

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
NOVEMBER 21, 2016
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA**

CALL TO ORDER

The Carroll County Public Service Authority held their regularly scheduled meeting on Monday, November 21, 2016 at 3:05 p.m. in the Carroll County Governmental Center Board Meeting Room. Members present included: Thomas Littrell, Chairman, Keith Meredith, Jeanette Dalton, and Doug Winesett. Also present was Executive Director and PSA Engineer, Jessica Montgomery and Dana Phillips, Assistant Director and Secretary/Treasurer of the Authority. William Payne, Vice Chairman, and James Light were absent.

Citizens Time

Donnie Morgan: I am here today because I have some rental property out on the edge of Iron Ridge and Hebron. I have talked to the director and Mrs. Dalton about it, so that's why I wanted to bring it to the board's attention. I had a couple of renters that liked to mess with the water meters. They tampered with them and damaged them; the Sheriff's Department did not investigate obviously. I think there was one if not at least two pulled. I am in need of putting those back, without putting me in bankruptcy to do it. We have negotiated down to if I pay the water bill that these people owe, which is almost \$700.00 I can get at least one meter back. What I am asking for is for both meters to be put in for me at no charge, simply because I was not given due process in the policy shift. Even though the policy has been in place for many years it was not enforced until our new director. I understand that, I am in support of the policy, no problem. I am just saying that I was not given due process or notice also, the Sheriff's Department is not investigating these. The full burden is on the land lord. I understand the policy as it is stated today I understand there may be another policy shift requiring that the land lord pay the bill. I would probably be all for that too. But I am in dire need of getting these two meters back. In order to get these properties re-rented, to continue on with business. If that is not the decision of the board, then we will move on to other avenues to rectify the situation. That is pretty much simple in what I am asking today. Are there any questions about that?

Dr. Littrell: So there are two meters?

Mr. Morgan: I think there are two meters you can correct me if I am wrong. 51 and 59 Friendly Road, Woodlawn. One is a unit I will probably not rent again, I will probably tear it to the ground, but 51 Friendly is one that I need to re-rent.

Mr. Meredith: When did that happen Donnie?

Mr. Morgan: When did they tamper with them?

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Mr. Meredith: This is news to me.

Mr. Morgan: I think they were pulled back in the spring maybe you can help me out with that? I think May.

Mrs. Phillips: September

Mr. Morgan: Either way they are pulled out of the ground at this point.

Mr. Morgan: On the policy that was in place then and is now unless we are notified that there is some tampering going on. It's very hard for us to know even though we are checking on these properties; it's hard to know what is happening at night underground, if our own Sheriff's Department will not investigate this. I don't know what recourse we have to not allow people to do the things they should not do, especially if I am going to be held responsible for it. I don't know we're I am to go from here.

Mr. Meredith: Of course we are here once a month so if we do have a policy in place the easiest thing for us to do is to follow the policy, and then it is uniform. Sometimes we do in cases structure things such as payment plans to help folks. We tried to help a gentleman this year, since I have been on the board. I am just speaking for me, of course I would still like advisement from our director and I am not saying anything is going to happen today, but if we can discuss something. As I say we are bound by the policy. If we take this off for you, then the next guy, and the next, and the next. It may be something we need to revisit as far as a policy goes. This is something that would probably be hard to do, pay for the meter and the water bill in all areas. Would it be something if we structured it as some kind of plan to help you financially pay that over time?

Mr. Morgan: Worst case scenario that would be better for me. Going back to the eight years that I have owned these properties and the fact that the PSA has never followed their own policy. They said when the new director came in she followed the policy as written. I understand that. No one was given notice at that point, to my knowledge. We were not given notice at all that the policy was going to be enforced. It's kind of been almost hidden for eight years, and all of a sudden you were going to follow the policy. I'm hung by someone else's actions.

