

MINUTES

Regular Meeting
Cleveland County Water Board Room

March 13, 2019
Tuesday, 7: 00 P.M.

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

Chairman Donald Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Secretary Bill Cameron who gave the invocation and Treasurer 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. Cameron and second by Mr. Taylor, the Board of Commissioners voted unanimously to approve the agenda.

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. Taylor second by Mr. Brooks 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 Special Meeting of February 9, 2019
- 2) Approval of the Minutes of the Regular Meeting of February 12, 2019
- 3) Approval of the Minutes of the Closed Session of November 13, 2018

D. Unfinished Business:

No unfinished business was discussed.

E. New Business:

- 1) Consideration of Resolution Number 5-2019 A Resolution Authorizing the General Manager and Finance Director to Close the Account Referenced as the Healthcare Checking Account and Transfer the Funds to the NC Capital Management Trust Fund

Mr. Cornwell reminded about the discussion concerning future financing held at the retreat. The possibility of USDA funding for the future operations center will require some changes to the current bank accounts. Mr. Cornwell described the accounts currently open and their functions in the day to day operation. The audit reflects a large amount of unrestricted funds also referred to as cash on hand. The Healthcare account was established under the prior management and increased by transferring interest earned from other bank accounts and depositing those funds into the Healthcare account. None of the bank accounts are restricted so the accounts are all summarized to become cash on hand. Mr. Cornwell reminded that in May of 2017 the creation of a capital reserve fund was authorized. Mr. Cornwell proposed that the funds currently in the Healthcare bank account be transferred to the capital reserve fund to reduce the cash on hand. The capital reserve fund is not a restricted fund; it is money being set aside of future larger projects. The interest rate for the Healthcare account at Hometrust Bank is lower than the current rate for the capital reserve fund. NC Capital Management Trust Fund is a percentage point higher on the interest earned. Mr. Cornwell explained that the account is currently being used to pay for the retiree insurance for our two current retirees. These retiree premium expenses will be included in the upcoming year's budget which would make the idea time to close this account after July 1st, when the new budget year starts. Mr. Cornwell is recommending the approval of this resolution to authorize the closing of the Hometrust Healthcare account and depositing these funds into the NC Capital Management capital reservice fund. Mr. Pedersen asked if the current audit caused any red flags to this issue. Mr. Cornwell explained that it is classified as cash on hand and would cause no red flags. Mr. Cameron asked about the safety

of NC Capital Management Trust Fund vs Hometrust Bank. Mr. Cornwell replied that the NC Capital Management Trust Fund is an investment fund managed by the State Treasurers office. The investments were very conservative nothing aggressive. Attorney Tim Moore noted that the Trust Fund was very secure. Mr. Pedersen asked if the transfer could be effective immediately. Mr. Cornwell noted that the resolution was for the effective date of July 1st because of the retiree premiums that required payment from the Healthcare account until July 1st. The new budget for next fiscal year would reflect these premiums as an expense. Mr. Melton noted that the funds could be obtained at any time. Mr. Cornwell explained that the resolution was required to give permission from the board for the account to be closed. The resolution also grants permission concerning what happens to the funds after the account is closed. Mr. Cameron questioned what protects the capital reserve fund to ensure that the wishes of the current board are not changed by future boards. Attorney Moore explained that a resolution could not bind a future board. Mr. Cornwell read the resolution that created the capital reserve fund. Mr. Brooks noted that the funds would look better in the capital reserve fund than in the checking account. Mr. Cornwell verified this statement.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Resolution Number 5-2019 A *Resolution Authorizing the General Manager and Finance Director to Close the Account Referenced as the Healthcare Checking Account and Transfer the Funds to the North Carolina Capital Management Trust Fund*

- 2) Consideration of Resolution 6-2019 A Resolution Adopting the Goals and Visions of the Cleveland County Water Board of Commissioners from the 2019 Cleveland County Water Board Retreat

Mr. Cornwell noted that this resolution was the follow up from the Board retreat. These were the goals and the visions for the staff to work on for the upcoming year. Mr. Cameron and Mr. Pedersen were not at the retreat. Mr. Cornwell was able to meet with the them and update them on the information shared at the retreat.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 6-2019 A
Resolution Adopting the Goals and Visions of the Cleveland County Water Board of Commissioners from the 2019 Cleveland County Water Board Retreat

F. General Manager's Report:

Mr. Cornwell noted that the report for February would be short. The financial statements were included for the members to review. The water line replacements at Poplar Springs Church Road and Casar Road are completed. The month of February was very wet. The customer billing reports reflect decreases in the monthly totals and yearly totals in the billing and the water usage. Mr. Cornwell reported that the Clearwell Project was the last item on the NCDENR recommended list for funding. The state water infrastructure board meets tomorrow. The staff recommendations are normally approved for funding. If the state water infrastructure board decides to fund a different project, the Clearwell Project may not be approved for funding. Mr. Cornwell noted that he has some ideas for necessary funding if the project is not approved. There was a customer compliment for one of the maintenance crews. A customer applied for a water tap and noted his appreciation for the installation despite all the mud from the recent rains.

G. Board Members Announcement and Remarks

The members noted appreciation for the hard work. The attendees for the State of the Community Breakfast were discussed.

H. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Brooks, second by Mr. Taylor the Board of Commissioners voted unanimously to adjourn at 7:25 PM.



Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary