

MINUTES

Regular Meeting
Cleveland County Water Board Room

December 11, 2018
Tuesday, 7: 00 P.M.

Present: Chairman Donald O. Melton, presiding; Vice Chairman Dewey Cook
Treasurer Pete Pedersen, Secretary Bill Cameron, Commissioners Amy
Bridges, John Taylor and Tony Brooks, General Manager Brad
Cornwell and Attorney Tim Moore.

Chairman Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Dewey Cook 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. Cook, the Board of Commissioners voted unanimously to approve the agenda.

B. Special Presentations

1) Presentation of the Annual Audit for Fiscal Year ended June 30, 2018 Mr. Scott Hughes, CPA, with Johnson, Price, Sprinkle, PA

Mr. Cornwell introduced Scott Hughes, auditor, with Johnson, Price, Sprinkle, PA. Mr. Cornwell noted to the members if questions were presented to please inquire after the presentation was completed as Mr. Hughes would be leaving after the presentation. Mr. Hughes explained his overview of the topics that would be covered during the presentation. He began by reviewing the accounting and auditing standards. The new governmental account standards enabled GASB 75 in the 2018 audit. This calculation is used for OPEB; which stands for other post-employment benefits. Mr. Hughes explained that this calculation assists in tracking the health insurance benefits paid on behalf of retired employees until the required age of Medicare is met. An outside

contractor is hired to assist with the review and assessment of the calculation. Mr. Hughes continued with the new and upcoming standards for the next five future audits. The new GASB 87 will have new accounting standards for leasing. He recommended that even though the standard is not effective yet, consideration needed to be given for the leases that are currently participated in. Mr. Hughes also noted some changes coming to new debt and asset retirement. He continued with the explanation of the audit process. The auditor learns the company, the employees, and the procedures that together make the financial aspect of the company. This information is tested and reviewed, not in its entirety with every single transaction but by obtaining enough information to give reasonable assurance that the procedures are working properly. The process is tested and reviewed through walk-throughs in various areas. Mr. Hughes explained the planning process and significant audit areas. He reviewed the fraud risk assessment and the process of evaluating fraud and interviewing some of the staff inside the company about the possibility of a fraud risk. Mr. Hughes reviewed and shared the financial results from the auditing process. He reported a healthy financial statement. Mr. Hughes reported the other internal control related matters which are recommendations from the auditors for future audits. These are not findings that are reported to the state just suggestions for the future that may assist with the financial process. Mr. Hughes completed his presentation and asked for questions. Mr. Cameron asked how many items were classified as leases. Mr. Cornwell reported that the postage machine, copier, vehicles were leased equipment. The Town of Fallston water system is a lease. Mr. Cornwell explained that the list would be reviewed with Mr. Hughes to investigate which items would be classified as leased equipment. Mr. Pedersen questioned if there was anything to improve inventory. Mr. Hughes explained what items or materials are classified as inventory and ways to monitor or maintain the inventory. Mr. Melton expressed appreciation on behalf of the members for the hard work and the report. Mr. Cornwell expressed appreciation to the staff that work hard on the audit.

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 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 November 13, 2018

D. Unfinished Business:

No unfinished business was discussed.

E. New Business:

- 1) Consideration and Discussion of Setting the Date, Time and Place of the Annual Board Retreat for Cleveland County Water

Mr. Cornwell reported that the retreat in the past had been held at the Shelby-Cleveland County Regional Airport conference room in Shelby. The available dates to utilize the conference room would be February 9th or February 16th. The members agreed to February 9th to schedule to the annual retreat. No action was taken and Mr. Cornwell noted he would have a Special Meeting notice at the next meeting for Commissioners to adopt.

F. General Manager's Report:

Mr. Cornwell began with the financial reports for November. It was noted that the salary accounts for the month of November had five payrolls and the employees that were eligible for longevity received that pay out in November. Mr. Cornwell reviewed the maintenance report and explained that the work order counts would in the future be split between maintenance and the field services department. The maintenance work orders typically take longer for example setting a tap or repairing a water leak. The field service work order were new tenants and final work orders. The backflow test will now be included in the maintenance reports. The Town of Fallston customers tie overs were reported. These are the customers that are being switched over to CCW lines from the Town of Fallston system and coming over as the

construction progresses. The abundance of rain has slowed down the project. The water plant and billing numbers were shared. Mr. Cornwell noted that at the next board meeting the leak adjustment policy and the booster pump station policy will be reviewed. Mr. Cornwell noted that these policies required an upgrade and reconsidered for changes. Mr. Cornwell discussed the parade plan for Christmas and the Martin Luther King parade for the Town of Kingstown. Mr. Cornwell asked if the members were interested in attending the Isothermal Planning and Development Legislative Gathering and reported that he would be in touch when the date was closer for those who wished to attend. Mr. Cornwell reported an employee compliment for Justin Feinberg. Justin assisted a customer with a water leak at the meter box.

G. Board Members Announcement and Remarks

Mr. Brooks expressed appreciation for the staff and a good year. Mr. Melton agreed and expressed appreciation for the good year.

I. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Cook the Board of Commissioners voted unanimously to adjourn at 7:49 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary

