

**MEETING MINUTES
CARROLL COUNTY
PUBLIC SERVICE AUTHORITY
January 14, 2008
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
2:06 P.M.**

CALL TO ORDER

The Carroll County Public Service Authority held their regular scheduled monthly meeting on Monday, January 14, 2008 at 2:06p.m., in the Carroll County Governmental Center Board Meeting Room. Members present included: Sam Dickson, Wesley Hurst, Andrew Jackson, Thomas Littrell and Manus McMillian. Also present were Ray E. Hill, Director of Operations, Dana Phillips, Sec. /Treasurer of the Authority, Kevin Heath and John Adams, Adams-Heath Engineering. Mr. Hutchins was absent.

Mr. Sam Dickson called the meeting to order at 2.06 p. m.

Mr. Dickson stated he appreciate everyone coming out, it shows interest in everything we are about to do the next four years and hope that we have a productive four years.

Mr. Dickson explained that Mr. Hutchins had a friend to pass away in Texas and that is the reason for his absence.

(ORDER)

APPOINTMENT OF CHAIRMAN OF THE PUBLIC SERVICE AUTHORITY

Mr. Dickson opened the floor for nominations for Chairman.

Mr. McMillian nominated Mr. Hutchins.

Mr. Jackson seconded the nomination of Mr. Hutchins.

There were no other nominations for chairman.

Upon a motion by Mr. Jackson seconded by Dr. Littrell and duly carried, the Authority does hereby approve to close the floor for nominations.

Mr. Dickson called for the vote on Mr. Hutchins; the vote was as follows:

Mr. Jackson- Yes
Mr. Hurst-Yes
Dr. Littrell-Yes

Mr. McMillian- Yes
Mr. Dickson- Yes
Mr. Hutchins-Absent

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Mr. Dickson announced that Mr. Hutchins would be the Chairman of the Public Service Authority for the year 2008.

(ORDER)

Appointment of Vice -Chairman of the Public Service Authority

Mr. Dickson opened the floor for the nomination for Vice-Chairman.

Mr. McMillian nominated Mr. Hurst.

Mr. Jackson seconded the nomination of Mr. Hurst.

There were no other nominations.

Upon a motion by Mr. Jackson, seconded by Mr. McMillian and duly carried the Authority does hereby close the nominations.

Mr. Dickson called for vote on Mr. Hurst, the vote was recorded as follows:

Mr. Jackson-Yes
Mr. Hurst- Abstain
Dr. Littrel- Yes

Mr. McMillian- Yes
Mr. Dickson-Yes
Mr. Hutchins-Absent

Mr. Dickson announced that Mr. Hurst would be the Vice Chairman of the Public Service Authority for the year 2008.

(ORDER)

Appointment of Secretary/Treasurer of the Public Service Authority

Mr. Hurst opened the floor for nomination for Secretary/Treasurer.

Mr. Dickson nominated Dana Phillips.

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Mr. Jackson seconded the nomination of Dana Phillips.

There were no other nominations.

Mr. Hurst called for the vote on Dana Phillips; the vote was recorded as follows:

Mr. Jackson- Yes
Mr. Hurst – Yes
Dr. Littrell- Yes

Mr. McMillian- Yes
Mr. Dickson- Yes
Mr. Hutchins-Absent

Mr. Hurst announced that Dana Phillips would be the Secretary/Treasurer for the year of 2008.

(ORDER)

APPROVAL OF MINUTES

Mr. McMillian stated that on page 7 Heath Department should be Health Department.

Upon a motion by Mr. Jackson, second by Mr. Dickson and duly carried the Authority does hereby approve the minutes of the January 14, 2008 meeting with the changes listed above.

(ORDER)

APPROVAL OF PAYROLL, CLAIMS AND TRANSFERS

Upon a motion by Mr. Dickson, second by Dr. Littrell and duly carried the Authority does hereby approve the payroll, transfers and claims presented as follows: NOTE: The claims are on file in the Public Service Authority office.

