

MINUTES

Regular Meeting
Cleveland County Water Board Room

May 10, 2022
Tuesday, 7:00 P.M.

Present: Chairman Donald Melton; presiding, Secretary Bill Cameron, Commissioners Amy Bridges, Tony Brooks, Bruce Martin and General Manager Brad Cornwell. Attorney Tim Moore via video conference call. Vice Chairman Dewey Cook and Commissioner Pete Pedersen were absent.

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Commissioner Tony Brooks 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.

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

B. Public Comment:

There were no public comments.

C. Consent Agenda:

Action Taken: Chairman Melton presented the Consent Agenda Items. Upon a motion by Mr. Brooks, second by Mr. Martin, 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 April 12, 2022
- 2) Consideration of Resolution Number 22-2022 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from North Carolina Department of Environmental Quality for the East Marion Street Booster Pump Station Project
- 3) Consideration of Resolution Number 23-2022 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from North Carolina

- Department of Environmental Quality for the Casar-Lawndale, Sandy Hills & Will Dixon Road Transmission Waterlines Project
- 4) Consideration of Resolution Number 24-2022 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from North Carolina Department of Environmental Quality for the Belwood Storage Tank & Booster Pump Station Project
 - 5) Consideration of Resolution Number 24-2022 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from North Carolina Department of Environmental Quality for the Polkville Elevated Tank, Booster Pump Station, and Water Mains Project
 - 6) Consideration of Ordinance Number 26-2022 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from North Carolina Department of Environmental Quality for the Waco Booster Pump Station Project

D. Unfinished Business:

- 1) Consideration of Resolution Number 27-2022 A Resolution Updating the Capital Reserve Fund for Cleveland County Water

General Manager Cornwell introduced Finance Director, Ginger Fern, to present and discuss this item. Mrs. Fern reminded that the Capital Reserve Fund was established in 2017 with the intent to fund future capital projects. Mrs. Fern referred to the general statute that pertains to the establishment and maintenance of the Capital Reserve Fund. The current resolution for the Capital Reserve Fund was established five years ago for a five-year period. Mrs. Fern reminded that the original goal for the Capital Reserve Fund was to accumulate \$5,000,000.00. As of March 2022, the account had a balance of \$3,160,000.00. On April 1, 2022 \$1,260,000.00 was transferred from the Capital Reserve Fund to the General Fund to be used for the New Centrally Located Operations Center. These funds came from the Capital Reserve Fund and were not used from the operating budget. The balance in the Capital Reserve Fund now is a little over \$2,000,000.00. This resolution is to extend the Capital Reserve Fund for another five years and to continue the goal of accumulating \$5,000,000.00 to be used for future capital projects.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 27-

2022 A Resolution Updating the Capital Reserve Fund for Cleveland County Water

- 2) Consideration of Ordinance Number 10-2022 A FY 2021-2022 Budget Ordinance Amendment No. 1 for Cleveland County Water

Mrs. Fern continued with an explanation of the budget amendment for fiscal year 2021-2022. The operating budget for fiscal year 2021-2022 included the purchase of a new crew cab truck, meter reader truck, maintenance truck and additional equipment. The crew cab truck and additional equipment have been purchased and paid for. The meter reader and maintenance truck are promised to arrive this month. These items were to be included in an installment financing package. The installment financing process can take one to two months to establish and complete. The installment financing would not be completed in a timely manner before the end of the fiscal year. This amendment removes the installment financing proceeds from the budget revenue and appropriates additional water sales revenues to cover these expenditures.

ACTION TAKEN: Upon a motion by Mr. Cameron, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Ordinance Number 10-2022 A *FY 2021-2022 Budget Ordinance Amendment No. 1 for Cleveland County Water*

- 3) Consideration of Resolution Number 28-2022 A Resolution for Notice of Award for the Bid for the New Cleveland County Water Centrally Located Operations Center

Mr. Cornwell began by updating the commissioners on the progress made on the Centrally Located Operations Center. The paperwork is being prepared to the present to Local Government Commission. The Local Government Commission will be reviewing the debt before the USDA process. Mr. Cornwell noted that the request for proposals were mailed this week. The requests were mailed to financial institutions recommended by the Local Government Commission for financing during construction. Mr. Cornwell noted that this process is the equivalent of a construction loan. Mr. Cornwell reminded that in the customer survey the New Centrally Located Operations Center was number three on the list of priorities for the members in the survey. Mr. Cameron asked if Mr.

