

MINUTES

Regular Meeting
Cleveland County Water Board Room

June 14, 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. Vice Chairman Dewey Cook, Commissioner Pete Pedersen and Attorney Tim Moore were absent.

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

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 Hearing

Chairman Melton opened the public hearing for the 2022-2023 fiscal year budget at 7:02 PM and introduced General Manager Cornwell. The proposed budget has been advertised in the Shelby Star and posted to the website. Mr. Cornwell noted that he had received no written inquiries via mail or email and no telephone calls concerning the budget. It was also noted that no citizens were in attendance for the public hearing. Mr. Melton closed the public hearing at 7:03 p.m.

1) Proposed Fiscal Year (FY) 2022-2023 Annual Operating Budget for Cleveland County Water

a. Consideration of Fiscal Year (FY) 2022-2023 Budget Ordinance: Ordinance No. 12-2022

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Martin, the Board of Commissioners voted unanimously to adopt Ordinance Number 12-2022 A *FY 2022-2023 Annual Operating Budget for Cleveland County Water*

b. Consideration of Fiscal Year (FY) 2022-2023 Supplemental Budget Ordinance: Ordinance No. 13-2022

ACTION TAKEN: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Ordinance Number 13-2022 A *FY 2022-2023 Supplemental Budget Ordinance No. 13-2022*

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 May 10, 2022
- 2) Approval of the Minutes of the Special Meeting of May 24, 2022
- 3) Consideration of Resolution Number 29-2022 A Resolution Ratifying the Offer and Acceptance of a Waterline Easement from Juanita O. Gunnell in Gaston County, NC for the Cherryville Interconnection Project
- 4) Consideration of Resolution Number 30-2022 A Resolution Authorizing the Execution of an Agreement with Destination by Design for the Design and Construction Administration for the Lawndale Park Project
- 5) Consideration of Ordinance Number 11-2022 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Lawndale Park Project
- 6) Consideration of Resolution Number 31-2022 A Resolution Authorizing Execution of a Utility Relocation Agreement for NCDOT Highway Element No. 34497.3.6 R-2707C Shelby Bypass (Airport Road Bridge Relocation)
- 7) Consideration of Ordinance Number 14-2022 An Ordinance Establishing a Capital Project Ordinance and Budgets for Cleveland County Water's Utility Relocation for NCDOT Highway Element No. 344497.3.6 R-2707C Shelby Bypass (Airport Road Bridge) Relocation Project
- 8) Consideration of Ordinance Number 15-2022 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Belwood Waterline Improvements Project

- 9) Consideration of Resolution Number 32-2022 A Resolution Authorizing Execution of a Revised Engagement Letter to Audit Accounts with DMJPS for the Cleveland County Water FY 2021-2022 Annual Audit

D. Unfinished Business:

- 1) Consideration of Resolution Number 33-2022 A Resolution for Notice of Award for the Bid for Cherryville Road Waterline Improvements

General Manager Cornwell explained that the construction funding for this project is already budgeted in the fiscal year 2022-2023 budget. This project is for the improvements of the Cherryville Road project. The lowest bidder, Two Brothers Utilities, was in excess of the budget the District has for this project. As such, the amount for consideration is a negotiated amount of work with the lowest responsible bidder to bring the project within the limits of the amount of funding. This project will assist with the interconnection with the City of Cherryville. Mr. Brooks asked where this part of the project would take place. Mr. Cornwell explained that the existing water line stopped at the Gaston County line. This project would extend the water line down Cherryville Road (aka Highway 150) and branch off to include a couple of side roads, including Doc Wehunt and Paul Beam Road. The side roads will provide eventual loops in the system, this will avoid any dead-end lines. Mr. Brooks questioned if this project would include the interconnection with the City of Cherryville. Mr. Cornwell answered that this would not include the interconnection with the City of Cherryville because of the bore under the railroad.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 33-2022 *A Resolution for Notice of Award for the Bid for Cherryville Road Waterline Improvements*

F. New Business:

- 1) Consideration of Resolution Number 34-2022 A Resolution Authorizing a Bond Order for Revenue Bonds of Cleveland County Water for the New Operations Center

Mr. Cornwell introduced Ginger Fern, Finance Director, to discuss this topic. Mrs. Fern began by presenting the resolution for the bond order for the new operations center project. USDA will be the loan provider for the new operations center project. The Local Government Commission has approved the project. Ashley Anderson, Bond Counsel, for the project was in attendance to answer any questions that may have been presented.

ACTION TAKEN: Upon a motion by Mr. Cameron, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 34-2022 A *Resolution Authorizing a Bond Order for Revenue Bonds of Cleveland County Water for the New Operations Center*

- 2) Consideration of Resolution Number 35-2022 A Resolution Approving Interim Construction Financing for Cleveland County Water's New Operation Center Project

Mrs. Fern continued with the resolution for the interim financing for the construction phase of the new operations center. The agreement with USDA requires that interim financing for project funding from a private bank be provided during the construction phase. The request for proposals were sent and two banks responded to the request. The banks were First Citizens Bank and Truist Bank. The interim financing will be provided by Truist at a rate of 1.84% and a loan fee of \$5,900.00 for a year of financing since their proposal was the most advantageous to the District. Mr. Cornwell asked again for questions or comments for the bond counsel. Mrs. Anderson left the meeting with comments of appreciation from the members.

