

**MEETING MINUTES
CARROLL COUNTY PUBLIC SERVICE AUTHORITY
APRIL 13, 2020
CARROLL COUNTY GOVERNMENTAL CENTER
BOARD MEETING ROOM
HILLSVILLE, VA**

CALL TO ORDER

The Carroll County Public Service Authority held their meeting on Monday, April 13, 2020 at 3:00 p.m. in the Carroll County Governmental Center Board Meeting Room. Members present included: Doug Winesett, Chairman, Robbie McCraw, Vice-Chairman, Phillip McCraw, Garry Jessup, and Tracy Moore, and Dr. Thomas Littrell. Also present were Interim Director, Dana Phillips, and Secretary/Treasurer, Debra Frost.

Citizens Time

Covid-19 restrictions, no one present

(ORDER)

APPROVAL OF CONSENT AGENDA

Upon a motion by Mr. Garry Jessup, seconded by Dr. Littrell, and duly carried the Authority does hereby approve the consent agenda, sections A, B, and C. The March 09, 2020 minutes were also approved, they are on file in the PSA office. Claims are as follows:

Claims

Check # 23964-23991-- March 17, 2020 in the amount of \$20,569.47

Check #23992-24012-- March 30, 2020 in the amount of \$41,785.05

Check#24012-24031-- April 13, 2020 in the amount of \$20,010.34

Transfer for Claims

CCPSA to Operating Claims for March 17, 2020 claims \$20,569.47

CCPSA to Operating Claims for March 30, 2020 claims \$41,785.05

CCPSA to Operating Claims for April 13, 2020 claims \$20,010.34

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 – If you'd like to, we can discuss budget. We did have a meeting on Thursday night, the financial committee and we'll address this under new business. I will distribute to each of you where we worked on the budget. Some of the things that have changed from the last time that I sent it out is the payroll and, we took all contingency funds out. Which were personnel contingency and just contingency. We were at a shortfall of \$197,951 and after our budget meeting on Thursday night we are now at \$71,366 so we put a little dent in it. This is with the increase of the New River Regional Water price per gallon which now includes the debt service. Currently we're paying \$1.25 we anticipate that it will go to \$3.00 after their budget meeting. That was so it would include the debt service. In the past the County has paid the debt service on New River Regional Water, but this would be with the PSA paying, going forward. I'll pass these out. If y'all have any questions let me know later or today or later today but we'll keep working on it. I don't know when we'll meet again. We'll come up with a date. I did leave the other column, that says IDA/EDA availability agreement not being paid, but until we get a rate set that would take care of that the budget we'll be looking for starting July 1 will be the one that just has the New River change. I broke up the tools and equipment like Tracy and Robbie had asked. Most of that on equipment were pumps. When I went back and looked at this past year almost everything was pump replacement or well replacement.

Dr. Littrell – We talked about sharing the cost of equipment with some of the other departments.

Mrs. Phillips – It is not currently. Under old business I have all the equipment, there were some questions, as to what all we owned. In the Board pack there is a list of equipment. I was not able to get VDOT's hourly rates, but we used the FEMA hourly rates for equipment, it's in there. There's also a sheet, we currently have on the website for folks to fill out if they want to use the equipment, but it doesn't have hour and rate on there. They're just requesting to use it from what date to what date.

Mr. Jessup – FEMA hourly rates are high cause we've used fire trucks on wrecks and stuff, so you probably need to get the Highway Departments.

Mrs. Phillips – I couldn't find their latest one online and I called, and no one has returned my calls. If you know how I can get that.

Mr. Jessup – Yeah don't know.

Mr. Winesett – Does this include operator or driver, the rates?

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Mrs. Phillips- No. Normally we do not.

Mr. Winesett – This is just to use the equipment. Could you get some numbers from like a rental agency? I mean there's people that rent heavy equipment.

Mr. Jessup – Yeah, I rent it all the time.

Mr. Winesett – You call and get some from them and we could step back a little from what they charge. That probably would be as realistic as you can get.

Mr. Jessup – Yeah because they got pickup and delivery fees.

Mr. Winesett – Yeah, they bring you whatever you want.

Mr. Robbie McCraw – How many excavators 375 a day and it's 85 pickup and 85 delivery.

Mr. Jessup – Yeah but that's a 24-hour rental.

Mr. Robbie McCraw – Yeah, a 24-hour rental.

Mr. Winesett – But to me that would be the most accurate.

Mrs. Phillips – And I know there's Horizon, but does anyone have any other place?

Mr. Moore – United, I think.

Mr. Jessup – Cooks Mt Airy

Mr. Winesett – Carter when you get into the bigger stuff. Did anyone figure out about the, Mr. Moore?

Mr. Moore – Yes

Mrs. Phillips – Yes, I included the list in the Board pack. Everything we currently own and pay insurance on.

Mr. Winesett – Have we made any progress on the issue with that meter there at Poplar Camp? Has Cellell addressed that with the folks over there? You know we was backflowing our water.

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Mrs. Phillips – With Wythe County, yes, he has spoken with the Wythe County Administrator over there but there's not any terms at this point.

Mr. Winesett – Not heard anything back

Mrs. Phillips – I will say we voted last month on that letter to be sent to Woodlawn to the folks working on those Woodlawn Apartments, but they have not responded.

Mr. Winesett – Okay, I think that's the best course for us to take there to just let them do the box.

Mr. Jessup – They will respond because they have no choice if they want water.

Mr. Winesett – Yep.

Mr. Robbie McCraw – We discussed Thursday about the sewer down at Exit 1 and kind of feel like we need to address that.

Mr. Winesett – Yeah that's a pretty big elephant in the room. Cause what was the numbers?

Mr. Robbie McCraw – We were losing about \$91,000 a year.

Mr. Winesett – That's a huge loss. It's not sustainable.

Mr. Jessup – What do you mean? Explain.

Mr. Winesett – Well, it was costing us \$91,000 more a year to operate the sewer plant and water for Loves. We're losing that much.

Mrs. Phillips – That's on the sewer side.

Mr. Jessup – How did that happen?

Mrs. Phillips – Well we have that small package plant there that we maintain and operate and that is the expense.

Mr. Jessup – But how did that happen? Everybody knows that wasn't going to be free when you put it in there.

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Mr. Winesett – Well Garry, just from what I know about water and wastewater and I have no idea I wasn't associated when they did it and speaking with Cellell and listening to what he said. There's a Love's over at Graham's Forge and I'm not sure if they're now hooked to their PSA but normally, they install their own package plant if they have to have one. And they pay somebody to operate it. They get a contractor to operate it. But in this case, apparently, they were better negotiated than we were, but you know we're gonna have to charge them what it costs to operate it.

Mr. Jessup – So did we give it away or IDA give it away?

Dr. Littrell – I think it's well considered an Economic Development Project.

Mr. Winesett – Yeah IDA

Dr. Littrell - The sales tax and food taxes come back into the County.

Mr. Robbie McCraw – But that's a high rate...

Mrs. Phillips – If everything works correctly on a monthly basis it's \$9,000 a month. Looking at the PER initially the revenue off the sewer was anticipated to be more than what it is. And I think that some of the cost was lower than what they are actually running. What I did for the meeting the other night was just basic expenses. And then in turn what we collect each month. And the basic expenses without anything breaking is \$9,000 a month.

Mr. Jessup – \$108,000 a year. What kind of contract do we have with them? Tom, you was probably on the committee when it happened. What kind of contract do we have with them?

Dr. Littrell – I don't know.

Mr. Winesett – We'd have to go to the IDA.

Dr. Littrell – And at one point there was anticipation of being some other activity there like hotels.

Mr. Moore – I think another gas station was gonna be in place.

Mr. Robbie McCraw – Currently there's only 3 customers using it.

