**Handy Sanitary District**

**Regular Meeting of the Board**

**October 18, 2016**

**Minutes**

**Board Attendees:** Chairman Tim Loflin, Secretary Debbi Yarbrough, Charles Hobson, Norman Hunt, Richard Smith

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

**Guest Attendees:** In attendance, Josh Bowles, Montgomery Herald. Also, see attached list.

Chairman Tim Loflin called the meeting to order and a moment of silence was observed.

**Adoption of the Agenda:**The Board reviewed the Agenda and Charles Hobson made a motion to adopt the Agenda as written, seconded by Richard Smith, passed by the Board 5-0.

**Approval of Minutes:** The Board reviewed the Minutes for September 15, 2016, and Debbi Yarbrough made a motion to approve the Minutes as written, seconded by Charles Hobson, passed by the Board 5-0. The Board reviewed the Closed Session Minutes for September 15, 2016, and Charles Hobson made a motion to approve the Minutes as written, seconded by Norman Hunt, passed by the Board 5-0.

**Update on Sewer Connections:** Darrell Hinnant discussed that there were 455 active customers on the sewer system with 424 ready to connect. He also mentioned that of the 424 ready to connect, 311 were out of towners. He discussed that connections had slowed down some, with only 10 in the month. He informed the Board that of the 10 that were scheduled to have electrical/plumbing work done, that only 3 were finished, citing contractor fatigue as a reason. He also informed the Board that he was meeting with an additional plumbing contractor on Friday.

**Badin Shores Resort Pump Station Pre-Bid Package Update/MBD Engineering Proposal:** Darrell Hinnant informed the Board that the bid package had been submitted to DENUR and that they had promised a swift turnaround. He also presented to the Board the engineering proposal from Charlie McGougan of MBD Consulting Engineers. He discussed that the engineering design would be $38,975.00, bid solicitation/construction administration would be $20,000, geo-testing and surveying (by third party contractors) would be $2,250.00 and $3,500.00 respectively, with a contingent amount of $5,000.00, totaling $69,725.00. After Board discussion, Charles Hobson made a motion to approve a contract with MBD Consulting Engineers, PA for Badin Shores Pump Station No. 5, SRF Project No. CS370849-01, for a fee not to exceed a total of $69,725.00, seconded by Debbi Yarbrough, passed by the Board 5-0.

**Remote Participation Policy:** Darrell Hinnant introduced to the Board the proposed remote participation policy. He discussed the requirements enclosed in the policy and Frank Wells suggested that there should be a clause in the policy preferring all Board members to be here and having the option of tabling the matter until all the Board members could get together if one of them were absent. Frank also discussed that the safer course would be to not allow voting until all members were present. After discussion by the Board, Debbi Yarbrough made a motion to adopt the Resolution creating the Remote Participation Policy, seconded by Charles Hobson, passed by the Board 5-0.

**Personnel Policy:** Darrell Hinnant discussed that he and Lisa Hedrick were in the process of updating the job descriptions and salary ranges in anticipation of conducting employee evaluations. Lisa informed the Board that she’d reached out to several municipalities to garner their salary range information and that she’d heard back from Lexington, Kannapolis, Albemarle, Troy, Montgomery County, Davidson Water, and the Town of Denton. Darrell informed the Board that he increased the salary ranges 5% each year after fiscal year 2016/2017 through fiscal year 2018/2019, with ranges being reevaluated in fiscal year 2019/2020. He also discussed Appendix C of the Personnel Policy, which described the certification requirements for field personnel. He reminded the Board that reviews would take place in October and that the raises would be retroactive to the first paycheck after October 1, 2016. After discussion, Richard Smith made a motion to approve the revised Personnel Policy, effective October 18, 2016, seconded by Charles Hobson, passed by the Board 5-0.

**Water/Wastewater Merger/Regionalization Study:** Darrell Hinnant discussed that he’d received the letter from the State awarding Handy the $50,000 for the Water and $50,000 for the Wastewater Merger/Regionalization Studies and that a Resolution by the Board was needed for the packet to send back to the state. After Board discussion, Debbi Yarbrough made a motion to adopt the Resolution accepting the State Grant offer in the amount of $50,000 for Project No: H-MRF-D-16-0006, Water Merger/Regionalization Study, seconded by Richard Smith, passed by the Board 5-0. Charles Hobson made a motion to adopt a Resolution accepting the State Grant offer in the amount of $50,000 for Project No: E-MRF-W-16-0002, Wastewater Merger/Regionalization Study, seconded by Debbi Yarbrough, passed by the Board 5-0.

**Financials:** Lisa Hedrick discussed that the District was 3 months into the Fiscal Year and should be at 25%. She informed the Board that Revenues were at 25.78%. She discussed that on the Expenses side, Water Purchased Department was at 24.09%, Water Department Expenses were at 26.94%, Sewer Department Expenses were at 20.27%, and the Admin Department Expenses were at 24.23%. She also reminded the Board that annual expenses that have been paid in full during the first month of the fiscal year, such as insurance, cause the Water Department Expenses to appear over budget. She mentioned that those expenses should even out as the District gets further into the year. She also informed the Board that the auditor had been to the office several times working on the audit and that he should be finished and ready to present at the November Board meeting. She also discussed how pleased she was with how the auditing process went.

**Water Loss:** Angela Jennings discussed that the District had purchased 25,352,800 gallons of water from the Town of Denton and had sold 17,178,190 gallons, for a water loss of 32%. She also discussed that leak usage amounted to 769,754 gallons or 10% of the loss and flushing usage amounted to 593,195 gallons or 7% of the loss. She informed the Board that the monetary value of the 32% water loss was $12,058.37.

**Miscellaneous:** Darrell Hinnant briefed the Board on the following:

1. Bill/Meter Reading Changes: informed the Board that we were requesting
reread report and bill changes from South Data and Harris Local Government due to customers showing zero usage for several months
2. Truck Purchase: informed the Board that we’d purchased a 2009 Chevy 4500 Series for $30,000.00, which was in the Budget. It has a dump bed, flashing arrow light on the top, and we are selling another truck as surplus.
3. New Employee: informed the Board that he’d hired another Utility Worker for the water side who would start on Monday, October 31, 2016.
4. November Meeting Date Change: The Board discussed a new meeting date since a member would not be able to attend the November meeting already scheduled and decided on Thursday, November 17, 2016. Clerk will send out email blast to subscribers and also have it updated on the web site.
5. BS Regional Pump Station #2: informed the Board of the failure of suction pipe. Darrell discussed that the company removed both pipes (one had a hole and was losing suction, the other had a hole but wasn’t losing suction) and viewed the protective coating. Darrell presented pieces of the protective coating that had flaked off.
6. Darrell Hinnant Consulting Invoice: reviewed invoice for consulting services for the month of September.

**Public Comment:** No one signed up to address the Board.

Richard Smith made a motion to Adjourn, seconded by Charles Hobson, passed by the Board 5-0.