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 35-2022 A *Resolution Approving Interim Construction Financing for Cleveland County Water's New Operation Center Project*

G. General Manager's Report:

Mr. Cornwell noted that the financial report was available at the members' seats. The maintenance report included the John Crawford water line installation. The maintenance department installed this water line for a customer that purchased a tap near the state line. This extension allowed for the closing of a gap by providing a loop to connect with Highway 18. The billing numbers were provided with the May billing increasing from April and reflected an increase in usage over the prior year. Mr. Cornwell noted that the river was down, the lack of rain from November and December has contributed to the lack of water in the river. Mr. Cornwell referred the members to several handouts at their seats. The new operations center will not have a groundbreaking ceremony. There is a lot of planning and behind the scenes work for a very short event and due to the summer heat and timing of construction, it would be very difficult to have one. He previously discussed this matter with Chairman Melton and Secretary Cameron and notified USDA. There will be a ribbon cutting ceremony at the end of the construction phase with refreshments and facility access for the public to visit. The USDA requires signage at the construction site. The members were provided a sample of what the sign would show. The contractor will be notified when to post the sign at the construction site. The grading equipment has been moved to the job site. Mr. Cornwell discussed the details of the signage. Mr. Martin asked about the specification of where the sign would be. Mr. Cornwell noted that USDA was very specific about the requirements of the sign, including colors and letter sizes. Mr. Cameron asked about the grading required for the site. Mr. Cornwell explained the process of how the filling and grading would work. The process would be balanced as close as possible, with the amount of fill dirt required being the approximate amount of graded dirt removed. Mr. Brooks asked about a utility pole on the construction site. Mr. Cornwell explained that this was an AT&T pole and Duke Energy also used this for a guy pole. The construction contractor has been asked that when contact is made with the utility companies that Mr. Cornwell would like to participate in the discussions. He did remind Commissioners this most likely would be an additional cost not included in the contractor's contract. The information for the ALWS First Pitch 2022 was presented to the members. The members verified that they would like to see the August Board meeting cancelled. The meeting cancellation will be shared at the next board meeting. The November meeting night will be the same date as Election Day. Mr. Cornwell noted that this Election Day is in an even year and the District would not

participate in this election. The members agreed to keep the November meeting scheduled on the regular date. Mr. Cameron asked about the Clearwell. Mr. Cornwell invited Jeff Earl, Operations Director, to provide a Clearwell update. Mr. Earl reported that the pump station was being excavated. The gravel was being installed, getting ready for concrete for the pump station cans. The Clearwell is currently filled with twenty-four feet of water for the pre-test. This water will be later dumped and is only for the pre-test. Mr. Brooks asked if the distribution line had been connected to the Clearwell yet. Mr. Earl verified that the distribution line had been bored but was not connected yet. Mr. Brooks noted that the project seemed to be moving slow. Mr. Earl verified that the Clearwell and components are in solid rock. The rock is a benefit for the project for sturdiness and durability. Mr. Cornwell reminded the members about the property acquired for the Waco Pump Station and the property on Sperling Road. The pump station will be relocated to the Town of Waco. The property location will be in the vicinity of the Town Hall, and an easement will be done in exchange for the existing hedgerow removal around the Town's property. Commissioners agreed by consensus that this was a favorable easement expense and for the Manager to proceed. The District acquired property from Cleveland County for the Polkville Pump Station. The property purchase price of \$3,000 was approved by the members in the closed session meeting. Cleveland County had their appointed attorney to create and record the deed to the property. The deed was recorded with the purchase price of \$3,500 which included the costs of the attorney fee and was presented to the County Commissioners with this understanding. Cleveland County presented an invoice to the District for \$3,500 total cost of the property and the attorney fees. The attorney fee from an outside source was estimated to be between \$800 to \$900. Mr. Cornwell noted the deed was already recorded, and he wanted to make sure that Commissioners were okay with this purchase price since we had agreed to take care of the attorney/closing expenses. Mr. Cornwell explained that when the property ratification resolution would be presented at the next meeting, he would need to show it as a purchase price of \$3,500 instead of the \$3,000 as previously approved by Commissioners, unless they wanted him to go back to the County regarding the mistake and confusion. Commissioners agreed by consensus for the Manager to present the transaction showing the \$3,500 purchase price and to carry out the transaction. Mr. Cornwell explained the problems and issues currently occurring with the Universal Premium fleet cards. The District has been struggling with declined fuel purchases. Some employees are purchasing fuel

on their personal cards to be reimbursed by the District. The current purchasing card system through Bank of America offers a fleet card option. These new cards would be restricted to fuel purchases only. The employees will be required supply their vehicle mileage on their receipts as verification and a good double check for audit purposes. No contract has been found for the current Universal Premium fleet card account. The fees generated through the fleet card system are expensive. The cards through Bank of America would offer a rebate program to earn money back on the District fuel purchases. Mr. Brooks inquired about the fuel purchases of other municipalities. Mr. Cornwell briefly explained how the Cleveland County/City of Shelby fueling station works and the research information collected to possibly apply this option to the District needs. The decision was made to not obtain a fueling station because the volume of fuel purchased by the District would not be adequate for cost savings. Mr. Cornwell explained about a subdivision of undeveloped lots partially in the Town of Polkville. These lots were platted and sold; however the subdivision was never completed. The roads/right of ways are not opened or paved nor are they maintained by NCDOT or the Town of Polkville. Public water is not provided, and other utilities are not available. Mr. Cornwell noted that various contractors have contacted the District for assistance to install water in this subdivision. The rules for water installation have been explained to several parties. Recently many of these lots have been sold to new investors and they have expressed frustration at the lack of their knowledge with public water not being available. Commissioners need to be aware of this area in the event they are questioned and how the public water supply extension rules by the District are worded.

H. Board Members Announcement and Remarks

The members noted appreciation for the hard work and excitement for the future of the new Operations Center. Mr. Cameron specifically noted how proud he was of the new Operations Center construction.

I. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Cameron the Board of Commissioners voted unanimously to adjourn at 7:49 PM.



Respectfully submitted,
Bill Cameron
Bill Cameron, Secretary