

MINUTES

Regular Meeting
Cleveland County Water Board Room

March 10, 2026
Tuesday, 6:00 P.M.

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

Chairman Cameron called the meeting to order at 6:00 PM, welcomed all who were in attendance. Commissioner Tony Brooks gave the invocation, and Commissioner Pete Pedersen led the *Pledge of Allegiance*.

A. Approval of Agenda:

Chairman Cameron asked Commissioners if anyone had any questions related to the adoption of the agenda. Chairman Cameron requested a motion to adopt the agenda. Attorney Barnes noted that the agenda included an amendment to include number 4 in unfinished business.

ACTION TAKEN: Upon a motion by Mr. Brooks and second by Mrs. Maddox, the Board of Commissioners voted unanimously to accept the agenda as amended.

B. Public Comment

There were no public comments.

C. Consent Agenda:

ACTION TAKEN: Chairman Cameron presented the Consent Agenda Items. Upon a motion by Mr. Brooks, second by Mr. Pedersen, 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 February 10, 2026
- 2) Consideration of Ordinance Number 3-2026 An Ordinance Amendment for A Capital Project Ordinance and Budgets for Cleveland County Water's FEMA Hurricane Helene Creek Crossing Replacement Project

D. Unfinished Business:

- 1) Consideration of Resolution Number 5-2026 A Resolution Authorizing the Execution of a Funding Offer and Acceptance from the North Carolina Department of Natural and Cultural Resources for a Great State Trails Program Grant in the Amount of \$500,000

Mr. Cornwell explained that this resolution would authorize completion of the contract for the acceptance of grant funding from the Great State Trails Program in the amount of \$500,000. The District received the maximum funding amount from the first cycle of funding available. The Casar-Lawndale Road section of the Stagecoach Greenway currently has \$2,400,000 in available funding. The Great State Trails Program requested that the chief elected official endorse the contract.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mrs. Maddox, the Board of Commissioners voted unanimously to adopt Resolution Number 5-2026 *A Resolution Authorizing the Execution of a Funding Offer and Acceptance from the North Carolina Department of Natural and Cultural Resources for a Great State Trails Program Grant in the Amount of \$500,000*

- 2) Consideration of Resolution Number 6-2026 A Resolution Awarding the Bid for 7 Creek Crossings and Rollingbrook Court Waterline Replacement Project from Hurricane Helene Damages

Mr. Cornwell shared history of the damage caused by Hurricane Helene in September 2024. The flooding that occurred in this area caused seven creek crossings main lines to be uncovered in the creek. The main lines were not damaged but are exposed in the creeks. There is also a main line in a ditch on Rollingbrook Court that has been exposed. These repairs should be covered under FEMA funding repairs. The District paid for the engineering fees to determine the scope and amount of work required to make the necessary repairs. These fees should be reimbursable from the FEMA funding. Garrett Gilbert, Water Plant Superintendent/ORC has been the FEMA contact for the District. FEMA operates under the Department of Homeland Security. This portion of the government is currently affected by the government shutdown and is currently not operational. The bid opening was held, and Hyatt Pipeline from Asheville, NC, was the lowest bidder. The bid can be awarded but without the final approval from FEMA the construction project will not begin.

This resolution contains special verbiage for the contingency of FEMA approval. Mr. Cornwell shared emails between Mr. Gilbert and North Carolina state officials concerning the government shutdown. Mr. Pedersen asked if there was prior knowledge of Hyatt Pipeline. Mr. Cornwell verified that Hyatt Pipeline had been contracted with the District on previous projects. Mr. Cameron asked how long the contractor would honor the contract. Mr. Cornwell shared that he was unsure. Mr. Pedersen inquired about the total footage of the project. Mr. Cornwell explained that the projects were at various locations throughout Cleveland County and were between 200' to 400' wide. The current creek crossings have not been damaged but in a situation of repeated flooding would be damaged because of the exposure. Mr. Pedersen asked about the water line size in the creek crossings. Mr. Cornwell shared that four-inch and six-inch water lines were in the creek crossings.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Resolution Number 6-2026 *A Resolution Awarding the Bid for 7 Creek Crossings and Rollingbrook Court Waterline Replacement Project from Hurricane Helene Damages*