Mr. Meredith: We can't speak to what did or did not happen prior to Jessica. I actually appreciate Jessica following the policy. As the board, there is transparency there. What I'd like to do, and

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this is just me Dr. Littrell, is to review this with Jessica and the staff. Then we can come up with solution she can present to you. I can't help the Sheriff's Department; I can't help what the tenants do, but we are not trying to be villains in this. We will talk to Jessica and the staff and hopefully we can come up with something.

Dr. Littrell: That is what I was going to suggest we do. We can discuss possibilities and get back with you.

Mr. Morgan: I would be willing to meet with the board again and answer any questions, or go over issues with it.

Mr. Meredith: We will try and do this in a timely manner. To maybe get the property back up to where you can rent it.

Mr. Morgan: I appreciate it.

CLOSED MEETING – PUSUANT TO SECTION 2.2 3711.A (7) CONSULTATION WITH LEGAL COUNSEL

(ORDER)

Upon a motion by Mr. Meredith, seconded by Mr. Winesett and duly carried the Authority does hereby enter into Closed Meeting at 3:14 p.m. until 3:33 p.m. for consultation with Legal Counsel 2.2-3711.A-7

(ORDER)

Upon a motion by Mr. Meredith, seconded by Mrs. Dalton and duly carried the Authority does here by convent out of closed meeting.

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

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CERTIFICATION OF CLOSED MEETING

(ORDER)

Upon a motion by Mr, Meredith, seconded by Mrs. Dalton and duly carried the Authority does hereby adopt the following resolution:

Whereas, Section 2.2-3711.A (1) of the code of Virginia requires a certification of the Authority that such Closed Meeting was conducted in conformity with Virginia Law:

Now there for, be it resolved that the Authority hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open requirements by Virginia law were discussed in this Closed Meeting in which this certification by the Authority certification resolution applies, and (11) only such public matters as were indentified in this motion concerning the Closed Meeting were heard or considered by the Authority.

(ORDER)

APPROVAL OF CONSENT AGENDA

Upon a motion by Mrs. Dalton, seconded by Mr.Winesett and duly carried the Authority does hereby approve the consent agenda, sections A, B and C. The October 10, 2016 minutes were also approved, they are on file in the PSA office. The Claims are also on file in the PSA office. They are as follows:

Claims: Check # 21709-- \$63.81

Checks # 21710-21711--\$3,339.33

Checks # 21712- 21715--\$4,293.34

Checks# 21716-21769-\$234,202.00

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Transfer for Claims

CCPSA to Operating November 3, 2016 \$4,293.34

CCPSA to Operating November 10, 2016 \$234,202.00

Transfer for Debt Reserves

CCPSA to Debt Reserve \$9,740.90

OLD BUSINESS

Town of Hillsville- The proposal to help with the sewer line, still under discussion.

Cana PER:

Dr. Littrell: There are five items on this PER. The first two is from when we wanted to connect to Exit 1 Water and the last three are the Meadowbrook area.

Mr. Heath: There are two handouts one with maps, one with summery of cost. What we were asked to do is look at possible extensions. A group of people from Meadowbrook Road approached the board and asked about the possibility of extending the Cana system to serve them. During the same period of time the PSA developed a water system. In the original system you have about 440 customers. This was developed in the late 90's. The system is supplied by wells. There were originally 8 wells dug to serve the Cana system. Currently, there are 4 wells being used, again with 440 customers. Exit 1 was completed just this past calendar year. This includes a couple of wells as well as a connection to the Mt. Airy system. The two systems were put in with the long term thought being eventually connected together. The storage tanks are set at the same elevation so that they can be used. The second figure shows the Meadowbrook Road area, that area has about 75 potential customers. What we have found if those 75 people all connect to the system you would run into sources capacity issues. Currently being supplied by the 4 wells. If you add those 75 customers you need an additional sources supply. The PSA secured the Search Grant from Rural Development, which was intended to search for two potentially interconnect those two together to serve as many people as we can. We looked at two different routings to connect Cana with Exit 1. Figure 3 shows the line extension on Brushy

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Fork and Old Piers Gap Road. Along that routing a little over 6 miles, there is about 100 possible customers. That equates to the cost for alternative 1 Meadowbrook Road plus Brushy Fork Road connector. We have those broke down interns of cost what we would project the Meadowbrook road only, and the source supply. That will be the line extensions to connect those two systems so that you could essentially supplement Cana with water purchase from the Exit 1 system. Given a total construction cost with each alternative. We have related cost and contingences that include such things as engineering, land and rights, permit fees interim financing as well as a construction contingency. We have used a round number of about 30% of the construction. We used each percentage for each of them. For alternative 1 the round number is 3.4 million dollars for 175 potential customers that could be served by alternative 4 accomplishes the same thing. Connecting the Cana system with Exit 1 but taking a different route along Flower Gap Road and around this alternative would cover 7 miles and about 100 potential customers that could be served. Round number for cost 3.6 million dollars. That's where we were at the conclusion of the Cana search grant. The PSA held community meeting down there to essentially see which one of these two routings because they are pretty close in cost to see which one had a higher user interest. The meeting was help and a lot of user agreements were handed out. But at the end of the day when the due date for the submission of those we didn't have much participation in either route. I believe the PSA's standard policy to extend a line to an area you need at least 50% of an area for folks to voluntarily sign up. We did not approach 50% for either route. So alternatives 1 and 2 are basically off the table at this point according to current PSA standard. So what the board had asked us to do is look at other ways we could supplement the water supply just for the Cana system so that we can serve Meadowbrook Road. Figure 5 is the third alternative to connect to the Cana to the Mount Airy system going a different route. They serve up the 52 corridor as far as Green Hill Road. That shows us connection onto their existing line at Green Hill Road and coming up 52. We did show coming over to Oak Ridge Road and that's because the Cana system operates with two different pressure zones. The tank is up here and the area along 52 at the state line is fed through a pressure reducing valve. So in order for us to get water out of the Mt Airy system back up into Cana we had to go over to Oak Ridge Road. It includes 13,000 feet and one pump station. From a construction standpoint of 2.9 million dollars estimated project cost was less expensive than either one of the other two we initially looked at. But the big draw back if you look at the potential customers. All of those folks south of the state line are not the PSA's customers. They could potentially be served by the city of Mount Airy or Surry County if the line were to be put in place, as far as the PSA's budget there is no benefit there. The next alternative that we looked at, figure six shows the Meadowbrook Road being served as well. For this one we looked at drilling additional wells for the Cana system in the vicinity of the Lovill's Creek Lake. We would make that loop from Epworth

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Church Road to Speas Mill Road. Along that route most of the property is partly or jointly owned by the county, in relation to the lake there to develop a well. Total projected cost for total \$2,369,500. So for all the Alternatives that we looked at that would be the most expensive that we have estimated. We pick up a handful of potential customers along the way. There are 5 additional customers so the total projected customers for the entire project would be 80. The last thing that we looked at, since we are in the vicinity of the lake there is putting in a filtration system that would be able to pull water from the lake and treat it. There we would be completing the same line improvements as the others figures.

Mr. Heath continued to discuss the 5 potential options for the Cana system. Figures and Maps are attached to the minutes.

Dr. Littrell: How many wells?

Mr. Heath: It depends on the capacity. Ideally we could get by with one well if the capacity was in the 20 to 30 gallons a minute range. That would boost the system and get us over the hump with the Meadowbrook Road extension. If we get a much larger well that would be great the size well that you can have on the system is variable. The smallest well that was developed for the Cana system originally was around 10 gallons a minute the largest was 69.

Dr. Littrell: And the abandoned well cannot be brought back on line?

Mr. Heath: The abandon wells cannot be.

Mr. Winesett: Kevin with the proposal with the membrane treatment plant, have you checked what the quality of the water would be?

Mr. Heath: We do not know long term.

Mr. Winesett: With my experience you need very clear water.

Mr. Heath: What they have allowed at other locations like that, is installing additional pre-treatment.

Mr. Winesett: I have seen some that do not function well. They will load up.

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Dr. Littrell: What would normally be our next step at this point? Could we count on grant percentages verses loans, I know that's always kind of a guess. We talked about getting it from maybe two sections from the Health Department and USDARD. We still have work to do but I appreciate all you did Kevin.

Sylvatus

Dr. Littrell: Channel 7 discussed Sylvatus water. Jessica was not on camera. Some of the folks were interviewed. We are certainly trying to find some way to fund those projects. Unfortunately, the users are somewhat limited and the distances are somewhat great. But I thought, overall the presentation was balanced. It is not that we are not trying, it is that we are trying to make the dollars work. That is certainly something on going. Jessica alerted me that she was going to be interviewed.

Project Up-dates November 2016

Cliffview Water – Construction Phase

All construction has been completed and the Contractor (CW Cauley & Son) has been working on final cleanup and punchlist items to move to project closeout. A final cleanup Change Order has been processed and approved by USDA-RD. There are some contingency funds remaining in the project budget and PSA has been in discussions with USDA-RD requesting authorization for use of those funds.

Lynnhaven Tank PRV – Design Phase

VDH issued publication materials for continuing with the environmental clearance aspect of the project. Continuing to work toward authorization to bid.

Cana/Meadowbrook Water – Planning Phase

USDA-RD SEARCH Grant Project. Work continues on Amendments to the PER and EA evaluating additional water supply sources for the Cana system only without an interconnection to the Exit 1 system. Potential alternatives include developing additional wells, a surface water supply with filtration system, and/or connection to Mount Airy system along the Route 52 corridor. A funding application was submitted to MRPDC for funds to drill and test wells in the Cana area.

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FUNDING APPLICATIONS

Sylvatus/Route 100 Water – The PSA staff continues to explore possibilities to fund this extension.

Coulson Church Road/Ridge Road – MRPDC awarded the PSA a \$20K Planning Grant to be used toward project design. Initial VDH-DWSRF project funding meeting was held on October 18th in Abingdon. Next steps for the PSA include securing User Agreements, initiating the environmental review process, and initiating design and permitting.

Debt Refinancing – A DWSRF funding application for refinancing of a portion of the CCPSA’s existing water system debt has been submitted to VDH, and a funding offer has been made. PSA staff have been in discussions with VRA representatives to move toward refinancing of those existing loans which would result in cost savings.

Water Meter Upgrades – A funding application was submitted to MRPDC for money to upgrade a portion of system water meters to radio-read.

(ORDER)

Upon a motion by Mr. Meredith, seconded by Mr. Winesett and duly carried the Authority does hereby approve to advertise for the RFP for the refinancing of the Rural Development loans that are 4.5%.

NEW BUSINESS

Nothing at this time.

AUTHORITY MEMBERS TIME

Mrs. Dalton: Just want to thank the staff for all the great work that they keep doing.

Mr. Winesett: Nothing at this time.

Mr. Meredith: Thank you Kevin for the work you have done in Cana. That is one of the advantages for living in a rural community living far apart. The negative side of that is when you

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are trying to connect a water system and there are a limited number of folks to sign up. I appreciate the time and effort. Thank you to the staff for their hard work. Happy Thanksgiving.

Dr. Littrell: I had the opportunity to go to the Virginia Association of Counties annual meeting last week. I would like to turn your attention to VACO's, preliminary 2017 legislative program. It is on VACO.org. These are things VACO feels are important. They also deal with what we deal with. I invite you to go and look that over.

(ORDER)

ADJOURNMENT

Upon a motion by Mr. Meredith, seconded by Mr. Winesett and duly carried the Authority does hereby adjourn at 4:03 pm. Until the next regular scheduled meeting on at December 12, 2016, at 3 p.m. in the Carroll County Governmental Center Board of Supervisors meeting room.

Thomas Littrell, Chairman

Jessica Montgomery, Executive Director

Dana Phillips, Sec./Treasurer, Assistant Director