

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

March 12, 2024  
Tuesday, 6:00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Bill Cameron, Commissioners Tony Brooks, Bruce Martin, Pete Pedersen, and Pamela P. Maddox. General Manager Brad Cornwell was present. Secretary Amy Elliott Bridges and Attorney Tim Moore attended the meeting virtually.

Chairman Donald Melton called the meeting to order at 6:00 PM, welcomed all who were in attendance and recognized Commissioner Bruce Martin who gave the invocation and Commissioner Pete Pedersen led the *Pledge of Allegiance*.

- A. Consideration of Motion to Suspend the Rules for Part III Rule 3 Remote Participation in Board Meetings and allowing Commissioner Amy Elliott Bridges to attend the March 12, 2024, Board meeting virtually.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mr. Martin, the Board of Commissioners voted unanimously to allow Commissioner Amy Elliott Bridges to attend the March 12, 2024, Board meeting virtually.

- B. Approval of Agenda:

General Manager Cornwell noted that item 6 would be added to the consent agenda for Resolution 11-2024. The members were provided a copy of this resolution at their seats. The resolution was not included in the packet. 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. Cameron and second by Mr. Pedersen, the Board of Commissioners voted unanimously to add item 6 to the Consent Agenda.

ACTION TAKEN: Upon a motion by Mr. Brooks and second by Mrs. Maddox, the Board of Commissioners voted to unanimously accept the agenda as amended.

- C. Public Comment

No public comments were presented.

D. Consent Agenda:

Action Taken: Chairman Melton presented 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 February 13, 2024
- 2) Approval of the Minutes of the Special Meeting of February 24, 2024
- 3) Consideration of Resolution Number 6-2024 A Resolution Authorizing the Execution of a Contract to Audit Accounts with Martin, Starnes & Associates, CPA's, PA for the Cleveland County Water FY 2023-2024 Audit
- 4) Consideration of Resolution Number 7-2024 A Resolution Authorizing the Chairman, Secretary and General Manager to Enter Into Short Term Lease Agreement for Property Owned by Cleveland County Water to the Town of Lawndale
- 5) Consideration of Ordinance Number 2-2024 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Clearwell and High Service Pump Station Project
- 6) Consideration of Resolution Number 11-2024 A Resolution Authorizing the Acceptance of S.L. 2023-134 Appropriations Act Directed Project Flocculation and Sedimentation Improvement DWI Project No.: SRP-D-134-0022

E. Unfinished Business:

- 1) Consideration of Ordinance Number 3-2024 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Raw Water Weir Replacement Project

Mr. Cornwell explained this ordinance and referred the members to the proper page in the packet. The interest rate for the USDA weir loan has changed but interest is also accruing for this debt. This ordinance will match the general ledger accounting to the loan information supplied to USDA for the loan.

**ACTION TAKEN:** Upon a motion by Mr. Pedersen, second by Mr. Martin, the Board of Commissioners voted unanimously to adopt Ordinance Number 3-2024 *An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Raw Water Weir Replacement Project*

- 2) Consideration of Resolution Number 8-2024 A Resolution Authorizing the Execution of an EJCDC E-500 Exhibit K-Amendment to Owner-Engineer Agreement Between Owner and Engineer for Professional Services with Willis Engineers In the Amount Not-to-Exceed \$1,881,703 for the Cleveland County Water USDA Raw Water Weir Project

Mr. Cornwell noted that the engineering costs for the Weir project will be paid by the District from fund balance. Since these funds are designated to the engineer during the USDA loan process, the USDA is requiring that this form be used to report this information to USDA. This form will also be attached to the contract with the engineer.

**ACTION TAKEN:** Upon a motion by Mr. Martin, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Resolution Number 8-2024 A *Resolution Authorizing Execution of an EJCDC E-500 Exhibit K-Amendment to Owner-Engineer Agreement Between Owner and Engineer For Professional Services With Willis Engineers In The Amount Not-To-Exceed \$1,881,703 for the Cleveland County Water USDA Raw Water Weir Project*

F. New Business:

- 1) Consideration of Resolution Number 9-2024 A tentative Resolution of Award for the Bid for the Flocculation and Sedimentation Basin Project Number SRP-D-134-0022

Mr. Cornwell explained that this resolution tentatively awards the bid for the flocculation and sedimentation basins at the water plant. The District has accepted a bid for this project after several bid processes altering the scope of the work on the project. The scope was changed to attempt to receive a bid within the estimate guidelines allowed for the project. This project will now be funded through ARP grant funds. The ARP grant funding is not enough to pay for the entire project including the engineering costs. The flocculation and sedimentation project were originally designed to be funded through a loan from NCDEQ. This NCDEQ loan was approved during the pandemic when the costs of construction materials were enormous. Mr. Cornwell anticipates that if the project goes smoothly, without requiring additional funding, that the engineering costs from the project will be paid through the fund balance. That will allow the original loan of \$2,750,000 to be relinquished back to NCDEQ. Mr. Cornwell explained that the resolution

references tentative award because this is pending the approval of the State of North Carolina.