3) Presentation and Discussion of Draft Cleveland County Water System Development Fee Study, Draft Cleveland County Water Rate Study, and Updated CIP and Financial Model Output

Mr. Cornwell referred the members to the handouts at their seats. The information shared was concerning the system development fees and the rate-study plan. Mr. Cornwell noted that the original handouts presented to the members at the board retreat meeting have been modified and should be discarded. Mr. Cornwell shared information that was received in a recent telephone conversation with Ms. Moore from Withers Ravenel. The new Operations Center in Shelby was included in the calculation for the system development fees but needed to be removed from the calculation. The NC General Statute calculates capital improvements that have existing or future benefits to the capacity of the system. The location of the Operations Center not being on the same site as other water system infrastructure causes an issue because it is difficult to justify that it adds to capacity of the system. The Operations Center houses the maintenance and administrative staff and is very beneficial to the District, however, adds no benefit to the capacity of the system. The

equipment and costs less than \$50,000 are not included in the calculation for the system development fees. This modification to the calculation reduces the system development fee to \$3,000 for a ¾" standard residential meter. The updated rate study was also shared with the members and included the slides from the power point presentation. Mr. Cornwell also shared some additional sheets that were presented at the board retreat and had since been updated. The sheets include the financial model for USDA including and excluding the USDA grant funding. The average customer usage was also updated. The State of North Carolina gauges customers on a 5,000-gallon monthly average, the District average customer is 4,200 gallons a month, half of the District customer base is 3,000 gallons or less usage. This information was added to the sheet for reference. Mr. Cornwell shared the system development fee public hearing notice for the Shelby Star newspaper. The NC General Statute requires public notice for a forty-five-day review period. The advertisement will be published again ten to fourteen days before the public hearing date.

4) Consideration of Resolution Number 7-2026 A Resolution Authorizing Execution of A Lease Agreement with State Employees Credit Union

Mr. Cornwell shared that this resolution was approved by the members several years ago. There have been many changes to the board since the original resolution. This new resolution updates the original version of the resolution. The State Employee's Credit Union is ready to pursue the installation of the ATM machine at the Operations Center in Shelby. Mr. Cornwell reminded the members that the extra travel lane at the back side of the parking lot was added to the plan designs to accommodate the traffic for the ATM location. The construction installation would take several months to complete with an estimated completion of October 2026. The lease includes a monthly lease fee of \$100 from the State Employee's Credit Union. The lease fee will cover maintenance of the site with wear and tear to asphalt in the parking lot. Mr. Cornwell noted that the lease required that all electrical lines be installed underground so that no overhead lines would be visible. Mr. Brooks inquired if the ATM would have an independent power meter. Mr. Cornwell verified that the ATM would have an independent power meter. Mr. Cameron inquired about the signage. Mr. Cornwell shared that the signs for the ATM were already installed. Mr. Pedersen inquired if there was any liability

involved. Mr. Cornwell replied that there was no liability, it was a public parking lot, on public property. Mr. Brooks noted that there would probably be cameras at the ATM. Mr. Cornwell shared that no inquiry was made concerning cameras.

ACTION TAKEN: Upon a motion by Mr. Cook, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Resolution Number 7-2026 *A Resolution Authorizing Execution of A Lease Agreement with State Employees Credit Union*

E. New Business:

No new business was presented.

F. General Manager's Report:

Mr. Cornwell introduced Ginger Fern, Finance Director, to share the finance report. Mrs. Fern began with reminding members about the late Cleveland County tax payments from the previous month. Mrs. Fern shared that all tax payments are now current and the financial report reflects two months of revenue in the February report. The property tax amount is strong and trending above budgeted amounts. The revenues are all showing at or above budgeted amounts. The expenses show the materials line item over budget because of purchases of pipe for line extensions. This line item will balance out once the materials are moved to capital outlay. Mrs. Alexander, Customer Service Director, continued with the disconnection and billing report. The billing report shows a 0.5% increase from January's billing and an 11% increase when compared to February 2025. The disconnections included 123 customers over a two-day period in cycle 1 and 142 customers over a two-day period in cycle 3. The customers in both cycles received a notification telephone call, both cycles had over 400 telephone calls. The customer contact numbers are still being updated so all customers can be notified. There were 244 leak calls and 45 adjustments. The Lawndale KIOSK collected 93 payments, and the drop box collected 49 payments. Mr. Cornwell noted that the project sheet has not been updated because not much has changed since the last meeting. The Hendrick Lake Improvements water lines have been completely installed except for the creek crossing on Philadelphia School Road. The first section of the installed water line has started being filled for pressure testing. Mr. Cornwell shared an email from the Project Manager at the NC Office of State Budget and Management concerning the June expiration date of the Stagecoach Greenway grant

funding. Our legislators have said that they support extending the expiration dates, but the legislators are not back in session until April 2026. Mr. Cornwell shared that most of the entire state of North Carolina has been placed in severe drought conditions. The State of North Carolina Drought Legislation expects the water shortage response plan actions to be implemented. Mr. Cornwell shared some examples of area water restrictions in effect. Mr. Cornwell and Mr. Gilbert are in communication about the conditions of the river. The rainfall amounts are down about ten inches if you include all last year on average. Mr. Cornwell suggested that the voluntary water restrictions be introduced if conditions remain the same in the month of April. The ethics training for the members will be available on May 21, 2026. Ethics training is required for newly elected or re-elected officials. The training will be offered at the Operations Center in Shelby. This opportunity will need to be posted as special meeting because more than three members will be attending the training. Mr. Cornwell suggested that the budget hearing be held after the ethics training since the members will already be in attendance. Lunch will be served in between the ethics training and the budget hearing. Ethics certificates will be issued for those members in attendance. Mr. Cornwell shared that Deissy Honea, Regional Representative for USDA, has requested to start the process for the funding application for the Broad River Water Plant. Mr. Cornwell also shared a letter from the state engineer that states the preliminary engineering report is completed. The review of environmental assessment contained no major comments. Mr. Cornwell is proposing for the public notice of intent for federal assistance & notice of public meeting be added to the agenda for the May meeting. Mr. Brooks inquired about a timeline for approval. Mr. Cornwell shared that the process is handled by the United States Department of Agriculture and the requirement for public notice is within sixty days of the application submission. Mr. Cornwell is unsure about the timeline but reminded members that because of the size and amount of the Broad River water plant project the federal review would also be required for the project. Attorney Barnes advised to move expeditiously because of changing political shifts in the federal government. Mr. Cornwell shared information about the Cleveland County YMCA prayer breakfast and inquired about member attendance.

G. Board Members Announcement and Remarks

Mr. Cameron asked for member announcements and remarks. Mr. Pedersen asked about improving the sound in board room. Mr. Cornwell reminded the members that during the construction of the operations center a quote was presented for \$18,000 for microphones and sound. Mr. Brooks asked for clarification of the entire room or for the podium. Mr. Cook shared information about the sound system headphones provided at his church for individual amplification.

H. 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 for a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease in accordance with NCGS 143-318.11(a)(5)

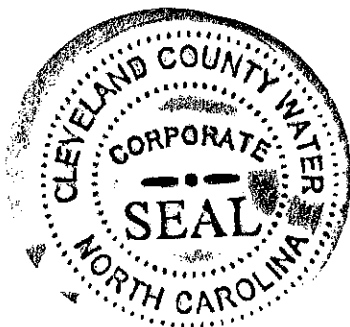
Action Taken: Upon a motion by Mr. Brooks, second by Mr. Pedersen, the Board of Commissioners voted unanimously to go into Closed Session at 6:43 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Martin, the Board of Commissioners returned to Open Session at 6:54 PM.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Cook, the Board of Commissioners voted unanimously to accept the Town of Lawndale purchase offer of \$50,000 for Cleveland County GIS Parcel 34762 and 34761 owned by Cleveland County Water and directed the General Manager and District Attorney to complete the necessary transfer.

I. Adjournment

Action Taken: Chairman Cameron called for a motion to adjourn. Upon a motion by Mr. Martin, second by Mr. Brooks, the Board of Commissioners voted unanimously to adjourn at 6:57 PM.



Respectfully submitted,

Tony Brooks, Secretary