Ck#13411 -13451 Voided Test Pattern
Ck#13452 – 13458 Payroll in the amount \$952.39

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Ck# 15333 Voided

Ck# 15334 Replace check # 15310 written to wrong company

Ck# 15335- 15377 Claims in the amount of \$99,849.83

Ck# 15378 - 15382 Transfer in the amount of \$43,443.50

Gladeville/Cranberry Water-Check #1251 Carroll County Public Service Authority
Operating Account in the amount of \$12,727.50

Gladeville/Cranberry Water-Check # 1252 Local Government Investment Pool in the
amount of \$617.60

Gladeville/Cranberry Water- Check #1253 Board of Supervisors in the amount of \$651.83

Gladeville/Cranberry Water- Check # 1254 R. K. Chevrolet, Inc. in the amount of \$15,973.40

Gladeville/Cranberry Sewer- Check # 1169 Carroll County Public Service Authority
Operating Accounting in the amount of \$25,959.95

Gladeville/Cranberry Sewer- Check# 1170 Local Government Investment Pool in the
amount of \$597.70

Rt.100 Water- Check #1172 Carroll County Public Service Authority Operating. Account in
the amount of \$23,963.84

Rt. 100. Water- Check #1173 Local Government Investment Pool in the amount of \$229.70.

Rt. 100 Water- Check #1174 R. K. Chevrolet, Inc. in the amount o f \$15,973.40.

Woodlawn Water- Check #1160 Carroll County Public Service Authority Operating. Account
in the amount of \$4,856.00

Woodlawn Water Check #1161 Local Government Investment Pool in the amount of
\$375.90

Cana Water Check #1161 Carroll County Public Service Authority Operating Account in the
amount of \$13,924.24

Cana Water Check #1162 Local Government Investment Pool in the amount of \$573.80

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Citizens to be Heard

JohnNobili Carrollwood Drive Sewer

Mr. Nobili stated that he and his wife own and operate the Carrollwood Campground and Fish Lake and have since 1971. We respectfully ask that Carrollwood Drive be included in the Woodlawn Sewer Project. Through the years we have asked several times for sewer on Carrollwood Drive. We have 22 potential users plus Carrollwood Campground with 24 sewer connections at the camp sites. A lot of residents on Carrollwood Drive are having problems with their existing sewer systems. Mr. Nobili provided the Authority members with a map of the Carrollwood Drive. He explained the map to the Authority Also included is the minutes of July 17, 2007PSA Meeting and a cost estimate to include Carrollwood Drive in the Woodlawn Sewer Project. Mr. Nobili stated that his family came to Carroll County in the 1960's and shortly thereafter contributed to the tax base greatly. We ask that you help us get sewer on Carrollwood Drive. Your help would be much appreciated

Steve Rutherford-Carrollwood Drive Sewer

Mr. Rutherford stated that he owns the property at 345 Carrollwood Drive and would like the sewer service.

Gina Isom-Fancy Gap Water/Sewer

"Welcome to all of you as our new PSA board. As each of you have been voted on by the citizens of this county it has been your choice to sit this board or appoint a county citizen. I would like to thank you all for making the choice you have made. By accepting the responsibility for this position it shows me that you want progress for this county. I believe that we need you here so that you can know what is going on first hand to set a clear directive for the future of this county on the infrastructure of public water and sewer. I realize that many people think it would be better to have citizens on this board and in the future after this board has a clear direction that may be appropriate. With the record of the last four years this PSA office at times has not had the attention it deserved because of all the indifference, but now the people that have been voted on by the people and are accountable to the people have the ability to make changes and fellows that would be you. How do we not have a single woman on this board? I would like to say on behalf of the people of Fancy Gap we give our support to this board and want to work closely with you for our

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future. Before we leave here today, Fancy Gap businesses and residents would like to know if there will be another advertised bid for a PER. If not which direction will this board go with the previous PER that was presented? We are interested because the Health Department Application is due in early spring and if we need more sign ups we want to be sure that we get those. To let the county residents be more aware of what is conducted in these meeting; would it be possible for the minutes each month to be posted on the county's web-site? Please continue to keep us informed of what is going on with our project. Congratulations and remember if we build it, they will come," stated. Mrs. Isom.

