

NCSTA Board of Directors Meeting  
Saturday April 23, 2016  
Pearce Backhoe 5008 Rogers Rd Rolesville, NC  
9:00 a.m.

9:00 a.m. Opening Prayer David Cooper

Roll Call

Recognition of Proxies

Notes:

Chris proxy to Larry, no proxy from Gabe

9:05 a.m. Review, addition/deletion and acceptance of minutes from previous meeting

Notes: motion to accept Latt, 2<sup>nd</sup> Larry, minutes approved

9:10 a.m. Remarks by President

Notes: Thank you to all that are present and Mr. and Mrs. Pearce for hosting the meeting and preparing the meal.

Positive reinforcement talk, remember who we are, how we are viewed and watched, and how it reflects on the industry and the association

Latt commented remember to vote for whats right not your pocketbook

We have application for Board of Directors position from Jeff Kerr of Marlins Septic, long time members of the association. Connie commented Jeff is young and very tech smart, also well educated in the industry. Motion to accept his application and be voted on at the Board in January at the annual meeting Latt, 2<sup>nd</sup> David, approved. We will invite Jeff to attend the next Board meeting prior to Hickory

10:00 a.m. Treasurer's Report:

Notes: \$72854.82 General account, \$9,663.05 Education Account, \$33,440.69 First Bank Money Market account

We are ahead of previous years

Motion to accept Keith, 2<sup>nd</sup> Stanley, approved

Scholarship applications reviewed, may have another one on the way but have not received it yet, so far we have 5 applicants, motion made by Keith to cap the total scholarship award at \$5000 and if only the 5 we have now are paid each would receive \$1000, 2<sup>nd</sup> Latt, approved  
Connie will send out the award letter to each

10:10 a.m. Update from Administration

2016 Convention: The convention was a great success with 879 in attendance and a full exhibit hall. Splitting up the members and non-members at the entrance worked well and helped with the flow this will be something we continue next year.

2016 Regional Classes: So far the attendance at the regional classes has been at the same level as last year. I applaud your decision to require that in order for the attendees to be pre-register they must send in payment with the registration this has helped a lot with getting everyone in the door. I anticipate the remaining courses for the year to remain at a consistent level.

2017 Convention Dates: I have reserved the Hickory Metro Convention Center for January 25-27, 2017 for the 2017 Convention. The vendor registration will post the web mid-summer. It is never too early to start soliciting vendors.

Discussion had about the giveaway item for 2017 convention, Motion to giveaway a low profile hat with logo on the front and website on the back, Latt, 2<sup>nd</sup> Larry Also have letter opener made for members only, motion Latt, 2<sup>nd</sup> Larry

2016 Members: Below is the list of current members (178)

COMPANY NAME	LAST NAME	FIRST NAME
1ST CHOICE SEPTIC & ENVIRONMENTAL	WATTS	JON
AAA BACKHOE & SEPTIC	SOLES	DAVID
AAA SEPTIC SERVICE INC	ALVERSON	TROY
ABLE SEPTIC TANK SERVICE	BLANKENSHIP	GARY
ADCOCK EXCAVATING LLC	ADCOCK	JAY
ADVANCE SEPTIC INC	TILLEY	LISA
ADVANCED FIBER SOLUTIONS INC	STONE	HUGH
ADVANTAGE INSPECTTION	LOBSINGER	GLENN
AGRIWASTE TECHNOLOGY INC	TILLEY	LISA
ALAN HALL GRADING & SEPTIC INC	HALL	ALAN
ALCAT PRECAST INC	FARMER	ALLEN
AMTHOR INTERNATIONAL	VANDERVEEN	HANK
AQUA DIRLL INC	CLAYTON	BILLY
ASHBURY'S SEPTIC TANK CLEAING	ASBURY	JAY
ATLANTIC OBX DBA ATLANTIC SEWAGE	VANEE	JAN
AUTRY CONCRETE PRO. INC	AUTRY	STEVE
B & B CONCRETE	BATES	NELSON
B & C CONCRETE PRODUCTS INC	BLACKBURN	KEITH
B & C CONSTRUCTION	CHATHAM	GREG
BASS SERVICES	BASS	JOHNNY
BEAR GARDEN INC	HARRINGTON	PHILLIP
BENNICK ENTERPRISES	BENNICK	TODD
BENNIE A MOORE SEPTIC TANK SERVICE	AYERS	RUSS
BETHLEHEM MFG CO INC	MORETZ	LATT
BILLINGSLEY SEPTIC TANK CO	WILLIAMS	BRENDA
BILLY SIGMON TANK & GRADING	SIGMON	BILLY
BLACKWATER SOLUTIONS	FLORA	JAMIE
BLACKWELDER TANK SERVICES INC	BLACKWELDER	TIM
BLEVINS GRADINE & SEPTIC LLC	BLEVINS	JUSTIN
BOBBY CAHOON CONSTRUCTION INC	CAHOON	JESSE
BOGUE SOUND SEPTIC & GRADING	PADGETT	WILLIAM
BRIANS WASTE RECYCLING INC	WALLWORK	DAVID
BROOKS PLUMBING & HEATING INC	BROOKS	MARTA
BROWNS BACKHOE & GRADING	BROWN	GUY

