

MINUTES

Regular Meeting
Cleveland County Water Board Room

September 12, 2023
Tuesday, 7:00 P.M.

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

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Commissioner Dewey Cook 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. Mr. Cornwell noted that the agenda was amended to include item 3 in Unfinished Business. Chairman Melton requested a motion to adopt the agenda.

ACTION TAKEN: Upon a motion by Mr. Cameron and second by Mr. Cook, the Board of Commissioners voted unanimously to approve the agenda as amended to include item 3 in Unfinished Business.

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 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 Regular Meeting of July 11, 2023
- 2) Consideration of Resolution Number 26-2023 A Resolution Authorizing the Execution of an Electric Easement between Cleveland County Water and Rutherford Electric Membership Corporation
- 3) Consideration of Resolution Number 27-2023 A Resolution Authorizing the Execution of an Electric Easement between Cleveland County Water and Duke Energy Carolinas, LLC

- 4) Consideration of Ordinance Number 28-2023 A Resolution Authorizing Execution of a Memorandum of Understanding for the Operation and Maintenance of Water System Interconnection Along Piedmont Drive Between Cleveland County Water and the Town of Lawndale
- 5) Consideration of Resolution Number 29-2023 A Resolution Authorizing Application for Federal Clean Water Act Grant for Sewer Merger/Regionalization Study between Cleveland County Water, Town of Fallston, Town of Polkville, Town of Lawndale, and Town of Kingstown

E. Unfinished Business:

- 1) Consideration of Resolution Number 30-2023 A Resolution Rejecting All Bids for the Raw Water Weir Improvements Project, Reducing the Scope and Rebidding the Project

Mr. Cornwell explained that this resolution would reject the bids received from the recent bid opening for the raw water weir project. The loan from USDA was awarded in 2021. The construction costs have increased dramatically since the USDA loan was awarded. The first bid advertisement received no bids for the project. The project was modified, and the scope was changed. The second bid advertisement received three bids for the project. The lowest bid was a conditional bid for \$11,300,000.00. The budget for the project is \$8,900,000.00. A conditional bid cannot be accepted. This eliminated the lowest bidder from consideration for the project. The project requires two contractors with certain qualifications and characteristics. The second lowest bidder submitted their bid without these qualifications and characteristics. The third bid well exceeded the budget for the project. Mr. Cornwell is proposing that the project be separated into two phases. Phase one will be the First Broad River side of the project. Phase two will be the Knob Creek side of the project. The entire project has been through the environmental permitting process. The elimination of the Knob Creek portion of the project will hopefully obtain bids within the USDA loan amount. The Knob Creek portion of the river doesn't require the amount of maintenance and upkeep that the First Broad River side requires. The Knob Creek side of the project can be completed later and the environmental permit for the project can still be used.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 30-

2023 A Resolution Rejecting All Bids for the Raw Water Weir Improvements Project, Reducing the Scope and Rebidding the Project

2) Consideration of Resolution Number 31-2023 A Resolution For Notice of Award For The Bid For Furniture To Outfit The New Cleveland County Water Centrally Located Operations Center

Mr. Cornwell noted this resolution would award the bid for the new furniture at the new operations center. The furniture in the current administrative building ranges in age from old to new, with some of the furniture coming from surplus sales several years ago. The new operations center will be furnished with new furniture. The USDA budget for new furnishings was \$103,000.00. Four bids were requested for office furnishing, KI Furniture and Worthington Direct were no bids. Staples provided a bid, but several items were missing from the bid, this made the bid incomplete. Kennedy Office submitted a bid in the amount of \$83,521.00. Kennedy Office is a local company doing business in Cleveland County. The shelving for the warehouse and the ice machine are not included in the price quote. The furniture cost includes set up and installation. The good furniture will stay in the existing administrative building for future use. The broken and worn out items will be photographed and sold on GovDeals.

ACTION TAKEN: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution 31-2023 *A Resolution For Notice of Award For The Bid For Furniture To Outfit The New Cleveland County Water Centrally Located Operations Center*

3) Consideration of Authorization of Modification of the District's Water Revenue Bond Anticipation Note, Series 2022

Mr. Cornwell referred the members to the letter from Bob Jessup of Sanford and Holshouser. Mr. Jessup is the bond counsel for the USDA loans. The interim construction loan payment will be delayed to Truist Bank. The closing date has been rescheduled from September to December. Truist Bank has not changed the interest rate of 1.83% and has been very cooperative during the process.

ACTION TAKEN: Upon a motion by Mrs. Bridges, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Consideration of

Authorization of Modification of the District's Water Revenue Bond
Anticipation Note, Series 2022

E. New Business:

No new business was presented.

