

MINUTES

Regular Meeting
Cleveland County Water Board Room

December 10, 2019
Tuesday, 7: 00 P.M.

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

Attorney Tim Moore called the meeting to order at 7:00 PM, welcomed all who were in attendance and recognized General Manager, Brad Cornwell who gave the invocation. Attorney Tim Moore led the *Pledge of Allegiance*.

A. Approval of agenda:

Attorney Moore 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. Taylor and second by Mr. Brooks, the Board of Commissioners voted unanimously to approve the agenda.

B. Administration of Oath of Office for Newly Elected Board Members

- 1) Administration of Oath of Office for Mr. Dewey C. Cook by Tim Moore, Representative, North Carolina House of Representatives
- 2) Administration of Oath of Office for Mr. William R. Cameron, Jr. by Tim Moore, Representative, North Carolina House of Representatives
- 3) Administration of Oath of Office for Mr. Tony M. Brooks by Tim Moore, Representative, North Carolina House of Representatives
- 4) Administration of Oath of Office for Mr. Kenneth Bruce Martin by Tim Moore, Representative, North Carolina House of Representatives

C. Election of Officers of the Board for Cleveland County Water Board:

1) Election of Chairman presided by Board Counsel, Tim Moore

Attorney Moore requested nominations for the Chairman of the Board. Mr. Cook nominated and second by Mr. Taylor to nominate Donald Melton as Chairman. With no other nominations, Attorney Moore closed the nominations.

ACTION TAKEN: Mr. Moore announced that Mr. Melton is elected Chairman by acclamation. Attorney Moore returned the meeting control to the newly elected Chairman, Mr. Melton.

2) Election of Vice-Chairman presided by Chairman Melton

Chairman Melton requested nominations for the Vice-Chairman of the Board position. Mr. Cameron nominated and second by Mr. Taylor to nominate Dewey Cook as Vice-Chairman. With no other nominations, Chairman Melton closed the nominations with a motion by Mr. Brooks second by Mr. Taylor.

ACTION TAKEN: Chairman Melton announced that Mr. Cook is elected Vice-Chairman by acclamation.

3) Election of Secretary presided by Chairman Melton

Chairman Melton requested nominations for the Secretary of the Board position. Mr. Taylor nominated and second by Mr. Cook to nominate Bill Cameron as Secretary. With no other nominations, Chairman Melton closed the nominations with a motion by Mr. Brooks and second by Mr. Taylor.

ACTION TAKEN: Chairman Melton announced that Mr. Cameron is elected Secretary by acclamation.

D. Recess

Chairman Melton declared a recess for 5 minutes to greet family and friends at 7:10 PM. Chairman Melton called the meeting back to order at approximately 7:15 PM.

C. Public Comment:

Chairman Melton requested the time for Public Comment and Mr. Cornwell noted that no one had 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 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 November 12, 2019

E. Unfinished Business:

- 1) Discussion of Audit Finding Regarding Uniform Guidance Policies and Review of Recommended Purchasing Manual by Ginger Fern, Finance Director

General Manager Cornwell reminded about the auditor finding that was presented at the last board meeting. A new law was created that required an entity to have a policy in place concerning the Uniform Guidance Purchasing Policy Procedures. The Local Government Commission sent a letter in reference to this new law to the District with instructions to have a policy in place for the future. Mr. Cornwell noted that there were rules in place for making company purchases, and the rules were being followed but this written policy is required to solidify those rules and provide a policy in writing to refer to. Mr. Cornwell introduced Ginger Fern, Finance Director to discuss this matter further. Mrs. Fern explained what the Uniform Guidance Purchasing Policy Procedures are and how they effect the federally financed Lattimore Water Tank. These procedures hold recipients of federal funds to the same standards and the same rules. The Lattimore Water Tank project is funded by a loan with NCDENR but the actual funds are received from the EPA. The letter of intent to fund the Lattimore Tank project was created in February of 2017. The letter of award from NCDENR was dated in December 2018. The new law for the Uniform Guidance Purchasing Policy was adopted between the time of these two letters. Mrs. Fern continued by explaining the

communication between the parties involved to determine the policy requirements for the federal funds. The parties involved agreed that a written purchasing policy needed to be in place for company purchases. The draft of the purchasing manual is being presented at the meeting tonight for review by the members. At a future date, a resolution will be approved for the policy to put in place. Mrs. Fern called for questions. Mr. Brooks asked how the policy was created. Mrs. Fern explained that a template and the guidelines were used. Mr. Cornwell noted that more information would be added to the draft copy concerning the federal funds verbiage. The practices and policies for past projects have followed the guidelines of the NC General Statutes. Mr. Cornwell stated that nothing was done wrong, there just wasn't a written policy for those practices and policies. Mr. Cornwell noted that there was a section in the new policy concerning company credit cards. The current situation includes one company credit card, this card is kept by one employee and used as necessary but other employees. The same employee collects the receipts from the card and pays the bill for the card. The ideal situation would have the duties separated where the card holder would be responsible for the possession of their card and the collection of their receipts to present for payment by a separate employee. Mr. Cornwell reassured that only certain employees would have company credit cards and not all employees would be assigned cards. The employees responsible for these purchase cards would follow the guidelines presented in the new policy. Mr. Cornwell called for questions. Mr. Cameron asked if this policy would only be for federal funds or other purchases also. Mr. Cornwell responded that the Uniform Guidance part would be for the federal funds, but the policy would be for all purchases. Mr. Cameron asked about the status of GovDeals being used for the sale of surplus items. Mr. Cornwell noted that the last page of the new policy was the resolution concerning the disposing of CCW property.