Mr. Greg Gibson-Health Department

Mr. Gibson stated he agrees whole heartily with Mr. Nobili. I have been with the health department for 37 years. I have seen a lot of growth in the county. My main concern is water and sewer in the county and I have done about all I can do at times. I have been reading about 300 lot subdivisions and my concern is water. To have another 300 lot subdivision come into the county and depend solely on wells is something you need to look hard at. We are having so much trouble with sufficient water and not necessarily quality, just having water. Between 2000-2003 we replaced about 490 water supplies that were lost in the county. We have had several years of drought in the past 20 to 25 years and we have lost a lot of shallow wells and springs that have been used for 100 years. One man had 5 acres and had 42 thousand dollars in a well. We have people trying to share wells and running out of water. One developer dug nearly 1,000 feet and still was unsuccessful in finding water. We defiantly need water and sewer for our exit areas, Fancy Gap, all the highways that's the only way we will be able to bring our economy up. Right now our economy is real estate, which is fine, but you still have to have the infrastructure there. Individual water and sewer is getting more and more complicated. It has been a while since he has worked near the Stoots mountain development, but there are plenty of rock, shale and slopes there. It could be a problem getting wells on some of those proposed lots. There are people buying \$60,000 to \$100,000 lots to build \$250,000 homes that may not be able to find water. Some had to drill two or three wells just to get water to begin with. A water supply was developed on Cascade Mountain that has been kept up, but other private developments have not. Several of those others sort of let things go down and now they are trying to get well and septic on lots designed just for septic systems. We are squeezing ourselves into a tight fix and we can't just find water every 100 feet apart. We've got what I consider a dire problem along the park way between Groundhog and these parts down toward Galax. You could very well have a high dollar ghost town without planning to get some water.

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Mr. Gibson suggested that the PSA or Planning Commission might want to consider requiring new subdivisions to develop water before they are allowed to go to market. I'd ask for your consideration about planning not only for commercial use, which is a dire need, but consider the residents that are there and future residents and their ability to maintain what they are investing in this county.

Mr. Hurst asked if Mr. Gibson knew of certain areas in the county that were worse than others as far as accessibility and quality of water.

Mr. Gibson said Gambetta and Fries Road have problems with iron in the water, as well as Laurel Fork and Laurel. Iron problems are scattered throughout the county. Low pH levels are also a problem, but the quality of water is pretty well distributed. The parkway area probably has the most problem. You have small lots, steep slopes and now water. You have got areas below the mountain that have problems, but they have a higher percentage of quantity water there than any place else I work. I think the water situation is getting bad everywhere.

Dr. Littrell asked Mr. Gibson if he had a sense of the health of county wells that are supplying authority projects throughout the county.

Mr. Gibson stated that the quality of water in those systems seems pretty good.

Dr. Littrell asked with wells being a possibility for a public water system at Exit 8 in Fancy Gap will finding water be a problem?

Mr. Gibson stated that water is low on Exit 8, this is one thing we need to address as a whole.

Mr. Dickson stated the Stoots Mountain development concerns him because he wondered how much water is in that mountain and how much sewer can be put in the mountain.

Mr. Dickson stated that he didn't know how much consideration is given to water development on large subdivisions.

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Upon a motion by Mr. Dickson, seconded by Dr. Littrell and duly carried the Authority does hereby approve for the PSA to send a letter to the planning commission to tell them the authority's concerns about new large number subdivision with 100 or more lots and their water availability.

Mr. Dickson asked PSA staff to provide the authority with a map of the overlay of the county's public water and sewer lines."I would like to see where it ends and see anywhere we can go and add to it or connect to it and expand to what we have got."

Mr. McMillian asked what about radon wells?

Mr. Gibson stated there are a few wells in town that he knows of that have radon in them.

Mr. Gibson stated private homes are not tested for radon.

Mr. Hurst thanked Mr. Gibson for coming and speaking today.

(ORDER)

DISCUSSION OF MID-ATLANTIC CONTRACT

Mr. Hill stated that we need to discuss Mid Atlantic contract. We have had to fill the tank twice due to leaks. This project is now largely completed, except for a road bore to the east side of Interstate 77. Most residential areas could have been turned on earlier if the tank had not leaked.

Mr. Hill stated this delayed the project and cost the authority revenue

Mr. Heath stated that the contractors had 270 days to reach substantial completion by August 2, 2007 The customers didn't come online until Dec12, 2007 due to repairs to the tank. The contract stipulated a penalty of \$400.00 for each day late. By that measure, liquidated damages that would be assessed could total \$52,800.00. Liquidated damages usually involve negotiations between the parties. Two other construction contracts got delayed by Mid-Atlantic.

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Mr. Heath stated 164 customers could have been in service for four months had the completion not been delayed. The PSA also could have used that revenue to pay interest on its interim loan before closing financing with Rural Development.

Mr. Heath stated that Mid-Atlantic attempted to fix the leaking tank, but was not successful on the first attempt. No official contact has been made with the company. They are aware they are over in time on the contract.

Mr. McMillian asked if the company approached its work with diligence.

Mr. Heath replied they did once work started, It was not until mid -year before they actually full-force came and started construction. That was after the contract started in November 2006. That meant they had a tight time frame to complete the work. They probably would have been okay if the leak hadn't happened.

Mr. McMillian asked how much revenue was lost due to the delay.

Mr. Heath stated that based on 164 customer at the minimum bill \$21.00 a month for four months the loss would have been \$13,776.00 There was additional interest paid on the interim financing with rough figure around \$46,500.00.

Mr. McMillian asked what the project cost?

Mr. Heath stated that the total project cost was around \$3,300,000.00, Mid Atlantic contract was \$472,520.00.

Mr. Dickson asked if they were only responsible for the tank.

Mr. Heath stated yes.

Mr. Hurst asked how many customers we have on the system now.

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Dana stated that we have 180 customers but we do not know how many are hooked up. Their first bill will be this month.

Mr. Dickson asked if we get into negotiation who will do that?

Mr. Heath stated it would be at the board discretion for Ray, Engineers or County attorney, or even a combination of these.

Mr. Dickson stated we should start out at the max.

Mr. Hurst stated it is only fair to everyone that is involved and truly represent the citizens of Carroll County.

(ORDER)

Upon a motion by Mr. Dickson, seconded by Dr. Littrell and duly carried the Authority does hereby approve for Mr. Hill to pursue to negotiate and collect from Mid Atlantic liquated damages in the amount of \$52,800.00.

Mr. Hurst asked Mr. Hill to keep the Authority advised on the negotiations.

Project Up -Dates

620/Airport Road

Mr. Hill stated Airport Road is complete, except the road bore that goes under I-77. That should be completed by the end of the month.

Fancy Gap Water/Sewer Project

Mr. Hill stated that we have been working on that project. We will have an application to Health Department in March.

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Mr. Dickson asked if that would be grant money?

Mr. Hill stated it could be both grant and loan but, we have never been fortunate to receive grant money from the Health Department. We have received zero interest loans which is just about the same as getting grant money.

Mr. Dickson stated about six years ago we thought we were going to have Fancy Gap funded.

Mr. Hill stated they had called us to Abington. In the past when we were called to Abington they had funded the project. That time they called us to Abington to tell us they were not going to fund the project.

Mr. Dickson asked if we have tried every time since then.

Mr. Hill stated no we have not, because we tried to change the project around to have more customers and less cost. It has been redesigned about three times. We hope now we have it designed the most economical way to get the project funded.

Woodlawn Sewer

Mr. Hill stated this has been ongoing for five or six years. We spent some years negotiating sewer rates with the Town of Hillsville. We finally ended up with a contact with the City of Galax. We are close to going to bid

Mr. Dickson asked if we have a project cost to extended the sewer on to Carrollwood Drive?

Mr. Hill stated Mr. Nobili handed out the last cost estimate for extending the sewer on Carrollwood Drive.

Mr. Hill stated that originally, we were going to build a sewer treatment plant but the project got put off so long that the cost increased so much we could not build the plant. Therefore we had to find somewhere to send the sewer which is City of Galax.

Mr. Dickson stated he feels this will work out well.

