

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

November 9, 2021  
Tuesday, 7:00 P.M.

Present: Chairman Donald Melton; presiding, Vice Chairman Dewey Cook, Secretary Bill Cameron, Commissioners Amy Bridges, Tony Brooks, Bruce Martin and John Taylor, General Manager Brad Cornwell, and Attorney Tim Moore were all present.

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 Commissioner Bruce Martin 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. Chairman Melton requested a motion to adopt the agenda.

ACTION TAKEN: Upon a motion by Mr. Cameron and second by Mr. Brooks, the Board of Commissioners voted unanimously to approve the agenda.

### B. Special Presentation

Chairman Melton recognized Ms. Dorinda Bennett, CPA with Johnson, Price, Sprinkle, PA to provide a presentation of the Annual Audit for Fiscal Year Ended June 30, 2021.

Ms. Bennett thanked the board for the opportunity to attend the meeting and present the FY 2021 audit report. She began with a review of the Financial Report. The independent auditor's report in the financial statements showed an unmodified opinion, indicating that the audit presented fairly according to accounting principles. She reviewed various other reports and schedules and discussed economic factors. She indicated that the net position was very good after reviewing the year's revenue and expenses. On the Statement of Fund Net Position, she indicated that the report shows a snapshot on June 30 for liquidity and cash, fixed assets, and liabilities. The footnotes included in the report are similar to prior year. Note 2 indicates that there are no violations. The new notes this year are for the Weir and Operations Center projects.

She reviewed the Budget to Actual Statements and reviewed Capital Projects that were each listed out separately. The Compliance Section was referenced since over \$100,000 in Federal or State funds was received during the year. No material weaknesses were found per the Internal Control review. There were also no compliance issues reported.

She then reviewed the Auditor Communications. No new policies were adopted during the year, and nothing affected a prior period. There were two adjusting journal entries noted that affected loans payable and other receivables. Neither was a significant problem, but they were required to report these findings. There were two passed journal entries, indicating adjustments that were not material in amount, so they were not made. These were included for disclosure purposes only.

The Other Internal Controls Letter included a budget variance related to one project during the year. The Filter Valve project was over budget simply because of a timing issue. The overage was discovered in mid-June after the monthly Board meeting was held. The adjustment was approved by the board in July, which was after the cut-off for year-end. The auditors suggested that a special called meeting before June 30 would have avoided this issue.

Future accounting changes for the coming year include GASB 87 related to leases which will require a lease liability to be booked along with a right to use asset account. Overall, Mrs. Bennett stated that this was a very good audit with good results. All of the audit work was done remotely but information was provided timely by staff.

Ms. Bennett ended with closing remarks and asked the Board if there were any questions about the audit or her presentation. There were none.

**C. Public Comment:**

Chairman Melton called for the time for Public Comment and Mr. Cornwell noted that no one was present or signed up for Public Comment.

**D. Consent Agenda:**

Action Taken: Chairman Melton presented the Consent Agenda Items. Upon a motion by Mr. Brooks, 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 October 12, 2021
- 2) Approval of the Holiday Schedule for Calendar Year 2022
- 3) Consideration of Resolution Number 39-2021 A Resolution Authorizing Submission of a Request for Transportation Contingency Funds for the Stagecoach Greenway.

E. Unfinished Business:

No unfinished business was presented at this time.

F. New Business:

- 1) Consideration of Resolution Number 40-2021 A Resolution Authorizing the Adoption and Execution of an Interlocal Agreement for Connection to Sanitary Sewer Force Main Along NC Highway 226

Mr. Cornwell explained the purpose of the interlocal agreement was to allow CCW to hook on to a sanitary sewer forcemain owned by the City of Shelby along NC Highway 226 for sewer service for the new CCW Operations Center to be built. Mr. Cornwell explained that connections to forcemains are generally discouraged because of the way they are built. However, since we are a local government similar to Shelby, they have agreed to allow connection until Shelby elects to construct a gravity sewer outfall along the rear of the property. Mr. Cornwell noted that the interlocal agreement formalized the connection would be allowed under certain terms and conditions, and that CCW was to be responsible for all matters financially with the connection as well as any ongoing operation and maintenance of the private pumping system.

ACTION TAKEN: Upon a motion by Mr. Brooks, second by Mr. Cameron, the Board of Commissioners voted unanimously to adopt Resolution Number 40-2021 A *Resolution Authorizing the Execution of an Interlocal Agreement for Sewer Connection with the City of Shelby*

G. General Manager's Report:

Mr. Cornwell began with and summarized the October and September financial reports. He also directed Commissioners' attention to the maintenance, water plant and billing numbers provided by staff. Mr. Cornwell showed Commissioners several pictures of the recently completed Burke Road creek crossing and Farmville Road creek crossing projects which both washed out due to torrential rainfall. He gave an update on the Clearwell project and noted that the subcontractor PreCon was now on site. He summarized the plan review comments provided by the City of Shelby on the Centrally Located Operations Center project as well as the permits that were still being obtained for this project. An update was given by Mr. Cornwell on the Recreation Trails Program grant of \$100,000 with meetings to be held on November 12, and the PARTF application submitted under Lawndale's name has not been acted on since the State budget has not been adopted. He reminded Commissioners of the \$200,000 grant notice from the NC Division of Water Resources and directed Commissioners to the award letter in their agenda packet. Finally, Mr. Steve Wall was recognized verbally by Mr. Cornwell for receiving a customer compliment from a citizen who saw him helping a motorist change a flat tire. General Manager Cornwell concluded his presentation, and Chairman Melton asked if the Board had any further questions for Mr. Cornwell. With none stated, Chairman Melton proceeded with Board Members Announcements and Remarks.

#### H. Board Members Announcement and Remarks

Chairman Melton asked if any Commissioners had any comments. Several Commissioners noted their appreciation to Mr. Taylor for his years of service as a Commissioner for Cleveland County Water.

#### I. Closed Session

To consider the qualifications competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee by conducting the annual performance evaluation of the General Manager in accordance with North Carolina General Statute 143-318.11 (a)(6).

Action Taken: Upon a motion by Mr. Taylor, second by Mr. Cameron, the Board of Commissioners voted unanimously to go into Closed Session at 7:44 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Taylor, the Board of Commissioners returned to Open Session at 7:54 PM.

Action Taken: Upon a motion by Mr. Cook, second by Mr. Martin, the Board of Commissioners voted unanimously to present the General Manager with a salary increase based upon his annual performance evaluation as discussed in Closed Session and to ratify the discussion held in Closed Session.

#### J. Adjourn

With no further discussion, Chairman Melton called for a motion to adjourn.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Taylor, the Board of Commissioners voted unanimously to adjourn the meeting at 7:57 PM.

Respectfully submitted,

*Bill Cameron*

Bill Cameron, Secretary

