

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA**

CALLED TO ORDER

The Carroll County Public Service Authority held their regular scheduled meeting on Monday, July 14, 2014 at 2:00 p.m. in the Carroll County Governmental Center Board Meeting Room. Members present included: Sam Dickson, Chairman, Jeanette Dalton, Vice Chairman, Thomas Littrell, David Hutchins, James Light and William Payne. Also present were Gary Larrowe, Executive Director, and Dana Phillips, Assistant Director and Secretary/Treasurer of the Authority.

Chairman Dickson called the meeting to order at 2:00 pm.

CITIZENS TIME

No Speakers

APPROVAL OF CONSENT AGENDA

Upon a motion by Dr. Littrell, seconded by Mr. Hutchins, and duly carried by the Authority does hereby approve the Consent Agenda for Sections A, B, and C. The June 9, 2014 minutes were approved and are on file in the PSA office. The claims are also on file in the PSA office.

Claims:

Check # 20267-Treasurer of Virginia \$3,400.00

Check # 20268 Voided

Check # 20269-20274 End of June claim in the amount of \$66,944.61

Check # 20275 July Claims in the amount of \$211,177.28

Transfer for Claims

CCPSA to Operating end of June Claims \$16,000.00

CCPSA to Operating for July claims \$211,177.28

Cliffview to Operating \$16,000.00

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 2**

Transfer for Reserves
CCPSA to Debt reserve \$8614.50

OLD BUSINESS

Set date for Oakland Community Meeting concerning possible water project.

(ORDER)

Upon a motion by Dr. Littrell and seconded by Mrs. Dalton and duly carried by the Authority does hereby set a date for Oakland Community Meeting at Oakland School Thursday, September 4, 2014 to gauge interest in possible water project.

PROJECT UPDATE

I-77 Exit 1 Water - Construction

Contractor (Eastern Tank and Utility Services) has mobilized, has started construction, and has installed 3,300 LF of 8" water line along Imogene Church Road between Surratt Drive and Pipers Gap Road. The Contractor anticipates starting work at the tank site later this month.

Fancy Gap Water & Sewer - Construction Phase

Water –

Contract 2 - Water Pump Stations (Steve Martin's Trenching): All SCADA units have been installed and are operational. Contract can be closed out once all final close-out materials and Final Pay Request are submitted by the Contractor.

For the CCPSA's request to use remaining project contingency funds for water line extensions (Devo, Chris, Foggy Ridge) and a portable generator, the public meeting minutes were submitted to and accepted by USDA-RD. The CCPSA can continue to proceed with development of this request. Plans/specs will need to be completed for these items and approved by VDH and USDA-RD prior to bidding.

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 3**

Sewer -

Contract 4 - Sewage Collection System (DLB): All gravity sewer line and force mains have been installed, and the system has been placed in service. Final cleanup Change Order has been approved by all parties. Contract can be closed out once all final close-out materials and Final Pay Request are submitted by the Contractor.

Contract 5 - Sewage Pump Stations (E.C. Pace): All SCADA units have been installed and are operational. Contract can be closed out once all final close-out materials and Final Pay Request are submitted by the Contractor.

Coon Ridge Water – Construction Phase

Contract 1 – Coon Ridge Road (C.W. Cauley & Son, Inc.): The Contractor has completed installation and pressure testing of all water lines included in the current contract. Bacteriological testing of all lines is ongoing. Once bacteriological testing is completed, a Substantial Completion inspection will be scheduled with VDH and USDA-RD, then the system can be placed into operation.

Contract 2 – Poplar Camp Road (Central Builders, Inc.): The Contractor has completed installation and pressure testing of all water lines included in the current contract. Bacteriological testing of all lines is ongoing. Once bacteriological testing is completed, a Substantial Completion inspection will be scheduled with VDH and USDA-RD, then the system can be placed into operation.

For the CCPSA's request to use remaining project contingency funds for water line extensions (Goodspur, Water Plant, Turman), the public meeting minutes were submitted to and accepted by USDA-RD. The CCPSA can continue to proceed with development of this request. For Goodspur and Water Plant lines, those were included in the original project approvals, so the CCPSA can proceed with preparation of a Change Order to add them back into the current contracts. For Turman Drive, USDA-RD required an update to the project Environmental Assessment. Environmental clearinghouse comments have been received and the EA update is being prepared. Plans/specs will need to be completed for Turman Drive and approved by VDH and USDA-RD prior to adding into the current contract.

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 4**

Cliffview Water – Design Phase

CCPSA staff negotiated an acceptable agreement for the tank site. Survey plat for the tank site and utility easement is being completed. Meeting held with VDOT to review first draft of plans and minor revisions in some locations are being completed prior to VDH regulatory submittal.

FUNDING APPLICATIONS

Coon Ridge Water – Funding application for \$100K construction grant was submitted to MRPDC. Awaiting review of funding application.

