

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

December 10, 2024  
Tuesday, 6:00 P.M.

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

Chairman Donald Melton called the meeting to order at 6:00 PM, welcomed all who were in attendance and recognized Commissioner Pamela Maddox 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.

**ACTION TAKEN:** Upon a motion by Mr. Cameron and second by Mr. Martin, the Board of Commissioners voted unanimously to accept the agenda.

### B. Public Comment

No public comments were presented.

### C. 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 November 12, 2024
- 2) Consideration of Resolution Number 44-2024 A Resolution Accepting Boomerang Design As The Most Qualified To Perform Work Related To CCW Lawndale Administration Building

### D. Unfinished Business:

1) Consideration and Discussion of Public Notice of Intent to Apply for federal Assistance for the Cleveland County Water Transfer/Assumption (Town of Fallston) Water System

Mr. Cornwell shared that the unfinished business items were discussions to provide information to the members concerning the status of ongoing projects. The transfer of ownership from the Town of Fallston to the District shows progress with several items completed and a list of items that are in progress. The transfer of the operating permit issued by the State of North Carolina has been completed and the operating permit for the Town of Fallston was rescinded. The USDA has a set of requirements to be completed by the District concerning the loan for the Town of Fallston, closed in 2019. Mr. Cornwell is working with the Customer Service Director, Michelle Alexander, on the billing numbers for water usages and revenues. Mr. Cornwell is also working with the Finance Director, Ginger Fern, to complete the necessary financial information items on the check list. The USDA wants to ensure that the members of the District Board are informed of all the facts and statistics of the transfer with documentation in the minutes for this information. The loan and grant to be transferred and assumed is Fallston's loan (#01) in the amount of \$1,857,000 and grant (#02) in the amount of \$1,392,000. The interest rate of the loan was 1.75%. The unpaid balance as of 11/15/2024 was \$1,704,458.56 with the next installment in the amount of \$64,592.50 due 06/01/2025. This loan will be transferred to the District for payment responsibility upon completion of this process. Mr. Cornwell noted that this loan payment has been paid by the District since the beginning of the loan period as lease payment to the Town of Fallston. The amount of the lease bill represents the exact payment amount due for the USDA loan. These funds are budgeted in the operating budget to be paid with the Town of Fallston's revenue funding. The residents of the Town of Fallston will be considered District customers. Mrs. Alexander and her staff will be changing the rate codes for all the customers affected for the January 2025 billing. This change includes the responsibility of the 2% tax levy on property and vehicles of the Town of Fallston citizens. Mr. Cornwell informed the members that a legal ad will be advertised in the Shelby Star concerning the intent to apply for federal assistance. Mr. Cornwell asked if the members had any questions or comments. Mr. Brooks inquired about the anticipated revenue from the transfer. Mr. Cornwell responded that the Fallston rates used to be higher, but hadn't changed since 2014 and should generate around \$80,000.00 a year based on his memory. Mr. Cornwell doesn't have the

information about the revenue that will be generated from the tax levy. Mr. Cornwell met with the Cleveland County Tax Collector and Cleveland County Tax Assessor about two weeks ago to discuss the Town of Fallston changes being made. Once this information is calculated, those amounts will be shared with the Finance Director, Ginger Fern, for the audit reporting. Mr. Cameron inquired about the voting rights for the Town of Fallston citizens. Mr. Cornwell clarified that for the next District commissioner election the citizens of the Town of Fallston will be eligible to vote.

## 2) Consideration and Discussion of Bulk Chemical Tank Project and Fluoride System

Mr. Cornwell provided some District history on the fluoride feed for water treatment. Mr. Gilbert, Water Plant Supervisor/ORC, discovered that the District was feeding fluoride in water treatment in 1986. Mr. Cornwell researched the minutes' history to find that at the September 13, 1983, board meeting, the members approved the fluoride feed to be used in water treatment. The fluoride feed was lowered based on an EPA recommendation change in April of 2012 to 0.7 mg/l. Mr. Cornwell reminded the members that feeding fluoride is optional based on the members' decision. The American Dental Association shares that fluoride is a health benefit for teeth. The decision to feed fluoride will affect the bulk chemical tank project and fluoride system design plans and the upcoming plans for the water plant on big Broad River. The required components for the fluoride feeding system won't be required if the members decide not to feed the fluoride in the water treatment process. Mr. Cornwell introduced Mr. Gilbert to discuss the handling of fluoride as a hazardous material. The required chemicals at the Lawndale water plant are chorine, alum and caustic. There has been discussion in the water treatment community about reducing the amount of fluoride currently fed during water treatment. Fluoride is available from many different sources, for example bottled drinks, mouth wash, and toothpaste. Fluoride is an acid and is very corrosive outside of water. There is a risk for employees coming into direct contact with fluoride outside of water. A pump system is currently used to feed the fluoride into the water treatment process. Fluoride doesn't dissipate in water and is found naturally in the raw water pulled into the water plant. Mr. Brooks asked about the levels of the natural element fluoride in the river water. Mr. Gilbert answered that the levels fluctuate depending on the raingfall