F. New Business:

- 1) Consideration of Resolution Number 24-2019 A Resolution by Cleveland County Water Regarding G.S. 159-29 Related to Fidelity Insurance Bonds

Finance Director, Mrs. Fern continued with the explanation of insurance bonds covering the office employees. These bonds would

cover all office staff that handle cash and deposits in excess of one hundred dollars or more. The bonds require board approval for the coverage of the office staff. The minutes from prior years were searched for approval by the board and none was found. This resolution would formally put these fidelity insurance bonds in place.

Action Taken: Upon a motion by Mr. Cook, second by Mr. Taylor, the Board of Commissioners voted unanimously to adopt Resolution Number 24-2019 A Resolution By Cleveland County Water Regarding G.S. 159-29 Related to Fidelity Insurance Bonds

2) Consideration of Resolution Number 25-2019 A Resolution Honoring C.J. "Pete" Pedersen For His Service to Cleveland County Sanitary District

Mr. Cornwell explained that this resolution would recognize former Commissioner, Pete Pedersen for his years of service to the District. His service was for fourteen years and included several completed projects.

Action Taken: Upon a motion by Mr. Cameron, second by Mr. Brooks, the Board of Commissioners voted unanimously to adopt Resolution Number 25-2019 A Resolution Honoring C.J. "Pete" Pedersen For His Service to The Cleveland County Sanitary District

G. General Manager's Report:

Mr. Cornwell referred members to the financial statements at their seats. The budget from last year contained all the materials necessary to bring the Town of Fallston project up to standard. These materials included water meters, copper, meter boxes, etc. At the end of the Town of Fallston project, it was determined that enough funds were available to reimburse these material expenses back to the District. An invoice was presented to the Town of Fallston for these materials. Due to the amount of this reimbursement, a budget ordinance will need to be approved for these funds. Upon receipt of these funds, which is predicted to be January or February, the funds can be processed through this budget ordinance. Mr. Cornwell shared that there were some line items struggling this year, mainly the maintenance materials account. This reimbursement would be used to disburse some of these expenses. The longevity payments were paid to the employees that met the

criteria in November. The Board of Elections presented the invoice for the District portion of the election. The materials line item shows an increase because the Casar Lawndale Road project has begun. The maintenance report was made available for reference. The billing report reflected a milestone with the active number of customers billed surpassing the twenty-one thousand mark. Mr. Cornwell inquired about the possible available February dates for the yearly board member retreat. The Town of Fallston USDA project had the final inspection on December 3, 2019. There is one item remaining to be completed. Duke Energy will be assisting in the completion of an over-head power line installation. Mr. Cornwell referred the members to a photo at their seats of the base of the new Lattimore Tank. The tank erection company won't return until January because of the holiday. Mr. Cornwell updated on the status of a water line request from Lemans Gap Road. The nine potential customers are located inside the District and are paying their tax levy. These customers are located in the northern end of Cleveland County and the project would involve installing water line up hill for a mile to the county line. It would require a pump station. Mr. Cornwell spoke with the engineers to present an estimate for the project. The cost of the project will be \$688,950.00, at this time. Mr. Cornwell is not recommending the project due to the large costs. There are line items in the estimate that may be over-estimated but the adjusted costs would still be high. The District attempts to supply water to all customers, but this project shows no opportunity for future expansion or benefit. Mr. Cameron bestowed an employee compliment on Tony Holt for his fast response and assistance when he had a water leak the day after the Thanksgiving holiday.

H. Board Members Announcement and Remarks

Mr. Melton noted appreciation to the staff and employees and reminded about the commissioner Christmas dinner. The members welcomed Mr. Martin. Mr. Cameron asked about the YMCA memberships. Mr. Cornwell noted that he requested a contract and had not heard or received anything. Mr. Cornwell will follow-up on the situation.

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 other proposed contract for the acquisition of real property by purchase, option, exchange or lease in accordance with NCGS 143-318.11 (5).

Action Taken: Upon a motion by Mr. Cook, second by Mr. Brooks, the Board of Commissioners voted unanimously to go into Closed Session at 7:43 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Taylor, the Board of Commissioners returned to Open Session at 8:00 PM.

Action Taken: Upon a motion by Mr. Brooks, second by Mr. Martin, the Board of Commissioners voted unanimously to authorize the General Manager to complete the White property purchase and to ratify the discussion of the property purchase taken in closed session.

J. Adjournment

Action Taken: Chairman Melton called for a motion to adjourn. Upon a motion by Mr. Cameron, second by Mr. Cook the Board of Commissioners voted unanimously to adjourn at 8:04 PM.

Respectfully submitted,

Bill Cameron

Bill Cameron
Secretary

