

MINUTES

Regular Meeting
Cleveland County Water Board Room

September 13, 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, Pete Pedersen, General Manager Brad Cornwell, and Attorney Tim Moore was present.

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Vice Chairman Dewey Cook who gave the invocation and Commissioner Bruce Martin 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. Mr. Cornwell noted that the agenda needed to be amended to include item F1 under new business. Chairman Melton requested a motion to adopt the agenda as amended.

ACTION TAKEN: Upon a motion by Mr. Cameron and second by Mr. Pedersen, the Board of Commissioners voted unanimously to approve the agenda as amended to include item F1 under new business.

B. Special Presentations:

1) Recognition and Presentation of Resolution 37-2022 to Dawn Newton Cape upon the Occasion of her Retirement from Employment with Cleveland County Water

Mr. Cornwell requested Mrs. Cape to come forward. Commissioner Bridges read aloud to her the adopted and framed Resolution Number 37-2022 noting the accomplishments and appreciation of Mrs. Cape's twenty-five years of employment. The Board of Commissioner thanked Mrs. Cape for her service and presented her with the framed resolution and a \$50.00 gift card.

2) Cleveland County Labor Market by Brandon Ruppe, Director of Business Services, Cleveland County Economic Development Partnership

Mr. Cornwell introduced Brandon Ruppe from Cleveland County Economic Development Partnership. Mr. Cornwell reminded the members about the

recent pay and class study conducted, the recent job vacancies and the struggles in obtaining quality employees. Mr. Ruppe will be providing information related to the labor market. Mr. Ruppe introduced himself and shared information about his education and job history. His specialty is work-force development. The presentation began with the history of unemployment in Cleveland County. The unemployment percentage in December of 1994 was 3.4% and climbed to 17% in March of 2009. The current workforce breakdown was discussed showing the population of Cleveland County in categories based on age and employed and unemployed status. The 2022 population of Cleveland County shows 81,054 citizens are in the age group of 16+ years of age. In this age group, 48,814 citizens are in the labor force and 32,240 are not in the labor force. The group included in the labor force consists of 60% of the population and reflects a 4% unemployment rate. Mr. Ruppe continued with a breakdown of the labor force not in the labor force. This group consists of retirees, full time students, stay at home parents, disabled citizens, and the hidden labor market. The hidden labor market would consist of citizens that are working but not reporting income or working several side jobs that are not being tracked or counted to be included in the work force numbers. The presentation continued with the risks to the work force. The loss of millennials (the age group of 25-39) in the Cleveland County work force, Mr. Ruppe shared that recruitments were being done through the high schools and the community college to encourage students to participate in the Cleveland County work force. Cleveland County is also at risk through the high number of citizens reaching retirement age and leaving the work force. Another risk is the low birth rate, the size of the traditional family is smaller than it was in previous generations. The number of citizens commuting to surrounding counties to join labor forces outside of Cleveland County was analyzed. This analysis showed that the outflow leaving the county to work was higher than the inflow of workers coming from other counties to work in Cleveland County. Mr. Ruppe shared an encouraging statistic concerning outmigration, these are citizens relocating to and from Cleveland County. The statistics show that more people moved into Cleveland County than moved out of Cleveland County. The job market opportunities and the lower cost of living bring new citizens to Cleveland County. The members noted their appreciation to Mr. Ruppe for his time and presentation. Mr. Cornwell noted that, Ginger Fern, Finance Director created an analysis of the CCW staff. The analysis showed that 23% of the CCW employees have been employed longer than twenty-five years. The analysis showed that in ten years another 16% of the employees

will be meeting the requirements for retirement. The analysis also showed a gap in the five to nine year range and the ten to fourteen year range, with employees leaving for other opportunities. Mr. Cornwell explained that losing the employee is not beneficial to the company because the experience learned, and the education invested in that employee is the future of CCW. The insurance benefits and retirement benefits are not as important to the younger generation of employees. The pay and class studies are very important in maintaining and keeping CCW competitive in the job market. Mr. Cornwell noted that some of the positions may need updates and reevaluations during the review. Attorney Moore noted that he had some questions and concerns about the citizens that were eligible for employment that were not in the work force. Mr. Ruppe answered this by stating that some of the citizens in this category were working but not in recordable categories. The citizens were supporting themselves but not by means that could be categorized. Mr. Ruppe referenced a study called the Strategic Employment Initiative. A consultant was hired to determine the gap for citizens not in the work force. A group between the ages of 18-26 was found to have no definitive work or involvement in the labor force. Attorney Moore asked if these were college students. Mr. Ruppe verified that some were college students still living at home. Studies were being conducted to discover ways to bring this age group into the labor force. Mr. Cornwell and Mr. Ruppe discussed young families struggling to make decisions concerning the revenue of working versus the expense of childcare. Commissioner Bridges noted the appreciation for Cleveland County Schools supplying after school care for families that work. Mr. Cornwell noted concerns about the maintenance department requirements for after hour and weekend work. There are potential employees in the labor force not willing to accept a position that requires work hours in an on call, after hour, holiday, or weekend situation. Mr. Ruppe is working on projects to assist employers with solutions to employment issues, including childcare.