BRYANT & LASSITER SEPTIC TANK	COOPER	DAVID
BRYANTS CONTRACTING	BRYANT	STEVEN
BUCK'S GRADING & BACKHOE	SMITH	TERRY E
BUDDY BLACKBURN CONST INC	BLACKBURN	MARTHA
BUMGARNER SEPTIC TANK & GRADING	BUMGARNER	MIKE
BURGIN & SON SEPTIC SERVICE	BURGIN	RONNIE
C & C SEPTIC TANK SERVICE	CANNADY	WAYNE
C WAYNE ORBISON & SONS INC	WALLACE	TERESA
CALLIHAN & WELLS ENTERPRISES INC	WELLS	BILLY
CANNONS SEPTIC TANK SERVICE INC	MAREADY	SCOTT
CARL'S GRADING & LANDSCAPING LLC	TRAVIS	SUMMER
CARSONS GRADING & SEPTIC LLC	CARSON	STACY
CHARLES BROWN SEPTIC SERVICE	BROWN	CHARLES
CHUCK KEENE SEPTIC TANK PUMPINING	KEENE	JIMMY
CHURCHS BACKHOE SERVICE	CHURCH	STERLIN
CLOGBUSTERS	PURCELL	TERESA
COCHRAN EXCAVATING LLC	COCHRAN	TIM
COLTON ENTERPRISES TATE GRADING	TATE	JOHNNY
COMMERCIAL SERVICES OF STANFIELD	WETTER	JERRY
CRAVEN AG SERVICES INC	BURNS	NICOLE
CRUM CONSTRUCTION INC	CRUM	STEVE
CRUMPLER PLASTIC PIPE INC	CRUMPLER	HOUSTON
D & D ORGANIC	NEWSOME	DANIEL
DANNY D'S LOADER SVC INC	DAVIS	DANNY
DAVID BRANTLEY & SONS	BRANTLEY	CORY
DAVIDSON COUNTY SCHOOLS	CONRAD	WYNN
DELLINGER GRADING COMPANY	DELLINGER	KENNETH
DELLINGER PRECAST INC	DELLINGER	GABE
DENNIS HOYLE SERVICES	HOYLE	DENNIS
DENNIS WILLIS SEPTIC SERVICES	WILLIS	BRYSON
DENVER SHORES LLC	JOHNSON	B GERALD
DOUG COX BACKHOE SERVICE	COX	DOUG
EBCI TRIBAL CONSTRUCTION PROGRAM	BRADLEY	GLEN
ENVIRONMENTAL PUMPING & DRAIN	DAVIS	FRANK
ERADER MILLS SEPTIC TANK CO INC	MILLS	STANLEY
F J ERVIN CONSTRUCTION	ERVIN	JAY
FORTIN CONTRACT SERVICE	FORTIN	DANIEL
FOUST BACKHOE LLC	FOUST	CHRIS
FULLER & CO CONSTRUCTION LLC	FULLER	BOBBY
FUTRELL PRECASTING LLC	FUTRELL	JEFF
GAMEWELL SEPTIC TANK INC	SPEARS	ROBERT OR CINDY
GARREN PLUMBING CO	GARREN	DAVID
GARRISON CONSTRUCTION COMPANY INC	GARRISON	DAVID
HANDSOMES CONCRETE PRODUCT	HANDSOME	DONNELL
HARDEES SEPTIC TANK SERVICE	HARDEE	BILL & ANN
HAROLD RAY COLLINS CONSTRUCTION	COLLINS	THERESA
HHLD LLC DBA H & H LAND DEVELOPMENT	HARRIS	JON OR MARC
HINES SEPTIC LLC	HINES	GLENN
HOFFMAN SEPTIC TANK PUMPING	HOFFMAN	PAUL
HURLEY BACKHOE SERVICES INC	HURLEY	STEVEN

