

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

April 10, 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. Cameron and second by Mr. Pedersen, 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. Brooks second by Mr. Cook 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 March 13, 2018
- 2) Consideration of Resolution 6-2018 A Resolution Approving the Use of the NC Local Government Setoff Program

- 3) Consideration of Resolution Number 7-2018 A Resolution Authorizing Cleveland County Water to Engage in Electronic Payments as Defined by GS 15-28 or GS 115C-441
- 4) Consideration of Resolution 8-2018 A Resolution Adopting a Revised Stand-By and Call Back Duty Policy
- 5) Consideration of Resolution Number 92018 A Resolution Approving the Purchase of Certain Customers from the Town of Lawndale by Cleveland County Water

D. Unfinished Business:

- 1) Consideration of Resolution Number 10-2018 A Resolution Adopting The Goals and Visions of the Cleveland County Water Board of Commissioners From the 2018 Cleveland County Water Board Retreat

Mr. Cornwell explained that this resolution contained the new goals from the 2018 retreat. A copy of the prior year resolution was included in the information packet for reference. Mr. Cornwell continued by updating the status of the goals established on last year's resolution. The development of a water asset management plan was the first goal, grant money is currently being used to develop a GIS model system. Mr. Cornwell reported that the water lines on the current Cleveland County GIS system are old hand drawn lines and in some instances the exact locations are not accurate. A new asset management model would allow for corrections and improvements. The water system currently has one thousand nine hundred miles of water line. The maintenance department has assisted in completing a fourth of the whole system. Mr. Cornwell explained that this project will remain as a continuation on the new resolution with no loss of grant funding during the time of the work. The second goal was the sewer/merger regionalization study and the possibility of CCW operating a sanitary sewer system. The first part of this project has been completed. The towns affected have expressed interest in the project. The recommendation has been made to revisit these small towns decide on the possible future continuation of this project. The next goal was the 2016 CIP projects and the continuation of future projects. This item will be continued on the new resolution. The continuation of seeking land locations for a future centrally located operations center was the next goal. This goal has been accomplished. The land for the future

operations center has been purchased. The usage consumption to alleviate pressure on the block rate structure to allow impartial rate increases for customers with zero usage was the next goal. Mr. Cornwell explained that this item is also completed. Increase deposit amounts to the recommended level was the next goal. Mr. Cornwell reported that this has also been completed. The new water customers paying deposits are now asked to share their social security number for collections purposes or pay a higher water deposit to not share this information. This process has yielded very few customers willing to pay that higher deposit to obtain service. All corresponding application paperwork has been updated to share knowledge of the collections process. The partnership with NC Debt Setoff and NC Capital Management Trust was the next goal from last year. The bank account with the NC Capital Management Trust has been established, this account is the same account being used for the capital reserve deposits. The Finance Director is in the process of beginning the actual debt setoff process. The NC Unclaimed Cash goal is in place and already being utilized. Mr. Cornwell continued with the new 2018 resolution goals. The work on the asset management system will continue for the improvement of the GIS system. The meetings with the Towns of Polkville, Fallston, Lawndale and Kingstown will resume to gage continued interest. The continuation of the 2016 CIP and projects. The next goal concerned the centrally located operations center. Work will begin to establish a facility program with consideration for costs, construction and funding. Another goal will address the minimum residential rate changes to include the one thousand five hundred-gallon minimum and re-establishing the \$12.00 minimum bill. The last goal will be to begin the Clearwell project with funding from NCDENR for a financing term of twenty years. Mr. Cornwell noted there will be a resolution soon to approve the funding for this project through NCDENR. Mr. Cornwell explained that these goals are for the improvement and betterment of the future and called for questions. Mr. Cameron questioned the costs of the Clearwell project. Mr. Cornwell explained that the preliminary estimate of the Clearwell project is \$9,900,00.00 and this information was included in the materials from the retreat. These costs include engineering, construction, and contingency money. Mr. Taylor asked for an estimate of the time the project would take. Mr. Cornwell reported that it would take approximately eighteen months to complete a

project of this size. Mr. Cornwell explained that this would be a three-million-gallon concrete tank in the ground with pumps and piping. There will be multiple contractors working together to complete the construction. There will be soil sample testing and geotechnical testing to begin the project not included in the actual construction time.

Action Taken: Upon a motion by Mr. Brooks, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 10-2018 *A Resolution Adopting The Goals and Visions of the Cleveland County Water Board of Commissioners From the 2018 Cleveland County Water Board Retreat*

E. New Business:

- 1) Consideration of Ordinance Number 11-2018 A FY 2017-2018 Budget Ordinance Amendment for Cleveland County Water

Mr. Cornwell explained the current difficulties of working with the radio read meters. This resolution calls for the budget to be increased \$100,000.00 for the replacement of radio read water meters. The budget already appropriated funds for improvements of the radio read meters. The warranty for the radio read register is full replacement cost for meters aged one to ten years. The graduated warranty for partial replacement is ten to twelve. A register over the age of twelve years receives no replacement money. Some of these registers were installed between ten and fifteen years ago. Every month when these meters are read there will be a new group of affected meters to replace. The meters affected are in densely populated areas mainly in the Waco area. The route numbers are as follows route thirteen has three hundred eighty meters, route fourteen has one hundred and sixty meters, and route fifteen has about one hundred meters that are not reading. The requested funds would enable these routes to be functioning again. The technology of the radio read meters can be used for many reasons. The radio read meters can help with leak detection and consumption times. The costs of adding another meter reader would be more than to replace the radio read meters and the loss of that technology. Mr. Cornwell is recommending the funds to be spent he radio read meter replacements. Mr. Cornwell reported that if these funds were appropriated that the radio read

registers will be purchased and the service technicians will spend the next couple of weeks swapping the old registers with the new registers and get the routes reading again. Mr. Cornwell also reminded that route one and part of route two have already been replaced. The time spared in reading went from a four-day read time to three hours of drive time. Mr. Cornwell also noted that there have been phone calls from customers that had low usage on old meters and now that the new meter has been installed and the usage is corrected and the customers usage has increased because the meter is reading correctly now. Mr. Melton asked about the meter terminology of dead. Mr. Cornwell explained how the battery that allows communication between the water meter and our vehicle driving by is no longer working. Mr. Melton questioned the pay of the Meter Reader position. Mr. Cornwell explained about the recent implementation of the pay and class study aligns salaries and positions. The meter reader position is very monotonous requiring reading numbers whereas other positions require certifications, degrees, and continuing education. Mr. Melton noted that there has been turn over in the meter reader department. Mr. Cornwell verified that there have been employees that have elected to leave for positions in other fields but these are not positions in the same fields being paid higher salaries. Mr. Brooks noted that the replacement of the radio read meters was a good choice because the meter replacements is one time in ten-year window versus an employee salary, benefits, and vehicle and maintenance for year after year. Mr. Brooks asked how long it takes to swap a radio read meter. Mr. Cornwell explained that an experienced employee can do twenty-five meters a day. Mr. Pedersen asked how long the meter would be good. Mr. Cornwell answered that the warranty is ten years. Mrs. Elliott mentioned that the radio read meters were there for safety issues because of a populated, high traffic areas. Mr. Cornwell addressed this by saying there are advantages to being able to read dense areas quickly and there are also safety issues for example highways where employees are endangered by crossing traffic to read meters. Mr. Cook asked if funds needed to be appropriated in future years for maintenance of the radio read meters. Mr. Cornwell verified that the upcoming budget would contain maintenance costs for the radio read meters. Mr. Cameron questioned the costs of a meter. Mr. Cornwell explained that the radio read head is \$158.00 and the whole meter is \$212.00. Mr. Cameron asked if we were changing the whole meter or just the radio read. Mr. Cornwell explained that this situation called for just the radio read mechanism to be replaced.