C. Public Comment:

There were no public comments.

D. Consent Agenda:

Action Taken: Chairman Melton presented the Consent Agenda Items. Upon a motion by Mr. Brooks, second by Mr. Cook, 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 July 12, 2022
- 2) Consideration of Resolution Number 41-2022 A Resolution Ratifying the Offer and Acceptance of a Waterline Easement from Friendship Lodge # 388, A.F. & A.M.
- 3) Consideration of Ordinance Number 16-2022 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Lawndale Park Project

E. Unfinished Business:

No unfinished business was presented.

F. New Business:

- 1) Consideration of Resolution Number 42-2022 A Resolution Approving NCDOT Funding for Cleveland County Water's Stagecoach Greenway Project

Mr. Cornwell explained that the legislative delegation designated discretionary funds to assist with the Greenway along Casar Lawndale Road. The agreement was received and reviewed after the member packets were mailed. This item was added to the agenda for approval. Mr. Cornwell summarized the agreement and the term of five years. The agreement is for a total of \$350,000.00.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Resolution Number 42-2022 A Resolution Approving NCDOT Funding for Cleveland County Water's Stagecoach Greenway Project

G. General Manager's Report:

Mr. Cornwell noted that portions of the General Manager's report was going to be shared by the department heads for this meeting.

Mr. Cornwell introduced Ginger Fern, Finance Director, to begin with the financial report. Mrs. Fern reminded that since the August meeting was cancelled, and that the members had financial reports for July and August to review. Some noteworthy points for the July report were that the funding from Cleveland County for the Lawndale Park had been received in the amount of \$60,000.00. The expenses for July reflect some larger year long expenses, for example the Workers Compensation and Property/General Liability insurance premiums for the year. The expense of \$737,000.00 for

the meter change out program had also been paid. For the month of August, the grant revenue for the AIA projects for Fallston, Lawndale, and Polkville had been received. The materials account is currently overbudget but some of these materials will be reallocated to capital for projects. The two Chevrolet Colorado trucks were finally received and paid for in August. Mrs. Fern shared some customer payment details with the members. The most popular payment option for customers is over the telephone and online credit/debit card payments at 36%. The second choice is mail with 32%. The bank draft option is the third choice with 22% customers choosing this option. Mrs. Fern reminded that this option is free to customers with no convenience fees or postage involved. The process is completely automatic and once established the bank drafts are processed monthly. The customers paying through their online banking portals as an electronic payment is the fourth most popular method. The customer paying through the office is six percent. The telephone and online payments for August totaled \$439,000.00. Mr. Brooks asked if there were any issues. Mrs. Fern explained about some fraud issues and shared that some customers did not receive confirmation numbers. Mr. Pedersen asked which payment method was the safest. Mrs. Fern explained that all methods have safeguards to protect the customer and CCW. The terminals in the lobby are on the customer side of the lobby. The automated systems are initiated by the customers. The bank drafts are encrypted online and only used by the employees directly involved with the bank draft process. Mr. Cornwell explained further that the credit/debit card process was entirely on the customer to make the payment. The card is not seen or handled by the office staff. The terminals, telephone and online process is the responsibility of the credit card company, and it is the responsibility of the credit card company to protect the sensitive information of the payments. Mrs. Fern explained that the back side of the bill explained all the payment options. Mrs. Fern reported that the audit was being performed remotely again this year. The audit began on August 22, 2022 and is currently entering week number four. The auditors shared that the financial audit is currently being reviewed and undergoing report drafting. Once the review is complete, the audit will be presented to the partner for his review. The audit has not generated any journal entries or findings but that is subject to change depending on the review. Michelle Alexander, Customer Service Director, continued the report with customer and billing related updates. The past due customer accounts have not been locked due to nonpayment since March of this year because of staffing issues and pandemic issues. A mass lock out took place in August, all three cycles were completed