**ACTION TAKEN:** Upon a motion by Mr. Cameron, second by Mrs. Maddox, the Board of Commissioners voted unanimously to adopt Resolution Number 9-2024 *A Tentative Resolution of Award for the Bid for the Flocculation and Sedimentation Basin Project Number SRP-D-134-0022*

- 2) Consideration of Resolution Number 10-2024 A Resolution Authorizing Agreement with Performance Potential Uncorked, LLC for Review and Update of Position Classifications, Personnel Policies and Procedures and Performance Evaluation Revisions

Mr. Cornwell noted that the personnel policy has not been updated since 2016. The pay and class study were recently completed and effective for the employees. Mrs. Fern attended a spring workshop that referenced the necessity of updating personnel policies, especially in the post pandemic era. The League recommended Performance Potential Uncorked to partner with the District to update policies and procedures and performance evaluations. Susan Nunn is a retired Human Resource Consultant from the City of Lexington. The League is familiar with the personnel necessary to establish proper protocols. Mr. Pedersen asked if the whole personnel policy would be reviewed, including the pay. Mr. Cornwell noted that the pay and class study was just completed, and the pay structure was already established. This would be the job descriptions, personnel policies, and performance evaluations. Mr. Pedersen inquired about the procedures concerning part-time employees and new hires. Mr. Cornwell noted that these policies were already in effect, but the policies would be tweaked for compliance with any personnel law changes from 2016. The disciplinary action grid would also be reviewed. Mr. Pedersen was concerned about new hire practices and probationary periods. Mr. Cornwell noted that a new hire would begin at the beginning of the pay scale unless experience and education adjustments were required and work a six-month probationary period. Mr. Cornwell shared that one of the items in the spring workshop was the tuition reimbursement policy. The District has assisted five or six employees with tuition reimbursement. CCW currently has a tuition reimbursement policy that enables employees to seek further education and to be reimbursed for their tuition upon completion with good grades. The workshop noted that updated policies were now paying for further education upfront so that the employee

would not have to seek reimbursement after spending their funds for tuition. Mrs. Fern noted that another topic in the workshop was work from home. Mr. Cornwell remembered that another topic was vacation and sick time accruals during the first year of employment. Mr. Pedersen inquired if policies would be reviewed for the Board of Commissioners. Mr. Cornwell reported that the members were governed by the Board Member By-laws and the NC General Statutes. Mr. Brooks reminded the staff that the new Greenway staff needed to be considered in the personnel policy. Mrs. Maddox requested clarification on what the consultant would be reviewing. Mr. Cornwell clarified that the consultant would require a maximum of 30 hours for the position classification descriptions, which includes the reviewing of the Fair Labor Standards Act and the OSHA requirements for each position at CCW. The personnel policy manual will require a maximum of 100 hours. The annual performance evaluation would require a maximum of 30 hours to complete the review and make necessary corrections. Mr. Cornwell noted that each task was broken down separately in the quote. Mr. Pedersen asked if there was a minimum amount that would be invoiced. Mr. Cornwell shared that the contract was quoted for a maximum amount not to exceed, this is a typical practice in quoted a review of this nature. The consultant was charging \$90.00 an hour for the work performed, the normal rate for work of the equivalent is \$160.00 an hour.

**ACTION TAKEN:** Upon a motion by Mr. Martin, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Resolution Number 10-2024 *A Resolution Authorizing Agreement with Performance Potential Uncorked, LLC for Review and Update of Position Classifications, Personnel Policies and Procedures and Performance Evaluation Revisions*

**G. General Manager's Report:**

Mr. Cornwell introduced Ginger Fern, Finance Director, for the financial report for February. The grant funding from NCDEQ Lawndale Park in the amount of \$180,000.00 has been received. The original grant amount of \$200,000.00 was awarded but the contract had a 10% retainer until all requirements are met for the project. The local options sales tax continues to be 22% more than budgeted. February consisted of five payrolls because of the leap year day. Mrs. Fern reminded the members that NC Debt Setoff would be in effect again this year. Customers with bad debt for closed water accounts were referred to NC Debt Setoff to have the bad debt garnished from the North Carolina Department of Revenue refund. The NC Debt Setoff

