# MINUTES

Regular Meeting — June 9, 2026
Cleveland County Water Board Room — Tuesday, 6:00 P.M.

Present: Chairman Bill Cameron, Vice Chairman Amy Elliott Bridges, 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.

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. Mr. Cornwell made the recommendation to add item number 4 to the consent agenda. Item number 4 is Resolution Number 20-2026 to establish an agreement with NC DOT for a bridge replacement. Chairman Cameron requested a motion to adopt the amended agenda.

ACTION TAKEN: Upon a motion by Mr. Brooks and second by Mr. Pedersen, the Board of Commissioners voted unanimously to accept the agenda as amended to include item number 4 under the consent agenda for Resolution Number 20-2026.

B. Public Hearing

1) Proposed Fiscal Year (FY) 2026-2027 Annual Operating Budget for Cleveland County Water

a. Consideration of Fiscal Year (FY) 2026-2027 Budget Ordinance: Ordinance No. 10-2026

Mr. Cornwell noted that there were no speakers for the public hearing. Chairman Cameron opened the public hearing at 6:02. Mr. Cornwell shared that the budget was a balanced budget. The public hearing notice was advertised in the Shelby Star. There was no communication received by email, telephone or mail. The public hearing was closed at 6:03. Mr.

Cornwell explained that the budget would be adopted through the following ordinances. The first ordinance provided a breakdown by department of all the revenues and expenditures. The supplemental budget ordinance included the fee schedules, the employee benefits, etc.

ACTION TAKEN: Upon a motion by Mrs. Elliott Bridges, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Ordinance No. 10-2026 *Fiscal Year (FY) 2026-2027 Budget Ordinance No. 10-2026*

b. Consideration of Fiscal Year (FY) 2026-2027 Supplemental Budget Ordinance: Ordinance No. 11-2026

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mr. Cook, the Board of Commissioners voted unanimously to adopt Ordinance No. 11-2026 *Fiscal Year (FY) 2026-2027 Supplemental Budget Ordinance No. 11-2026*

C. Public Comment

There were no public comments.

D. Consent Agenda:

ACTION TAKEN: Chairman Cameron presented the Consent Agenda Items. Upon a motion by Mr. Cook, 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 May 12, 2026
2) Approval of the Minutes of the Special Meeting of May 21, 2026
3) Consideration of Ordinance Number 13-2026 A FY 2025-2026 Budget Ordinance No. 2 for Cleveland County Water
4) Considerations of Resolution Number 20-2026 A Resolution Authorizing the Execution of A NCDOT Utility Construction Request for WBS: BP12R043.1

E. Unfinished Business:

1) Consideration of Ordinance Number 12-2026 An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's USDA – Broad River Water Treatment Plant Project

Mr. Cornwell explained that this ordinance would appropriate the engineering funding necessary for the Broad River water treatment plant, Boiling Springs storage tank, and the necessary corresponding water line connections. Mr. Cornwell and Finance Director, Ginger Fern, met with USDA for discussions concerning this project. The District submitted funding for $6,300,000 million for the project. This budget ordinance is to appropriate $4,500,000 towards the project. This funding will be sufficient for the preliminary engineering phase and the final design engineering phase. This appropriation does not include construction inspection and administration. There are four elements on the USDA score card for consideration in receiving grant funding. One of these elements is the poverty level in the District area. The score for this element needs to be below 80 to 100 percent. The District rating is 80.2 which is yet to be determined if USDA will round down. The entire District is taken into consideration using the District water rates to determine the blended medium household income. The second element is health and sanitary issues. The preliminary engineering report contained information about the drought conditions. The underwriter explained that the state engineer has marked this element as completed because this information was provided in the preliminary engineering report. The third element requires that the water rates are 1.50% to 1.75% of the medium household income. The 2% tax levy will be factored into this calculation with the water rates. This element has not been completed and is still being evaluated. The fourth element is a score sheet that evaluates and scores the application for grant funding. The eligible score for grant funding is 85 points. The District commitment to contribute $5,500,000 toward the project has provided five additional points to increase the score on the score card. This score will guarantee the federal review of the grant application for the 45% grant funding. The full engineering fee for the Broad River water plant project is $6,300,000.00; this includes all the engineering for the project. The District will receive a letter of conditions for USDA that will require board acceptance and adoption before the project can continue. The District submitted an application in February to the United States Economic Development Administration for an additional funding source. The grant would provide 80% funding. The USEDA application has passed five rounds of review. Mr. Cornwell referred the members to the maps at the back of the boardroom. The section of the project submitted to EDA included the Boiling Springs tank, and the twelve-inch water lines connecting to the Ticona plant and the Town of Grover. The owner of the

Ticona property has shared their letter of support explaining the lack of water service in this area and the potential for employment growth that the additional water would provide. Mr. Cornwell shared the complete environmental assessment with EDA. This reduced the amount of information originally requested. Allen Toney with Foothills Regional Commission will be completing the questions for the due diligence letter response. This grant funding would provide $14,800,000 with a District match of $3,600,000. Mr. Cornwell shared some loan information with the members for reference. Discussion continued about loan payments, interest rates, and loan length duration. The appropriated funding will be debited from the capital reserve fund with the board members' approval. The funds will not be disbursed until absolutely necessary. The funds will earn more interest in the NC Capital Management Trust account than the checking account of the local bank. The ordinance that was adopted in the consent agenda transferred the $50,000.00 property sale from the Town of Lawndale to the NCCMT bank account. Mr. Brooks inquired if future funding would be deposited into the NCCMT account. Mr. Cornwell verified that more deposits would be made into the account. Mr. Cameron asked if the funding could reduce the years of the USDA loan. Mr. Cornwell explained the specifics around the two grant funding sources would require attention in the future and reminded the members that the grant funding has not been awarded. Mr. Pedersen asked how often USDA communicates. Mr. Cornwell explained that sometimes are more frequent than others but when contacted Mr. Cornwell and Mrs. Fern have undivided attention and responses are provided very quickly. Mr. Cameron inquired about other funding options. Mr. Cornwell noted that these two grant funding options were the largest resources and that others would be available but not be to this magnitude. Mr. Cameron asked when the USDA funding would be available. Mr. Cornwell shared that the application was currently in Raleigh for the underwriting process. Once the underwriting is complete, the application will be sent to Washington DC for final review.

ACTION TAKEN: Upon a motion by Mr. Pedersen, second by Mrs. Maddox, the Board of Commissioners voted unanimously to adopt Ordinance No. 12-2026 *An Ordinance Amendment for a Capital Project Ordinance and Budgets for Cleveland County Water's USDA – Broad River Water Treatment Plant Project*

F. New Business:

No new business at this time.

G. General Manager's Report:

Mr. Cornwell introduced Michelle Alexander, Customer Service Director, to present the disconnection and billing update. The May usage billed was 135,878,191 gallons for $844,727.74 in revenue. There were 23,530 accounts billed. Cycle 2 was locked on May 15, 2026, and May 19, 2026, with 104 customers for a total of $20,730.41. The call system placed 252 telephone calls with 214 completed and 38 failed. Cycle 3 was locked on May 13, 2026, with 88 customers locked for $14,216.47. The call system placed 295 telephone calls with 246 completed and 49 failed. Mrs. Alexander noted that both of these cycles were lower than normal for disconnections. There were 139 leak calls and 32 leak adjustments for $5,109.04. The KIOSK in Lawndale collected 104 payments for $4,376.20 and there were 46 drop box payments at the Shelby Operations Center. Mrs. Alexander asked the members if there were any questions. Ginger Fern, Finance Director, continued with the May finance report. Mrs. Fern shared that the final $125,000.00 capital reserve fund transfer has been completed. Water Sales were up due to increased water usage. The tax revenue continues to increase over budget, especially the local options sales tax. The expenses are mostly under budget due to end of the year spending winding down. Mrs. Fern asked if there were any questions in reference to the financial report. The interim audit was completed virtually during the second week of May. The requested audit information is shared through a secure portal provided by the auditors. The contact for our account at Martin Starnes was Megan, she made the audit presentation for the last couple board meetings. The practice of Martin Starnes is to rotate teams, and our new contact is Brandy. Matt is still the Senior Manager for our account. The final audit work will be conducted during the third week in August. This allows ample time for audit submission to Local Government Commission. Mrs. Fern asked if there were any audit questions from the members. Mr. Cornwell introduced Chris Hayes, Project Manager, to share the project updates. The Polkville and Waco booster pump stations received the final DEQ approvals on June 1, 2026. The only outstanding item on the Hendrick Tank water line improvements project is the drawing of the new as-builts. The USDA inspection for the raw water weir took place on May 21, 2026. This project requires the installation of the paving and fencing before completion. The pre-construction meeting for the Stagecoach Greenway along Casar Lawndale