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Sylvatus Extension& Mitchell's Crossroad

Mr. Hill stated we have people there that need water. We have looked at that several different ways. This is really not a feasible project unless we can get some grant money .The Mount Rogers Planning District Commission has afforded some help with income surveys. If the surveys met the criteria we will apply around March for a grant.

Fries Road Area

Mr. Hill stated we have some people up there that need water. We have had some requests over the past few years. I have worked with some of the citizens and they are trying to get petitions signed. If we get the petitions back and the project looks feasible we will start having meetings. in that area and start signing people up.

Exit 19 Sewer

Mr. Hill stated the Preliminary Engineering Report is complete. This will be a joint project between the PSA and the Board of Supervisors. It is under design and we are seeking funding.

Exit #1 Water/Sewer

Mr. Hill stated we have an option at Exit 1 for commercial development and should have a well driller there in the next couple of weeks. Hopefully this well will produce water and we can move forward quickly. This will also be a joint project with the Board of Supervisors.

Mr. Hill explained the other projects that the PSA is trying to get funded are connector lines to the regional plant. The regional plant is 43% complete. This is a regional effort of Wythe County, Town of Wytheville and Carroll County. This will serve all the water systems on top of the mountain. It will be great when this comes available because we have lost two wells on the Rt. 100 system, one in Gladeville/Cranberry and one in Cana. We will have a million gallons a day from the Regional The regional should be complete in early spring of 2009.

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(ORDER)

AUTHORITY MEMBERS TIME

Mr. McMillian stated he appreciates all the citizens that came out today to voice their concerns and the information provided by the PSA. I look forward to serving on the PSA. It is going to be a challenge. The ground work has been laid, now we have to find the money. We are a unified board that will leave no stone unturned

Dr. Littrell stated you can look around the county and see the sections that are growing have public water and/or sewer. As Greg Gibson mentions, some of our resources are becoming limited as to what we can count on, so I think the authority will certainly work toward getting as many projects as humanly possible with dollars we have available to us. I want to thank all the citizens for coming and showing interest in what we are doing and I hope that will continue in the future.

Mr. Dickson stated he would like to add to Dr. Littrell comment that it is good to see this many people out and speaking. We may have not answered some of your questions but we will find the answer and let you know why we can meet your request and if not able to we will tell you why we cannot. I appreciate Mr. Gibson coming. I talked to him this morning about the subdivision coming. That is a lot of homes stuck on side of a mountain. I do not know how much water is in that mountain or how much sewer we can put in that mountain. I think we need to alert the Planning Commission that water and sewer needs to be considered when looking at a new subdivision.

Mr. Dickson asked Mr. Hill if there is an overlay map available showing where all the water and sewer lines are in the county.

Mr. Hill stated yes.

Mr. Adams stated that it needs to be updated.

Mr. Dickson asked if they could get a copy to see where the lines ends and see if there is anywhere else we can add to or expand the system.

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(ORDER)

Upon a motion by Mr. Dickson, seconded by Dr. Littrell and duly carried the Authority does hereby approve for the PSA to write a letter to the Planning Commission, stating the Authority request of consideration of water sources for future development of large subdivisions of 100 or more lots.

Mr. Jackson stated he would like to thank everybody for coming out today, to express their concerns. I hope everyone will continue to do that through the four years we will be here. I think you will find we are a united board and will put forth the effort to figure these things out. There are lots of areas that need water but, the most important part will be finding the money. I hope that in the next four years we can accomplish some of these if not all.

Mr. Hurst stated he appreciated everyone being here and for putting up with me being duly elected as Vice Chair and conducting the meeting. Make no mistake about it we are unified and we want to take care of the people. We were elected by the people to serve the people. I think as we go forward we have to work to bring the resource to the county I think as time goes forward you will see a lot of progress

(ORDER)

Adjournment

Upon a motion by Dr. Littrel, seconded by Mr. Dickson and duly carried, the Authority does hereby adjourn at 3:22p.m.until their next meeting to be held on February 11, 2008 at 2:00p. m. in the Carroll County Governmental Center, Board of Supervisors Meeting Room.

David Hutchins Chairman

Ray E. Hill, Director of Operations

Dana Phillips, Sec. /Treasurer