staff has shared that the NCDOR has not begun the refunding process for 2023 yet. The refund process would begin on March 18, 2024. Mrs. Fern noted that hopefully we will see the funds reported in the month of April. Michelle Alexander continued the General Manager report with the billing and disconnection report. The disconnection process has continued with all cycles being processed in the month of February. Cycle 3 was locked twice. All cycles took two days to complete, cycle 3 locked 124 customers at \$16,900.59, cycle 2 was 141 customers at \$23,994.35, cycle 1 was 173 customers at \$23,358.02 and the cycle 3 again with 173 customers at \$23,473.57. Each cycle paid well with only five or six accounts per cycle having the accounts closed for inactivity. Mrs. Alexander continued with the billing report. February billed 104,999,769 gallons at \$646,978.98 for 22,626 accounts. There were 96 leak calls and 69 leak adjustments for \$14,437.14. The KIOSK payments from the Lawndale Administrative building were 116 payments in the amount of \$4,672.42 for the month of February. Mr. Cornwell asked the members if they had any response from the public about the KIOSK machine and their experience making payments. Mr. Pedersen noted that he had heard good things about the KIOSK machine. Mr. Cornwell noted that the maintenance and water plant reports were in the member packets. There is information in the commissioner packets about the bill requests for the Town of Fallston becoming part of the District. Senator Alexander has been working on the process and drafting the bill. Mr. Cornwell shared some information required by USDA concerning rate analysis for the customers residing within the District boundaries. This report breaks down the numbers of District customers residing in each area of Cleveland County. The report then compares the number of customers serviced by the District in surrounding counties. The packet also included the grant agreement with the Office of State Budget and Management for the NCDOT section of the Greenway. The funding is in the amount of \$1,000,000.00 and needs to be spent before October of 2025. This is the section along the side of the road at Casar Lawndale Road. The first design was submitted for review five weeks ago and no response has been received concerning that review. The agreement with Destination by Design is also included in the packet. Destination by Design will be completing the grant applications for several grants to obtain more funding for the Stagecoach Greenway. There is a breakdown for each grant application and the total budget is \$30,000.00. The agreement with TGS Engineers for R-4045 is also included in the packet. TGS Engineers will be assisting with the Mooresboro area of the Highway 74 bypass project. This project is a design build project

with NCDOT. The design build team has had several meetings that Jeff Earl and Chris Hayes have both attended. The District water lines for this project have been sketched onto the project map. The NCDOT has hired a consultant to oversee the project, once the consultant is hired the NCDOT allows the consultant to handle the project as quickly and cheaply as possible to complete the project. The District has two main lines affected in this area and the design build consultant has recommended that the two main lines be consolidated into one main feed. TGS Engineers has been contracted for an hourly rate to assist the District during this process and help protect the water lines in this area. Mr. Cornwell noted that if the members had any questions that he would try to answer them. Mr. Martin asked if TGS Engineers would be surveying the water lines. Mr. Cornwell shared that the water lines may need to be surveyed but not at the expense of the District. CCW is a Sanitary District under the General Statutes. The rules in the statute note that NCDOT is responsible for expenses pertaining to water line relocations without betterments. The design build consultant would like to have plans drawn up by April 5, 2024. Mr. Cameron inquired about the current water lines beneath Highway 74. Mr. Cornwell noted that there were two eight-inch main lines under Highway 74 that reduced to six-inch water lines on the other side. The current encasement pipe for these water lines is a twenty-inch encasement pipe. The design build team would like to create a cheaper alternative replacement for the current design. Mr. Cornwell continued with the project updates. The Polkville Tank and Booster Pump Station has an acceptable bid for the water lines. The tank only had two bidders and will need to be rebid at a 2<sup>nd</sup> advertised bid opening. The Waco Pump Station has not been bid on yet. The Cherryville Interconnection has been bid on, the City of Cherryville has awarded the bid and waiting for contract paperwork. Mr. Cornwell noted that the remaining projects were on the list for members to review. The public access points at Highway 10 and Delight Road have paved aprons into the parking areas. The NC Wildlife Resources have repaired the erosion damage. There will not be a dedication ceremony or a ribbon cutting. The members can share that the access areas are open to the public. Mr. Pedersen inquired if there would be any publications about the opening. Mr. Cornwell has been communicating with a reporter from the Shelby Star. The reporter will share that the access points are open to the public. Mr. Cameron asked if the Clearwell project was finally completed. Mr. Cornwell noted that there were a couple of minor warranty issues being dealt with. The necessary paperwork for the final was being prepared.

H. Board Members Announcement and Remarks

The members didn't have any questions.

I. Closed Session

1) To establish or 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 amount of compensation and other material terms of an employment contract or proposed employment contract for the General Manager in accordance with NCGS 143-318.11 (a)(5)(ii).

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Pedersen, the Board of Commissioners voted unanimously to go into Closed Session at 6:50 PM.

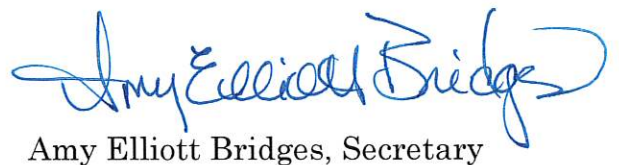
Action Taken: Upon a motion by Mr. Cameron, second by Mr. Pedersen, the Board of Commissioners returned to Open Session at 6:57 PM.

Commissioner Brooks invited Mr. Cornwell to return to the meeting now that the Board was back in Open Session. Chairman Melton noted that the Board agreed to approve and renew the employment contract with Mr. Cornwell and that the Board now needed to vote to approve the contract. Mr. Cornwell thanked the Board for their confidence and continued support for all of Cleveland County Water.

Action Taken: Upon a motion by Mr. Martin, second by Mr. Pedersen, the Board of Commissioners voted unanimously to approve the contract for the General Manager.

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Martin, second by Mrs. Maddox, the Board of Commissioners voted unanimously to adjourn at 6:59 PM.

Respectfully submitted,



Amy Elliott Bridges, Secretary