Mr. Winesett – Loves and McDonalds

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Mr. Moore – Subway

Mr. Robbie McCraw – And Lester’s Transmissions but theirs is only \$24 a month.

Dr. Littrell – At one point there was gonna be a hotel.

Mr. Winesett – Well another thing from my knowledge of wastewater plants you have a very small receiving stream. So, the limits on those, correct me if I’m wrong Dana, usually are expressed in BOD Most plants I’ve operated in they’d be 30 and 30. 30 Milligrams per liter for each one of them but I think that one is 2 and 2? 4 and 4?

Mrs. Phillips – It’s 10

Mr. Winesett – One third. I exaggerate. It’s one third what most plants are and if it runs well it will do it but when you get three times as good a treatment if we had a bigger stream if it was going into a larger stream the requirements wouldn’t be that stringent. As small as the stream is and that flow coming out of it, it would degrade that stream so bad. It’ll work but it’s expensive to operate is what it amounts to because you have to have a high level of treatment in order to meet the requirements. But we do need to do something about it. And I’m not sure but I hope Cellell will pursue it with them.

Mr. Jessup – Well first thing we need to pull the contract out and see what it says.

Mrs. Phillips – I can get the County Attorney and see if there was a contract.

Mr. Jessup – All we can do is table it till next meeting, right?

Mr. Winesett – That’s the way I see it. What do you think?

Mr. Robbie McCraw – Yeah and I just want everyone to be aware of what was going on.

Mr. Winesett – Well, we’d be better off if we could give it to them.

Mr. Robbie McCraw – We really would.

Mr. Winesett – Say here you can have this sewer line you operate it.

Dr. Littrell – Robbie tells me I have a resident who’s supposed to file a complaint about the smell. Something about the doors being left open sometimes and they’re supposed to be closed.

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Mrs. Phillips – It is vented but when the weather heats up, they will crack the door a little bit just to try to help out the situation in the plant. And yeah it smells.

Mr. Moore – Well the bugs help a lot of it's open, but I don't think nothing is gonna help so much because of it all.

Mr. Winesett – Well, a well operated plant will smell. It'll have a musty smell to it like when you go out plow your garden and you're out there in the middle of it and its damp there's that musty earthy smell to it. But now one that goes anaerobic and loses its oxygen there's a horrible smell to it. Pretty rough. Okay. Anything else gentlemen that y'all would like to address?

Mr. Jessup – Yeah when we get down to members times.

Mr. Winesett – No more new business.

Project Up-Dates

Mrs. Phillips – The updates are a little different this time if you've noticed. We started a weekly work sheet for everyone to fill out. So, every field employee, I just attached their weekly work schedule. They set 4 meters since the last meeting. They have worked on Petra Dr where we were gonna install 800 ft of water line and they're up to 7 so if we get a pretty day this week, I'm sure they'll finish with that and that was in the Mitchells Crossroads area.

Mr. Jessup – Now on the time sheets like on Monday for Scotty on March 14th it takes 8 hours for him to do that?

Mrs. Phillips – Yeah by the time you move your equipment, you know we move our equipment back and forth. We're keeping hourly sheets on the type of equipment they use, their materials, and their time for each meter they set. If you'd like those to be included in the board pack, we can do that also.

Mr. Jessup – The time?

Mrs. Phillips – Yes

Mr. Jessup – Yes, I would. Don't know what everybody else thinks.

Mr. Robbie McCraw – It's fine with me.

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Mrs. Phillips – We'll attach those next time.

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 76 work orders in March (check pressure, check for leak, turn-off, turn-on, etc)
- Miss Utility Markings (0 emergency, 68 water and 10 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

Old Business

Mrs. Phillips – I think we pretty much covered that under new business.

AUTHORITY MEMBER'S TIME

Mr. Moore – I do have a question back to old business. Are we going to wait on the rates from the other rental places before we make a motion to go ahead and approve that?