I-77 Exit 1 Water – Funding application for \$100K construction grant was submitted to MRPDC. Awaiting review of funding application.

Cliffview Water – Funding application for \$20K design assistance grant was submitted to MRPDC. Awaiting review of funding application.

Lynhaven Water – Funding application for \$4,700 design assistance grant was submitted to MRPDC. Awaiting review of funding application.

Cana Sewer - No engineering activity during this month.

Oakland Water Study – No engineering activity during this month.

Meadowbrook Water Improvements Study – The 2014 project funding application to VDH has been submitted.

Sheeptown Water Study – No engineering activity during this month.

Mr. Heath

We are not ready to close out the Coon Ridge construction there is approximately \$180,000 left in project contingencies. The Goodspur extension was change ordered out because of lack of participation, now we are requesting to add that back into the plans, about \$70,000 to construct that. The Turman drive will be about \$40, 000 to construct that, it looks like we will

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 5**

have additional money left over after those projects. We can look for authorization from Rural Development to utilize that money for maintenance type equipment.

(ORDER)

Upon a motion by Mr. Hutchins, and seconded by Dr. Littrell and duly carried by the Authority hereby approves to request Rural Development approval to use contingency funds to extended the Goodspur line and include Turman Drive in the Coon Ridge Project. If there should be remaining contingency funds the PSA request approval from Rural Development to purchase maintenance equipment.

NEW BUSINESS

Carroll County Public Service Authority Wins Federal Appeal \$266,167.20 to be returned to the PSA.

PSA Chairman, Sam Dickson has been notified that a Federal Appeals Hearing Officer has reversed the USDA-RD decision that the PSA improperly used funds allocated in the Fancy Gap Sewer Project for construction of the Joy Ranch Road sewer line extension. As a result, the PSA will receive \$266,167.20 in a refund from USDA-RD.

Federal Hearing Officer, Jerry King (in his ruling) said, "I find (USDA-RD) Agency erred in deciding the (Joy Ranch Road sewer line) extension constituted unauthorized assistance and could not be funded with grant funds. This ruling includes eligibility under 7 C.F.R. § 1780.45(f) since Agency approved road extension prior to construction, making it an eligible part of the project".

"The Carroll County PSA was made aware of this positive federal decision on May 21, 2014, however we could not announce until after all of the appeals were made final and we had this sewed up", said Chairman Sam Dickson.

On August 29, 2013, a complaint was made to USDA-RD from Stephen Gregson claiming that the Carroll County PSA had improperly used Fancy Gap Sewer Project funds to construct the Joy Ranch Road sewer line extension. On the same day as his complaint, USDA-RD notified the Carroll County PSA that grant funds issued to the PSA for the Joy Ranch Road extension constituted unauthorized assistance and would have to be repaid. Additionally, USDA-RD advised the PSA that until these funds were repaid it would not provide any funding on USDA-RD projects already approved and under construction.

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 6**

Chairman of the PSA in 2013 was Dr. Tom Littrell who said, "It was very odd that no discussion of the matter took place by USDA-RD, they just seemed to take the complaint as factual. We could have shown USDA-RD the written approvals (by USDA-RD) for the Joy Ranch Road sewer line extension; however USDA-RD never gave us a chance for a discussion prior to making their unilateral ruling. A group of us did travel to Richmond to make our case in an informal discussion after the fact, however the USDA-RD decision had been made at that point and they did not accept our arguments. So as a result, we were forced to formally appeal the decision...and won the challenge, just as we knew we would".

Faced with USDA-RD refusal to reconsider its finding and refusal to release funding for projects underway, the PSA had no option but to refund the amount demanded to USDA-RD but resolved to appeal the decision as unfair and factually inaccurate. On October 23, 2013, the Carroll County PSA reimbursed USDA-RD for \$266,167.20 in a single check and authorized the appeal.

PSA Chairman Sam Dickson said, "Both Mr. Gregson and Mr. Mike Goldwasser continue to appear before the PSA and make unfounded and incorrect statements. Recently Mr. Goldwasser was in complete error when he claimed that the PSA tried to hide the repayment of the funds by issuing multiple checks to USDA-RD. Mr. Goldwasser also said that the PSA was not transparent". Dickson went on to say, "the PSA has been exceptionally open with this issue; however the PSA leadership had to develop a plan of action necessary to address the situation and we simply did not need the assistance of Mr. Goldwasser in that process since he is not part of the PSA and not even a paying user of County water or sewer. By making these false accusations against the PSA to USDA-RD, Mr. Gregson has cost Carroll County tens of thousands of dollars along with a massive redirection of time, efforts and resources that cannot even be calculated. We understand that Mr. Gregson has also made unfounded and erroneous allegations against the PSA to other State and Federal Agencies as well. I am not aware of the motives behind these efforts by these gentlemen but I note that in addition to Mr. Goldwasser not being connected to the PSA's water or sewer system and therefore not a customer of the PSA, Mr. Gregson is not a citizen of Carroll County or of the Commonwealth of Virginia. After the success of the PSA in this appeal I hope they are getting the idea that we operate in a very professional and upstanding manner. Unfortunately, these appeals required the expenditure of public funds, which could have been put to better use by extending service to citizens of the County in need of public water or sewer or used to pay debt down sooner. The PSA does a great job for Carroll County and we need citizens to understand the nature and source of these unfounded complaints and to consider the source when these complaints are made".

On September 5, 2013, after USDA-RD had already approved construction of the Joy Ranch Road sewer line extension, in writing, the PSA was notified that an environmental review (ER)

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
PAGE 7**

of the Joy Ranch Road sewer extension and some elements of the preliminary engineering review (PER) had not been submitted. Immediately upon this notice, the Carroll County PSA ordered the ER and other PER documentation (as allowed by federal regulations), which showed no adverse environmental effects of the construction of the Joy Ranch Road sewer line extension; the PSA provided USDA-RD this environmental review on October 31, 2013, however USDA-RD chose not to accept and did not place it in the project file. By the appeal process, it was determined by the federal Hearing Officer that, "Under Agency written rules issued by Agency by bulletin to guide parties in implementing water and sewer programs, (USDA-RD) Agency gave itself discretionary authority to approve additions and modifications to projects following PER and ER". And thus, the information provided by Carroll County PSA was accepted and provided a basis for the final ruling in favor of Carroll County PSA.

In his final statement, the federal Hearing Officer stated, "I do not find any regulatory violation that supports a finding of unauthorized assistance. I find Agency erred in deciding (Joy Ranch) road extension constituted unauthorized assistance and could not be funded with grant funds".

"We are exceptionally pleased with the results of the federal finding", said Chairman Dickson. Tom Littrell noted, "it seems as if USDA-RD took the word of an individual they did not know without checking the details. The USDA-RD State Engineer had already approved this project in writing prior to construction, without any complaints".

Chairman Dickson said, "I do wish to thank the PSA Executive Director, The Lane Group (consulting Engineers), staff and the law offices of Sands Anderson for assisting in this win for the citizens of Carroll County. We look forward to continuing to work with USDA-RD on future projects; however this is a monumental win".

Comments on RD Appeal

Mr. Dickson stated I hope you enjoyed reading that. We certainly enjoyed getting it ready.

Mr. Light stated this is a press release so you want it printed just as it is, not just high spots.

Mr. Larowe stated this is the information the press has been given, it would be the hopes that it would stay in contact. It is not required to do so.

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA**

Page 8

Mr. Dickson stated he liked the word that erred, all the appeals are gone so it is final done and over with. One question I have why someone would want to do that, they are called Whistle Blower.

Mrs. Dalton stated, I think it is interesting that a Whistle Blower can get paid up to 30 percent of the cost, sometimes even if they do not win the appeal. I just wonder how much Whistle Blower got this time.

Mr. Payne stated, It is a shame that we had to go through all of that and cost the county taxpayers money.

Mr. Dickson stated, It really gets to you when the Whistle Blower is not even a taxpayer, not even a citizen.

AUTHORITY MEMBERS' TIME

Mr. Payne – This has been a short meeting, but one of the better meetings that we have had in a long time.

Mr. Hutchins- I would like to thank Mr. Dickson and Dr. Littrell for the perseverance this was a long road but it paid off for the citizens of Carroll County.

Mr. Dickson- This shows the integrity of the PSA as a whole. When they asked for the money back we sent it back and went through the appeals process. We followed it all the way through and got the money back honest and did not try to destroy any one person or organizations. We have done a lot of good things for the county and we will continue to do good things.

Mr. Light- Hope that this makes the front page and they see that everything is on the up and up and should have never happened.

Mrs. Dalton- I'm glad that our appeal worked when you are honest and do the best you can it usually works in your favor. I am glad that, that part of it is over. I thank everyone that was involved.

Dr. Littrell- I think this is on every one's mind. We kind of got the stuffing kicked out of us when we got the letter from USDA RD. I felt like justice did prevail and we went through the proper channels. I'm glad this letter is released to the public and they understand what we tried to do what was right and we are getting our money back.

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 14, 2014
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA
Page 9**

ADJOURNMENT

Upon a motion by Mr. Hutchins and seconded by Dr. Littrell and duly carried the Authority does hereby adjourn at 3:40 p.m. until the next regular scheduled meeting on August 11, 2014 at 2:00 p.m. in the Carroll County Governmental Center Board of Supervisors meeting room.

W.S. "Sam" Dickson, Chairman

Gary Larrowe, Executive Director

Dana Phillips, Sec./Treasurer, Assistant Director