**Handy Sanitary District**

**Regular Meeting of the Board**

**November 21, 2017**

**Minutes**

**Board Attendees:** Secretary Richard Smith, Charles Hobson, Pauline Weaver, Norman Hunt

**Staff Attendees:** General Manager Darrell Hinnant, Office/Finance Manager Lisa Hedrick, Clerk Angela Jennings

**Guest Attendees:** Charlie McGougan-MBD Consulting Engineers

Secretary Richard Smith called the meeting to order, welcomed all guests, and asked for a moment of silence.

**Adoption of the Agenda:**The Board reviewed the Agenda and Norman Hunt made a motion to adopt the Agenda as written, seconded by Pauline Weaver, passed by the Board 4-0.

**Approval of Minutes:** The Board reviewed the Minutes for October 17, 2017, and Norman Hunt made a motion to approve the Minutes as written, seconded by Pauline Weaver, passed by the Board 4-0.

**Business Agenda**

**Resolution to Purchase an Easement:** Darrell Hinnant informed the Board that at regional Pump Station #5, the District needs additional space for maintenance. He discussed that he and Richard Smith negotiated with the Lax daughters for an additional 50x50 easement, which would allow all equipment to be on site. Darrell informed the Board that the cost of the additional easement would be $4,000.00 and discussed that the previous easement for the property was $3,500.00. After discussion, Charles Hobson made a motion to approve the Resolution to Purchase the easement, seconded by Norman Hunt, passed by the Board 4-0.

**BSR Pump Station #5 Change Order #2:** Engineer Charlie McGougan discussed that Change Order #2 allows the District to switch chosen form of responsibility from standby generator to the standby pump and also remove the concrete retaining wall and change from an auto-dialer to the SCADA system we already use. He discussed that he’d sent the required paperwork to NC-DENR and that Tom Poe from DENR said that as soon as he received approval from the District’s Board, the State would issue their approval. Charlie also discussed that the Change Order increased contract times to allow contractors time to buy the new bypass pump, and that with the changes, the total project cost was less than the contract price. After discussion, Pauline Weaver made a motion to approve Change Order #2 for Badin Shores Resort Pump Station #5 and to authorize Engineer Charlie McGougan to submit it to the State for approval, seconded by Norman Hunt, passed by the Board 4-0.

**Demographics:** Darrell Hinnant discussed that there had been several more connections this month than last month and that there were 9 more in process. He discussed that the new numbers did not include the 5 that got caught by the new Ordinance on disconnections.

**Financials:** Lisa Hedrick discussed that the District was 4 months into the Fiscal Year and should be at 33.33%. She informed the Board that Revenues were at 35.15%. She discussed that on the Expenses side, Water Purchased Department was at 31.52%, the Water Department Expenses were at 37.16%, Sewer Department Expenses were at 27.12%, and the Admin Department Expenses were at 24.76%. Lisa informed the Board that annual expenses had been paid in full during the first month of the fiscal year, such as insurance, software support, and computer backup, which caused some departments to appear over budget. She discussed that those expenses should even out as the District gets further into the year. Lisa also discussed that Evan Rives from Rives and Associates had completed the audit and that Darrell had signed the representative letter, which was sent to the State. Lisa reminded the Board that the Budget included an employee Christmas bonus, which would be paid out soon. She informed the Board that there were currently 658 customers on automatic draft, which amounted to over $40,000.00 per month.

**Water Loss:** Angela Jennings discussed that the current Water Loss Report showed the District had purchased 21,626,800 gallons of water from the Town of Denton and had sold 14,971,146 gallons, for a water loss of 31% or 6,655,654 gallons. She discussed that leak usage amounted to 853,360 gallons or 13% of the loss and flushing usage amounted to 416,500 gallons or 6% of the loss. She discussed that the adjusted water loss was 25% or 5,385,794 gallons. She informed the Board that the monetary value of the 31% water loss was $9,910.93. Darrell informed the Board that there were numerous leaks over the time period and that there were also ‘hot spots’ that field personnel were watching.

**Miscellaneous:** Darrell Hinnant informed the Board that the contractor was essentially complete with BSR Pump Station #5 and that they were waiting until we get the pumps/bypass pump in. He discussed that the base and wet well were in place. He also discussed that the Progress meeting went well and that Badin Shores Resort was very positive about the work being done. He discussed that the paving on Cardinal Drive had been completed. He also discussed that Tom Poe from DENR was very pleased with the District’s progress.

Darrell Hinnant discussed that the larger lagoon in BSR was essentially empty, except for enough water to keep the sludge fluid. He discussed that Herrin Industrial was coming out next week to start pumping the sludge from the larger lagoon into the smaller lagoon. Darrell informed the Board that the larger lagoon should be closed by the end of the year. He also discussed that the second Wednesday in December, he will have a meeting with DENR. He discussed that we were waiting on the completion of the Pump Station #5 project before we closed the smaller lagoon, but that he was optimistic that it would be closed by March. He also discussed that the monitoring wells could be left in place or removed from service. Darrell suggested that they be taken out and he’s gotten quotes of less than $5,000.00 from well drillers. He informed the Board that it could be completed after both lagoons are closed. He informed the Board that Steve Bevington from DENR was also at the progress meeting and was pleased with our progress as well. Darrell discussed that DENR was holding $100,000.00 contingency in the grant, but that they would be willing to send us $50,000.00 for the project; Lisa showed $50,000.00 worth of expenses and Darrell did a progress report which would be sent out tomorrow. Darrell discussed that the District should get the money rather quickly. He informed the Board that the estimate to close the lagoons was approximately $135,000.00, which doesn’t include the testing we still have to do.

Darrell informed the Board that we would be closed Thursday and Friday for Thanksgiving, Monday December 25th and Tuesday December 26th for Christmas, and January 1st for New Year’s.

Darrell informed the Board that on Tuesday, December 19th, the District will have their annual Board/Employee Christmas lunch at Camp Walter Johnson starting at noon. Darrell also informed the Board that the office would close from 11:30am-1:30pm to allow the employees to attend. He discussed that he was still waiting on the Salvation Army to schedule their presentation.

**Public Comment:** Karen Nash addressed the Board and inquired as to what was being done about the smell at the regional Pump Stations. Darrell responded that the District has been using magnesium hydroxide, but there had been problems getting the slurry the right consistency to pump out to the pump stations. He also discussed that the District is still feeding the previous compound until we get the issue with the magnesium hydroxide solved. Karen also inquired as to the legality of the ‘availability fee’ that the District was charging. She discussed that when she was on the Board, that they had inquired of the UNC-SOG and that Kara Milonzi had said that the District could only charge undeveloped lots that could be issued a building permit an availability fee. Karen inquired as to who had jurisdiction over her property. Darrell answered that the District was waiting for the issue on the service fee to be debated in court. Karen discussed that in August, 2016, the SOG dictated that if you can’t force people to hook to water, then you cannot force people to hook to the sewer. Darrell replied that the District still has mandatory authority according to our interpretation of the statute. Karen also inquired as to the status of the lawsuits. Darrell discussed that the lawsuit with Wateree was held off due to wet well problems that were more significant than once thought, but was hoping to have a settlement before the end of the year. Karen inquired as to what people who are/were paying the flat sewer fee are to think since the District is giving away money. Darrell replied that he believed it was part of the negotiation process to get a customer hooked up and was dependent upon the circumstances.

Pauline Weaver made a motion to Adjourn, seconded by Norman Hunt, passed by the Board 4-0.