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Mr. Robbie McCraw – I just looked on VDOT, searched that and it say they stopped doing that in 2018.

Mr. Winesett – Depending on the equipment a lot of it, the smaller things can be rented. I seriously doubt Horizon has a dump truck the size of ours.

Mr. Jessup – Yeah, they do I use it. It's in Mt. Airy.

Mr. Robbie McCraw – Yeah, they keep it in Mt. Airy.

Mr. Jessup – They have big track hoes too.

Mrs. Phillips – I was just making a suggestion, if we do go ahead and approve it, it's going to affect budgets, County budgets.

Mr. Moore – Yeah well that's why we'd like to go ahead.

Mrs. Phillips – And that way, and I don't know if they have idea that we're working on this.

Mr. Robbie McCraw – They don't have the rate on here, but they got a 33,000 lb excavator to rent.

Mr. Winesett – Yeah if we get those numbers together. If we want to stay at those same rates or back off a little, we don't really want to be in competition with them. What I'm saying PSA unwittingly is kind of like grandpa. When you needed something if grandpa had it just go over there and get it. And use it bring it back. Grandpa didn't say anything about it. But we're out of money now so I don't think we can do it any longer. But if you can get those numbers that's what we have to go to.

Mr. Jessup – I probably got the sheet somewhere.

Mrs. Phillips – I'll see what I can come up with pricing and if I need help from some of you all.

Mr. Jessup – We'll just be renting it out to different county agencies, right?

Mr. Winesett – Right.

Mr. Jessup – So we're not going to be in competition with Horizon anyway. Cause if a county agency goes there and gets it, they're going to have to pay their fees anyways.

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Mr. Winesett – We could probably let them have it a little cheaper. Historically we've been getting nothing.

Mr. Jessup – Well that's the reason we're the shape we're in.

Mr. Winesett – That's true. Like I say we're like grandpa we help everybody.

Dr. Littrell – It could help the revenue some.

Mr. Winesett – Yes it could, and I don't know how many miles are on that dump truck, but I'll venture to say that the majority are not the PSA's usage. But it's good to have it but if you don't bare any of the expense of depreciating it and maintaining it, tires, I mean that's a big expensive truck. I've known it to go get mulch from some of my friends that have a business and they were just astounded when it came over there. They said boy y'all sure got a nice dump truck that's a high dollar dump truck. But you know that's just another little situation. But you're right Tom it'll help us. We need to start taking better care of ourselves.

Mr. Jessup – Well you know the track hoe was used at the playing field the big track hoe.

Mr. Winesett – Yeah and they used it to tear down Dugspur school. And they hauled it off in that dump truck, I think.

Mr. Moore – I hauled 89 loads of rock in that dump truck to the Farmers Market on that gravel lot over there.

Mr. Winesett – Yeah and that's good but you need, they need to budget for the cost of that same as we must budget for the cost of things.

Mr. Moore – Turned right around and Dana had to pay the bill.

Mr. Robbie McCraw – How big is that dump truck?

Mr. Moore – 16 ton

Mr. Robbie McCraw – How many cubic yards?

Mr. Moore – Really?

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Mr. Robbie McCraw – That’s what it says.

Mr. Winesett – Of what?

Mr. Robbie McCraw – It just says cubic yards.

Mr. Jessup – Well the dump truck doesn’t bother me as bad as the track hoe. That’s major money right there.

Mr. Winesett – Yeah, especially maintenance. And the initial cost of it. Cause the only time a piece of equipment like that doesn’t cost you money is when it’s not running.

Mr. Moore – About 1,600 cubic yards

Mr. Robbie McCraw – Well all of these are based on like 32 cubic yards or 18 cubic yards.

Mr. Winesett – Okay does anyone else have anything?

Mr. Jessup – When y’all were getting together y’all were gonna come up on rates on loans. You and Mr. Moore there. With the County Administrator.

