

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

January 9, 2018  
Tuesday, 7: 00 P.M.

Present: Chairman Donald O. Melton, presiding; Treasurer Pete Pedersen, Secretary Bill Cameron, Commissioners Amy Bridges, John Taylor and Tony Brooks, General Manager Brad Cornwell and Attorney Tim Moore. Vice Chairman Dewey Cook was not in attendance.

Chairman Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Tony Brooks who gave the invocation and 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. With no questions, he requested a motion to approve the agenda.

#### 1) Motion to adopt the proposed agenda

ACTION TAKEN: Upon a motion by Mr. Pedersen and second by Mr. Taylor, the Board of Commissioners voted unanimously to approve the agenda as presented.

### B. Public Comment:

Chairman Melton requested the time for Public Comment and Mr. Cornwell noted that no one had signed up for Public Comment.

### C. Consent Agenda:

Action Taken: Chairman Melton presented the Consent Agenda Items. Upon a motion by Mr. Brooks second by Mrs. Bridges, 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 December 12, 2017
- 2) Approval of the Minutes of the Closed Session of December 12, 2017

- 3) Consideration of Ordinance Number 1-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Tobe Bridge Road Project
- 4) Consideration of Ordinance Number 4-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Ball Park Road Project
- 5) Consideration of Ordinance Number 5-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Crawley Gin Road Project
- 6) Consideration of Ordinance Number 6-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Kadash Church Road Project
- 7) Consideration of Ordinance Number 7-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Padgett Road Project
- 8) Consideration of Ordinance Number 8-2018 An Ordinance Amendment For Capital Project Ordinance and Budgets for Cleveland County Water's Pruett Road Project
- 9) Consideration of Ordinance Number 2-2018 A FY 2017-2018 Budget Ordinance Amendment No. 2 for Cleveland County Water
- 10) Consideration and Adoption of the Notice of Special Meeting for February 3, 2018

D. Unfinished Business:

- 1) Consideration of Cleveland County Water Reimbursement Resolution With Regard to Installment Financing for FY 2017-2018 Ordinance Number 3-2018

Mr. Cornwell explained the installment financing for the new fleet additions for this budget year. This included a new meter reader vehicle, office vehicle and a replacement tractor for the maintenance department. This will be the same process as last year's installment financing for the new fleet additions. Carter Bank & Trust has the installment financing for last year's purchases. The interest rate awarded on last year's financing was 1.75%. All the items have been purchased and in possession of the fleet. Mr. Brooks asked if bids would be mailed for the installment financing. Mr. Cornwell verified that last year nine banks were contacted for quotes and five responded. This would also be handled

the same manner. Mr. Cornwell noted that the dollar amount of this financing was not as large as last year's therefore the interest rate would probably be higher for this financing.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Ordinance Number 3-2018 *Consideration of Cleveland County Water Reimbursement Resolution With Regard to Installment Financing for FY 2017-2018*

E. New Business: None at this time.

I. General Manager's Report:

Mr. Cornwell began with the financial statements and noted that December was a slow revenue month because there were only nineteen business days. The tax revenue was also low but would pick back up as citizens paid their taxes for the 2017 calendar year. Mr. Cornwell explained the definition of days of unrestricted cash on hand and how this would be incorporated on future monthly financial reports. Mr. Cornwell started by explaining how unrestricted cash on hand is used by Local Government Commission. It is required by LGC to have thirty days of unrestricted cash on hand or eight percent of your operating budget. The calculation calls for the operating budget to be divided by the number of months in your fiscal year. The customer deposit account and health care account are classified as unrestricted cash and therefore used in the auditor's calculation of unrestricted cash on hand. These accounts are not used in the calculation performed by Mrs. Fern. She only uses the General Fund account to calculate the unrestricted cash on hand day. This number will be included on all future financial reports. The maintenance report was presented. Cook Road and Mount Zion Church Road installations are completed. The water plant report was presented with a daily average of 3.3 million gallons per day. The billing report included billing for 20,507 customers billed. Mr. Cornwell reported that there was a decrease for usage billed due in part to an industrial customer being on shut down for a two-month period. Mr. Cornwell informed about the circumstances caused by the cold weather problems. The maintenance department has been searching for leaks, replacing busted meters and repairing water leaks during the cold temperatures. The large amount of telephone calls being received by the office staff from customers concerning extreme cold weather and frozen pipes

