

MINUTES

Regular Meeting
Cleveland County Water Board Room

April 8, 2025
Tuesday, 6:00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Bill Cameron, Secretary Amy Elliott Bridges Commissioners Tony Brooks, Bruce Martin, Pamela P. Maddox and Pete Pedersen. Attorney Delton W. Barnes and General Manager Brad Cornwell were present.

Chairman Donald Melton called the meeting to order at 6:00 PM, welcomed all who were in attendance and recognized Commissioner Bruce Martin who gave the invocation and Commissioner 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. Mr. Cornwell noted that an amended version of the agenda, adding item C-7 under the consent agenda for Resolution 15-2025 for the Lawndale Streetscape application, was available at the members' seats. Chairman Melton requested a motion to adopt the agenda as amended.

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. Maddox, 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 11, 2025
- 2) Consideration of Ordinance Number 2-2025 An Ordinance Amendment for Cleveland County Water's Centrally Located Operations Center

- 3) Consideration of Ordinance Number 3-2025 An Ordinance Establishing a Capital Project Ordinance and Budgets for Cleveland County Water's R-4045 US 74 Mooresboro Waterline Project
- 4) Consideration of Ordinance Number 4-2025 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Lawndale Park Project
- 5) Consideration of Ordinance Number 5-2025 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Capital Improvements Plan Update, Financial Analysis and Rate Analysis Project
- 6) Consideration of Resolution Number 12-2025 A Resolution Honoring Timothy K. Moore for His Service as District Attorney for Cleveland County Water
- 7) Consideration of Resolution Number 15-2025 A Resolution Authorizing Submission of a Funding Application for the Downtown Lawndale Streetscape Project to the North Carolina Department of Commerce in the amount of \$500,000

D. Unfinished Business:

- 1) Consideration of Resolution Number 13-2025 A Resolution Authorizing Execution of EJCDC E-500 Agreement Between Owner and Engineer for Professional Services with McGill Associates, PA for the Cleveland County Water USDA Broad River Water Treatment Plant Project

Mr. Cornwell explained that this resolution will begin the engineering process, partnering with McGill Associates, for the Broad River Water Treatment Plant. The USDA requires that the District complete the EJCDC E-500 federal guideline contract, as part of the USDA financing process. Mr. Cornwell began by reviewing the financial status of the current funds available. The General Fund, also known as the operating account, currently has a balance of \$4,994,000.00. This funding will not be used to fund the Broad River Water Treatment Plant. The North Carolina Capital Management Trust fund is the financial institution for the capital reserve fund. The current balance is \$3,920,000.00. The Operations Center project required matching funds as part of the loan process. The matching funds were withdrawn from the capital reserve fund in the amount of \$1,000,000.00. The preliminary costs for the Broad River Water Treatment Plant were estimated to be \$100,000,000.00. This price includes construction of the water treatment plant, the installation of the water lines connecting to

the new elevated Boiling Springs water tank, and the line crossing Cleveland County for the Boiling Springs Tank to Patterson Springs and then to the MidPines/Grover area of the County. The amount in the capital reserve fund will continue to increase as quarterly deposits are transferred from the budgeted total. The projected amount in the capital reserve fund at the end of the next fiscal year is \$4,545,219.00. The first four phases of the engineering plan will cost \$4,750,000.00. The USDA funding process will not release funds towards the project until the fourth phase of the project. Mr. Cornwell suggested different means for grant funding that may be available for assistance with this project. The construction phase of the contract will contain five separate contracts for the construction. The contracts will include the water plant, the water line installation from the water plant to Patterson Springs, the water line installation from Patterson Springs to Grover, the elevated storage water tank, and other necessary contracts. The final phase of the contract will be the post construction phase for warranties after the construction has been completed. A discussion continued between Mr. Cornwell and the members concerning the timing of the two-year period calculation for the first four phases of the construction. Mr. Cameron requested clarification about borrowing money from a bank. Mr. Cornwell explained about the interim financing and how the process worked during construction. Mrs. Maddox questioned the possibility of the USDA not assisting with the project. Mr. Cornwell explained that USDA will help, whether through grants or loans over different terms, the project will be funded. Conversation continued about water rate increases affect the revenue being paid toward the cost of the Broad River water treatment plant project.

ACTION TAKEN: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 13-2025 *A Resolution Authorizing Execution of an EJCDC E-500 Agreement Between Owner and Engineer for Professional Services with McGill Associates, PA for the Cleveland County Water USDA Broad River Water Treatment Plant Project*

E. New Business:

- 1) Consideration of Ordinance Number 6-2025 An Ordinance Establishing a Capital Project Ordinance and Budgets for the Cleveland County Water's Kings Mountain Interconnection Project

2) Consideration of Resolution Number 14-2025 A Resolution Awarding the Bid for the Kings Mountain Interconnection Project

Mr. Cornwell introduced Chris Hayes, Distribution Superintendent, to assist with explaining the interconnection with Kings Mountain. Mr. Hayes explained that the emergency connection capability would assist in providing water to the south side of the District customer base. The population affected in this area would be 6,000 customers. The City of Cherryville interconnection project is near completion. This emergency connection would assist in supplying water to 9,000 customers in the Cherryville area of the District. The emergency connection services would supply the customers only if water is not available in the area due to water line issues. The bids have been received for the City of Kings Mountain interconnection. The bids provided were by Wesson Septic Tank Service in the amount of \$209,500, Marvin Hoyle Construction in the amount of \$213,000 and Two Brothers Construction in the amount of \$377,569. The recommendation is that Wesson Septic Tank Service be awarded the bid. Mr. Brooks asked about the area being serviced on the map provided. Mr. Hayes clarified which colors belonged to the areas provided by the City of Cherryville and the City of Kings Mountain area. Mr. Brooks requested clarification on whether there was one interconnection or two interconnections with Kings Mountain. Mr. Cornwell and Mr. Hayes clarified that this interconnection would be the second interconnection with City of Kings Mountain. The existing interconnection is at the Sandy Plains tank on Scism Road serving a couple hundred customers. The new interconnection would be located at the Midpines tank. This tank has the capacity to provide a million gallons a day. Mr. Cameron requested more information on the line size traveling to these locations. Mr. Hayes responded that the line size for the new interconnection would be an eight-inch line.

ACTION TAKEN: Upon a motion by Mr. Cameron, second by Mr. Martin the Board of Commissioners voted unanimously to adopt Ordinance Number 6-2025 *An Ordinance Establishing a Capital Project Ordinance and Budgets for Cleveland County Water's Kings Mountain Interconnection Project*

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mrs. Bridges the Board of Commissioners voted unanimously to adopt Resolution Number 14-2025 *A Resolution Awarding the Bid for the Kings Mountain Interconnection Project*

F. General Manager's Report:

Mr. Cornwell introduced the Finance Director, Ginger Fern, to share the financial reports for March. Mrs. Fern explained that this financial report completes the third quarter of the fiscal year. The quarterly transfer for the capital reserve fund at the NC Capital Management Trust has been completed. The local options sales tax continues to be better than budgeted. The annual principal and interest payment for the debt service on the Lattimore Tank and the Clearwell were paid in the amount of \$646,000.00. The dividends earned from NCCMT for March were \$13,747.00. Mrs. Fern asked if there were any questions concerning financials. Michelle Alexander, Customer Service Director, continued with the disconnection and billing report. The billing and revenue numbers decreased 9% from February billing. The only disconnections for the month of March were cycle 1. There were 219 customers for \$35,607.01. The telephone IVR messages called 433 customers before disconnection with 368 calls completed and sixty-five failed. Most of the possible disconnected customers paid their accounts to avoid disconnection. There were 112 leak notification telephone calls. The leak adjustments were forty-five accounts for the total of \$12,324.43. Mr. Cornwell introduced Garrett Gilbert, Water Plant Superintendent, to share details concerning the FEMA reimbursement process from Hurricane Helene. Mr. Gilbert shared his ongoing experience with navigating the FEMA process. The category A process included debris removal for downed trees and fences and sand removal at Lawndale Park. The amount of \$33,750.00 has been obligated to FEMA and will be approved by the State of North Carolina. All this work has been completed by CCW and is waiting for reimbursement from FEMA. The category B process was for emergency protective measures, this consisted of emergency leak repairs and generator time running, etc. This amount has been submitted to environmental protection for review and will be forwarded to the State of North Carolina for approval. The category B total was \$118,000.00. This work has also been completed. The FEMA reimbursement total is \$152,000.00 for these two categories. Hurricane Helene caused damage to seven creek crossings. The repairs to these creek crossings are being estimated at \$250,000.00 per crossing and the total repair amount will be \$1,750,000.00. Mr. Gilbert has completed the RFQ for these repairs and will be sharing information with the commissioners soon. The reimbursement coming from the category A & B submissions will be reimbursed through FEMA at 100%. The creek crossings will be shared by FEMA at 90% and the State of North Carolina at 10%. The General Assembly has designated funding for FEMA reimbursements. FEMA is also reimbursing for administrative costs for Mr. Gilbert and staff time for paperwork and time spent with FEMA representatives. This reimbursement will be 5% of the

total FEMA reimbursement in the approximate amount of \$97,000.00. Mr. Cornwell shared that Crowder Gulf is a FEMA contractor hired to clean out the channels of the Broad River, First Broad River, Sandy Run Creek and Brushy Run Creek from the damage caused by Hurricane Helene. The Towns of Kingstown and Grover have been awarded additional funding for studies conducted on their water/sewer systems. The Town of Grover has contacted the District about possible emergency interconnections. The Town of Grover has qualified for funding to conduct design research for this project. Mr. Cornwell shared that Josie Rikard, GIS Coordinator, has been contacted by the Safe Kids Coalition through Atrium Health about life jacket stations at the Broad River for Stagecoach Greenway. The life jacket stations will provide thirty life jackets in five different children's sizes for safety in the water. Mr. Cornwell shared pictures of what the station design will look like. The station will be located at the top of the stairs from the upper parking lot to the lower parking lot at Lawndale Park. Attorney Barnes announced that this was great community support. This shows that Stagecoach Greenway is being proactive at keeping the visitors safe. The special meeting for the budget presentation was recommended to be for May 20, 2025, at 5:30 p.m.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mr. Cameron the Board of Commissioners voted unanimously to schedule the budget presentation special meeting for Tuesday, May 20, 2025, at 5:30 p.m.

G. Board Members Announcement and Remarks

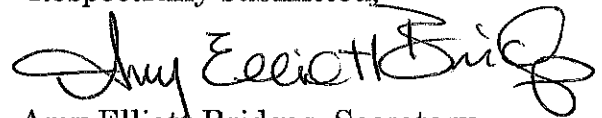
The members noted appreciation for hard work and service. Chairman Melton asked the members about their opinion on scheduling a ribbon cutting for the Lawndale Park. Mr. Cornwell made suggestions on who to invite. The Cleveland County Chamber schedules for ribbon cutting for Thursdays. The suggested date was scheduled for May 1, 2025, at 10:00 AM with more information to be shared.

H. 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 at 7:12 PM.



Respectfully submitted,


Amy Elliott Bridges, Secretary