**Handy Sanitary District**

**Regular Meeting of the Board**

**November 17, 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

**Guest Attendees:** In attendance were Charlie McGougan from MBD Consulting Engineers, Evan Rives from Rives & Associates, and Tammy Dunn from Montgomery Herald.

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 Norman Hunt 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 October 18, 2016, and Charles Hobson made a motion to approve the Minutes as written, seconded by Debbi Yarbrough, passed by the Board 5-0.

**Audit Presentation:** Evan Rives from Rives & Associates presented the Board with the preliminary audit. He discussed that the LGC had not given their approval yet, so the audit was considered a draft. He discussed that the District was given an unmodified opinion, which is the best opinion that can be given. He discussed that at the end of the 2015/2016 fiscal year, the District had $14,941,002 in outstanding debt, with a majority associated with the Badin Lake Sewer Project (90%). He also discussed that at the end of Fiscal Year 2015/2016, the District had a net position of $8,046,723, which was an increase of $727,512 compared to FY 2014/2015. He also presented the Board a water loss analysis, which showed that in FY 2015/2016, the District lost 110,164,450 gallons of water, an increase over the previous FY by 24,689,809 gallons. After the presentation, the Board did not have any questions.

**Update on Sewer Connections:** Darrell Hinnant discussed that there were 467 active customers on the sewer system with 411 ready to connect. He discussed that by the end of January, 2017, he estimates that there will be over 500 active customers and that by the end of the year, there will be less than 400 ready to connect. He informed the Board that 17 of the non-simple connections were now active and that 43 of the non-simple connections had some/all work completed on the property by District employees. He also informed the Board that he’d heard from several customers who had spoken to Allen Hart from USDA about financial help regarding connecting to the sewer system.

**Badin Shores Resort Pump Station #5 Update:** Darrell Hinnant discussed that the pre-bid package had been submitted to DENR. Charlie McGougan discussed that the District also needed a FONSI (Finding of No Significant Impact) from the Environmental Assessment Coordinator, Susan Kubacki. He discussed that since the District is amending the original Engineering Report for the project, that the amendment will require circulation to review agencies for comment and then the amended FONSI will be written. Charlie requested that Ms. Kubacki estimate the time necessary to receive the FONSI and she responded that the best case would be 3 months. Darrell estimated that it would be March, 2017 before the District can open the bids received, but that he’d contact Ms. Kubacki to see if the District could go ahead and have everything ready to go beforehand. Charlie also discussed the need to upgrade the regional PS #2 to a 300gpm pump and estimated the cost to be less than $10,000.

**Personnel:** Darrell Hinnant informed the Board that the personnel reviews had been completed. He also informed the Board that the field personnel had begun receiving safety training, having already completed trenching/shoring, confined space, and competent person training the week prior. He discussed that tomorrow (Friday) the field personnel would also be receiving flagger training. He informed the Board that the Town of Denton had sent their field personnel to participate, but that we also had a few people from the City of High Point to participate as well.

**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 34.25%. She discussed that on the Expenses side, Water Purchased Department was at 30.30%, Water Department Expenses were at 31.36%, Sewer Department Expenses were at 28.97%, which includes the purchase of the truck that was budgeted, and the Admin Department Expenses were at 31.30%. She discussed that the annual expenses that have been paid in full during the first month of the fiscal year, such as insurance, are starting to even out. She also reminded the Board that Christmas bonuses to the employees would be paid out in December.

**Water Loss:** Angela Jennings discussed that the District had purchased 22,043,400 gallons of water from the Town of Denton and had sold 15,988,900 gallons, for a water loss of 27%. She also discussed that leak usage amounted to 2,341,600 gallons or 39% of the loss and flushing usage amounted to 771,300 gallons or 13% of the loss. She informed the Board that the monetary value of the 27% water loss was $8,930.99.

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

1. Board Election Results: informed the Board that Richard Smith and Pauline Weaver were the District’s newly elected Board members
	1. New Board members would be sworn in at the December 5, 2016 meeting, along with the election of a Chairperson and Secretary
2. Billing Change Update: informed the Board that the November bills went out with the new bar graph and information on the back
3. Merger/Regionalization Study Conference Call Update: informed the Board that he’d spoken with Amy Simes and informed her that the District would be starting the study after the first of the year and that they had 2 years to complete it. Also informed the Board that he’d sent over a summary and audio recording of the conference call to the Town of Denton
4. Board/Employee Christmas Lunch: informed the Board that the lunch would be held on December 15, 2016 at the Classic Restaurant at 11:30am.
5. Darrell Hinnant Consulting Invoice: reviewed invoice for consulting services for the month of October.

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

Tim Loflin authorized his point of personal privilege and expressed his gratitude for the support he’d received while he served on the Board. Debbi Yarbrough then presented Tim with a gift from the Board members/employees of the District in appreciation of his 20 years of service.

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