in a three-week time frame. Cycle 1 consisted of 170 customers that were locked in two days for the dollar amount of \$52,329 in past due accounts. Cycle 3 consisted of 194 customers that were locked out in three days for the dollar amount of \$49,170 in past due accounts. Cycle 2 consisted of 202 customers that were locked out in two days for the dollar amount of \$59,140 in past due accounts. This totaled \$161,179. The amount collected from the mass lock out was \$131,610. The accounts that were locked due to nonpayment were more than four months past due, some with no payments since February. The process will be repeated as soon as possible when staffing is available. Mrs. Alexander continued with her report sharing details concerning the billing software. CCW contracted with QS/1 in August of 2018 to provide software services for all financial and utility billing requirements. Since August of 2018, QS/1 has been bought out or merged with other companies on four different occasions. The yearly subscription fee for QS/1 is \$28,850 a year. The most recent company change has changed the name QS/1 to Springbrook. The yearly subscription fee with Springbrook would be \$43,990. Springbrook provided a quote for the software conversion fee in the amount of \$81,000. This would convert CCW data from QS/1's format to Springbrook's format for use in their software. Mrs. Alexander shared that she recently attended an education class in Chapel Hill with other utility providers. She asked them about their software usage and preferences. The opinion was shared that the Springbrook format was not user friendly. The search for a new software provider will begin soon. The former QS/1, also known as Publiq software, will be maintained in the status, no enhancements will be provided to the software at any time in the future. Mr. Cornwell noted that this cost was expensive, to stay with the same company that CCW is currently conducting business with. Another prospective software company was researched in 2018, their software subscription fee was higher than QS/1. The higher cost could not be validated at the time, however with the daily issues and frustrations of the current software, it may be advantageous to pay more for software with less issues and frustrations. Mr. Cornwell is not recommending the quoted fees to remain with Springbrook software. The maintenance report reflects almost one hundred new taps set in the months of July and August. The maintenance department repaired thirty-five leaks in July and thirty-six leaks in August. Jeff Earl continued the report with project updates. Mr. Earl, Operations Director, shared photos of the new Belwood Tank site before and after the property clearing took place. McGill Associates is handling the engineering for this project. McGill is currently working on locating the

existing utilities and incorporating them into the design. Mr. Cameron asked about the size of the property. Mr. Cornwall answered that the area contained eleven acres and cost was \$45,000. The contractor charged \$12,500 for the property to be cleared. The photos for the Bethlehem Church Road water line project were shared. This water line upgrade was included in the budget and the bids are due on September 16, 2022. The pictures show the maintenance crews on site at 4:00 a.m. in the morning on a Saturday making a main line repair. After the repair was completed, the yard repair required six loads of dirt to cover. This is the fourth repair in the same location during the time Mr. Earl has been here. The current pipe is SDR-21 pipe and the replacement pipe will be C-900. The Marion Street pump station has been designed and approved. The design has been submitted to NC DWI for their response and approval. The bore for the Clearwell project has been completed and pulling back the pipe will begin this week. The Clearwell project continues with the sub flooring and piping for the pump station. The water treatment plant flocculation and sedimentation basin project has been designed and approved. It has also been submitted to NC Division of Infrastructure for response and approval. The weir project has been designed and approved. The response has been received from USDA. The engineer team is working on the response to USDA. The AIA (Asset Inventory Assessment) projects for the Towns of Fallston, Lawndale and Polkville have been completed. The maps of the water and sewer maintenance will be distributed to each corresponding town. The draft assessments will be available for review soon. The Casar Lawndale and Sand Hill project for Ivester pump station and Will Dixon Road upgrades are still in progress. The old existing water pipe does not have tracer wire so the water lines will be located using ground penetrating radar. This will ensure that the existing water line will not be damaged as the new water lines are being installed. The Boiling Springs interconnection has been installed. The Town of Boiling Springs required a small wait until after July 1, 2022, to order a Ross ACD valve. Once this is installed, Duke Energy will install power to this location. The vaults have already been installed. Mr. Brooks questioned if this was the Masonic Lodge location. Mr. Earl verified that location. Mr. Brooks asked about the power installation. Mr. Earl clarified that the power would allow for a timer installation that would enable Boiling Springs to control the amount of time that the interconnection was in service. The Cherryville Road/Highway 150 project will be completed next week and will be pressure tested soon after completion. The Delight Road project is almost completed. The maintenance crews have installed 11,640 feet of pipe. When Delight

Road is completed, the crews will relocate to Stroud Road in Fallston for a line extension that was a customer request. The water line installation on St. Peters Church Road will be the next installation. This project is part of the Town of Belwood ARP funding and will be 3,400 feet of water line. The Stamey Street project will be installed with the funds remaining from the USDA project for the Town of Fallston. The water line materials have been purchased and will be installed by the maintenance crews. The Bethlehem Church Road project was explained earlier in the photos that were shared. The Oakgrove Cloverhill Church Road project has been designed and approved and will be sent to NC DWI for permitting in two weeks. Mr. Martin asked if there was a deadline to spend the ARP funding. Mr. Cornwell clarified that the ARP funding does have a spending deadline of December 31, 2026. Mr. Cornwell mentioned a small line extension on Clyde Wallace Road southwest of Boiling Springs/College Farm Road. This line extension would coincide with the future CIP project for a new storage tank and water plant south of Boiling Springs. The water line installation would require an eight-inch line and two customers have applied for water tap installations on this road. The area has about ten more homes in the area. This line extension would benefit CCW in the future for the new water plant and water tank. Mr. Cornwell reported that Cherryville was awarded \$3,000,000 for the interconnection project in last years state budget. A request for qualifications is being created for this project and a project management letter has been issued to Cherryville for CCW to manage the project on the behalf of the City of Cherryville. The expenses will be reimbursed back to CCW through the City of Cherryville. The City Manager of Cherryville will be sharing these documents and information with the City Council. There will be future updates and resolutions presented for this project at the October or November board meeting. Mr. Cornwell mailed a letter of appreciation to Cleveland County for the Stagecoach Greenway funding. This letter is included in the monthly packet. The citizens of Rutherford County continue to request water services from CCW. The prior cost estimates for the water line installation have been updated to current pricing. Mr. Cornwell has been contacted by Pat Jobe, citizen of Rutherford County, to discuss the process of seeking funding for supplying water to Rutherford County. The former Hopewell project for Rutherford County was funded through GO (General Obligation) Bond money. This was on the voter ballot for an election and the citizens of Rutherford County approved the GO bonds through voting. The County Manager of Rutherford County, and the General Manager of Broad River Water Authority have met with Mr.

Cornwell to discuss the future for providing water services to this area. The maps and cost estimates are in the member packets for reference. Mr. Cornwell continued the General Manager's report with an update on the Town of Fallston USDA project. The first inspection in conjunction with the Town of Fallston has been performed. The USDA discovered that the water service application required updates. The inspection revealed the necessity of collecting demographic information from customers. A new series of questions has been added to the customer application to meet the USDA requirements. The new water service application was shared in the member packets for reference. The New Operations Center continues to show progress. Duke Energy has been nonresponsive to telephone calls and emails concerning the utility poles located on the property. The utility pole is shared with AT&T, who has been in communication with Mr. Cornwell. AT&T has developed a plan, together with their engineers, to bury their utility lines and supply a cost estimate to CCW for review. The NC Wildlife Resources Commissioner will have plans for the Highway 10 and Delight Road access points in the near future. The Town of Spindale and Rutherfordton partnered together to submit a RAISE grant in the amount of \$20,000,000.00. The grant is federally funded through the NC Department of Transportation and will improve Highway 74 and connect the local greenways. The grant was approved for funding. Mr. Cornwell proposed to partner with the Town of Lawndale to submit a RAISE grant for the Stagecoach Greenway. The manager from the Town of Spindale, Scott Webber, met with Mr. Cornwell to discuss the project and the RAISE grant application. The NCDOT assisted the Town of Spindale and Rutherfordton with the application process. NCDOT hired the consultants and submitted the grant application in a partnership with the towns. Mr. Cornwell requested that the members think about the possibility of the partnership and submitting a RAISE grant application for the Stagecoach Greenway. The members consented to Mr. Cornwell pursuing this action. Mr. Cornwell shared some images from the Lawndale Park section of the Stagecoach Greenway. There is a non-encroachment area in the flood plain of Lawndale Park. The picnic areas are covered, this covering classifies the picnic areas as a structure. The structures in a flood plain require additional hydraulic analysis. It has been determined that the existing Quonset hut on the property cannot be repaired because of the age of structure. The consultants have suggested the removal of the Quonset hut and raise the existing base to construct the restrooms and a small maintenance shed on that concrete pad. Mr. Cornwell is working with the consultants to do a presentation at the next board meeting with the

changes. Odom and Associates has been contracted to design the sewer for the restrooms. Mr. Cornwell shared the idea of installing a KIOSK machine at the existing administrative building. The City of Cherryville and the City of Shelby have KIOSK machines at their facilities for customers to make after hour transactions for their customer accounts. These machines would also allow customers the opportunity to make cash transactions. This KIOSK machine will be relocated to the New Operations Center when the New Operations Center is completed. Mr. Cornwell noted that the expense of the KIOSK is not known at this time. Mr. Brooks noted the information provided by Mrs. Fern on the number of customers paying in person. Mr. Cornwell mentioned that in his opinion this number would increase with the office relocation to Shelby. The new location would be more convenient to a broader number of customers than the current location.

H. Board Members Announcement and Remarks

Mr. Cameron mentioned relocating the Dover Mill water tower to the new operation center location. Mr. Cook mentioned that there was possibly an article in the newspaper about the refurbishment of the tower.

I. Closed Session

1) 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 or 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 (a) (5)

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Martin, the Board of Commissioners voted unanimously to go into Closed Session at 8:36 PM.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Martin, the Board of Commissioners returned to Open Session at 8:48 PM.

H. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Cook the Board of Commissioners voted unanimously to adjourn at 8:49 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