Road took place on May 12, 2026. There will be no tree work clearing during the time between April 1st and October 15th because of bat habitat restrictions. The NC DOT 2707E for the Shelby Bypass has been completed, the Borders Road water line relocation has been sampled, and the tie-ins will be completed soon. Mr. Hayes asked the members for questions and concerns. Mr. Cornwell introduced Garrett Gilbert to continue the General Manager's report. Mr. Gilbert has been promoted to Assistant General Manager and is currently in the process of transitioning the Water Plant Supervisor/ORC duties. The most recent drought update was shared with the members. Mr. Gilbert referred the members to the drought maps for the prior and current week. The recent rainfall has provided some relief to the area. The most beneficial rain for First Broad River will need to fall in the South Mountain regions. The plant flows have been steady reaching between 5.4 and 6.0 million gallons per day. That is typical summertime demand with the system remaining full. The restrictions will not be lifted until more rainfall is received and the drought map reflects the improvements. Mr. Gilbert asked the members if they had any questions or concerns. The need is for consistent rain to improve the water restrictions. Mr. Brooks asked if the next shared drought map could reflect the area where the rain would be beneficial to the river basin. Mr. Gilbert shared that the information would be on the next map. Mr. Cameron asked where the headwaters of the First Broad River were. Mr. Gilbert shared that the headwaters start in the corner of Rutherford, Burke and McDowell Counties, the South Mountain region in the Cherry Mountain area. The General Manger's report continued with Esther Porter, Human Resource Manager. Mrs. Porter shared that she and Mr. Gilbert attended the North Carolina Department of Labor Safety Awards banquet. The District collected a silver award on behalf of the CCW employees. The 2025 silver award reflects that there were no lost days from work or below 50% of the industry average. There were a couple of instances reported in 2025, however these instances resulted in job transfers or restrictions. Mrs. Porter noted her pride in the staff and her excitement in promoting safety in the company. Mr. Cornwell shared that the ribbon-cutting invitation for the new 911 center could be found in the members' seats. Senator Budd's office will be visiting the Operations Center on Friday, June 12, 2026. The District has requested a letter of support for the EDA application. Senator Budd's representatives must meet with an elected official before a letter of support can be provided. Congressman Moore has already presented his letter of support.

H. Board Members Announcement and Remarks

The members expressed their appreciation for the jobs being done. Congratulations were shared with Mr. Gilbert on his promotion. Mr. Cameron expressed appreciation for Josie Rikard and the Lawndale Park Summer Beach Party. Mr. Brooks shared what he saw at the beach party and that former Chairman Melton was looking over it. Mr. Pedersen congratulated the employees for their safety award and noted appreciation for the work ethic. Mr. Pedersen appreciated the assistance with the hearing devices.

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 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 6:45 PM.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Cook, the Board of Commissioners returned to Open Session at 7:11 PM.

Action Taken:

Action Taken: Chairman Cameron 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,

Tony Brooks, Secretary