

## MINUTES

Regular Meeting  
Cleveland County Water Board Room

January 10, 2017  
Tuesday, 7: 00 P.M.

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

Chairman Melton called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized Bill Cameron 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. Taylor, 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 Mrs. Bridges 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 December 12, 2016
- 2) Approval of the Minutes of the Closed Session of September 13, 2016
- 3) Approval of the Minutes of the Closed Session of November 15, 2016
- 4) Approval of the Minutes of the Closed Session of December 12, 2016

- 5) Consideration of the Resolution Number 2-2017 A Resolution Honoring Justin K. Brackett as District Attorney for Cleveland County Water, Lawndale, North Carolina

D. Unfinished Business:

- 1) Consideration of Resolution Number 2-2017 A Resolution Adopting Certain Updated Personnel Policies for the Cleveland County Water Personnel Policy Manual

Mr. Cornwell explained the updated personnel policies are the current policies that are in effect at this time but in an updated format with modern language and ADA compliance.

Action Taken: Upon a motion by Mr. Taylor, second by Mrs. Bridges, the Board of Commissioners voted unanimously to adopt Resolution Number 2-2017 *A Resolution Adopting Certain Updated Personnel Policies for the Cleveland County Water Personnel Policy Manual*

- 2) Consideration of Resolution Number 3-2017 A Resolution Ratifying the Purchase of Real Property Located on Honey Haven Farm Road from Charles Gordon Lampley III, and wife, Tammy M. Lampley

Mr. Cornwell explained that this is the property near the Big Broad River that was purchased. The deal is completed and the resolution needs to be ratified.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 3-2017 *A Resolution Ratifying the Purchase of Real Property Located on Honey Haven Farm Road from Charles Gordon Lampley III, and wife, Tammy M. Lampley*

#### E. New Business:

- 1) Consideration of Resolution Number 4-2017 A Resolution Awarding the Bid for the Purchase of a Mini-Excavator to Comer Equipment Company, Inc.

Mr. Cornwell explained the request for a purchase of a mini-excavator. Over the last year Mr. Cornwell and Jeff Earl have been discussing dedicating a crew to the sole purpose of installing new water lines and rehabilitating existing water lines. Mr. Cornwell explained the talent of the maintenance crew members having the capability of installing water lines. During the last two and a half years, a mini-excavator has been rented on four to five occasions. This equipment would be beneficial to the fleet and would eliminate the rental costs. Mr. Cornwell used the example of the water line rehabilitation for Saint Paul Church Road. The materials for this project were \$20,000.00 but without the equipment necessary to install the water line the project was contracted out and the labor and equipment costs were \$40,000.00. The costs of a mini-excavator in the amount of \$66,000.00 would allow CCW to install the water lines without the use of contractors. Mr. Cornwell explained that this year's budget would allow for the purchase of a mini-excavator. There have been some savings on other line items. The salvage equipment that has been sold on GovDeals has brought in revenue. The two tractors that were sold brought \$30,000.00 and Jeff Earl added another tractor that was not being used. The size of the fleet is not increasing as items are being sold that are no longer necessary. The revenue from the GovDeal equipment sales so far is \$35,000.00 with three more trucks waiting to be sold. Jeff Earl requested bids for the equipment, Mr. Cornwell is requesting that the bid be accepted. Mr. Brooks asked if the mini-excavator would be used for meter installations. Mr. Cornwell explained that the mini-excavator, also known as an in-line trench, could be for repairing leaks and meter installations but it would primarily be used for the water line installations. Mr. Brooks stated that this piece of equipment is becoming very popular and he sees them quite often. Mr. Cameron questioned if the mini-excavator had a blade on it. Mr. Cornwell explained that it does have a blade however it is stationary and does not move.

