

MINUTES

Regular Meeting
Cleveland County Water Board Room

April 13, 2021
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 John Taylor and General Manager Brad Cornwell, and Attorney Tim Moore via video conference call.

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. Chairman Melton requested a motion to adopt the agenda as amended to include Resolution Number 10-2021.

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

B. Special Presentation:

Presentation by Mr. Tim Johnson, Destination by Design
Lawndale Park NC Parks and Recreation Trust Fund Application

Mr. Cornwell introduced Tim Johnson, the consultant from Destination by Design. Mr. Johnson reminded the members about Lawndale Park area of the Greenway and the application for funding through NCPARTF. The elements included in the Lawndale Park were reviewed as presented in the greenway masterplan. The budget for the Lawndale Park was shared and explained. Mr. Cornwell called for questions concerning the information that Mr. Johnson shared. Mr. Cornwell continued by explaining the recent developments concerning the District and the greenway eligibility for funding. The definitions of a sanitary district were shared with the members. The NCPARTF determined that the District is not eligible for funding under their rules and guidelines because of the lack of the words "parks and recreation" within the sanitary district general statutes. The District can partner with another municipal entity to submit the application. Mr. Cornwell drafted a resolution to create a partnership with the

Town of Lawndale to submit the application for funding to NCPARTF under the Town of Lawndale name. This name change with the new partnership guidelines on the application would allow the application to be submitted to NCPARTF. The process for determining eligibility took three weeks to decide and delayed the application submission process. The application will be submitted by the deadline under this new partnership resolution. Mr. Cornwell reviewed the resolution with the members and explained the verbiage included in the resolution. He also updated with the Board about his discussions with Representative Hastings about working to update the general statutes authorizing Sanitary Districts.

- 1) Consideration of Resolution Number 10-2021 A Resolution Authorizing Submission of an Application to the NC Parks and Recreation Trust Fund for Lawndale Park

Action Taken: Upon a motion by Mr. Cook, second by Mr. Martin, the Board of Commissioners voted unanimously to adopt Resolution Number 10-2021 *A Resolution Authorizing Submission of an Application to the NC Parks and Recreation Trust Fund for Lawndale Park*

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 Mrs. Bridges, 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 March 9, 2021
- 2) Approval of the Minutes of the Closed Session of March 9, 2021
- 3) Consideration of Resolution Number 11-2021 A Resolution Authorizing an Update to the Cleveland County Water Rules and Regulations Regarding Billing Due Dates
- 4) Approval of the Special Meeting Notice for May 25, 2021
- 5) Consideration of Resolution Number 12-2021 A Resolution Authorizing a Contract with Johnson, Price, Sprinkle, PA for Audit Services for the 2020-2021 Cleveland County Water Annual Audit
- 6) Consideration of Resolution Number 13-2021 A Resolution Accepting Willis Engineers as the Most Qualified to perform work related to the Flocculation and Sedimentation Basin Project

- 7) Consideration of Resolution Number 14-2021 A Resolution Adopting the Capital Improvements Plan (CIP) for Cleveland County Water
- 8) Consideration of Resolution Number 15-2021 A Resolution Authorizing the Execution of a Contract with Willis Engineers for the Professional Services Related to the USDA Raw Water Weir Replacement Project
- 9) Consideration of Resolution 16-2021 A Resolution Authorizing the Execution of a Contract with Boomerang Design, PA for the Professional Services Related to the USDA Centrally Located Operations Center Project

E. Unfinished Business:

- 1) Consideration of Resolution Number 17-2021 A Resolution Adopting Updated Rules of Procedure to the Cleveland County Water Board of Commissioners

Mr. Cornwell addressed the questions that were presented related to him by the Board of Commissioners since the last meeting regarding the rules of procedure. This resolution will adopt the updated rules of procedure.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Resolution Number 17-2021 *A Resolution Adopting Updated Rules of Procedure to the Cleveland County Water Board of Commissioners*

- 2) Consideration of Resolution Number 18-2021 A Resolution Authorizing a Site Lease Agreement between Cleveland County Water and Skyrunner, Inc.

Mr. Cornwell explained the details concerning the lease agreement with Skyrunner. This discussion was shared at a prior monthly meeting and was tabled for further investigation. Skyrunner currently provides internet access via their tower located on Cherry Mountain. Mr. Cornwell shared the reason that the discussion was stalled was due to the ownership of the company changing. The new owners continued with the plans established under the old ownership. The locations being selected for the lease agreement are the Lattimore and Jesse Mountain Road tank. These two tank sites will provide internet access to areas that did not have availability to internet access. Skyrunner will be charged a monthly

lease for their equipment access. The antennae that will be installed on these tanks are very small. Mr. Cornwell shared that the agreement shared a provision that would assist the school systems with student internet if feasible. Mr. Cornwell noted that other tanks would be available for equipment access if Skyrunner's future needs would require expansions.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Martin, the Board of Commissioners voted unanimously to adopt Resolution Number 18-2021 *A Resolution Authorizing a Site Lease Agreement between Cleveland County Water and Skyrunner, Inc.*

F. New Business:

1) Discussion Regarding the American Recovery Plan Distribution

Mr. Cornwell explained the terms of the American Recovery Plan (ARP). This plan was established for distribution of stimulus funding for individuals during the pandemic. This plan also included aid for states and local governments, with a focus on water and sewer infrastructure. A spreadsheet was shared with the members created by the NC League of Municipalities. This spreadsheet contained estimated aid amounts for the cities and the county in our area. The aid is based on census data or population size. The District was not included on the spreadsheet. The NC State Treasurer office has the authority to re-allocate the funds that are presented to the state. Mr. Cornwell has contacted the NC State Treasurer's office expressing the concerns of not being included in the ARP distribution. Mr. Martin inquired about what the funding can be used for. Mr. Cornwell replied that the funds could be distributed in several different manners. When the funds are distributed, they must be used according to the rules and guidelines of the recovery plan. Mr. Brooks asked if the funding could be used to recover revenue lost during the pandemic. Mr. Cornwell noted that the funding could be used to recover the lost revenue brought on by the pandemic. Mr. Brooks asked about the estimated amount of funding that the District would receive. Mr. Cornwell noted that the funding would be based on the census data. Mr. Brooks noted that the cities could share their funding to establish larger water lines and fire flow for fire hydrants. Mr. Cornwell noted that the smaller cities in the area would not have the procedures in place that

are required for the fund distributions. These funding procedures would need to be created by these cities so the funds could be properly distributed. These recovery plan funds would be different procedures than the day-to-day procedures.

2) Discussion Regarding Cleveland County Property Tax Revaluation and Tax Rate

Cleveland County did a property tax revaluation in January of 2021. As part of the General Manager's responsibilities, Mr. Cornwell provided a revenue neutral tax rate to the members. This tax rate would compare the new revaluation totals to the old revaluation totals and provide a percentage that is required to receive the same revenue that is currently being collected. The revenue neutral tax rate was 2.1% during the last tax revaluation. The members voted to leave the tax rate at the same 2% rate. The revenue neutral tax rate with the new valuation is 1.8%. Mr. Cornwell recommended that the new fiscal year budget be prepared with the same tax rate of 2%. The loss from the prior revenue neutral tax rate can be recovered by leaving the tax rate the same. The member's packets contained a table showing all the tax rates for all the entities levying a tax in Cleveland County.

3) Discussion Regarding PARTF and LWCF Eligibility

Mr. Cornwell shared the email that was sent to NCPARTF. The email contained the definition of a sanitary district. The explanation was presented for determining the eligibility for the funding of the greenway. The NCPARTF was created in 1994 and is governed by a nine-member body with two members appointed by the Speaker of the House, two members appointed by the President of the Senate, and the remaining five members are appointed by the Governor. The NCPARTF has determined that the District is an ineligible applicant for funding due to the distinction of being a sanitary district. CCW was hoping to apply this Fall for funding with the Land and Water Conservation Fund which is federal funding. Mr. Cornwell shared the manual for the funding, which was updated in March of 2018. Former President Trump signed into legislation The Great American Outdoors Act which mandated funding through the Land and Water Conservation Fund. PARTF has also suggested CCW would not be eligible for Land and Water Conservation

Funds and staff will investigate this further. Some municipalities have hesitated to use this federal funding from Land and Conservation Fund because one of the requirements would be to include the restrictions of, for recreational purposes only, on the deed to the corresponding properties. Mr. Cornwell shared the applications will be submitted under the Town of Lawndale name to meet the guidelines required for the application process. Mr. Cornwell noted his appreciation for the assistance from Representative Hastings. Mr. Melton questioned how far the greenway project would be set back because of the circumstances without the funding. Mr. Cornwell noted there would be other funding sources and other applications. The process would be set back approximately a year during the process of gaining eligibility for funding.

G. General Manager's Report:

Mr. Cornwell began by sharing the finance report for March. The local options sales tax for December reflected an increase. The pandemic has citizens staying closer to home instead of going outside of the county to shop and eat. The future revenue numbers for the local options sales tax will be averaged because these circumstances are temporary. The maintenance, water plant, and billing numbers were available in the packet. The customer compliments included a note of appreciation for reasonable water rates, appreciation for new water meters that were set, and a note of appreciation for customer service. Mr. Cornwell shared some information concerning the Towns of Fallston, Kingstown, Lawndale, and Polkville sewer regionalization and the Local Government Commission. The mining permit is being transferred from Asphalt Paving to the District for future purposes. The paperwork is currently being processed. Mr. Cornwell shared information concerning charitable contributions and the non-profit 501(C)(3) process. The process would require the establishment of a board with four members. The funds would be managed by the District. Attorney Moore made a recommendation for the General Manager to consult with regarding establishing the non-profit. A proposal was presented to the members for review with a resolution to be presented at a later date for approval while staff works through the funding issues. Mr. Cornwell shared that three hundred seventy-seven customers had signed up for paperless billing since the forms were presented in the recent water billing. The cost savings with the current postage rate would be \$2500.00 annually. The bank draft

applications have also increased, even though this payment option has been available to customers for a long duration.

H. Board Members Announcement and Remarks

Mr. Martin noted his appreciation for the hard work. He also noted his discouragement concerning the eligibility for the grant funding. Mr. Cook shared a story that he had read concerning the restoration of a river that had damage after a storm. Mr. Cook asked if this process would be an option for the greenway section of First Broad River. Mr. Cornwell noted that he could research some local options for grant funding for restoration projects. Mr. Brooks noted appreciation for the hard work. He noticed the erosion and washing on the banks of the river with the heavy recent rains. The Environmental Quality Incentive Program (EQIP) may be able to assist with the flooding damage from the recent rains and restoring the banks of the river. Mr. Cornwell noted that if Mr. Brooks could share the information with him that he would be happy to research these options. Mr. Melton noted his appreciation for the hard work and noted appreciation to Attorney Moore for attending.

I. 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 8:10 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

