Upon a motion by Mr. Brooks and a second by Mr. Martin, the board of Commissioners voted unanimously to exchange a 0.03-acre parcel to Jeff Whisnant and to receive a 0.03-acre parcel from Jeff Whisnant, and to exchange a 0.05-acre parcel to Donnie Whisnant and to receive a 0.26-acre parcel from Donnie Whisnant with an additional \$2,315.00 to be provided to Donnie Whisnant.

J. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks and a second by Mr. Martin the Board of Commissioners voted unanimously to adjourn at 8:02 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