were also discussed. Mr. Cornwell updated on the cancellation of the UNC School of Government class and the prospects researched for ethics training for the members. Mr. Cornwell has spoke with the construction contractor for the office renovations. The contractor is working to gather materials to begin the project. Mr. Cornwell explained how the conference room would be used for payments during the construction. Mr. Cornwell addressed the members about possibly rescheduling or changing the location of future meetings during the office renovation. The Lawndale Town Hall was mentioned as a possible location for the meeting if rescheduling and relocating is necessary. Mr. Cornwell and Mr. Earl have been reviewing and researching the Town of Fallston project with the potential release date being the end January and the bid date being due at the end of February. The Town of Fallston has adopted their resolution for the reimbursement of the construction loan. The Town of Fallston is excited and appreciative of everything. Mr. Cornwell reminded about the meter change outs mentioned at the previous meeting. Of the fifty-five meters that were removed and replaced fifty-four of those meters were still under warranty. The savings from the meters still being under warranty is \$8,046.00. Nationwide Insurance in Shelby is no longer accepting Duke Power payments at their office. Mr. Cornwell wanted to inform the members as several customers are upset because this change was made. Duke Energy made a computer change and Nationwide can not accept their payments. Mr. Cornwell reported that the NCDOT is holding a meeting on January 18, 2018 concerning the proposed Shelby Bypass sections D and E if any members would like to attend. Mr. Cornwell presented the 2018 holiday schedule for the members. Mr. Cornwell mentioned that Mr. Melton had been approached by a customer from Pebble Creek concerning gray water. The customer and several other areas of the county received a flyer and a sample water bottle to have their water tested. The sample bottles are not a scam however they are a sales pitch. Mr. Cornwell assured the members that the water provided to our customers meets all state standards. A sample may test positive for bacterial or fecal coliform because it is natural and it is on your hands when you touch your spigot. The sample will prompt a visit from a sales person selling you a house filter. When the filter on the house filter goes bad the charcoal inside the filter breaks down and causes grey water. The customer purchased the home and were unaware they had a house filter and had not been changing the filter and the gray water was coming from the old filter. Mr. Cornwell also mentioned the companies trying to sell insurance for the water lines and water leak repairs.

## J. Board Members Announcement and Remarks

Mr. Taylor asked about the Conifer Way. Mr. Cornwell clarified that there have been several new taps purchased but he had not spoken with Mr. Rucker in several months concerning expansion or new development. Mr. Cameron asked what time the retreat will begin. Mr. Cornwell reported that breakfast would be served around 8:00 a.m. Mr. Pedersen asked for a status update on the Lattimore Tank. Mr. Cornwell replied that the same engineer working on the Town of Fallston project was also working on the Lattimore Tank project. The deadline date for Town of Fallston is now in accordance with the state. The due date for the Lattimore Tank project isn't until May. Mr. Brooks asked how the cold weather has affected us in comparison to other cold weeks. Mr. Earl responded that the two on call employees had over forty hours of overtime and that did not include the other employees that were called in to assist. The repairs included busted meters, customer service line breaks, and frozen water. Mr. Brooks asked if this occurrence was maybe once every five years. Mr. Cornwell explained that even colder temperatures were being forecasted for the next couple days. Mr. Brooks noted that it would be appropriate for the staff to be rewarded with a lunch or meal. Mr. Cameron asked if it would help to note helpful hints on our new full-page bill. Mr. Cornwell agreed that the website also needed to have insulation tips and advice for dripping faucets in cold weather conditions. Mr. Cornwell also noted that some customers get upset about usage increases from water dripping. Mr. Brooks noted that it may be good to insert something in the bill with advice for winter water tips. Mr. Cornwell told that we can include information with the billings now that the bill is in an envelope. The Kingstown Martin Luther King Day parade is January 20, 2018 for and member interested in participating.

## K. 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 of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease in accordance with North Carolina General Statute 143-318.11 (a)(5).

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Cameron, the Board of Commissioners voted unanimously to go into Closed Session pursuant to North Carolina General Statute 143-318.11 (a)(5) at 7:27 PM.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Taylor, the Board of Commissioners returned to Open Session at 7:35 PM. Mr. Cornwell checked to see if any public remained outside to invite them back into the meeting and there were none.

#### L. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Cameron, the Board of Commissions voted unanimously to adjourn at 7:36 PM.

Respectfully submitted,

*Bill Cameron*

Bill Cameron  
Secretary