levels and the flow of the river water. The members asked about the costs of the equipment and the cost of the chemical. Mr. Gilbert reported that the fluoride chemical would cost approximately \$20,000.00 annually. It was noted that chemical prices fluctuate in price. The costs of maintenance and repairs to the fluoride system would be approximately \$5,000.00 annually. Fluoride is also available in a powder form, but the powder form is a risk for inhalation. Mr. Brooks asked about the size of the tank that houses the fluoride. Mr. Gilbert reported that the current tank holds 2,000 gallons, this amount is not a full tanker load. When the fluoride chemical orders are placed, the tanker must be shared with another water plant to sell the whole tanker of fluoride for distribution. The order and delivery cannot be completed until the whole tanker is sold, so the actual delivery could take months to complete. The bulk chemical tank project would be a bigger tank to allow for easier purchase and delivery of a full tanker load. Mr. Brooks asked about the piping for the chemical feeds. Mr. Gilbert shared that the current piping system was a schedule 80 pipe. The new bulk chemical tank system would be an upgrade, and that information is not yet available. Mr. Cameron asked if the fluoride could be added later if the decision was made not to feed the chemical. Mr. Gilbert noted that it could be added but the process would take time and funding. Mr. Cornwell noted that no decision was required at this time, but the process would begin soon, and a decision would be required later. Mr. Cornwell encouraged the members to ask questions and do research to assist in supporting the decisions that would be made. Mr. Brooks asked if the fluoride feed needed to be lowered to .05. Mr. Gilbert reminded the members that fluoride is currently not being fed because of the testing for the clearwell, but when the fluoride feeds resumed that the feed rate was .06. Mr. Cornwell requested that Mr. Gilbert explain what a CT test means. Mr. Gilbert responded that CT is the abbreviation for contact time, research is being conducted to determine the fluoride life in the clearwell because fluoride doesn't dissipate in water. Mrs. Maddox inquired whether there were any documented incidents or accidents of employee contact with fluoride. Mr. Gilbert answered that there have been no incidents and noted. The employees take every precaution with safety goggles, safety and latex gloves and rubber aprons for coverage and safety.

#### E. New Business:

No new business was presented.

F. General Manager's Report:

Mr. Cornwell introduced Ginger Fern, Finance Director, to present the financial report for November. Mrs. Fern reported that the water sales were up due to usage. The insurance proceeds are increased because of checks received from the insurance company for vehicle loss and repair from an accident. The annual longevity payments were made to employees in the amount of \$28,142.00. The computer maintenance expense line increased because of the annual software license subscription renewal. The final new vehicle replacement truck was paid for in November. The installment financing requests are due soon and the presentation will be made at the next meeting. Mrs. Fern noted two new charts are available in the financial packet. These charts are for the capital reserve fund account at the NC Capital Management Trust. The charts track the monthly account balance and the dividends over the last three years. The account balance decreased in April 2022 for the new operations center match on the USDA loan. The account has increased with quarterly account transfers since then. The second chart tracks the monthly dividends. The November dividend deposit was \$13,587 on a balance of \$3,600,000.00. This is 4.5% annually. Mrs. Fern will be sharing monthly updates on the capital reserve fund in future financial packets. Michelle Alexander, Customer Service Director, continued with disconnections and billing updates. The billing usage increased 14.2% from October and an 11.7% revenue increase over October. The customer disconnections for cycle 2 and cycle 1 have been completed. Cycle 3 will be disconnected in early December. The billing department called 316 leak calls and completed thirty adjustments in the amount of \$7,971.52. There were 100 Kiosk payments for a total of \$5,437.62. There was one employee compliment for Taylor Short and Melissa Freeman, a customer emailed a note of appreciation. Mr. Cornwell noted the following employee certificates and education completed over the past year: C-Distribution: Tucker Hoyle, Aubrey Hyland, Trevor Rippy, Patrick Elmore, Carson Brothers; B-Distribution: Aaron Bumgardner; Utility Management Certification: Chris Hayes; C-Surface: Alan Wills, Colby Falls; B-Surface: Josie Rikard; A-Surface: AJ Roberts, Michelle Gatti by Reciprocity from Georgia and Garrett Gilbert who has earned his Associates Degree in Business Administration.

G. Board Members Announcement and Remarks

The members noted appreciation for hard work and service.

#### H. Closed Session

1) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee for selection of a new District Attorney for Cleveland County Water in accordance with NCGS 143-318.11(a)(6).

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners voted unanimously to go into Closed Session at 6:43 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners returned to Open Session at 7:22 PM.

#### I. Motion to Recess

Action Taken: Chairman Melton called for a motion to recess until December 17, at 6:00 p.m. Upon a motion by Mr. Cameron, second by Mrs. Maddox, the Board of Commissioners voted unanimously to recess at 7:23 PM.

Action Taken: Chairman Melton gavelled the meeting to order at 6:00 PM on December 17, 2024 and noted the recess from December 10, 2024 had ended.

#### J. Closed Session

1) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee for selection of a new District Attorney for Cleveland County Water in accordance with NCGS 143-318.11(a)(6).

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to go into Closed Session at 6:02 PM on December 17, 2024.

Action Taken: Upon a motion by Mr. Martin, second by Mrs. Bridges, the Board of Commissioners returned to Open Session at 6:50 PM on December 17, 2024.

K. Board Actions

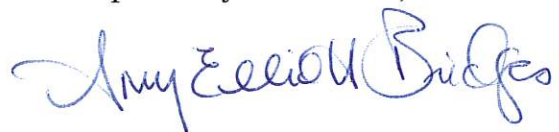
Action Taken: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to appoint Delton W. Barnes as the Interim District Attorney until January 14, 2025 and to compensate him at the hourly rate of \$250 for services rendered.

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Maddox, the Board of Commissioners voted unanimously to authorize the General Manager to enter into contract negotiations on behalf of the Board of Commissioners with Delton W. Barnes to serve as the District Attorney, subject to contract approval at the January 14, 2025 meeting.

L. Adjournment

Action Taken: Chairman Melton called for a Motion to Adjourn. Upon a motion by Mr. Brooks, second by Mrs. Maddox, the Board of Commissioners voted unanimously to adjourn the December 10, 2024, regular meeting at 6:56 PM on December 17, 2024.

Respectfully submitted,



Amy Elliott Bridges, Secretary

