

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
JULY 13, 2020
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
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CALL TO ORDER

The Carroll County Public Service Authority held their meeting on Monday, July 13, 2020 at 3:00 p.m. in the Carroll County Governmental Center Board Meeting Room. Members present included: Robbie McCraw, Vice-Chairman, Phillip McCraw, Garry Jessup, and Tracy Moore. Dr. Littrell was participating remotely via phone. Present were Interim Director, Dana Phillips, PSA employee Stephanie Dalton. Secretary/Treasurer Debra Frost were absent. Doug Winesett, Chairman resignation letter date July 13,2020 was presented to the Authority.

Citizens Time

No one present

(ORDER)

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Moore, seconded by Mr. Jessup, and duly carried the Authority does hereby approve the consent agenda, sections A, B, and C. The June 8, 22, and 30, 2020 minutes were also approved, they are on file in the PSA office. Claims are as follows:

Claims

Check #24128-24156 Claims June 17, 2020 in amount of \$79,318.78
Check #24157-24174 Claims June 30, 2020 in amount of \$20,602.54
Check #24175-24192 Claims July 13, 2020 in amount of \$110,063.81

Transfer for Claims

CCPSA to Operating June 18, 2020 \$79,318.78
CCPSA to Operating June 30, 2020 \$20,602.64
CCPSA to Operating July 13, 2020 \$110,063.81

Transfer to Reserves

CCPSA to O & M Reserve \$5,000.00
CCPSA to Short Lived Assets Reserve \$5,000.00

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(ORDER)

New Business

Mrs. Phillips – I think you all have seen this. It was in your Board of Supervisors packet, that's also in the PSA packet. And I think you are gonna discuss it in the Board of Supervisors meeting tonight. Actually, it was written to Cellell but I don't know, Mr. Durbin, didn't know if Cellell got this to you from the City of Galax. If you want to speak to it or if you're prepared to at this time.

Mr. Durbin – I didn't know we were gonna be requesting legal comments on that issue, but I think that the correspondence essentially speaks for itself. The City of Galax is advising the County and the PSA of the impending completion of the plant upgrades for the City's wastewater treatment plant. They're asking the County PSA to participate in the debt service pursuant to the agreements that were in place.

Mr. Jessup – What obligation do we have to the City of Galax?

Mr. Robbie McCraw – I'll let Dana answer that. She has it in front of her, I think. I was trying to get to it and haven't gotten to it.

Mrs. Phillips – Well what they are saying this time is that the obligation would be annually. In the letter it states that they'd be going by option A, is the way I read the letter, if I interpreted it correctly and at this time it would be a total annual payment of \$44,921 with the current flow.

Mr. Moore – It's based on the percentage of the flow.

Mrs. Phillips – Our flow, I have it here for April, May, and June. June's down quite a bit of course you know May was up because we did have hard rains. In April what we sent to them daily was 141,120 in May was 174,361 and in June it was 123,090.

Mr. Robbie McCraw – The other exhibit that they have in the letter is if our capacity goes to a minimum of 450, payments are gonna go to \$70,000.

Mrs. Phillips – That's correct.

Mr. Jessup – When did all this happen?

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Mr. Robbie McCraw – The first agreement was in 2007 and there was an addendum, an amendment made in 2015.

Mr. Jessup – Okay and why did we do that?

Mrs. Phillips – I don't know the answer to that. I was employed by the PSA at that time but not in the same capacity. At that time, I guess it probably was for Wildwood probably the reason it came about. In case there should be additional flow for Wildwood.

Mr. Jessup – And Wildwood sends how much to them?

Mrs. Phillips – Well currently now there's nothing.

Mr. Robbie McCraw – Tom do you have any insight into this?

Dr. Littrell – I do not, I'm sorry. I'm just reading the letter from Keith.

Mr. Durbin – The \$44,000 figure is based on what the PSA has been sending without Wildwood capacity. And that was what the parties negotiated at that time. Rather than the PSA and the County undergoing the expansibility of its own plan that was part of the negotiations of sending sewage to the City of Galax was that should there be required changes or upgrades of the plant that the PSA would participate in the debt service for that.

Mr. Jessup – Okay, and that was the minimum or the maximum? On that letter.

Mrs. Phillips – You mean the minimum?

Mr. Jessup – Flow. What it's based on. Is its minimum flow or maximum flow?

Mrs. Phillips – Average.

Mr. Robbie McCraw – These are just payments for their debt service towards their upgrade to the wastewater treatment plant.

Mr. Moore – Correct me if I'm wrong Dana but it says we're using 26.4% of the total flow that we're allowed to send, correct?

Mrs. Phillips – Yes, that's what it says.

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Mr. Robbie McCraw – And you give the amounts of flow for those average months. What were the expenses for that actually? What was the dollar amount? Do you have that?

Mrs. Phillips – I do not. The cost per thousand is \$4.03

Mr. Jessup – For any amount of flow minimum or maximum?

Mrs. Phillips – Yes that's the set rate. Thousand gallons.

Mr. Jessup – If we were to drop flow what happens?

Mrs. Phillips – Well, our rate stays the same. That's the rate regardless of the flow.

Mr. Moore – But, I think his question would be is if we drop the flow would our percentage for what we must pay for debt service drop too?

Mr. Jessup – It should.

Mrs. Phillips – I guess that would depend on how the agreement reads and there's also an agreement there that says we're required to send so much flow to them anyways in the original agreement.

Mr. Robbie McCraw – I'm trying to find that and haven't yet.

Mr. Jessup – Well the agreement I read said we have to send a maximum not a minimum.

Mrs. Phillips – It says we can not exceed over 450,000 gallons per day.

Mr. Jessup – But it doesn't have no minimum, right?

Mr. Robbie McCraw – Now if we read that right 450,000 gallons a day additionally the sewer is reserving 550 per day for Wildwood so doesn't that make the total like 1. So many million?

Mr. Jessup – Yes sir

Mrs. Phillips – It says, "has additional maximum peak flow amount of 550 gallons" and that's for Wildwood per day.

Mr. Robbie McCraw – But like Garry I can't find that there's a minimum anywhere.

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Dr. Littrell – Somebody may have said this, but it looks like if you go to Exhibit “A” we would be paying \$44,922 annually. What is that number at the current time?

Mr. Robbie McCraw – I guess he’s asking if that number would still be at our current rate flow since it’s less than the 260.

Mrs. Phillips – That I can’t answer.

Dr. Littrell – Is the 44,000 higher or lower than what we’re currently paying?

Mrs. Phillips – This is the first time we’ve saw this invoice at all.

Dr. Littrell – So we’re not paying anything now.

Mrs. Phillips – No. That’s correct.

Mr. Jessup – Well Exit 19 Wildwood ain’t flowing nothing. And if we pull another million and a half out if everything that is gravity flows somewhere else what’s the price gonna be?

Mrs. Phillips – I can’t answer that.

Mr. Jessup – Bring the calculator out Tracy.

Mr. Moore – So on average we’re sending 4.2 million a month? That sound close.

Mrs. Phillips – Yeah, that’d be close. If you take where June was down, and May was up.

Mr. Moore – With half that flow payment would be \$22,000 instead of \$44,000

Mr. Jessup – Well that’s just business. We need to do to where we can survive. That’s the way I look at it.

Mr. Robbie McCraw – I think it’s definitely something we need to look at.

Mr. Jessup – I’m not into giving money away.

Mr. Robbie McCraw – Dana I just seen something and maybe you can tell me why there’s a difference. In the original agreement talks about a \$3.00 per 1,000 gallons. Was that changed in the amendment?

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Mrs. Phillips – It was changed, I don't know that it was in the amendment, it was changed when their rates went up. There is a clause in one of the agreements that says when their out of town rate goes up that ours goes up additionally.

Mr. Jessup – And that last contract was good for how long?

Mr. Robbie McCraw – 45 years.

Mrs. Phillips – All contracts were, at the original closing of the loan, it was a 40-year loan. The contract was written for 40 years. Of our RD loan.

Mr. Jessup – So the only way to gain anything is to cut the flow down.

Mr. Robbie McCraw – Well there's an absolute buyout clause.

Mrs. Phillips – There is.

Mr. Robbie McCraw – It's a 5-year notification. And \$100,000 per year.