The whole meters were replaced in routes one and two because some of those meters had aged to approximately thirty years of use. Jeff Earl explained the terminology that was being used in the discussion concerning the meter replacements. Mr. Cameron questioned the use of satellite meters. Mr. Cornwell expressed that he would love to use the satellite meters but the expense involved would be tremendous. Mr. Cornwell explained that this is replacing existing radio read meter registers. The changing of old meters throughout the system is another separate project that will span several years.

Action Taken: Upon a motion by Mr. Taylor, second by Mr. Pedersen, the Board of Commissioners voted unanimously to adopt Ordinance Number 11-2018 *A FY 2017-2018 Budget Ordinance Amendment for Cleveland County Water*

#### F. General Manager's Report:

Mr. Cornwell began with the financial statements for March. The last big debt payment for this fiscal year has been paid. There are payments being made quarterly for employee retirement and CIP capital reserve. Mr. Cornwell directed the attention to the revenues on the financial report. The budget numbers now should reflect 75% as the end of the fiscal year is approaching. Mr. Brooks asked if this month sales tax reflected December sales. Mr. Cornwell verified that correct. Mr. Brooks asked if this was a year for the Cleveland County to do property revaluation. Mr. Cornwell answered that he was unsure but Cleveland County had the right to re-evaluate if deemed necessary. The maintenance, water plant, and billing reports are included in the packet. The billing report was down from February of this year and also down from March of 2017. The water line installation of Red Bird Lane is completed. The line was installed by the maintenance department. Mr. Cornwell updated the status of the loss of the Nationwide Satellite Payment office. The payments collected by Nationwide dropped considerably after Duke Power stopped using Nationwide to take payments. There has been interest in taking payments on our behalf however in the near future credit cards will be an option at our facility. Mr. Cornwell explained how the Nationwide payments distributed across the payment options that are currently offered. Mr. Brooks mentioned the option of giving a discount to encourage customers to use bank draft. Mr. Cornwell noted that some customers would take the discount offer only to receive the

discount and not use the bank draft offer to the full potential. The possibility of noting that the account needed to be on bank draft for a period of time may need to be stipulated. Mr. Brooks asked about the option of a small percentage every month if the account stays on bank draft. Mr. Cornwell will research some options about percentages. Mr. Cornwell shared the dates for the pre-bid conference and the bid opening for the Town of Fallston project. The office renovations will begin Monday. The customer service representatives will be relocated from the front office to the conference room area. Mr. Cornwell explained the process of making the conference room accessible and safe for the customers and employees. Mr. Cornwell noted that the renovations should be completed in three weeks. The contractor is reporting that the project should be completed in two weeks. The website is about fifty to sixty percent complete. The required online forms are reworked and improved. The first new logos will be painted on the Hendrick Lake tank (off Highway 18) and the Belwood tank. These two tanks have never had a logo painted on them. The remaining existing tanks will be painted with the new logo when their contracts require them to be painted. Once the logo is established on the tank it is maintained until the contact calls for the tank to be completely painted again.

#### G. Board Members Announcement and Remarks

Mr. Cornwell noted that a date for the budget workshop needed to be selected. The dates presented were May 15<sup>th</sup> and May 22<sup>nd</sup>. Attorney Moore noted that he would not be available for either of these dates. May 22, 2018 was selected.

Action Taken: Chairman Melton called for a motion to schedule the budget workshop for May 22, 2018 at 6:00 p.m. Upon a motion by Mr. Pedersen second by Mr. Taylor the Board of Commissioners voted unanimously to approve the special meeting.

H. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Cook, second by Mrs. Bridges, the Board of Commissions voted unanimously to adjourn at 7:48 PM.

Respectfully submitted,

*Bill Cameron*

Bill Cameron  
Secretary

