

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

February 13, 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. Cook and second by Mr. Pedersen, 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. Cameron 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 January 9, 2018
- 2) Approval of the Minutes of the Closed Session of January 9, 2018
- 3) Approval of the Minutes of the Special Meeting of February 3, 2018
- 4) Approval of the Minutes of the Closed Session November 14, 2017

- 5) Approval of the Minutes of the Closed Session of September 12, 2017
- 6) Approval of the Minutes of the Closed Session of July 11, 2017
- 7) Approval of the Minutes of the Closed Session of June 13, 2017

D. Unfinished Business:

- 1) Consideration of Ordinance Number 9-2018 A FY 2017-2018 Budget Ordinance No. 3 for Cleveland County Water

Mr. Cornwell explained this resolution would appropriate the funds for the property purchase for the new office site and the funds for the office renovations. This resolution will move these funds to be included in this year's operating budget.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Ordinance Number 9-2018 A *FY 2017-2018 Budget Ordinance Amendment No. 3*

- 2) Consideration of Resolution Number 1-2018 A Resolution Ratifying the Purchase of Real Property Located on NC Highway 226 (Polkville Road) from Mary D Robertson Beam

Mr. Cornwell explained that this resolution finalizes the purchase of the property purchased for the future office site.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 1-2018 A *Resolution Ratifying the Purchase of Real Property Located on NC Highway 26 (Polkville Road) from Mary D Robertson Beam*

E. New Business:

- 1) Consideration of Resolution Number 2-2018 A Resolution Approving a Financing Agreement Authorized by North Carolina General Statute 160A-20

Mr. Cornwell reported on the installment financing for this fiscal year. The authorization for request for proposals had been approved at the last board meeting. Mr. Cornwell gave some history on last year's installment

financing with the award going to Carter Bank & Trust with an interest rate of 1.75% on \$392,000.00. This year's installment financing will be for the new radio system, a Kubota tractor, a Nissan Frontier, a Ford Explorer and three Chevrolet Silverado's. The total amount included in the installment financing is \$278,000.00. Twelve proposals were mailed to different financing institutions; of these six proposals were received back. Hometrust Bank had the lowest financing option with an interest rate of 2.23%. This calculates the yearly payment to \$59,353.30 to be paid in full in fifty-nine months. Hometrust Bank has partnered with United Financial which is their governmental lending side. This has allowed Hometrust Bank to be more aggressive with their proposals. Mr. Brooks questioned if our contacts would be handled locally. Mr. Cornwell explained that the bank representatives would be from the Asheville branch.

Action Taken: Upon a motion by Mr. Cook, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 2-2018 *A Resolution a Financing Agreement Authorizing by North Carolina General Statute 160A-20*

F. General Manager's Report:

Mr. Cornwell began with the financial statements and noted that the reimbursement for the Tobe Bridge Road project through the NC Department of Transportation had been received. Mr. Cornwell also noted that the land purchase would be recorded in the January financial statements. The maintenance report consisted of ninety-eight water meter change outs. The service technician has two radio read meter routes repaired and reading completely. The water plant report was up because of the water leaks during the cold weather with the customers having line breaks and water leaks. Mr. Cornwell emphasized that the billing report reflected a high billing for the month but not to anticipate that billing to be returned in revenue. The customers with line breaks and water leaks because of the cold weather were rapidly applying for adjustments on their bills. Leak adjustments will be done on these high bills to reduce costs to the customers. Mr. Cornwell explained the leak adjustment policy available to customers and some of the customer practices of keeping the water flowing to allow their pipes to not freeze. Some customers have been found to leave their water running to avoid freezing pipes instead of a consecutive drip. Mr. Cornwell addressed

concerns over line break repairs and yard repairs. The cold weather has momentarily left this area but the latest weather has been very wet and rainy. The line repairs done by maintenance during this cold weather have not been dressed back because of these conditions. It is very muddy and isn't drying because the weather has been so wet and cloudy. Customers are asked to be patient, repairs will be done as soon as possible. Mr. Cornwell discussed options for bill stuffers in the customer water bills. Mr. Cornwell has received requests for certain flyers to be included in our customer bills. The bill flyers would be paid for by the requestor due to the expense charged for those flyers. The members and Attorney Moore discussed the options and legalities concerning flyers and stuffers. Commissioners stated to Mr. Cornwell that they would only be interested in allowing fliers that came directly from other governmental agencies and that they would expect Mr. Cornwell to inform those entities they would be required to pay for the fliers at their expense to create a consistent policy on this matter. Mr. Cornwell explained the Employee Assistant Program through McLaughlin Young to be presented to the employees. McLaughlin Young will be making a conference call within the next month to assist in the start-up. The employee assistance program can help employees with financial advice, legal advice, substance abuse and marriage counseling and much more. Mr. Pedersen noted that this benefit needed to be added to the personnel policy when available to the staff. Mr. Cornwell shared a book with the members concerning the operations of a sewer system. This book should assist with some of the questions and concerns discussed during the retreat meeting.

Mr. Cornwell noted that he visited the City of Shelby Manager concerning the purchase of the property on Highway 226 and the re-zoning of the property from residential to general business. Mr. Cornwell explained that the process would require a formal letter and a \$500.00 application fee for rezoning. Mrs. Bridges questioned if this was City of Shelby or Cleveland County jurisdiction. Mr. Cornwell explained that the property was part of the City of Shelby ETJ. Mr. Cornwell also noted that because of consideration of financing this project, especially through the USDA that the members would need to consider restricting some of the bank accounts. For example, the customer deposit account and the health insurance account. These accounts in the past have not been restricted to have easy access to these funds if needed. With these funds not being restricted the amount of cash on hand is very misleading in the audit. The financing would also require an updated the CIP. Mr. Cornwell recommended seeking the

guidance of Steve Allen for assistance with the design and layout of the new office building. Mr. Allen produced the space and needs analysis. Mr. Cornwell referenced documentation provided previously from Mr. Allen that would assist in the requirements of the facility. Mr. Allen would be consulted before the contacting an architect to design the facility. Mr. Brooks asked about the costs involved in designing. Mr. Cornwell responded that he was not sure of the costs of an architect. Mr. Cameron questioned if Mr. Allen was familiar with our type of business and facility. Mr. Cornwell verified that this is what Mr. Allen does.

Attorney Moore stated that Commissioners should take action to add an action item to the agenda directing the General Manager to submit the letter to Shelby on behalf of CCW for the property rezoning and instructed Commissioners on the proper protocol for taking this action.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Taylor, the Board of Commissioners voted unanimously to add Property Rezoning to the agenda as an action item for tonight's meeting.

Action Taken: Upon a motion by Mr. Pedersen, second by Mr. Brooks, the Board of Commissioners voted unanimously to apply for re-zoning of the property purchased on Highway 226 (Polkville Road) to change the zoning from residential to general business property and directing the General Manager to carry out this action.

Mr. Cornwell noted that the federal tax withholdings had changed and he had forms available with him for any Commissioners wishing to make changes.

#### G. Board Members Announcement and Remarks

Mr. Cameron asked how the staff was during this flu season. Mr. Cornwell responded that a couple of the staff members have been sick with the flu or have had family members with the flu. Mr. Taylor noted appreciation for the staff. Mr. Cameron asked about the leak adjustment policy and how bills were adjusted. Mr. Cornwell explained that the leak adjustment was based on the average lowest bills. Mr. Cornwell also noted that if a water leak crossed over into a two-month time frame that both bills could be adjusted. A customer is allowed a leak adjustment once every three years. Mr. Cook and

Mr. Pedersen noted appreciation for the employee assistance program being presented to the staff. Mr. Brooks asked if in October we could educate customers about what to do during cold temperatures and appropriate action to take. Mr. Pedersen asked about the schedule for the office renovation. Mr. Cornwell noted that the bullet proof glass would be an eight-week order and that the contractor hoped for a March 1<sup>st</sup> start.

#### 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 Commissions voted unanimously to adjourn at 7:37 PM.

Respectfully submitted,

*Bill Cameron*

Bill Cameron  
Secretary