Mr. Jessup – How many more years we got on this other one?

Mr. Robbie McCraw – 2015 is when it was done so 45 years.

Mr. Jessup – It'd be cheaper to buy it out. Turn it all around and send it somewhere else. A whole lot cheaper.

Mr. Robbie McCraw – I think it's definitely worth looking into some of these numbers Garry I agree with that.

(ORDER)

Committee to Review Agreement with City of Galax, & Met with Town of Hillsville

Upon a motion by Mr. Jessup, seconded by Mr. Moore and duly carried the PSA Authority does hereby agree to form a committee to review agreement with City of Galax and set up a meeting with Town of Hillsville. Vice-Chairman Mr. Robbie McCraw appointed Mr. Jessup and Mr. Moore to the committee.

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Mr. Robbie McCraw – Is there any other comments on the City of Galax agreement? If not, we'll move forward with that.

Project Up-Dates

Mrs. Phillips – I think y'all saw most of that on the worksheets y'all get from the guys each day. We haven't had, I shouldn't even say this I'm scared to say this, but we've been very fortunate to not have had any leaks recently. So, if it happens after this, you'll know I'm the one to blame.

Mr. Moore – I was talking to Robbie about that this morning.

Mrs. Phillips – Yeah, we've been going pretty good. I've noticed Hillsville has had some. But we had our share last year so everyone seems to get their season of it. We have a couple sewer connections we need to get completed. We are gonna start painting hydrants. And we hope to start on Airport Road. Driving around that's definitely one area that looks like it needs it. That needs to be done right away.

Mr. Robbie McCraw – I have a question about that while you're talking about it. And I want to direct this toward you Mr. Jessup. Is it still important to know the flow of those hydrants?

Mr. Jessup – Very important.

Mr. Robbie McCraw – I know at one time they were color coded. Just the tops of them were painted the color of the flow.

Mr. Jessup – Yeah, the cap. That really helps when it's bright colors.

Mrs. Phillips – Yes, I had talked to Donnie and we have ordered the colors. We know the flow. We have a hydrant book for every hydrant on the system and the flow has been tested. We did get both those hydrants fixed Garry that you had mentioned to us. We're gonna try to get started on that.

Mr. Jessup – I forgot to notify you Friday night. We used a lot of water Friday night in Fancy Gap. No red flags come up so I must have got by.

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Mrs. Phillips – Didn't drain any tanks so you must be alright. The SCADA didn't go off, so I guess we're good.

Mr. Jessup – We probably used 20,000 gallons Friday night.

Mr. Robbie McCraw – Anything else Dana?

Mrs. Phillips – I don't have anything.

PSA Update:

The PSA has approximately 200 miles of water lines, 50 miles of gravity sewer lines, 25 miles of force main sewer line, 795 fire hydrants, 12 sewer pump stations, 12 water storage tanks, several wells and several water booster pump stations. The PSA's Water systems are as follows: Cana, Exit 1, Fancy Gap, Regional, Tower Road and Hillcrest Estates. The PSA's Sewer systems are as follows: Fancy Gap, Woodlawn, Gladeville/Cranberry, Hillsville and Loves. All of this is operated and maintained with a staff of 13 people.

- Total of 69 work orders in June (check pressure, check for leak, turn-off, turn-on, etc)
- Construction, Maintenance and Operations items completed –*[ATTACHED DAILY SHEETS](#)
- Miss Utility Markings (3 emergency, 96 water and 97 sewer tickets)
- Office items completed-
 - Daily-customer service, deposits, review of payments, bills, invoices, scan checks, balance bank statements, close-out, etc.
 - Monthly-meter reading (office staff and field staff), print bills, print late-bills, prepare cut-off list, close-out, balance bank statements, etc.
 - Rate study-continue
 - Researching new cloud-based billing software

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Old Business

Mr. Moore – Where we at with the EDA on paying?

Mrs. Phillips- Nothing yet

Mr. Jessup- Send them a registered letter and make them sign for it.

Mrs. Phillips – Now they don't have a P.O. Box is my understanding, so the invoice was brought up here. The understanding is that it was picked up the day of the Board meeting maybe. Last Monday so I haven't heard anything yet.

(ORDER)

CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711

Upon a motion by Mr. Moore, seconded by Mr. Jessup, to enter Closed Meeting under Section 2.2-3711- A 8, at 3:20 pm.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

(ORDER)

COME OUT OF CLOSED SESSION

Upon a motion by Mr. Jessup, seconded by Mr. Moore and duly carried the Authority does hereby come out of Closed Session at 4:11 pm.

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(ORDER)

CERTIFICATION OF CLOSED SESSION

Mr. Robbie McCraw made a motion to certify Closed Session with the following Resolution:

WHEREAS, the Carroll County Board of Supervisors convened a Closed Session this date pursuant to an affirmative recorded vote and on the motion to close the meeting in accordance with the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3711(D) of the Code of Virginia requires a certification by the Board of Supervisors that such Closed Session was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Carroll County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the Closed Session to which this certification applies, and (II) only such business matters as were identified in the motion by which this Closed Session was convened were heard, discussed, or considered in the meeting to which this certification applies.

Mr. Moore seconded the motion. The certification was as follows:

Mr. Moore—yes

Mr. Robbie McCraw—yes

Mr. Hill—yes

Mr. Jessup—yes

Mr. Phillip McCraw—yes

AUTHORITY MEMBER'S TIME

Mr. Phillips McCraw – Nothing

Mr. Jessup – I'm fine.

Mr. Moore – I'm good just want to thank everyone for their hard work. Look forward to working with Garry and the Town and see what we can do for the future for our citizens. I appreciate everybody, thanking citizens first today. Good meeting so thank you.

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Dr. Littrell – I don't really have anything. I'm sorry I couldn't join you, but I felt like this was the safest avenue for all of us concerned and I look forward to being there in person at our next meeting.

Mr. Robbie McCraw – I do have a couple of requests that I've been thinking about that I'd like to see us do. On our expenditures and revenues that we have can we get in a form of a running where we can get it each month to show, when we get our revenue statements each month from the Treasurer's we get broken per budget line item. I get just looking at this one in our packet it wasn't there.

Mrs. Phillips – Oh yeah it wasn't there but it does show that.

Mr. Robbie McCraw – As long as it shows each month, I'm fine with that.

Mrs. Phillips – It does.

Mr. Robbie McCraw – I've also had a suggestion that 8" water pipe or sewer pipe that we have that's out of date supposedly. I've had a suggestion that we advertise it on the County website to sell to local people if they want it.

Mr. Jessup – Didn't we sell it last month?

Mr. Robbie McCraw – Not all of it. There's still some left.

Mrs. Phillips – Well actually we ended up not selling any of it.

Mr. Robbie McCraw- I think we ought to advertise it so that way if some farmer or someone wants to come gets it. I don't know how much it costs us a foot, but I know we probably couldn't sell it for the full amount but whatever we can get out of it I think we should try to sell it. And get it out of our way.

Mr. Jessup – It's all been moved hasn't it?

Mrs. Phillips – Yes

Mr. Robbie McCraw – I don't have anything else.

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Mr. Jessup – Hold on Mr. Webb has something to say.

Mr. Webb – I’m Joe Webb I’m member of the Board of Supervisors here in Carroll County. Back in November of 2018 the Board that I was serving on at that time voted to do away with non-user fees. It was a vote of 4 to 2 and we gave the PSA until July 1st of 2019 to make that happen. It didn’t happen. And they were given a 6-month extension to have a plan in place by January 1st, 2020. That didn’t happen either. Here we are in July of 2020 and our citizens are still paying non-user fees. My question is where that stands. Does the Board of Supervisors need to take action on it again? But that was passed by the Board of Supervisors in November 2018 to do away with non-user fees. Thank you.

Mr. Robbie McCraw – Thank you we’ll check into that. Anyone else have anything?

(ORDER)

ADJOURNMENT

Upon a motion made by Mr. Jessup, Seconded by Mr. Winesett, The Authority does hereby adjourn at 4:15 pm until the next regularly scheduled meeting on August 10, 2020 at 3:00 p.m. in the Carroll County Governmental Center Board of Supervisors Meeting Room.

Mr. Doug Winesett, Chairman

Debra Frost, Secretary/Treasurer

Dana Phillips, Executive Director