F. General Manager's Report:

Mr. Cornwell introduced Ginger Fern, Finance Director, to begin with the finance portion of the General Manager's report. Mrs. Fern reminded the members that the August meeting was cancelled and that the financials for July and August would be shared. The local options sales tax budget was increased by 10% and July's financials show the first month's local option sales tax at 13.7%. The first month of the fiscal year records several payments that are based on the entire year instead of the month, for example the workers compensation, general liability insurance and the Cleveland County Economic Development pledge. The materials line item is overbudget. The material purchases were held during the prior year, the orders for July replenish the inventory on hand. The August financials show the local options sales tax at 18.5%. There were five payrolls in August. The materials line item is overbudget as project installation continues. The equipment maintenance contracts line item will contain expenses from the current software company, QS/1 and the new software company, Tyler Technologies. Tyler Technologies has begun the billing process for their services and the conversion process in transitioning to their software. The financial audit was the week of August 28th. The audit was virtual with information being shared via zoom calls and emails. Mrs. Fern reminded the members that this is the first financial audit with this auditor. The audit is not completed yet, the financials are being drafted with more work and information requests to come later in the process. Mr. Cornwell introduced Michelle Alexander, Customer Service Director, and noted that the lock out process is caught up for the first time since the COVID pandemic began. The governor issued guidelines during the pandemic that prohibited utility disconnections during the pandemic. Once the lockout process was permitted to continue, the customer accounts were five months past due. It has been a lengthy process to get the process back to normal. The radio read meters have been a beneficial asset to the process because the meter readers have the capability of processing readings quicker. This

down time between billing cycles allows time for lockouts after the meter readings are completed. The July billing was 131,575,541 gallons and the August billing was 140,418,664 gallons. Paperless billing numbers are decreasing. Customers are ignoring the emailed bills versus the mailed bills, or the emailed bills are processed through the junk or spam folders depending on the email provider. Mrs. Alexander shared the numbers for disconnection. In July, 327 accounts were locked for nonpayment in the amount of \$63,456.41, twenty three accounts remain unpaid for a total of \$4,247.03. In August, 555 accounts were locked for nonpayment in the amount of \$81,518.60, fifty-six accounts remain unpaid for a total of \$9,298.72. The leak adjustments for July were forty leak adjustments and August was thirty leak adjustments. The maintenance and water plant numbers are available to the members in the packets. Mr. Cornwell shared a paper version of the project updates with the members. The new operations center is almost ready for the ribbon cutting and the meeting date and time need to be scheduled. The ribbon cutting will be scheduled before the staff moves into the building, the public can view the facility without the distraction of the normal operations. The punch list for the remaining contractor responsibilities needs to be completed before the ribbon cutting. The landscaping and tree planting is scheduled for the first part of October. The sign and the dedication plaques have been ordered but have an estimated ship date that is six weeks in advance. The furniture won't be in the building for six weeks. Mr. Cornwell suggested the ribbon cutting be scheduled for late in October to allow time for everything to be completed. The details for the ribbon cutting were discussed with the members. Mr. Cornwell noted that the location for the board meetings would change once the new operations center was occupied. This change needs to be documented with the Cleveland County Board of Elections. There have been discussions in the past concerning possibly changing the meeting time from 7:00 p.m. to 6:00 p.m. Mr. Cornwell suggested that the because of the documentation requirements with the Board of Elections for the meeting time and location to remain at Casar Lawndale Road for the October, November, and December meetings. The location and time change would be effective with the new year and the January meeting. Mr. Cornwell will have a resolution completed by the next board meeting. Mr. Cornwell noted appreciation for the department heads. The day-to-day operations, plus additional tasks of

the financial audit, the additional water plant test sampling, issues at the water plant with the connections to the new clearwell, the maintenance crews have been working on the water line installation for Oak Grove Cloverhill Church Road. It has been a very busy summer and the workload has been heavy, the appreciation was noted for the department heads for keeping everything going and on track.

G. Board Members Announcement and Remarks

The members expressed appreciation for all the work being done. Mr. Cameron asked the Water Plant Superintendent/ORC, Garrett Gilbert, how the new pumps were working at the water plant. Mr. Gilbert responded that the pumps were quieter and smoother. There were some minor issues that have been resolved but everything was wonderful.

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 or other material terms for 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 (a) (5) and to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body in accordance with NCGS 143-318.11(a)(3)

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Cook, the Board of Commissioners voted unanimously to go into Closed Session at 7:28 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Martin, the Board of Commissioners returned to Open Session at 8:03 PM.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Cameron, the Board of Commissioners voted unanimously to ratify the discussion and authorization provided to the General Manger in Closed Session.

I. 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 8:04 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron, Secretary

