

MINUTES

Regular Meeting
Cleveland County Water Board Room

November 14, 2017
Tuesday, 7: 00 P.M.

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

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 Don Melton 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. Cameron, 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. Special Presentations:

1) Presentation of the Annual Audit for Fiscal Year ended June 30, 2017 Mr. Scott Hughes, CPA, with Johnson, Price, Sprinkle, PA
Mr. Cornwell introduced Mr. Scott Hughes with Johnson, Price, Sprinkle, PA. Mr. Hughes began his presentation by acknowledging appreciation the opportunity to work with the staff of Cleveland County Water and express appreciation for the kind treatment they received. Mr. Hughes started with the financial report. Mr. Hughes discussed the sections of the audit and the requirements of the financial statements. The assets and liabilities of the balance sheet were presented including the possessions and property in the

assets. The liabilities contained the long-term debt and future post-employment benefits. Mr. Hughes explained the large loan payments would be completed in two years and the upcoming health insurance requirements for future retirees. The audit continued with the revenues and the expenses. The block rate change for the water sales was noted to increase the water revenues. The pay and class study was mentioned, this altered the salaries allowing for employees with longevity to receive higher pay. The study also improved the unbalanced pay scales. Mr. Hughes noted that the net position shows a good financial year. Mr. Hughes explained that the change to the new financial software would assist in the future years. Mr. Hughes called for questions on the financial statements. The presentation continued with the presentation of the auditor communications. Mr. Hughes noted that the year-end closing of the audit was an incredible job. The records are current, up to date and adjusted as they should be. The audit presentation continued with recommendations and the auditor wish list. A few minor suggestions were made that may make the audit process easier in upcoming years. Mr. Hughes explained the older account receivable billing amounts that needed to be adjusted and written off the financial statements. Future changes in the GASB statements, policies and procedures were discussed. Mr. Cornwell and Mr. Hughes talked about how these changes would affect financing and installment purchasing. Mr. Hughes called for the questions about the audit. Mr. Taylor questioned if we currently had any leases. Mr. Cornwell replied that the new equipment just purchased was classified as leases equipment because it had been financed and had yet to be paid for in full. No further questions were presented and appreciation was expressed for the presentation.

D. 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 Regular Meeting of October 10, 2017
- 2) Consideration of Ordinance Number 17-2017 An Ordinance Establishing a Capital Project Budget Ordinance and Budgets for Cleveland County Water's Waterline Relocation on Oak Grove Road

- 3) Consideration of Ordinance Number 11-2017 An Ordinance Establishing a Capital Project Budget Ordinance and Budgets for Cleveland County Water's Waterline Relocation on Bethlehem Road

E. Unfinished Business:

- 1) Consideration of Ordinance Number 16-2017 A FY 2017-2018 Budget Ordinance - Amendment No. 2

Mr. Cornwell reminded about the circumstances concerning the Rutherford County tap fees and the Hopewell Project area. It had been requested that research be conducted to determine an out of district tap rate for the customers outside the district boundaries. Mr. Cornwell presented the current tap fee amounts for several neighboring water utilities. The staff recommendation would be to add the Rutherford County match to the current tap fee for an out-of-district tap fee of \$1475.00. Mr. Cameron asked for the cost of digging an average well. Mr. Cornwell responded between \$5,000.00 and \$6,000.00 minimum. Mr. Cornwell also explained the mineral elements found in well water and the taste of some well water. Mr. Brooks noted that some problems come years later and a well may need to be capped.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Budget Ordinance Number 16-2017 A *FY 2017-2018 Budget Ordinance Amendment for Cleveland County Water Amendment Number 2*

F. New Business:

None at this time.

G. General Manager's Report:

Mr. Cornwell began with the financial statements. Mr. Cornwell noted that \$125,000.00 had been moved to the North Carolina Capital Reserve account funded through the North Carolina Capital Management Trust. Mr. Brooks questioned the interest rate. Mr. Cornwell reported that the interest rate was above the average interest rate. This will be a quarter of the amount budgeted for the fiscal year. Mr. Cornwell continued with the line

extensions being installed in the upper area of Cleveland County. This work is being done in the Casar Belwood Road and Cotie Road area. The materials line item should clear up as this project nears completion and the materials are moved to a capital project line item. One customer compliment was received this month from a customer on North Lafayette Street. There was a major line break under the road. Mr. Cornwell explained that the work began in the afternoon before the Halloween holiday and continued into the next morning. The yard repair hasn't been completed yet, but will be repaired soon. The customers in this area were without service overnight but the crews remained with the repair until all customers had their water restored. Mr. Cornwell noted that he and Mr. Melton attended the Cleveland County Board of Realtors meeting. Mr. Cornwell also did a presentation for the Shelby Breakfast Rotary Club. The Christmas parade season is about to begin. Mr. Cornwell has listed several local parades in the packet this month. The Town of Kingstown has requested attendance and forms for their Martin Luther King Day parade. Mr. Cornwell presented the members with the signed resolution for the District boundary line extension approval. Mr. Cornwell explained that he was working with Surveyor Dobbin Lattimore on a new upgraded District boundary map. The new map will review the old boundaries and include the newly established extension. This new boundary extension will allow the customers affected the ability to vote in the upcoming elections. Mr. Cornwell will be contacting the Board of Elections to share the updated information with them. The raw water holding pond does not have a recognition plaque at the site. Mr. Cornwell is in the process of having a plaque made to commemorate the Clyde E. "Butch" Smith, Jr. Off-Stream Holding Pond and the commissioners and staff that worked on the project. The December meeting will be the swearing in of the new board members and voting in the new officers. It was agreed by the members that Tim Moore will be administering the oath for the December meeting. Mr. Cornwell shared and explained the new full-page water bills. The bills will be mailed to the customers for the first time in the November billings. The software programmers installed an update right before the billing generated and this caused a few minor problems with the new bill. As the new process continues improvements and corrections will be made by the programmers and the printing company. Mr. Cornwell discussed the progress in working on the logo and website. DragonFly presented some logos for staff review. The staff included Mr. Cornwell, Jeff Earl, Ginger Fern, Michelle Alexander and Karen Brackett. In the history of the logo the water spigot, water tank, and water drop have been incorporated. The staff has narrowed the field down to two

possibilities. Mr. Cornwell discussed the two possibilities. One logo being a more traditional logo with a round shape and the other logo being a more modern new design logo. The outline of Cleveland County is included in both logos with the rivers shown in a different color and a star representing the location of the water plant. Once the new water plant is built another star could be included for the new location. Several comments and suggestions were made concerning the new logos by members and by the staff.

H. Board Members Announcement and Remarks

Mr. Melton noted that the Commissioner Christmas Party would be December 5, 2017 at 6:00 p.m. Mr. Cook was concerned about the lighting when the staff is working on a night time job. Mr. Cornwell answered the work is performed with the lights on the tractor, the vehicles and other lights powered by generators. Mr. Cornwell mentioned that next year's budget may call for the purchase of a light tower. Mr. Melton noted appreciation to staff and Ginger Fern for the audit presentation. Mr. Taylor asked about the deadlines for the biographies to be included on the website. Mr. Cornwell stated that the first of the year would be fine and he would create a template for completion to make the process easier.

I. 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. Cook, second by Mr. Taylor, the Board of Commissioners voted unanimously to go into Closed Session pursuant to North Carolina General Statute 143-318.11 (a)(5) at 8:15 PM.

Action Taken: Upon a motion by Mr. Taylor, second by Mr. Brooks, the Board of Commissioners returned to Open Session at 8:27 PM. Mr. Cornwell checked to see if any public remained outside to invite them back into the meeting and there were none.

J. 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 8:28 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary

