

**MEETING MINUTES  
CARROLL COUNTY PUBLIC SERVICE AUTHORITY  
OCTOBER 13, 2014  
CARROLL COUNTY GOVERNMENTAL CENTER  
BOARD MEETING ROOM  
HILLSVILLE, VA  
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**CALLED TO ORDER**

The Carroll County Public Service Authority held their regular scheduled meeting on Monday, October 13, 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 Larowe, Executive Director, and Dana Phillips, Assistant Director and Secretary/Treasurer of the Authority.

**CLOSED MEETING - PURSUENT TO VA CODE SECTION 2.2-371181 A(1)  
DISCUSSION OF PERSONEL, A (7) LEGAL COUNSEL**

**(ORDER)**

Upon a motion by Mr. Hutchins and seconded by Mrs. Dalton and duly carried by the Authority does hereby enter into closed meeting at 2:04 p.m. until 2:36 p.m. for the discussion of VA code section 2.2-371181 A(1) discussion of Personnel, A(7) Legal Counsel.

**(ORDER)**

Upon a motion by Mr. Hutchins and seconded by, Mr. Payne and duly carried by the Authority does hereby convent out of closed meeting.

Whereas the Authority has convened a Closed meeting on this date pursuant to an affirmative recorded vote and on the motion to close meeting in accordance with Virginia Freedom of Information Act.

**CERTIFICATION OF CLOSED MEETING**

Now therefore be it resolved that the Authority certifies that to the best of each members' knowledge (1) only public business matters lawfully exempt from open requirements by Virginia law were discussed in this Closed Meeting in which the certification as identified in this motion concerning the closed meeting were heard or considered by the Authority certification resolution applies and (11) only such public business matters as were identified in the motion concerning the Closed Meeting were heard or considered by the Authority.

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**PUBLIC MEETING**

The Carroll County Public Service Authority will hold a public comment period during its regularly scheduled Oct.13, 2014 meeting at 2:00 pm regarding possible expenditure of Project contingency funds for any currently open projects including Exit 19 Sewer, Long Range Water, Fancy Gap Water/Sewer, and Coon Ridge Water. This meeting is being held as a requirement of USDA – Rural Development regarding expenditures of contingency funds on these current projects. Comments regarding economic and environmental impacts, service area, alternatives to the project, and other related project issues are encouraged. All interested citizens are urged to attend. If for any reason citizens are unable to attend, please contact any member of the PSA Authority with questions or concerns. For additional information, please contact Dana Phillips (276)730-3170.

Public meeting opened at 2:39 p.m.

**Mr.Gregson:** Now, Mr. Chairman, September meeting minutes reflect the quote, "*The PSA is requesting to use the contingency funds from the Fancy Gap Sewer, Exit 19 Sewer, and Regional Water Project to purchase much needed equipment.*"

In the minutes after the approvals, Mr. Larowe asked the Chairman that for a "*modify...approval item...of contingency funds for the projects that are currently open.*" The minutes, which seem to be in a time event order, do not reflect a motion after Mr. Larowe' request specifying any project by name, even after Mr. Light's additional request on the issue. The public notice, is vague but reflects additional projects not mentioned in the consent motion ie. "*Fancy Gap Water, Long Range Water & Coon Ridge Water.*"

So the obvious question; where is the motion, what are the specific reasons of the expenditures and how much are the dollars in contingency for each project from which this is coming from? Hasn't Regional Water project been finished well over two years, along with Exit 19 Sewer and there has not been any updates on any of these projects for months, according to the matrix. Just two months ago, you had a public hearing on specific expenditures on the leftover funds for the Fancy Gap Water and now another one. How many times do we have public hearings for leftover funds from the Fancy Gap Water? Why another one? So why has there not been any discussion of funds leftover for the other projects? Are these contingency funds or leftover for the other projects? Are these contingency funds or leftover funds? Didn't the PSA Terminate the inspectors due to there was no contingency funds leftover? But now we have undisclosed amounts available?

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This might sound too obvious, but how do you expect the public to comment on something they have not been given any detail on the expenditure? "*Much needed equipment*" is pretty open for one to not have to disclose.

I am thankful that there is a public notice and hearing upon any expenditure but why not tell the public specifically for which your requests are for and from what? It appears that due to the lack of information you have not properly provided a public notice under the code. Lessons have been learned by the PSA on proper protocol to modify PER's, ER's and to hold public meetings on expenditures and give the public the opportunity to comment as required by federal and state codes. It is about time and I feel this has been a long time coming to have some transparency. With the recent questionable approval of the portable generator from the Fancy Gap Water and now the undisclosed amount request of the Fancy Gap Sewer and water today brings the total of dollars that have been spent on items that were not in the scope of the project to be will over \$450,000. According to the matrix this number represent to be well over 5% of the Total Project Cost, but still terminated the inspectors due to a lack of funds.

The public deserves answers to these questions prior to the vote of these expenditures. Please notice properly and give some details that one can make an educated comment. Passing thought; Can we have a public hearing that was required by a Federal entity on a Federal holiday? Thank you.

**Mr. Larrowe:** I think I was directed at the last meeting to come up with a listing of the needed equipment that was associated with these projects. We will go through this fairly detailed. Exit 19 Sewer project was loan money \$165,872.84. You can go down through the listing there that was Fancy Gap Sewer, Regional Water, Coon Ridge Water, Fancy Gap Water and where those funds come from whether they were loan or grant money and how much those were and the total. Remember this does not impact the construction of Devo Street, Foggy Ridge, and Chris Street. Those have been approved. So this was the total amount of money left over from all those projects, USDA asked us to find a way to close out these projects, this was a way of doing that. We have \$424,167.79 that needed to be expended. We have moved forward with that in this listing. Mini excavator/compact excavator, basically the same thing, which would be used both water and sewer side. We have got the estimated cost and we have asked that part of that come from Exit 19 Sewer, part of that being local funds, and part of that from Coon Ridge Water for a total cost of \$48,111.00. The trailer and all of these items that are listed here under the equipment list were sought from the National Joint Purchasing Alliance, that is a group the landfill has used before in purchasing equipment for proper procurement purposes. The trailer underneath the excavator would be to haul the excavator, the estimate for that was \$11,322.16. Part of that would come from Exit 19 Sewer, part of it local funds, and part of it Coon Ridge Water. So that could end up being used across the system. A service truck, again NJPA, to pull the trailer and

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compact excavator that one is listed at \$43,130.00 that would come from Exit 19 Sewer, and \$2000.00 in local funds, and a little from Coon Ridge Water Fund. Directional drilling machine that would be used in water and sewer the total cost estimate is \$75,421.00 that would come from Fancy Gap Water, local funds, and Exit 19 Sewer. The generator would be a stand-alone that would be at the Pleasant View Water System, which would end up helping that one out during ice storms since it is tough to get over there to it at the tank. That stand-alone generator would come from the Regional Water Funds and Coon Ridge Water since Coon Ridge Water actually gets their water through the Regional Water System. Portable generator would end up being potentially used for both water and sewer. Part of that would come from Fancy Gap Sewer, Coon Ridge Water, and local funds. Radio Read System this is for the water meters. The system itself would come from the Regional Water money since that is where it would end up being used is on the water. The 401 radio transmitters that are for the water system and that would be from Coon Ridge Water and Fancy Gap Water. The system is a one-time operational cost whereas the meters themselves and the transmitters would be site-specific. Trailer mounted jetter is for sewer clean-outs. We would end up using the trailer version not a truck version. A truck version is about \$250,000 dollars. This one is a trailer mounted version that could be pulled by the service truck. \$60,000 was the estimate for the trailer mounted version. That would come from Exit 19 Sewer, Fancy Gap Sewer, and local funds. So you can end up seeing how we have it broken down and if we end up spending it as projected we would have \$105.11 left in the account from all of those projects. USDA had asked we come up with a list that would expend all of those funds and then we can close those projects out. That is what we have been trying to do today. That's the information that we have presented. (Copy of this list will be attached to minutes).

**Dr Littrell:** Those will need to be approved by USDA?

**Mr. Larrowe:** They would need to be approved by USDA. It would be the hopes that the Authority end up seeing these in that order of need and try to give an endorsement and might end up thinking about it in regard of that. If USDA doesn't approve the equipment purchases then we would have to start the process over and find some other way to expend those funds.

**Mr. Light:** Why is the portable generator so much higher than the stand-alone generator? Is it that much bigger?

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**Mr. Larrowe:** They're actually rated at the same I think. There is a significant difference between a portable and a stand-alone unit. Probably something with the plugs and things, too.

**Mr. Light:** The portable has its hook ups that go with it on the trailer. The stand-alone is that just the generator?

**Mr. Larrowe:** Generator. Then you would end up wiring it directly...

**Mr. Light:** You could buy three stand-alone for that.

**Mr. Larrowe:** The numbers are the numbers.

**Mr. Light:** I like the idea of a portable because you can move it but that is a high dollar trailer. Unless it is that much bigger.

**Mr. Larrowe:** The stand-alone is a 200 amp and 100 hp. The portable is a larger single motor and 150 hp.

**Mr. Light:** So you're looking at more for the motor than the generator itself is going to be.

**Mr. Gregson:** Mr. Chairman I do appreciate this list. I just wish we had it earlier so we could have looked at it prior to this public meeting. Don't we have portable generator already that sits at Exit 1?

**Mr. Larrowe:** Nothing of this size.

**Mr. Gregson:** How big is the one down there?

**Mr. Gregson:** I recall the design of this was because of special use in Fancy Gap. As an example, that it would be able to be used in multiple sites by isolating it. So we could use it on Reedside Drive possibly which would help replenish the tower without having Frog Spur or the other one on-line?

**Mrs. Montgomery:** It can be used anywhere in the system. Yes.

**Mr. Dickson:** Do you have any other questions James?

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**Mr. Light:** I like the idea of a portable one we could use anywhere but the difference in that money is serious.

**Mr. Cornwell:** Are the prices off a state contract?

**Mr. Larrowe:** No, it's off the National Joint Purchasing Alliance, so you cannot haggle these prices.

**Mr. Cornwell:** Do you also have separate proposals?

**Mrs. Montgomery:** I have other prices as well. They are all inline.

**Mr. Light:** It may just be the price. I know you can go from a 100 hp tractor to a 150 hp tractor and go from \$90,000 to \$140,000.

**Mrs. Montgomery:** They are all EPA Tier 4, which is required now. So that has really made the prices of generators go way up.

**Mr. Larrowe:** Mr. Chairman, would it be your pleasure to adopt this? Understand that there are some concerns and we would try to get the best prices possible. As Mr. Cornwell said these are State Contract bid pricing but we are trying to close a lot of projects and we're trying to do it in a judiciously prudent manner.

**Mr. Dickson:** We need a motion to approve moving on with this project to see if they will even allow us to do this. Do I have a motion?

**Mr. Payne:** I will make the motion to submit this to USDA for their approval hopefully.

**Mr. Dickson:** Okay. Do I have a second?

**Mr. Hutchins:** Mr. Chairman?

**Mr. Dickson:** Yes?

**Mr. Hutchins:** In the interest of full disclosure for which I have no interest in doing this I do. We are a Generic Dealer. I do not bid anything for Carroll County or any other county in that nature that we deal with. I have no interest in this, who or were they come from. I have never bid

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any of the projects that we have done, although I have been asked to. So with that having been said I will second.

**Mr.Dickson:** Any other discussion?

**(ORDER)**

Upon a motion by Dr. Littrell, and seconded by Mr. Hutchins and duly carried by the Authority does hereby submit contingency funds spreadsheet for equipment to USDA for approval.

Closed Public Meeting at 2:56 p.m.

**Citizen Time**

No speakers

**APPROVAL OF CONSENT AGENDA**

Upon a motion by Dr. Littrell, seconded by Mr. Hutchins, and the duly carried the Authority does hereby approve the consent agenda, sections A, B and C & the September 8, 2014 minutes were also approved and are on file in the PSA office. The claims are on file in the PSA office. The PSA meeting date is change to November 17<sup>th</sup>, 2014 at 2 p.m. PSA members will be at VACO the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> and some business may be conducted. The public and press are invited to attend. The meeting date change is part of the approval items.

Section A: Approval of Minutes

Section B: Authority Approval Items, Additional Items

Section C: Approval of Claims, Late Arrivals and Online transactions

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**Claims**

End of September Claims Check # 20423-20440    \$408,042.89

Beginning of October Claims Check # 20441-20479    \$202,113.89

**Transfer for claims**

CCPSA to Operating end of September Claims \$408,042.89

CCPSA to Operating for October claims \$202,113.89

Operating to Cliffview (August) \$1,670.52

**Transfer to Reserves**

CCPSA to Debt Reserve    \$8,614.50

CCPSA to Short Lived Asset Reserve \$10,652.83

CCPSA to O&M Reserve \$5,613.93

**OLD BUSINESS**

**Mr. Dickson:** Commonwealth Road area - we had a person that came and asked for fire hydrants and we do not have enough there, VDOT has approved one and we are receiving bids for a hydrant. Actually, it has been ordered already. Good that that is moving along.

**PROJECT UPDATES**

**I-77 Exit 1 Water - Construction**

Contractor (Eastern Tank and Utility Services) has installed all of the water line in Contract 1

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between the booster pump station and the tank access road. The Contractor is currently installing services with 26 of the 57 services installed. Construction at the booster pump station is underway. The tank has been erected and is up.

**Fancy Gap Water & Sewer - Construction Phase**

**Water** –

All original construction has been completed and all original construction contracts have been closed out.

For the CCPSA's request to use remaining project contingency funds for water line extensions (Devo, Chris, and Foggy Ridge) and a portable generator, plans/specs for the water lines have been completed and have been approved by VDH. Need to secure USDA-RD authorization to bid.

**Sewer** -

All original construction has been completed and all original construction contracts have been closed out.

Public Information Meeting scheduled for today for the CCPSA to consider possible requests for use of remaining project contingency funds.

**Coon Ridge Water – Construction Phase**

Contract 1 – Coon Ridge Road (C.W. Cauley & Son, Inc.): The Contractor has completed construction of all water lines included in the original contract and the system has been placed in service. The final cleanup Change Order is being circulated for signatures.

Contract 2 – Poplar Camp Road (Central Builders, Inc.): The Contractor has completed construction of all water lines included in the original contract and the system has been placed in service. Construction of Change Order No. 3, the additional water line on Turman Drive, is complete and awaiting Health Department approval to put the line in service. The final clean up Change Order is being circulated for signatures.

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**Cliffview Water – Design Phase**

Plans have been submitted to regulatory agencies for permitting. PSA staff is working towards securing easements in advance of advertising for bids.

**FUNDING APPLICATIONS**

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

**Cana Water SEARCH Grant** – The CCPSA secured a \$25K SEARCH Grant from USDA-RD for evaluation of the Cana water system; including water supply sources, extensions to serve new customers, interconnections with nearby systems, and eventual funding application for construction funds. This Grant was secured in part to help try and secure funding for Meadowbrook Road and interconnection between the Cana and I-77 Exit 1 water systems.

**NEW BUSINESS**

Nothing at this time.

**AUTHORITY MEMBER'S TIME**

**Mr. Light:** Nothing at this time.

**Mrs. Dalton:** Nothing at this time.

**Mr. Hutchins:** Nothing at this time.

**Dr. Littrell:** Nothing at this time.

**Mr. Payne:** The interconnection between Cana and the Exit 1 Water system, would that pretty much cover the whole Cana area and do away with the old wells down there that are wearing out?

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**Mr. Larrowe:** That's actually what part of the study is about, to figure all that out. It's not something we have the answers to it's something we are trying to find the answers to. If it was like the Regional Water system that was put in where we have a sustainable water supply from the New River Regional Water Authority the sustainable supply could potentially come through Mt. Airy through the Surratt Road/Surratt Drive connection. But that would still need to be augmented with wells along the way. So maybe not used as heavily in the future but it would still be augmented throughout the whole system.

**Mr. Dickson:** I know you are very pleased with that \$25,000 grant to work that out. I am also very happy with the process of getting to some of these leftover funds, contingency funds to buy some very much needed equipment. It will enable our Public Service Authority to do a better job and should have some time saving factors in there. We will be better equipped. I know the radio transmitters are a great thing. Hopefully they will approve this. You never know you just have to try and see. As he stated this doesn't change anything with Devo, Foggy Ridge and Chris Street. It's not like we're taking money from other projects. It's just some that's leftover. Some of it is grant money, a portion that's loan and some from local funds. It is going to be a good thing if we can get it. Let's just hope they see the need and will approve it.

**Mr. Gregson:** There are several attachments on the minutes today. Did we discuss those at the meeting? If we are not, the DLB letter I have a concern with. I am just thankful that Mr. Shockley's crew did a phenomenal job to correct that problem. There was another problem that was observed at that time when they were re-encasing that one stream bed. It was found that another stream bed approximately ten feet away from it right behind the wet well is not incased. So those pipes are bare underneath that particular stream. Under DEQ requirement anything that was open cut has to be backfilled in concrete. That was not done because it was not in the plan. We feel that that was a mistake but we need to make sure that something is done about that. Either someone goes back and corrects that because we have pipes that are bare that are head water trout stream/head water supply for Hillsville that have no protection what so ever. Does that make sense what I'm bringing up here?

**Mr. Dickson:** Do you understand what we need to look at engineers?

**Mrs. Montgomery:** I'm not sure that is a permitted stream.

**Mr. Gregson:** It is. It has been delineated by the core of engineers; it's considered a stream. It is part of the wet lands and therefore falls under the DEQ requirements. Just like the wet well on the original design had a culvert through it to protect that stream. But the plan was changed

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during the process. It was changed to just put riff-raff on the back of that and to make the foot print smaller. So it is recognized by DEQ. It is a wet land. It is a flowing stream. Apparently, it was missed in the plans because one of the plan sheets do not show the stream there at all. It's there. We saw it. And we know it's recognized by the core of engineers.

**Mrs. Montgomery:** I will have to refer back to the permits.

**Mr. Gregson:** My concern is the liability for anyone who comes out there if there is a break in that section. That is my concern because there is no protection for those pipes both the gravity flow and the force main.

**Mr. Dickson:** If you would, check on that you and Kevin work together and get us report back for next meeting to see if there is anything, we need to do.

**ADJOURNMENT**

Upon a motion by Mr. Payne and seconded by Dr. Littrell and duly carried the Authority does hereby adjourn at 3:07p.m. Until the next regular scheduled meeting on November 17, 2014 at 2:00 p.m. in the Carroll County Governmental Center Board of Supervisors meeting room.

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W. S. "Sam" Dickson, Chairman

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Gary Larowe, Executive Director

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Dana Phillips, Sec./Treasurer, Assistant Director

