

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JANUARY 11, 2016
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA**

CALLED TO ORDER

The Carroll County Public Service Authority held their regularly scheduled meeting on Monday, January 11, 2016 at 3:00 p.m. in the Carroll County Governmental Center Board Meeting Room. Members present included Thomas Littrell, Chairman, William Payne, Vice Chairman, Keith Meredith, James Light 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.

(ORDER)

APPROVAL OF CONSENT AGENDA

Dr. Littrell requested to revise the agenda. Mr. Kevin Heath will be giving us a preliminary report on the Cana Project after the Old Business. With no objections, the agenda is revised.

Mrs. Phillips: William had asked a question of me earlier today and I think everyone would like me to answer, about a check in there for a Kathleen Quinlin for \$1,250.00. What that is, she came in and paid her connection fee, she wanted to see if she could get some help. Sercap was able to pay that fee for her. So they could not reimburse her, they could only reimburse us.

Upon a motion by Mr. Payne, seconded by Mrs. Dalton and duly carried the Authority does hereby approve the consent agenda, sections A, B and C. The December 7, 2015 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

Checks # 21209-21224	\$16,115.72
Checks # 21225-21246	\$160,436.87

OLD BUSINESS

Town Of Hillsville- Nothing new at this time.

Sylvatus Water Extension Request- The Lane Group is continuing to working on application.

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CANA WATER PROJECT

Mr. Heath:

USDA-Rural Development awarded the PSA a search grant for Cana and Exit 1 area of the county looking at water system needs there. We have prepared a preliminary engineering report. The Cana System was developed by the PSA about 12 or 15 years ago. That particular area is served entirely by wells. The original project was served by 8 wells that was drilled and permitted for that system. Currently the system is utilizing 6 wells: 2 of those have been lost, 2 others are primarily being used on a limited basis, because the water quality in those well has deteriorated over the years. They are high in iron and manganese content. So essentially that system is using 4 wells on a day to day basis, they serve 440 customers. The Exit 1 system over on the left was developed to serve the east side of the I-77/ Exit 1 interchange area recently it was expanded and completed and is served by drilled wells that the PSA drilled and tested as well as a connection to the Mount Airy. They have a water storage tank that serves the Welcome Center. That system currently serves about 60 customers. What we have looked at is a couple of needs is a long range water source supply seeing if we could reduce our dependence on wells and make the system more reliable. As well as the number of customers, that has requested water in the Meadowbrook area. The maps and cost estimates are enclosed in the PER. On the final sheet included in the PER we look at combining the two most cost effective components, one being the Meadowbrook Road component and the most cost effective connection between the Exit 1 and the Cana system which was the Brushy Fork Road routing. (Conversation about the figures shown in the PER paperwork that was passed out. This information will be attached to the minutes for this month)

Mr. Heath: Are there any questions?

Dr. Littrell: When does the agreement with Mount Airy end as far as the DOTS were concerned?

Mr. Heath: The limitation on that expires in November of 2018.

Dr. Littrell: So you wouldn't expect for any of these projects to be done by then. So you are depending on that as a source of water?

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Mr. Heath: Yes the time table from right now through completion, if you were to elect to apply for funding, complete design, secure the funding and construction and so forth these projects would be finishing up very near that time frame.

Dr. Littrell: The wells would not support this system?

Mr. Heath: The wells that are there now would not support this.

Mr. Light: So for this long term, to tie it all together we need to rely on Mount Airy for water, is what we need to do?

Mr. Heath: You would be relying on them to supplement you; you continue to use the existing wells.

Mr. Light: Another question, the two routes to tie it together one was Old Pipers Gap the other was Flower Gap. Flower Gap had more customers is that right?

Mr. Heath: As we counted it was equal number.

Mr. Light: Which route has people more interested or the worst wells or people dead set against.

Mrs. Montgomery: Unfortunately, Mr. Light we do not know we have not taken sign-ups yet. Dana said the Sandy Ridge area has approached us before wanting water.

Mr. Light: That would be off of the Flower Gap route? That would be an important step in seeing which routes you want to take. If one was 52% and one was 80% you would go with the 80%. Next question if we have to strike an agreement with Mt. Airy to purchase water to tie all this in, is that in economic interest to them, would they like that?

Mr. Heath: I cannot speak for them but I am very confident from passed meetings that we have had they have been interested in selling the PSA water as well as other folks more water.

Mr. Light: The other question William has probably already done thought of this, if this benefits them we buy water off them can we sell them sewage off of the 52 line or something? Could we use this as leverage? If we have that water and have no way of getting rid of it, can we go into Carolina with it? I know there are businesses on 52 that would be interested in septic.

Mr. Heath: That has been explored. That would be a potential scenario.

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Mr. Meredith: The sewer only runs to Green Hill Road on 52, so it does not go all the way to the line.

Dr. Littrell: Is that one of the problems we would have to build out some sewer line to the state line to connect to their line?

Mr. Heath: As the system stands now that is correct, as Keith mentioned there is a gap between Green Hill Road and the state line.

Mr. Payne: I think it is about 2.2 miles of line we would not have any hook ups to it. As far as Mount Airy with the loss of all the textiles they have an abundance of water down there that they would want to get rid of.

Mr. Meredith: At the same token the water stops also there at the same place on 52. But they come to where we are over at Brushy Fork, that's the contact point.

Mr. Heath: When the original water extended out to the Welcome Center part of that project was meant to include the sewer as well. But the DOT did not construct the sewer.

Mr. Light: I just think when we talk about needing to buy water off of them to tie all this together we need to look at it as a whole long term thing for that also. If we can use that for advantage somehow, that is just more money more lines more expense more taxes.

Dr. Littrell: Do you all understand the agreement we have as far as the limitations? Can you explain that?

Mr. Heath: The line was paid for by the two DOT's there is restriction on that line, that if any customer with a need or a demand more than 10,000 per day connects to that day within 10 years of its completion then the two DOT's and the city are obligated to charge a connection fee to whoever that entity is proportion to that of the construction cost to that line. So in other words if we were to buy more than 10,000 gallon a day right now we would have a connection fee that is set as a percentage of that original construction cost. The number would be around \$3million.

Mr. Meredith: What are we purchasing right now?

Mr. Heath: Under 10,000 gallons.

Dr. Littrell: That expires in 2018 right.

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Mr. Heath: There have been inquiries not only on the part of the PSA but also some others; the DOT's would waive that requirement. They so far have said no.

Mr. Meredith: If you just let it expire then you wouldn't have the question.

Dr. Littrell: Is there any other questions?

Mr. Meredith: I agree that there needs to be some kind of effort as to find out the interest. It is difficult to run the line by someone who does not want it and require them to sign on. There is always a funding issue.

Mr. Heath: What the PSA has done in the past would be to have a community meeting to basically gage the interest in the two areas to see how many participants we would actually have.

Dr. Littrell: I am sure you all know that we have to have 51% to potentially serve.

Mr. Payne: Even the current customers in the Cana area are going to have to have water from somewhere. These wells will give out eventually.

Mr. Heath: We can't say that for certain but based on what has happened we started with 8 wells we have 6 that are permitted and two of those have deteriorated to the point they are not favorable to use. It's possible.

Dr. Littrell: If we decide to go forward what is the first step? Would that be the first thing to have the survey or community meeting?

Mr. Heath: That would be a very good step, yes.

Dr. Littrell: We will need a motion to set that up, or do you want to think about it another month?

Mrs. Phillips: How do we present this? Do we start with this road here and this scenario or the whole community?

Dr. Littrell: He had the most cost effective one but we can also do the whole and make sure they understand that it may or may not be included in the final project. Make sure it's clear we are doing a preliminary survey to see interest.

Mr. Payne: I think we need to move on as quickly as we can with any meetings.

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Mr. Meredith: I would be more inclined to involve the entire community to, instead of having three separate meetings.

Mr. Light: We can have one at the school house or the fire house to let everybody come to beg for it or protest.

Mr. Heath: On the Meadowbrook component there have been meetings there and the PSA does have user agreement.

Mr. Light: There was a big time need on Meadowbrook. Back the other way I don't know.

Mr. Meredith: I think it needs to be cost effective either way. But we need to have that in mind we will ultimately be losing wells and the need to tie on to the city is present.

Mr. Light: That does need to be explained to them, it's not something that will happen tomorrow but long term. We need to tie these things together.

Mr. Heath : One of the good things about it is the study so far has been funded by Rural Development so from that stand point they have a vested interest in seeing this project continue. They did fund the original Cana system they did fund the initial Exit 1 system. They have an investment there. I feel very good about being able to get a funding offering from them.

(ORDER)

Upon a motion by Mr. Payne, seconded by Mr. Light and duly carried the authority does hereby approve to have a meeting in February at St. Paul school to discuss the Cana water project.

PROJECT UP-DATES JANUARY 2016

Cliffview Water — Construction Phase

The Contractor (CW Cauley & Son) has completed tank site grading and the tank access road. The pipe crew has been installing water line primarily near the water storage tank, Sylvia Lane, and Creekview Drive. A boring crew has continues to install road bores in advance of pipe laying. A directional drilling crew continues to work on the water line crossing of Chestnut Creek. The Contractor will continue pipe work, road bores, and the Chestnut Creek crossing

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during the upcoming month. To date, the Contractor has installed approximately 8,100' of 8" water line, 13 service connections and 130' of encased road bores.

MRPDC has awarded the PSA grant funds to extend the proposed water line along Fries Road, just across the Grayson County line. Preliminary design of that line extension has been initiated and is intended to be handled as a Change Order with the current Contractor.

Cana/Meadowbrook Water — Planning Phase

USDA-RD SEARCH Grant Project- The draft PER has been prepared and has been provided to PSA staff for review.

FUNDING APPLICATIONS

Sylvatus/Route 100 Water — Work has begun on preparation of a DWSRF funding application for submission to VDH during their next upcoming application cycle, which is Spring 2016.

Lynnhaven PRV — Small Project Construction Grant application submitted to VDH in April, and a funding offer has been made to the PSA.

Force Account Construction — A VDH-DWSRF funding application for force account construction of water lines along Coulson Church Road and Ridge Road is under review by VDH.

Dr. Littrell: Did you ever hear back from the water meter change out down at Exit 1?

Mrs. Montgomery: I did hear about that and Mount Airy does not have a problem with that. We also have approval from USDA to move forward.

Dr. Littrell: It went from a 4 inch to a 2 inch.

Mrs. Montgomery: We have approval and Mount Airy does not have a problem with it. Talking to you a little about buying water from them, when I called and talk to him he wanted to know if we were going to be using more water anytime soon.

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Mr. Meredith: I do not know if this is new but it touched back on the Cana projects. I know that we want to seek interest but I know that it would probably be informally find out how much the capacity the city is ready and willing to sell. I don't know how fast we can move without knowing what they are willing to offer. I would hate to get to far ahead with this and find out they can't do it. I don't know who you are dealing with down there. Jeff Boyles. That could be an informal phone call as far as I am concerned just looking ahead.

Dr. Littrell: We do want to make sure we have a source to activate these systems.

ATHORITY MEMBERS TIME

Mr. Payne: I am glad to hear that Kevin had his report and it's exciting to know there will be something going on. It will take time. This is the project we have been looking at and talking about for several years.

Dr. Littrell: It's good to hear about our new project. I still get calls from Meadowbrook, a lady called me Saturday afternoon people across the road drilled a well and they don't have any water at their house now and the ones that have got water it is full of iron, it's a mess. Hopefully one of these days we can do something for those guys.

Mr. Light: Nothing at this time.

Mrs. Dalton: I just want to say thank you for giving me the chance to serve again and welcome the two new board members. I think we will enjoy working with you and thank you to the staff for all that you do.

Mr. Meredith: I will echo what Mrs. Dalton said. Thanks Robbie for having confidence in me to appoint me to the board. I have been here once before but it is always good to come back and I look forward to working with everyone. Hopefully I can do my due diligence and do everyone a good job.

Mr. Winesett: Thank you, for the opportunity. I am a lifelong resident here, thank you Rex I hope I can help. Right now, I am trying to get my head around what all that is going on.

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Dr. Littrell: I appreciate the new folks input. Do not hesitate to ask questions about things that have been going on it does take a while to get your feet wet. We will help you all we can. I thank the staff and Jessica in her new position; she has had it for a month or so now. Dana and Keith I hope everyone had a great new year.

(ORDER)

ADJOURNMENT

Upon a motion by Mr. Payne and seconded by Mr. Meredith and duly carried the Authority does hereby adjourn at 3:54p. m. until the next regular scheduled meeting on February 8, 2016 at 3:00 p.m. in the Carroll County Governmental Center Board of Supervisors Meeting Room.

Dr. Tom Littrell, Chairman

Jessica Montgomery, Executive Director

Dana Phillips, Sec. /Treasurer, Assistant Director