INFILTRATOR SYSTEMS INC	WOOD	TIM
J W SEPTIC SERVICE LLC	WILLIAMSON	JEREMY
J WESTMORELAND INC	WESTMORELAND	TOM
JAMES SEPTIC & PORTABLE TOILET SER LL	JAMES	WALTER
JEFF LAWSON SEPTIC TANK & PUMPING SR	LAWSON	JEFF
JIM HARTMAN SEPTIC TANK SERVICE INC	HARTMAN	JIM
JOE GREENE BACKHOE SERVICES INC	GREENE	BEN
JOHNNY HUFFMAN PLUMBING CO	HUFFMAN	JOHNNY
JONES SEPTIC TANK SERV	JONES	WAYNE
K T MOORE SEPTIC TANK SERVICE	DICKERSON	MIKE
KEARNS PUMPING SERVICE	KEARNS	TODD
KIVETT AND SON INC	KIVETT	DONNA
L A EDWARDS & SONS	EDWARDS	LEM
L E BEAM CONST & GRADING	BEAM	LARRY
LAKE NORMAN SEWER & SEPTIC SERVICE	CURRIER	DAVID
LAKEYS BACKHOE SERVICE INC	LAKEY	DONALD
LARRY HENKLE GRADING	HENKLE	LARRY
LASSITERS SEPTIC TANK SVC INC	HARRISON	ANITA
LEATHERMANS SEPTIC TANK SER INC	LEATHERMAN	GARY
LELY TANK AND WASTE SOLUTIONS	JONES	CLYDETTE
LEWIS FARMS & LIQUID WASTE INC	WOOTEN	WESLEY
LIGHTHOUSE CONTRACTING	JOHNSON	MICHAEL
MACCONNELL & ASSOCIATES	MACCONNELL	GARY
MARLIN WASTEWATER SERVICE	KERR	JEFFREY D
MATTHEWS SEPTIC TANK CO	MATTHEWS JR	CURTIS
MAURICE JORDAN BUILDERS INC	JORDAN	DEBBIE
MC CONSTRUCTION	CUTHBERTSON	LARRY
MCDOWELL COUNTY SCHOOLS MAINTENANCE	TRINKS	GARVIN
MCPHILLIPS SEPTIC TANK INC	MCPHILLIPS	TAMMY
MICHAEL AND SON SERVICES OF RALEIGH	KING	BRAD
MIKE PACK GRADING	PACK	MIKE
MITCHELL CONCRETE PRODUCTS INC	MITCHELL	JAMIE
MOORES ENVIRONMENTAL SERVICE	MOORE	JC
MOUNTAIN TOP GRADING	ESTES	GARRY
MYERS SEPTIC TANK	MYERS	BENNY
NIXONS BACKHOE	NIXON	TOMMY
OVERBEY'S SEPTIC TANK INC	OVERBEY	RONNIE
PAGES SEPTIC TANK CLEANING	PAGE	ROBERT
PEARCE BACKHOE & SEPTIC TANK SERV	PEARCE	FRANK
PEARCE CONCRETE WORKS	PEARCE	JIMMY
PEARCE ENVIRONMENTAL TECHNOLOGIES	PEARCE	JERRY
PEELES BACKHOE & SEPTIC TANK SERV	PEELE	JOHN
PIEDMONT ENVIRONMENTAL ASSOCIATES	BEESON	JIM
PIEDMONT SEPTIC TANK	MELTON	RANDY
PIGEON VALLEY SEPTIC & GRADING INC	GREENE	DALE
PIONEER UTILITIES & PLUMBING INC	STEWART	BRYAN
POWELL SEPTIC TANK SERVICE	POWELL	KEVIN
POWELLS SEPTIC TANK SERV	POWELL III	ALLIE
PRECISION SEPTIC	HOLLAND	RICKY
R & D ASSOCIATES OF PEMBROKE	LOCKLEAR	RACHEL

R&W CONSTRUCTION CO INC	PIERCE	WAYNE
RANDY MILLER & SONS STS	MILLER	RANDY
RANDY TUCKER CONSTRUCTION	TUCKER	RANDY
RAYMOND BROWN WELL CO	BROWN	RAYMOND
RCF INC	MCKAY	GARY
REGISTER'S SEPTIC TANK PUMPING	REGISTER	CATHERINE
RHEA'S BACKHOE & SEPTIC TANK SVC INC	RHEA TRENT OR MONICA	
RICHARD ABERNATHY CO LLC	ABERNATHY	RICHARD
ROBERSON SEPTIC LLC	ROBERSON	BRENT
RODDI LONG GRADING INC	LONG	RODDI
ROWAN SEPTIC TANK	KIRKPATRICK	GEORGE
ROWLAND ENVIRO	ROWLAND	AL
RUDLOPH INMAN SEPTIC TANK SER	HARRELSON	BEN
RWW ENTERPRISES INC	WHITLEY III	ROBERT
S & J SEPTIC PUMPING & RENT A JON	BLACKBURN	SHONE
SHOAF PRECAST INC	SHOAF	JIMMY
SHOAF SERVICE CO LLC DBA B & B SEPTIC	SHOAF	BEN
SOUTHEAST SEWER FABRICATION LLC	MILLIKEN JR	AL
SOUTHERN CONCRETE	JACKSON	BILLY
SOUTHERN MAINTENANCE INC	JONES	WILLIAM
SPENCE WELL & SEPTIC	SPENCE	BEN
STALLINGS SEPTIC SERVICE	CRUMPLER	BEVERLY
THOMAS SIMPSON CONSTRUCTION CO INC	SIMPSON	NOAH
THOMPSON BROTHERS	THOMPSON	BRIAN
TIM BEESON GRADING	BEESON	TIM
TNT SERVICES INC	MORGAN	DIANE
TOM MATTISON SEPTIC	MATTISON	TOM
TRANSOUS FORSYTH SEPTIC TANK	REDMOND	DAVID
TRIPLE D CONSTRUCTION	EVERHART	DOUG
TRIPLE T PUMPING	PIERSON	KIM
TURNAGE CONSTRUCTION & TRUCKING	TURNAGE	DWIGHT
UB TRUCKING & TRACTOR WORKS	CHAPMAN	EUGENE
V & S SEPTIC SERVICE	STAMPER	BENNETT
VANDER SEPTIC PIPE & SUPPLY INC	MAROSCHAK	ERNIE
W A PAGE & SONS INC	PAGE	KIRK
WARD BROS LLC	WARD	NICK
WASTE MANAGEMENT	DUKES	DONOVAN
WASTEWATER SOLUTIONS LLC	LEONARD	SCOTT
WATER MANAGEMENT	GASKINS	SID
WESSON SEPTIC TANK SERVIC INC	WESSON	KATI
WRIGHTS SEPTIC TANK INC	WRIGHT	DENNIS
YOUNTZ GRADING & SEPTIC TANK INC	YOUNTZ	DAVID
FERGUSON WALKER		

Motion to accept the members list, Keith, 2<sup>nd</sup> Latt, list accepted

Next NCSTA newsletter will go out in May if you have items or articles you would like printed please let me know by first week of May

11:00 a.m. Lobbyist update:  
Update on issues and current law changes

**LOBBYIST REPORT**  
**SATURDAY, APRIL 23, 2016**

**ROLESVILLE, NC**

1. **2016 CONVENTION** *Another huge success. Numbers are still increasing, exhibitors are responding in positive manner. Interests in class topics were high and very timely. We are currently working on the theme, topics, and speakers for 2017.*
2. **SALES & USE TAX** *Our early involvement with the NC Dept. of Revenue paid off for our members. Eric Wayne, Director of Sales & Use Tax Division, spoke twice at the 2016 Convention on January 28. The common review was "Didn't know any more coming out than when I went in" and that was what I knew he would have to do. The key was to get him familiar to the on-site wastewater industry. Within one week there was another Revenue Committee, a meeting with the business lobbyists, and issuance of two Sales Tax Directives. Specifically, there were examples of service that were not "retailers" and septic tank installers, operators, and time-of-sale inspectors were there. Pumpers received mention as an exempted service as well. As discussed, there will probably be another revenue law legislation when the General Assembly returns because of the pushback from businesses that didn't find favor with the prior legislation. Any legislation that changes the tax structure will probably be disclosed within days of the opening of the Short Session (April 25).*
3. **RULES REVISIONS** *The State continues to address proposed changes to the .1900 rules. Tank Construction rules were proposed with recommendations from members of the Association. We have not seen the response from the State. The Temporary Rules for the Engineered Option Permit have been proposed and presented to the Commission for Public Health. There has been a Public Meeting and the Public Comment time has now expired. I have emailed Nancy Deal asking for a list of the Public Comments and their authors. She has responded as "We have not finished compiling the comments and will get a copy to you." There was also a study that was due on the time frame for the validity of permits. Currently, a permit is valid for 5 years if it comes as a "site plan" and without expiration if it is received under a "plat." There was movement within legislation to extend the length of permits once issued where no changes were made to site or design. There is also movement on the "Off-Site Systems" that will possibly come out soon. I have arranged a meeting with the 811 Service with members of County and State regulators concerning whether the Off-Site Systems would require 811 involvement. To date, the rules .1969 and .1970 have been offered for discussion. The general opinion is that they are worse than before. Typical.*
4. **SCHOLARSHIP APPLICATIONS** *The cutoff date for Scholarship Applications was April 15. There were five (5) Scholarship Applications, all were satisfactorily complete. The geographical balance by area code was (1) 919, (1) 704, (1) 336, (1) 252, and (1) 828. Excellent balance. There were (3) females and (2) males. Again, excellent balance.*

5. **APPLICATION FOR BOARD OF DIRECTOR MEMBERSHIP**     *We have received a proper application for consideration to the Board. The applicant is from a business that is a septage firm and certified by NCOWCICB. He is in the Central area of NC.*
6. **UPCOMING SHORT SESSION**             *The 2016 "Short" Session begins on Monday, April 25. While it is rumored that they will only be in a few weeks and be gone by the 4<sup>th</sup> of July. There are equal rumors that they will be in until the middle of August. There may or may not be efforts to amend or repeal HB 2. There may be Budget adjustments giving teachers more money, but hardly any other State employee. There may be another effort to amend the revenue laws.*
7. **OCCUPATIONAL LICENSURE**             *There was a proposed legislation that sought to reduce the number of occupational restrictions in employment. There was a last minute addition of a "study" that would have combined the Water Pollution Control Certification Board and the Water Treatment Facility Certification Commission (both under the Department of Environmental Quality, formerly DENR) with the NC Onsite Wastewater Contractors & Inspectors Certification Board. The DEQ and the DHHS would study this combination. The entire Bill proposal has been removed. We had to clarify that the NCOWCICB was not and never had been under DHHS and was an inappropriate combination. Our opposition was joined by the NCOWCICB attorney, the NC Homebuilders Association, The Rural Water Association, and others.*
8. **PROPOSED ESTABLISHMENT OF POLITICAL ACTION COMMITTEE**     *Obviously, a great deal of the success of the NCSTA has come about because of a presence in the General Assembly and our relationships with the elected officials. Keeping our friends in office and in the majority gives the on-site wastewater businesses necessary leverage with possible laws and rules and the regulators. This means funds to be used to elect or re-elect. Most industries that have success have a means of accumulating funds and dispensing funds for these campaigns. This issue has been talked about in the past with no steps going forward. However, it is a matter of fact that our ability to influence laws and rules will be maintained or strengthened by a PAC.*

After discussion and presentation of the tax law Connie asked Doug if the following statements were correct and to the point: Point of sale Inspectors are not subject to the tax, Certified Operators are not subject to the tax, Installers are not subject to the tax, Pumpers are not subject to the tax, Manufacturers are subject to the tax, Portable toilets are subject to the tax. Companies that offer multiple services may fall under sales tax requirements based on setup of business & percentage that each service is of the business.

Board would like to have the above concise information posted on the main page of the web and have the full directive posted in the Members only section.

- 12:00 p.m.     Other business  
                   Check your calendars for availability in the fall  
                   Next meeting will be November 4<sup>th</sup> at 3:30 p.m. Connie will be hosting
- 12:05 p.m...   Adjourn and Lunch  
                   Motion to adjourn Keith, 2<sup>nd</sup> David, adjourned

## **NORTH CAROLINA CHANGES SALES & USE TAXES**

North Carolina law has changed their Sales & Use Tax laws and the effective date is March 1, 2016. For the businesses that will be impacted by the changes, the service provided with the sale of the goods will now be taxed at the State rate of 4.75% and the appropriate local sales tax rate, so it could be anywhere from 6.5% to 7%. And the amount will be where the service takes place, not the county where the service business is located.

The Sales tax confusion seems to have taken place where the State has divided the business as in the “retail” business or the “retail-contractor” business or the “real property contractor” business. A business in the “retail” business sells the product and maybe the service of installation, maintenance, and repair of those products. The service will now be added in with the product and sales tax applied. The Department of Revenue also repealed the loophole that some businesses used when they separated the installation from the product on the individual invoices.

The new sales tax law also defines a “retail-contractor” as a blend, and that’s an important blend of a business’s revenue stream. If the majority (51%) of the individual business’s gross revenue comes from retail trade and not the service cost, then the business would be considered retail and the entire amount taxed. A retail-contractor is defined as a “person that acts as a retailer when it sells tangible personal property at retail and as a real property contractor when it performs real property contracts.” So that 51% of your revenue stream in your business makes the difference, and because of the ways each business may be different, you may be required to charge sales tax to your customers and someone who you view as competition may not, because their gross revenue doesn’t reach 51% from retail trade.

The North Carolina Septic Tank Association got involved with these changes early in 2015 and started communication with the NC Department of Revenue. If you came to the 26<sup>th</sup> Annual Convention in January, you were able to hear a presentation from the Director of the Sales & Use Tax Division. Here is what we know at this point:

**SEPTIC TANK MANUFACTURERS:** A septic tank manufacturer sells a tangible product or resales components for the septic tank system. Their customer pays the sales tax, or delivers a proper Sales & Use Tax resale form to the septic tank manufacturer (who files this form). A delivery charge of the septic tank or products to the jobsite by the manufacturer is also subject to the sales tax.

**SEPTIC TANK INSTALLERS:** A person who installs the septic tank system is a real property contractor and the service of installation, repair, and maintenance of a septic tank system is **NOT** subject to the sales and use tax. The person is not a retailer of repair, maintenance, and installation services, no matter that the person may charge a fee for troubleshooting a problem with the septic tank system.

**SEPTIC TANK PUMPERS:** A person who pumps septic tanks, grease traps, etc. is a real property contractor and is **NOT** subject to charging sales tax on their services. Pumping services for septic tank systems received an exception to the law and are not considered repair, maintenance, and installation services.

**CERTIFIED OPERATORS:** Under North Carolina rules, certain onsite wastewater systems must have a person certified by the State as a Certified Operator. These Operators must be under contract with the Owner prior to the Operations Permit being issued by the local health department and a Certified Operator must be under contract for the life of the septic tank system to perform maintenance, take samples and send reports to the local health department. These persons are not selling a retail product, although they charge a fee for the maintenance of the system, and are **NOT** subject to the sales tax changes.

**TIME-OF-SALE INSPECTOR:** The General Statutes in North Carolina state that if a property transfer requires a certified inspection of the wastewater system by the lending institution or buyer, the Time-of-Sale Inspection must be done by a person certified by the NCWOCICB. These persons are real property contractors, offer nothing for sale, and do not repair, maintain, or install. The fee is for the inspection troubleshooting and reporting. The Time-of-Sale inspection is **NOT** subject to the sales tax on service.

The most important information you need as business owner is how your individual revenue stream is balanced. If you receive the majority of your revenue from retail, you will need to add your service charges to the sales tax. Check with your Accountant; take the necessary steps to protect your business from an incorrect



*identification. You don't want to charge sales tax and send it to Raleigh unless you have to, and you don't want to find out you should have and get penalized.*