

MINUTES

Regular Meeting
Cleveland County Water Board Room

April 11, 2023
Tuesday, 7:00 P.M.

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

ACTION TAKEN: Upon a motion by Mr. Brooks and second by Mr. Cook, the Board of Commissioners voted unanimously to approve the agenda as proposed or amended.

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 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 March 14, 2023
- 2) Consideration of Ordinance Number 8-2023 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Belwood Waterline Improvements Project
- 3) Consideration of Resolution Number 16-2023 A Resolution Honoring Jeffrey Bryan Earl on the Occasion of His Retirement from Employment with Cleveland County Water

D. Unfinished Business:

1) Consideration of Resolution Number 14-2023 A Resolution of the Cleveland County Water Board of Commissioners Adopting and Accepting the Final Plans and Specifications for the USDA Funded Raw Water Weir Improvements Project

Mr. Cornwell explained that the next two resolutions are related to the USDA raw water weir project. The first resolution pertains to the final plans and specifications for the project and the second resolution provides the details of the financing for the project. The paperwork process is the same as the one used for the Centrally Located Operations Center but for the weir project. Mr. Cornwell shared photos of the past conditions of the river intake during the drought period when the river flow was very low, more photos were shared of the current conditions of the river intake in their current state. The erosion and sedimentation conditions were notable concerns in the photos. The costs of maintaining and clearing the intake range between \$30,000.00 to \$40,000.00 a year. Maintenance and clearing consists of the use of equipment in moving and dipping the rocks, sand, and debris from the rapids in the river. The USDA and the USDA Engineer have approved the plans and specifications, the project is ready for advertisement. The project began advertising a week ago, and five plan holders have expressed interest. Mr. Cornwell shared the design of the flume with the flood gates. The flood gates will be down during flooding to allow the sand and sedimentation to flow downstream until settling to resume normal operation. The chemical cost for treating the dirty water is more expensive during flood stages because more chemicals are required to treat the water. The water in the holding pond is used during these conditions. A report generated by the Army Corps of Engineers in the early 2000's discussed the turbidity in the water being detrimental in reservoirs. Mr. Cornwell referenced this report to justify the necessity of the weir. The banks of the river will be cleared off and armored to prevent erosion in the river. This will allow accessibility for the canoers and kayakers to pass over the weir while navigating the river. Mr. Brooks asked if the area around the pump station would be armored. Mr. Cornwell verified that this curve in the river would be armored also. The flood gates will be installed on both the Knob Creek and the First Broad River intake. This is a harsh environment with a need for durable, non-degradable materials, for example tough concrete will be used in the structure and the metals will be stainless steel typically used in the aircraft industry. Mr. Cornwell explained the need for cleaning after flood stages

occur. The sand that washed into the mechanisms while the water was high will need to be removed with vacuum trucks. Mr. Cornwell noted that with the flood gates down during a flood, you have the potential of a tree being wedged into the gates. This concern has been communicated with other water treatment plants and suggestions were shared on how to handle these situations in the flood gates. Mr. Cornwell shared some photos of the weir currently in place for the City of Newton and explained the functionality of that weir. Mr. Brooks asked about the costs of the project. Mr. Cornwell clarified that the amount of the approved loan is \$12,035,000.00. This loan amount included building solid structures in both First Broad River and Knob Creek. A discussion with the engineers concluded that the loan amount should be adequate for the construction costs. A signed affidavit was submitted to the USDA reporting that no additional funds would be requested for the project. This affidavit was required because of paperwork changes at USDA. Mr. Martin asked about the maintenance and upkeep on the armor of the riverbanks. Mr. Cornwell responded that the armor is solid durable rock gabions and would not require maintenance or repair.

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Martin, the Board of Commissioners voted unanimously to adopt Resolution 14-2023 A *Resolution of the Cleveland County Water Board of Commissioners Adopting and Accepting the Final Plans and Specifications for the USDA Funded Raw Water Weir Improvements Project*

2) Consideration of Resolution Number 15-2023 A Resolution Supporting an Application to the Local Government Commission for its Approval of District Bond Notes in an Estimated Amount of up to \$12,035,000 to help finance the Planned Water Weir Improvements

This resolution will be held until needed and required by Bob Jessup, Bond Counsel. The bid opening will be held, and the low bidder will be determined. The bids are good for sixty days. The engineer will certify the bid tabulation and submit the bids to the USDA. The USDA will process the bids and communicate with the Local Government Commission for approval on the financing. This resolution is required to verify that the members are aware of the process in financing the project.

ACTION TAKEN: Upon a motion by Mr. Brooks, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Resolution 15-2023 A

Resolution Supporting an Application to the Local Government Commission for its Approval of District Bond Notes in an Estimated Amount of up to \$12,035,000 to help finance the Planned Raw Water Weir Improvements

E. New Business:

No new business was presented.

F. General Manager's Report:

Mr. Cornwell continued with Ginger Fern, Finance Director. Mrs. Fern explained that the quarterly transfer to the NCCMT for the capital reserve fund has been completed. The balance in the account as of March 31, 2023, is \$2,591,882.00. The local options sales tax continued to be above the budgeted amount by 38.4% with several months remaining in the budget year. There were five payrolls in March. The materials account is still over budget with future upcoming projects being moved to the capital outlay account. The debt service payment was paid for the Lattimore Tank in the amount of \$191,660.00 for principal and interest. Mrs. Fern directed the members to the revenue page to provide some details for bad debt recovery. The NC Debt Setoff is assisting in the collection of balances on closed water accounts by garnishing lottery winnings and NC Department of Revenue tax refunds. The March revenue from NC Debt Setoff was \$5,111.00 for thirty-two water accounts. This was an average of \$160.00 per water account. The difference is the collections from the other collection agency, DataMax. The remaining closed accounts are reported to DataMax. These are customer accounts less than \$50.00, accounts without social security number information, and accounts with other situations. Mrs. Fern reported that bad weather had passed through the area during the prior week and caused some lightning damage at the water plant. The damage costs at the time of the meeting totaled \$15,755.00. These damages will be summarized and presented to the insurance company for reimbursement. An update on the damage will be provided at future meetings. Mr. Brooks asked about the interest income. Mrs. Fern confirmed that Hometrust increased the interest rate during the winter. Mrs. Fern reminded the members that the NC Debt Setoff program doesn't charge any fees to the District for their services. The customers are charged a fee by NC Debt Setoff. The fee is kept by NC Debt Setoff for their services. Michelle Alexander, Customer Service Director, continued with the disconnection and billing update. The March billing was for 94,360,205 gallons for 22,347 accounts. The disconnections for cycle 1 were completed in three days. A total of 158 accounts were locked for nonpayment for a total of

\$46,935.42. There are forty-two remaining accounts remaining to be paid for a total of \$21,909.96. The billing department contacted seventeen customers concerning high usage. There were fifty-three leak adjustments for a total of \$11,754.96. The leak adjustment total should be decreasing from the freezing winter water line breaks. The contract meeting with Tyler Technologies for the District's software needs has taken place. The questions concerning the contract were presented to Tyler Technologies and the responses to the questions have not been received yet from Tyler Technologies. Mr. Cornwell noted to the members that the results of the cycle 1 disconnections were disappointing and resulted in multiple accounts being closed because the accounts had not been paid. The customers in jeopardy of disconnection are not granted payment arrangements unless it is in the form of a pledge of assistance through a reputable organization. Mr. Brooks asked about the lock outs since the pandemic. Mrs. Alexander verified that the lockout process requires a full staff and is a daily job to be properly maintained. Mr. Cornwell noted that the water plant and maintenance report numbers were available for reference to the members and continued the General Manager report with the updates for the capital projects. The Marion Street Booster Pump Project materials have been ordered and are waiting for delivery of those materials. Construction on this project should begin within the next month. This booster pump station will replace the current Highway 74/Fairgrounds and Borders Road booster pump stations. The Water Plant Clearwell and High Service Pump Station had a completion date of April 1, 2023. The liquidated damages have not been discussed at this time. The contractor has had supply chain issues that have delayed the construction of the project. The contractor is currently working to hook the existing water treatment plant lines into the newly constructed clearwell and high service pump station. The flocculation and sedimentation basin project bids are due on April 18, 2023. A request has been made to the North Carolina General Assembly for assistance with the costs of this project. The District has approval for the loan financing on this project but the actual costs for the project are more than the loan financing provided. The bids for this project have a ninety-day expiration date, to allow time for research and analysis of the funding. The raw water weir project has already been discussed during this meeting. The bid opening for that project will be May 25, 2023. The Asset Inventory Assessment for the Towns of Lawndale and Polkville has been completed and closed out. The Town of Fallston had funds remaining from the water assessment that was requested to be transferred to the sewer project to allow for closed circuit television, the request was approved for the

funding to be used for the recording. The Sand Hill, Will Dixon and Casar Lawndale Road water line project design have been completed and will be shared with regulatory agencies for approval. The Polkville and Belwood Tanks and Booster Pump projects are 50% designed. The Waco Booster Pump Station project is 25% designed, this project will tie in with the Cherryville interconnection project. The Cherryville interconnection funding belongs to the City of Cherryville but the District is overseeing the construction on the project. The preliminary design has been completed for this project. The Centrally Located Operations Center project construction continues, if any members would like to attend an on-site tour, please let Mr. Cornwell know. The Lawndale Park project is still waiting on the sedimentation and erosion control permit. The paperwork was returned with questions which were addressed and returned for a thirty-day review process. The Land Water Conservation Fund application has been submitted with updates for questions addressed as they were received. Mr. Cornwell reminded the members that this application is for a \$500,000.00 grant. The Delight Road and NC Highway 10 access point contracts have been signed. The driveway permits have been submitted to the NCDOT for approval. The Delight Road access point has one more flood study to complete before the zoning permits from Cleveland County can be issued. The Paved Trails & Sidewalks Feasibility Study Grant Program in partnership with the Town of Lawndale has been approved by the NCDOT Integrated Mobility Division. The official scoping meeting will be scheduled with the NCDOT to begin the project. The Design for the Greenway along Casar Lawndale Road project is still being reviewed by NCDOT. \$125,000.00 in funding for the Greenway was awarded by the Carolina Thread Trail. Mr. Cornwell asked if any of the members would like to attend the YMCA prayer breakfast at the Legrand Center scheduled for Wednesday, April 26, 2023. Mr. Cornwell asked for attendance for the legislative breakfast at the Legrand Center scheduled for Monday, May 8, 2023. Mr. Cornwell noted that the regular scheduled meeting will be on Tuesday, May 9, 2023, he asked the members if scheduling the budget meeting for Tuesday, May 16, 2023, at 6:00 p.m. would coordinate with the members schedules. The members will have a meal and the budget will be presented. The members agreed to the scheduling.

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Cook, the Board of Commissioners voted unanimously to schedule the FY 2023-2023 special meeting budget workshop on May 16, 2023, at 6:00 p.m. at the Cleveland County Water Administrative Building.

G. Board Members Announcement and Remarks

The members noted appreciation for all the work being done and the organization of all the projects and grants.

H. Adjournment

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

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