Action Taken: Upon a motion by Mrs. Bridges, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Resolution Number 4-2017 *A Resolution Awarding the Bid for the Purchase of a Mini-Excavator to Comer Equipment Company, Inc.*

F. General Manager's Report:

Mr. Cornwell began with the financial statements. The revenues show the money coming in from the GovDeal sales. There were five regular payrolls and comp time cash in checks in December. Mr. Cornwell explained that in the month of December employees are allowed to cash in comp time if they so choose. Mr. Cornwell also noted that this is a good policy to have. The Cleveland County tax collections are larger at this time with citizens paying their property taxes before the penalties are assessed. The vehicle taxes are processed through the NCDMV now. The local option sales tax will be important to watch in March as this will be an indicator of how the local economy is doing based on the Christmas sales from December. The maintenance report was presented, Mr. Cornwell noted that he was very proud of the main line leaks being down. The water plant and billing numbers were also shared. The numbers for this month are better than the numbers from December 2015. Mr. Cornwell gave a reminder concerning the Kingstown Parade. The registration and paperwork have been completed. Mr. Cornwell relayed the details about the parade and the meal that is being served. Mr. Cornwell reminded that the yearly commissioner retreat will be February 4, 2017. The goals and accomplishments of the last year will be reviewed. Mr. Keith Webb and an assistant from McGill Associates have been invited to speak concerning the future financing and building of a new water plant and the projects facing our current water plant. There will also be some discussion concerning other future large projects. Mr. Allen with Solutions for Local Government will be presenting the space and needs analysis for a future centrally located office. Ginger Fern and Michelle Alexander will be sharing information on customer debt collections and deposits. The presentation will include how we currently collect on bad debt accounts and the possibility of using the NC Debt Set Off Program. There will be discussion concerning current deposit amounts. Also included in this presentation will be an update on the status of the new billing software and collecting input on how the new water bills will look and what information

they will contain. The breakfast will begin at 8:00 and the retreat will begin at 8:30 a.m. There was a discussion concerning the next scheduled meeting being on Valentine's Day and whether this meeting needed to be rescheduled. It was decided to leave the meeting as is. Mr. Cornwell mentioned that the timber sale bids were due January 27, 2017. The timber sale was included in the recommendations from the Forestry Management Plan. The plan called for selling the timber on a seven-acre section on Knob Creek and also called for planting this acreage back this winter. Jeff Earl updated on the projects currently underway at the water plant. The bids for the filter rehabilitation came in lower than anticipated so filter seven and filter eight will both be included in the rehabilitation. Kemp Construction is working on submitting the materials to the engineers for the water plant service line rehabilitation. The work on the water plant service line is scheduled to begin on February 1, 2017. Ginger Fern spoke to the Board concerning future auditing needs. Cherry Bekeart has been auditing the financial statement for twenty-five years. A request for proposal (RFP) is being sent out next week to five different CPA firms to see what kind of options are available. The firms are from several different locations in North Carolina. The RFP includes questions concerning experience in local government, staffing, education, and pricing. Mr. Cameron asked how often the RFP would be requested. Mr. Cornwell answered by saying that Local Government Commission recommends every five years. Mr. Cornwell also stressed the importance of this decision as the auditors work for the Board. The contract that is entered is signed by the Board of Commissioners. The staff answers the questions and supplies the numbers concerning the day to day operations but the auditors work for the Board. Mr. Cornwell also noted that changing auditors was hard work. The new auditors would consult the old audit reports and attempt to find anything that needed to be addressed and corrected. Mr. Cornwell also stressed the importance in making this switch to a new auditor as it keeps CCW abreast of the changes in the auditing world and assists in making improvements to do things better. Mr. Brooks questioned the terms of the contract, whether it be for one year or five years. Mr. Cornwell referred to the RFP which is a LGC contract and states the right to accept or reject and cancel at any time. The contract calls for one year with anticipated years up to five years to follow. Mr. Pedersen asked if there were reviews for the auditing firms. Mrs. Fern answered that part of the RFP consisted of references so that contact could be made with companies and organizations that have worked with these firms.

G. Board Members Announcement and Remarks

Mr. Melton noted appreciation to Mr. Cornwell in the land purchase deal. Mr. Melton also noted that Mr. Cornwell takes good care of customers and employees. Mr. Melton also noted appreciation to the department heads.

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 7:28 PM.

Respectfully submitted,

*Bill Cameron*

Bill Cameron

Secretary

