

MINUTES

Regular Meeting
Cleveland County Water Board Room

September 10, 2019
Tuesday, 7: 00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Dewey Cook, Treasurer Pete Pedersen, Commissioners Amy Bridges, John Taylor and Tony Brooks, General Manager Brad Cornwell and Attorney Tim Moore. Secretary Bill Cameron was absent.

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 Treasurer Pete Pedersen 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. With no questions, he requested a motion to approve the agenda.

1) Motion to adopt the proposed agenda

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

B. Special Presentations:

1) Recognition of Cyndi Hannon on the Occasion of Her Retirement from Employment with Cleveland County Water

Mr. Cornwell introduced Cyndi Hannon for recognition of her retirement. Mrs. Hannon. Mr. Cornwell presented her with a plaque of appreciation for her service. Chairman Melton recognized Mrs. Hannon with a framed copy of her resolution commemorating her service and a few other tokens of appreciation.

C. Public Comment:

Chairman Melton requested the time for Public Comment and Mr. Cornwell noted that no one had signed up for Public Comment.

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 Closed Session Meeting of April 9, 2019
- 2) Approval of the Minutes of the Closed Session Meeting of May 14, 2019
- 3) Approval of the Minutes of the Closed Session Meeting of June 11, 2019
- 4) Approval of the Minutes of the Regular Meeting of July 9, 2019
- 5) Approval of the Minutes of the Closed Session Meeting of July 9, 2019

E. Unfinished Business:

- 1) Consideration of Ordinance Number 8-2019 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water B-5531

Mr. Cornwell recognized Jeff Earl, Operations Director, to explain this budget ordinance. This budget ordinance will allow for additional funds for the relocation of the water lines on Highway 150 going from Shelby to Waco. The first phase was the Utility Preliminary Engineering Agreement. The next phase is the Utility Relocation Agreement which will allow the water line size to be increased from a three-inch line to a six-inch line. Mr. Earl explained that it would be better to address this while the construction was taking place. Mr. Pedersen asked Jeff what the distance was on this project. Mr. Earl answered that the distance would be 470 feet.

Action Taken: Upon a motion by Mr. Taylor, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Ordinance Number 8-2019 *An Ordinance for a Capital Project Ordinance and Budgets for Cleveland County Water B-5531*

- 2) Consideration of Resolution Number 15-2019 A Resolution Authorizing Execution of an Updated Contract to Audit Accounts with Johnson, Price, Sprinkle, PA for the Cleveland County Water FY 2018-2019 Annual Audit

Mr. Cornwell recognized Ginger Fern, Finance Director, to explain this resolution. The audit term for municipalities auditing under Local Government is a yellow book audit. The funding for the Lattimore Project is originating through the EPA and is federally funded through the state. This project has expended over \$750,000.00 and therefore has changed the audit terms to a single audit category. When the original audit contract was signed in May, it was signed for a yellow book audit. Once the preliminary audit began, it was determined by the auditors that a single audit was required. The audit fee will remain the same, however the verbiage of the audit contract required changes to reference the single audit instead of the typical yellow book audit.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Resolution Number *15-2019 A Resolution Authorizing Execution of an Updated Contract to Audit Accounts with Johnson, Price, Sprinkle, PA for the Cleveland County Water FY 2018-2019 Annual Audit*

E. New Business:

- 1) Consideration of Resolution Number 16-2019 A Resolution Supporting One Quarter Cent (1/4 cent) Local Sales and Use Tax Referendum

Mr. Cornwell reminded about prior discussions at the July meeting concerning the Cleveland County referendum for Article 46 sales tax. The meeting packets contain information about this sales tax for reference and added to the packet is the Cleveland County Resolution 14-2019 which was adopted by the Cleveland County Board of Commissioners. Mr. Cornwell explained that the quarter cent sales and use tax would be added to purchases that does not apply to gas and does not apply to groceries. This mechanism was put in place by the General Assembly for counties to benefit projects such as schools, furthering public education facilities and municipal grants. The benefit of funding municipal grants may allow for funding assistance

from the County for the future Greenway Project. Cleveland County has asked for a show of support through resolutions from their municipalities for the Article 46 sales tax. Mr. Cornwell referred back to the adopted Cleveland County Resolution to show the intention of the future tax funds. It was noted after the resolution was adopted that Mr. Cornwell met with the County Manager about ways to communicate and share the need for the Article 46 sales tax to the other municipalities. CCW has agreed to host an on-site breakfast for municipal representatives to attend for information and communication.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Resolution Number 16-2019 *A Resolution Supporting One Quarter Cent (1/4 cent) Local Sales and Use Tax Referendum*

2) Consideration of Resolution Number 17-2019 *A Resolution Authorizing Sponsorship of a Score Board for the City of Shelby Hanna Park Property*

The members were invited to the grand opening of the Hanna Park in Shelby. The City of Shelby has constructed this park and citizens of the District will benefit from the park. Mr. Cornwell met with Charlie Holtzclaw, the Parks and Recreation Director. Mr. Holtzclaw presented the idea of the District sponsoring a scoreboard for Hanna Park. The scoreboard would cost \$9,000.00 and the sponsorship would be on the scoreboard for ten years. Mr. Brooks asked if the District served the water at Hanna Park. Mr. Cornwell replied that the water there was the City of Shelby's water.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Resolution Number 17-2019 *A Resolution Authorizing Sponsorship of a Score Board for the City of Shelby Hanna Park Property*

G. General Manager's Report:

Mr. Cornwell began with the July and August financial reports. It was noted that the new budget year has begun. The new insurance policies have renewed. The water sales for July were increased from the prior month and

the prior year. August was flat. The maintenance report for July and August were listed for reference. The Clearwell Project has begun. The preliminary engineer report was submitted before the August 1, 2019 deadline. The engineers have been on-site, and the surveying has begun. The Town of Fallston project continues. The contractor has been on liquidated damages since July 12th. All the major tie-ins are completed, except for Jim Cline Road. The contractor is working on service lines and restoration of disturbed areas. Mr. Cornwell received notification by email from the contractor that states the anticipated completion date of Friday, October 4, 2019. The USDA has been contacted concerning the closing of the Town of Fallston's note. The closing must be completed by November 6, 2019. The contractor must reach substantial completion by the completion date. Substantial completion is defined as all mains and service lines connected, all fire hydrants connected, and the new water tank connection completed. Substantial completion does not include the restoration of disturbed areas or the repairs of sidewalks. The Lattimore Tank Project water line installation has been completed. The footings have been installed for the Lattimore Tank. The contractor informed that the remainder of the concrete will be completed soon. The meeting took place with the Carolina Thread Trail representative on July 12, 2019. The representative will share the information to his board at their September meeting. Mr. Cornwell has also met with the NC Foothills Conservancy. The NC Foothills Conservancy could assist with acquiring some of the remaining properties for the Greenway Project. The group was very impressed with the properties already purchased using the District funds. They will conduct an evaluation on the properties and the Greenway project in the future. Mr. Cornwell and the Finance Director, Ginger Fern, will be meeting with some lending agencies to establish a bond rating for CCW. It has been several years since the last bond rating was conducted. The NC General Statutes allows borrowing for water bond projects for municipalities. The District currently does not have a bond rating. The projects that would combine into the bond financing would be the Town of Fallston USDA loan, the Marion Pump Station and the Clearwell Transmission Line. The clearwell transmission line was dropped for the Clearwell Project by the request of NCDENR during the original study. The terms would be for 10, 15, or 20 years. Mr. Cornwell noted that there was an old antenna on the Hendrick Lake Tank. The tank was scheduled for restoration and painting and the school system claimed ownership of the antenna and said to remove it about a year ago. The antenna was removed and three weeks later communication was established

with a group that claimed that the Red Cross was the owner of the antenna. The group claimed that the antenna was necessary for communication in the event of a natural disaster. Mr. Cornwell contacted the Cleveland County Emergency Management Director. The Emergency Management Director informed that the antenna may have belonged to somebody using the antenna for their personal HAM radio capability. Prior to removing the antenna, Mr. Cook researched the antenna and determined that it belonged to the school system. The school system confirmed that the antenna belonged them and verified that they no longer use the antenna. A resident contacted Mr. Cook about the antenna being removed and noted that prior meeting minutes should contain that the antenna was necessary. Mr. Cornwell noted that he reviewed the minutes in the dates mentioned and found no reference to the antenna. Chairman Melton also heard from another resident that asked about the antenna being removed. Mr. Cornwell noted that the antenna was still at the tank site if needed to relocate to another location. The antenna was welded onto the Hendrick Lake tank itself. This is a dangerous condition and the antenna should not have been mounted in such a manner. The proper mounting would be brackets or restraints on the rails of the tank not the tank itself. Mr. Cook noted that the FCC website did not have a fixed repeater location on that site. If there was a repeater on the site, it would require a license and no license had been issued for that site. A letter was shared with the members concerning the manufactured home on the recently purchased Elmore property. In the agreement from the purchase and sale of the property, Mr. Elmore had 180 days to vacate the tenants from the property and have the manufactured home removed. Mr. Elmore sold the manufactured home to another individual. Mr. Cornwell noted some concerns about the property's appearance and the possibility of somebody moving into the property. This letter was hand delivered to the owner of the manufactured home. The new owner was under the impression that she had the same amount of time for relocation of the home that Mr. Elmore had in his agreement. Attorney, Tim Moore, advised that if the tenant was residing at the property that they were trespassing because there are signs posted on the property for no trespassing. If these individuals were only storing property at the home but not residing at the home, it was still trespassing. Mr. Cornwell stated that the property 's appearance has improved since the letter was delivered. The owner has 60 days from September 3, 2019 to have the manufactured home removed from the property. Mr. Cornwell updated on the sewer regionalization study. The reports have been mailed to the groups involved. The City of Shelby has been informed about the study

because the sewage will be processed at their plant. The Kings Mountain State of the Community Breakfast will be October 10, 2019. Mr. Cornwell asked about members interested in attending. Mr. Pedersen noted that the CAGO meeting will be soon at the Casar Fire Department. Mr. Cornwell and Ginger Fern met with USDA on August 9, 2019 concerning the Operations Center and the Weir Project. The USDA meeting was very informative. USDA is requesting that both these projects be submitted at the same time. Mr. Cornwell updated the members on the status of both of the projects. The Operations Center has the Space Needs Analysis completed and the goal for this year was to hire an architect. The Weir Project will require an environmental assessment and will take a longer amount of time. Mr. Cornwell shared pictures of the intake at the time of construction compared to what the current status of the intake. The condition of the river banks and the erosion problems were explained. Photos and information were shared about how the intake functions with the gates and hydraulics. The RFQ for professional services for both these projects will be posted and advertised in the paper and on the website. The Operations Center will require an Architect for professional services. The Weir Project will require an engineer for professional services. These consultants will assist in progressing these projects for presentation to USDA. Mr. Cornwell reminded that USDA wants both projects at the same time and are also including estimates on the new water plant on Big Broad in the projected calculations. Mr. Pedersen asked about the costs of the Weir project. Mr. Cornwell noted where the estimate could be found in the project report. Mr. Brooks inquired about the maintenance for a current clearing. Mr. Cornwell reported that it currently takes three or four days to do a clearing and it costs \$10,000.00. Since 2001 the costs of clearing and maintaining have been \$250,000.00. Mr. Earl found original pictures of the river flow. The river flow changed course when the intake was constructed. Mr. Cook asked if the river flow could be calculated with the Weir on the discharge. Mr. Cornwell noted that it depends on the accuracy that was required. No, if a rough calculation above the Weir is required. Yes, if the downstream release is required. Mr. Cook noted that the calculation would require what water was used and what water flowed down stream. Mr. Cornwell explained that a hydro ranger could be used to assist in calculating the river flows.

H. Board Members Announcement and Remarks

No announcements or remarks were made by the members.

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 and 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 (5).

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners voted unanimously to go into Closed Session at 7:53 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners returned to Open Session at 8:07 PM.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Taylor, the Board of Commissioners voted unanimously to authorize the General Manager to complete the property purchase and to ratify the discussion of the property purchase taken in closed session.

J. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Taylor, second by Mr. Pedersen the Board of Commissioners voted unanimously to adjourn at 8:09 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary

