

MINUTES

Regular Meeting
Cleveland County Water Board Room

May 12, 2026
Tuesday, 6:00 P.M.

Present: Chairman Bill Cameron, Secretary Tony Brooks, Commissioners Bruce Martin, Pamela P. Maddox, Pete Pedersen and Dewey Cook. 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 Dewey Cook 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.

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

A-1. Special Presentation: Recognition of Tony Wayne Holt on the occasion of his retirement from employment with Cleveland County Water

Mr. Cornwell introduced Tony Wayne Holt to the members. Mr. Holt was recognized for his years of service and honored for his retirement. Chairman Cameron read and presented Mr. Holt with the retiree framed resolution and a gift card.

B. Public Comment

There were no public comments.

C. Public Hearing Broad River Water Plant Notice of Intent to Apply and Notice of Public Hearing

1) Proposed Fiscal Year (FY) 2025-2026 Annual Operating Budget for Cleveland County Water

The public hearing was opened by Chairman Cameron at 6:10.

Mr. Cornwell noted that the public hearing is required as part of the qualifications for USDA federal funding for the future Broad River water treatment plant. The hearing is a two-part formality. The Shelby Star advertisement was shared as notification to the public of the District's request for federal funding. The notice provides information on how the public can share comments and concerns about the project by email, telephone and mail. Mr. Cornwell noted that no comments or concerns have been received and no citizens have signed up to speak at the public hearing.

The public hearing was closed by Chairman Cameron at 6:12.

Mr. Pedersen asked about no feedback being provided from the public. Mr. Cornwell explained that USDA has required several advertisements be published in the newspaper, including the environmental assessment of the property and the public hearing. Mrs. Maddox inquired about the date of publication. Mr. Cornwell noted that he would email the affidavit to her. Mr. Brooks inquired if the website was used for publication. Mr. Cornwell verified that all advertisements were also posted on the website.

D. Consent Agenda:

ACTION TAKEN: Chairman Cameron presented the Consent Agenda Items. Upon a motion by Mr. Brooks, second by Mr. Martin, 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 April 14, 2026
- 2) Approval of the Notice of Public Hearing for June 9, 2026 for the Proposed Fiscal Year 2026-2027 Budget
- 3) Consideration of Ordinance Number 6-2026 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Water Merger and Regionalization Feasibility Study
- 4) Considerations of Ordinance Number 7-2026 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Kingstown Asset Inventory Project HEL-RTA-01
- 5) Consideration of Ordinance Number 8-2026 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's Wastewater Merger and Regionalization Feasibility Study

- 6) Consideration of Ordinance Number 9-2026 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's SCADA/Water Plant Upgrades Project
- 7) Consideration of Resolution Number 16-2026 A Resolution Authorizing the Execution of a NCDOT Utility Construction Request for WBS: BP12-R034
- 8) Consideration of Resolution Number 17-2026 A Resolution Authorizing the Execution of a NCDOT Utility Construction Request for WBS: BR-0072

E. Unfinished Business:

- 1) Consideration of Resolution Number 18-2026 A Resolution Adopting and Accepting the Cleveland County Water Systems Development Fee Study Prepared By WithersRavenel Dated February 25, 2026

Mr. Cornwell explained that both items in unfinished business are related. The requirements for the system developments fee implementation have been completed. The items included advertising requirements in the Shelby Star newspaper and the District website, and the public hearing took place at the previous board meeting that allowed public comment time with no comments. Mr. Cornwell directed members to the appropriate page of their agenda packet. The conversations between the members and management directed the system development fees to remain on the conservative side of the maximum. The compromise was to allow a three-year phase in period to increase the system development fee gradually. Mr. Cornwell recommended that after the three-year phase-in period, the system development fee be re-evaluated to include any new debt acquired. System development fees are determined based on the size of the meter and the demand on the system. The larger meters would create a greater demand on the system, therefore charged a larger system development fee. The proposed system development fee for 2026-2027 fiscal year for a ¾" water tap would be \$500.00 increasing \$500.00 over the next two fiscal years. This resolution accepts the system development fee study created by WithersRavenel. The actual fees are not accepted until the 2026-2027 budget is adopted. Mr. Cameron inquired that this charge would be in addition to the current tap fee. Mr. Cornwell verified that the system development fee would be added to the current tap fee and noted that the proposed budget does not include any tap fee increases for the new fiscal year. The current tap fee does not recover the cost of the tap fee, consisting of labor and materials. Mr. Cameron asked if the District tap fees

were still lower than surrounding utilities. Mr. Cornwell confirmed that tap fees were tremendously lower than surrounding utilities.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mr. Cook, the Board of Commissioners voted 5-1 to adopt Resolution Number 18-2026 A *Resolution Adopting and Accepting The Cleveland County Water System Development Fee Study Prepared By WithersRavenel Dated February 25, 2026*