Cornwell remembered what the top two priorities were and of the priorities mentioned in the survey how many have been accomplished. Mr. Cornwell noted that number one was increasing the water line size in the distribution system to provide fire flow. Mr. Cornwell did not recall what the second priority was but noted that several priorities have been completed. Mr. Melton asked how long before construction starts. Mr. Cornwell responded the first of August. Mr. Melton inquired about the length of construction. Mr. Cornwell verified that construction should take a year to complete.

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Cameron, the Board of Commissioners voted unanimously to adopt Resolution Number 28-2022 *A Resolution for Notice of Award for the Bid for the New Cleveland County Water Centrally Located Operations Center*

E. New Business:

- 1) Consideration of Resolution Number 21-2022 *A Resolution Accepting Destination by Design as the Most Qualified to Perform Work Related to the Lawndale Park Project*

This request for proposals was advertised on the website. One proposal was received from Destination by Design. Mr. Cameron questioned what the design phase would entail. Mr. Cornwell explained that the design phase establishes the designs for the Lawndale Park. This phase would include the surveying, designing the roads, the canoe access points, and the beach area. Once the design is created then bids will be requested based off the design for construction.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 21-2022 *A Resolution Accepting Destination by Design as the Most Qualified to Perform Work Related to the Lawndale Park Project*

F. General Manager's Report:

Mr. Cornwell noted that the April financials included the lease payment for the Town of Fallston for the USDA payment and the third quarterly payment

to the Capital Reserve Fund. The maintenance and billing numbers are noted in the commissioner packet. The budget meeting will be May 24, 2022, at 6:00 pm with supper served before the meeting. The maintenance crew of Alan, Kelly, and Logan received a customer compliment. The crew was repairing a water leak and the customer yard was dug during the process of the repair. The customer noted that the crew came to the door to notify the customer that the crew would return to repair the yard the next day. Terry Grayson noted his appreciation for the crew and their notification of their intentions. The members had a handout at their seats concerning the Flocculation and Sedimentation Improvements. This project was to be funded by NCDEQ for \$2,700,000.00. The current construction estimate for the project is \$3,200,000.00. The NCDEQ has funds remaining in the reserve fund from ARP funds. Mr. Cornwell noted that project could be eligible for the reserve ARP funding or the loan could be converted to the new estimated amount. Mr. Cornwell has submitted the applications in the hopes that the project can be converted to an ARP grant. The letter acknowledging the award of funding from the NC Recreation Trails Program was finally received and a copy of the letter was included in the member packets. The bids for the demolition of the Cleveland Mills Pump Station and the Scout Hut have been awarded. A settlement with Fuller Construction for the Town of Fallston construction has been reached and the process is completed. Mr. Cornwell shared a letter intended to assist with acquiring additional ARP funds for the Cherryville Interconnection. The bids for the Cherryville Interconnection came in higher than the estimated costs. The City Manager of Cherryville has agreed to assist in the request for funding. A community in Rutherford County has requested a water line extension to reach their community. This area is known for low pressure because of the existing distance from the plant and the Polkville Tank. Mr. Cornwell shared some of the history with installing water lines into Rutherford County and requested input from the board with their thoughts on installing future lines into Rutherford County. The members agreed that Rutherford County citizens in their request to have water lines in their area need to start with their own Rutherford County elected officials. A letter will be drafted with estimates for the project costs for the citizens to share with Rutherford County.

G. Board Members Announcement and Remarks

Mr. Cameron asked about the required ethics training. All members need to attend ethics training. The certificates are maintained in the personnel

folders. The recommended training will be provided by CAGO. Mr. Cornwell noted that if you are unavailable for this training then another ethics training would need to be sought. Mr. Brooks noted appreciate in all funding sources being investigated for projects.

H. 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. Brooks, second by Mr. Cook, the Board of Commissioners voted unanimously to go into Closed Session at 7:33 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners returned to Open Session at 7:45 PM.

I. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mrs. Bridges the Board of Commissioners voted unanimously to adjourn at 7:46 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