- 2) Consideration of Resolution Number 19-2026 A Resolution Adopting The Cleveland County Water Rate Study and Capital Improvement Plan prepared by WithersRavenel dated April 2026

This resolution is for the rate study and capital improvement plan analysis. The system development fees will be deposited to the capital reserve fund for future debt and construction projects. Mr. Cornwell explained two scenarios involving the Broad River Water Treatment Plant. The first scenario would require a 10% rate increase for multiple years without any USDA grant funding. The second scenario would require an 8% rate increase over multiple years with 45% grant funding. This year's budget does not require an 8% rate increase. Mr. Cornwell was conservative on the residential customers and adjusted the irrigation rates with more information to be shared at the budget hearing presentation. This resolution adopts the analysis study and the CIP update; it does not adopt the actual rates. Mr. Cornwell reminded the members that the capital improvements plan is shared with grant agencies for application submissions. The only item on the capital improvements plan for the next couple of years will be the Broad River Water Treatment Plant. Mr. Pedersen requested clarification on capital improvements plan. Mr. Cornwell clarified that the capital improvement plan included projects that were discussed as necessities for the future. Mrs. Maddox added that the District doesn't want to charge more but because of the vision and the future District needs in ten years it will cost money to complete the need. Mr. Cameron recapped that there are two planned subdivisions that the District can't provide. Mr. Pedersen shared that he understood. Mr. Cameron asked Mr. Cornwell to share information about possible data center construction in Cleveland County. Mr. Cornwell shared that telephone calls have been received concerning three or four possible data center constructions in the Kings Mountain area. The City of Kings Mountain did a six-month moratorium on data

centers. The common water usage prediction for a data center would be one million gallons of water a day for a peak demand. The growth area of the District will be the area between Shelby and Kings Mountain with accessibility to Interstate 85. This area continues to struggle with adequate water and pressure because of the growth in this area and the distance from the Lawndale water plant. The construction of the Broad River water treatment plant would allow for more water and pressure to be provided to this area for the possible acceptance of growth in this area but also growth in the northern part of the County from the existing WTP. Mr. Cameron reminded the members about the drought in 2002 and 2008. Mr. Cornwell shared that the drought for 2026 is already here.

ACTION TAKEN: Upon a motion by Mr. Martin, second by Mr. Cameron, the Board of Commissioners voted 5-1 to adopt Resolution Number 19-2026 A *Resolution Adopting The Cleveland County Water Rate Study and Capital Improvement Plan Prepared by WithersRavenel dated April 2026.*

F. New Business:

No new business at this time.

G. General Manager's Report:

Mr. Cornwell introduced Ginger Fern, Finance Director, to present the April financial report. Mrs. Fern shared that the Cleveland County tax revenue remained strong. The Town of Lawndale property sale in the amount of \$50,000 has been received and recorded. The payroll expense is over budget due to a retiree vacation and comp time payout. The equipment maintenance contracts are over budget because the software company, Tyler Technologies, presented their annual invoice payment in April. Mrs. Fern asked for comments and questions. The meeting continued with Michelle Alexander, Customer Service Director, with the disconnection and billing update. April usage billed at 107,930,196 gallons with the revenue at \$726,203.60. This is a 5.34% usage increase and a 3.8% revenue increase from March. The customer accounts billed was 23,484. Cycle 1 disconnected 134 customers over a three-day period in the amount of \$19,980.88. The call system placed 336 telephone calls with 280 completions and 56 failed. Cycle 2 disconnected 117 customers over a two-day period in the amount of \$22,248.14. The call system placed 299 telephone calls with 252 completed and 47 failed. Cycle 3 disconnected 116 customers over a two-day period in the amount of \$18,927.40. The call system placed 349 telephone calls with 281 completed

and 68 failed. There were 93 leak telephone calls to customers that resulted in 32 leak adjustments in the amount of \$8,673.30. The KIOSK in Lawndale collected 94 payments in the amount of \$3,405.08. The drop box at the Shelby Operations Center collected 47 payments. Mrs. Alexander asked for comments or questions. Mr. Cornwell referred members to the maintenance and water plant numbers included in the packet agenda. The peak day was April 23, 2026, at 6.51 MGD. Mr. Cornwell introduced Garrett Gilbert, Water Plant Superintendent/ORC, to provide an update on the drought. Mr. Gilbert shared that the drought map is provided by the United States Geological Survey and the State of North Carolina, it is updated every Thursday. There hasn't been a significant change from last week to this week. The burn ban has been temporarily lifted because of the recent rainfall. The voluntary water restrictions currently in place were not placed due to the river flow but due to the demand for the water plant production flow. The river is monitored daily at the water plant and the corresponding gauging stations. The flow numbers are maintaining the same range. The weir gate has allowed water control and keeping water back stream. The projected temperatures are showing ninety degrees. The water plant production flows will dictate the future restriction actions. Mr. Cornwell shared the river flows with the members. The gauging station downstream at the bridge in Lawndale shows 48 MGD that the water plant is releasing downstream. The average flow for this time of the year is 200 MGD. Mr. Pedersen asked about the neighboring utilities. Mr. Garrett provided information concerning the water utilities in neighboring counties. Mr. Pedersen inquired if the District had water lines in Lincoln County. Mr. Cornwell replied, no. Mr. Cook shared that Lake Norman was noticeably down. Mr. Cameron noted that Mrs. Alexander provided the billing gallons and noted a 10% increase from last year and asked if this was normal. Mr. Cornwell noted a difference between the amount of treated water pumped to the system and the billed gallons in the billing report. The water is stolen, leaked out, used by the fire department, etc. The difference between flow gallons and billed numbers are very different. Mr. Gilbert also noted the number of taps added to the District in year, this increases the customer number which increases the water usage. Mr. Cornwell shared a flyer with the members about the Summer Beach Party at Lawndale Park on Thursday, June 4, 2026, from 4:00 to 8:00 p.m. There will be food trucks, demonstrations, churches with bible school sign-ups and several other activities. The ethics training and budget workshop will be held at the Operations Center in Shelby on May 21, 2026, beginning at 9:45 a.m. The

ethics training will be two hours with a lunch break. The budget workshop will be held after lunch. Mr. Cornwell noted that Jennipher Harrill will be assisting the District with establishing two Facebook pages. The first page will be for Cleveland County Water. The second page will be for Stagecoach Greenway. These pages will have limited access with only a couple of staff members having access to each page. The focus of these pages will be public service announcements with the comments turned off. The pages will be used for communications concerning water leaks, restrictions and other customer-related information. Mr. Cornwell polled the members attending the legislative breakfast. The auditors have contacted several of the members by letter. Mr. Cornwell verified that it was legitimate contact and encouraged responding to the auditors if a member received a correspondence.

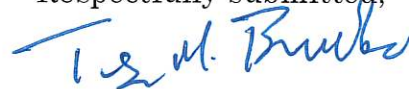
H. Board Members Announcement and Remarks

Mr. Cameron mentioned that the Polkville Tank looked awesome and inquired if any internet providers expressed interest in the location. Mr. Cornwell reminded that Skyrunner cancelled the lease contract for the Fallston and Lattimore tank services. Mr. Brooks shared that he is supportive of the Broad River water treatment plant. The reason that he voted against the system development fees is due to the individual customers purchasing a water tap. The developer has access to more money to pay the fees. Mr. Cornwell noted that the NC General Statutes are very specific about the system development fees and designates that all customers are to be charged the fees. The NC General Statutes allow for inside and out of district distinctions but does not allow segregation based on economic classes.

I. Adjournment

Action Taken: Chairman Cameron called for a motion to adjourn. Upon a motion by Mrs. Maddox, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adjourn at 6:55 PM.

Respectfully submitted,



Tony Brooks, Secretary