Mr. Robbie McCraw – We have discussed it more with him, but he’s not been in the, I don’t know what term, he’s not had time to put back into it. Because of what all is going on with the County budget right now. I think it’s things that are possible to do just have to decide when to do it. I’d like to have a little more information from him. That’s my opinion. I don’t know what Dana and Tracy thinks.

Mr. Moore – I spoke with him this morning and along the same category.

Mr. Winesett – On the refinancing?

Mr. Moore – Yeah.

Mr. Winesett – I know at one point we discussed it and due to our situation, and you can correct me if I’m wrong, but at one point we weren’t able to get as low a rate as we had hoped to our debt ratio.

Mr. Jessup – But we’ve paid off the loan since then have we not?

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Mrs. Phillips – No, we have not.

Mr. Winesett – No, we've not acted on that.

Mr. Jessup – Why not?

Mrs. Phillips – Because that is in a debt reserve that is required by Rural Development.

Mr. Winesett – We have to get clearance from them before we can draw it down. To my knowledge.

Mr. Jessup – Okay

Mrs. Phillips – There was talk of that. Cellett met with RD but we have not moved forward with anything on depleting the debt reserve to do that.

Mr. Jessup – Okay well we can't refinance nothing. We can't get a couple loans paid off.

Mr. Winesett – If we can't do that, we can't get the lower rate.

Mr. Jessup – So we can't set a sewer and water rate until we know where we are at on money. So, something is gonna have to happen before we can set a sewer and water rate. Am I right?

Mr. Winesett – Probably so.

Mrs. Phillips – I've got a glimpse on water and sewer rate based on what we know about Exit 1 and some of the.

Mr. Jessup – Not if this \$91,000 stuff keeps popping up. We can't set a sewer rate. What else do we got out there that we don't know about?

Mrs. Phillips – Well, we knew about this it's been here the whole time. We've been making the payments on it been paying bills on it. I mean it's been there. It's not something that just came up. We've been paying the debt service and all the repairs on it. Now it may have been that we'd never broke it down to that's exactly what we're losing each month on it but it's been there the entirety of the loan we've been paying since 2010. We'd never set back and said hey this exactly is what the shortfall is at Exit 1 sewer.

Mr. Jessup – Is there any way that you can break it up all of it so we can see.

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Mrs. Phillips – Exit 1?

Mr. Jessup – Everything. What all we losing money on? Ain't no use to set a sewer rate and a water rate if we're still losing money on something. Everything's got to start breaking even or we're just wasting out breath.

Mrs. Phillips – If you break it down by project, we're losing money on Exit 1 sewer, Exit 19 sewer. Those are the ones I have. I haven't broken down Fancy Gap or Exit 8 out yet. Everything else that we've had for a long time is of course Long-Range water. It meets its bills. Sewer is where the big issue comes in.

Mr. Winesett – My perception is that most of our, and I'm not condemning anybody and not throwing rocks either, but most of our problems are a result of our economic development projects. Financial problems that the PSA and County have and be what it may it's already been done. So, we'll have to deal with it.

Mr. Jessup – There on Bent Nail Road what do we do when they walk in a say they want fire protection? Cause we own the water system.

Mrs. Phillips – We took over that water system back many years before my time which is 21 years.

Mr. Jessup – I know. It's pretty nice houses in there. And they're entitled to fire protection just like Exit 19 is. And that water system won't carry it. So, what we gonna do when that happens?

Mrs. Phillips – I think they're pretty aware that it won't when they bought their land there. I think they know the situation when they bought into it.

Mr. Jessup – Yeah, I know but that was before the county took it over. You know the road up yonder where Hawks Carpet is, for years there was water on it but no fire hydrant on it. And you see what's up there now.

Mr. Robbie McCraw – So you're saying, like up here at Bent Nail what if they come to us and they say this is a County Water System we want fire protection.

Mr. Winesett – But it's substandard it doesn't have fire protection. I see what you're saying.

Mr. Jessup – I know they don't now but if enough of them get together they will have fire protection.

Mr. Winesett – Now this is a housing development isn't it?

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Mr. Robbie McCraw – Yeah it is.

Mr. Winesett – How many houses?

Mr. Robbie McCraw – 10 or 12 maybe.

Mr. Winesett – Where’s the closest hydrant?

Mrs. Frost – 14 or 16

Mrs. Phillips – Closest would be Town of Hillsville

Mr. Winesett – What are we talking in mileage roughly?

Mr. Robbie McCraw – 2 miles?

Mr. Jessup – No, more than that.

Mr. Robbie McCraw – It’s a mile just up to Bent Nail

Mr. Jessup – That could happen tomorrow. And I’m just using that as for instance.

Mr. Winesett – Well let’s hope not.

Mr. Jessup – We need to start breaking even on everything.

Mrs. Phillips – Well, what we are talking about as far as getting the rates, those IDA agreements, their purpose was so that we’d break even. We’re talking about a rate that breaks the PSA even without an IDA agreement EDA. It was an IDA agreement at the time and now it’s EDA. What we’re talking about getting a rate that breaks even is if, except for Exit 1, is if we do not have that availability fee or capacity fee paid to the PSA that is in the loan documents. The agreements, if they are not paid what kind of rate do we need to break even. Currently with the availability fee we do break even. But this is saying without that. Now we don’t as far as next year’s budget with New River Regional Water debt service being in the PSAs budget because in the past it’s been in the county’s budget. So that puts \$290,000 back on the PSA which is going to be in with that rate. So that makes us not able to meet.

Mr. Jessup – Yeah, I understand that, but you can’t run your checking account at home losing money every month.

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Mrs. Phillips – No and I know what you’re saying but this didn’t happen last night.

Mr. Jessup – Board of Supervisors aren’t going to bail this thing out. It’s done.

Mr. Phillip McCraw – I’ve been told as I speak to different ones about it. They can’t figure out what we’ve done with the money Exit 1 has brought in and so much money, they can’t figure out why we have a problem.

Mr. Robbie McCraw – I’ve got that number somewhere. If I can find it, I know Rex has got it.

Mrs. Phillips – We don’t see what comes into the county.

Mr. Robbie McCraw – About \$57,000 or something like that in tax dollars is what it brings in as far as sales tax.

Mr. Jessup – But that goes in County Funds.

Mrs. Phillips – Right. I’m saying, we’re basing this Phillip off what we bring in. Not anything, no taxes. This is just water and sewer services provided and what it brings in monthly.

Mr. Robbie McCraw – How hard would it be to do a monthly revenue statement for each system?

Mrs. Phillips – It’s hard now that we’ve started radio reading and we’ve put them in different groups. Now can it be done. Yes, but we’d have to break each customer down and figure out with which original project they were with. And that’s going all the way back to the first projects that were done. In the past when I first came here, RD required us to have a budget for each project. Every one of them. We had a checking account for each project, and we did a budget for each project. Then as we went along and got larger, they let us go to water and sewer. It wasn’t that bad because we pretty much kept them in their same books but when we started adding radio reads we tried to get them in on larger roads which are more dangerous and that’s when we started mixing books and it does make it harder now. Because what would have been Old Woodlawn or New Woodlawn might could be in with some from Gladeville/Cranberry because of the route we run when we do radio reads. I mean it can be done it would just be very time consuming.

Dr. Littrell – It looks to me like you couldn’t have an average anyhow because you can’t charge different rates to different systems, can we?

Mrs. Phillips – Well you can.

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Mr. Robbie McCraw – You can.

Mr. Winesett – Well with water systems it may cost a little more a little less across the board for residential customers, but I don't see that as a problem. These other things that were done need to be dealt with first. We need some kind of a handle on the sewer plant deal. And you don't want to run business off but if it costs more to service them.

Mr. Jessup – Yeah but the IDA or EDA or whatever it is need to quit giving stuff away.

Mr. Winesett – Well I know but that's in the past.

Mr. Robbie McCraw – And I'm not making excuses but we're at a point right now we're dealing with things that happened in the past and I feel sure and I feel certain that things done in the past were all done with good intentions to try to increase the economy of this County. These agreements are out there, and we have to honor these agreements and whatever it's gonna take we have to bite bullet and do it. That's why I think it's important to kind of have an idea of what our monthly revenues are. Best I can tell from some of the figuring I have done our monthly payments are somewhere around \$93,000 a month for all our debt.

Mr. Jessup - And how much is our income?

Mr. Robbie McCraw – That's what I don't know. I don't have that. I don't know that. That doesn't include \$127,000 or \$128,000 in semiannual payments and then the New River Regional debt payment and the Long-Range water debt payment. Those two things are not included in that.

Mrs. Phillips – You can range our water normally with billing, of course in the summer it jumps up quite a bit, we can range anywhere from 70 to 240 or 250 monthly. Sewer usually runs 80 and it can run up to 100.

Mr. Jessup – But if the Board cuts the funding how we gonna make it?

Mr. Robbie McCraw – I think the budget is based on no funding from the Board.

Mr. Phillip – Well, the first one is. The second one is without the IDA/EDA agreements. On the water side it puts you at a negative \$621,338 and on the sewer side it puts you at \$204,732

Mr. Jessup – So how are we gonna continue to operate?

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Mrs. Phillip – We can't unless we change rates. That's the bottom line.

Mr. Winesett – We have to operate. Once you build the systems you are pretty much obligated to operate them. So, I guess we'll have to do the best we can. The Board of Supervisors need to understand this is what it is. The availability money apparently isn't going to be available. The availability fees they have committed to before. That's the real kicker Garry.

Mr. Jessup – Well that's what I keep asking you know we can't keep losing money.

Mr. Robbie McCraw – Let me ask this too. The budget did you do it with the projected rate increases Cellell had projected?

Mrs. Phillips – No. This budget is with our current rates. Now I can do one.

Mr. Robbie McCraw – Why don't we do one with that and let's look at it. Excluding that one customer.

Mr. Jessup – Can you pull something to see what we got on Loves?

Mrs. Phillips – I can't but I assume the County Attorney can cause all of that would have been through the County Administrators office at the time.

Mr. Jessup – Cause if they have their own sewer plants everywhere else, they need ours too.

Mr. Robbie McCraw – I 100% agree

Mr. Jessup – We'd be better off to give it away and get rid of that dip. All way around.

Mr. Winesett – I'd say it'd be hard to give it to them Garry.

Mr. Jessup – Well they got two choices.

Mr. Winesett – Yeah either that or that. I'm not sure what all the legalities are but we'll have to deal with that. To me that's the worst fire we need to put out.

Mr. Robbie McCraw – I think that's a huge revenue difference.

Mr. Jessup – How much time a day do county employees a day work on it?

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Mrs. Phillips – 4 hours. I didn't bring my spreadsheet. Do any of y'all have it?

Mr. Robbie McCraw – I got it. \$3,084

Mrs. Phillips – And that was monthly

Mr. Jessup – Times 12. 36

Mr. Robbie McCraw – We forget the hauling of the sludge too. That's another \$900 a month too.

Mr. Winesett – And you got your chemicals and electricity and so forth.

Mr. Jessup – That's all I got.

Mr. Winesett – Robbie have we been to you?

Mr. Robbie McCraw – I'm good. Well me and Tracy and Dana did talk about when the guys are purchasing parts for the cars to make sure they start numbering getting the vehicles numbered so they can write a number on the repair report and the mileage and also making sure there's a purchase order and some type of indication that it has been shopped a little bit.

Mr. Winesett – I think about 3 years ago we had a change in who was authorized to buy things didn't we Dana?

Mrs. Phillips – We did. We do get a PO for everything. We do not shop every item.

Mr. Winesett – It would depend on the price of the item, right?

Mrs. Phillips – Yes, that's how we have handled it in the past.

Mr. Robbie McCraw – We did suggest maybe doing an RFP for a year at a time. Giving them a list of typical supplies that they use.

Mr. Winesett – I would think most of the chemicals are bid...

Mrs. Phillips – Chemicals, we do go out for them each year. When we're doing a job like we are doing now and are gonna be using a lot of pipe yes, we do go out but for our normal supplies we do not.

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Mr. Winesett – What do we do about gasoline Dana?

Mrs. Phillips – We're using the cards that the county is using. It's through EVA. Where they pull up anywhere and get gas and get the same rate.

Mr. Moore – Are we staying pretty good there?

Mrs. Phillips – Oh yeah. Fuels good this time. I think we're down quite a bit on fuel from last year.

Mr. Moore – I noticed it's about \$5,000 so we're going in the right direction.

Mrs. Phillips – For instance we had \$25,000 budgeted for last year on fuel and at this point, Through March, we have spent \$13,406 so we're down quite a bit with the fuel cost.

Mr. Jessup – Something else on that rental rate if I rent a track hoe from Horizon it's full when I get it and it's full when they get it back. Something like that track hoe and dump truck hold a lot of fuel.

Mr. Winesett – One more issue I think we need to look at Garry and you made me think of most of those folks want you to bring it to them, but we have a trailer. Is it at a capacity to haul that track hoe?

Mr. Moore – It is. You can pull it with the big dump truck.

Mr. Winesett – Well I don't have anything else. I think we've covered a lot of ground and we got a lot of things to deal with. Mr. Littrell?

Dr. Littrell – The availability fees that the county pays for water and sewer I'm assuming they were done by some kind of agreement?

Mrs. Phillips- That is an IDA/EDA availability agreement.

Dr. Littrell – Is it supposed to end at some point?

Mrs. Phillips – Well it was for the length of the loan. Or until the property or that system could run without those funds. For instance, if something went in Wildwood that it had enough capacity and brought in enough revenue so we did not need that availability funding anymore that's when the agreement would be discontinued.

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Dr. Littrell – Sounds like the agreement would still be enforced.

Mrs. Phillips – Yes. 40 year. It's the length of the loan. Cause each one of them has a gallon associated with them.

Mr. Winesett – We got to reserve capacity.

Mrs. Phillips – Reserve capacity for each one although I can't tell you off the top of my head what each one is. But each one has a capacity that would be for it. We have availability fee on Fancy Gap water, Fancy Gap sewer, Exit 19 sewer.

Mr. Robbie McCraw – Exit 19 water is 75,000 gallons

Mrs. Phillips – And then Long-Range water. So, they all have a gallon some type of limit attached to it. So, if you get someone at Wildwood and they used that much capacity that would lift that IDA agreement.

Dr. Littrell -So it seems that agreement is still enforced.

Mrs. Phillips – I think that's probably the consensus of the County too if they can figure out how to get the EDA some if they had the funds then maybe. It is an agreement and the County has always paid it. The way they've paid that in the past has been broken down in a monthly check and has been delivered to the PSA.

Mr. Rex Hill – Aren't we using that capacity now? We're using that capacity. That's what I was told.

Mr. Winesett – Wildwood doesn't use anything.

Mr. Rex Hill – No, but for all the County.

Mr. Winesett – So you're saying we're using it to supply other systems.

Mr. Rex Hill – We're using that capacity that we were saving for Wildwood. I've been told we don't have that capacity anymore.

Mr. Winesett – We've expanded our other systems to the point we've absorbed that capacity you're saying?

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Mr. Rex Hill – Yes

Mr. Robbie McCraw – That’s something that needs looking into.

Mr. Jessup – The capacity at Exit 19 we supply Wythe County with it sometimes.

Mrs. Phillips – I think what Rex is trying to say is that Wildwood is advertising for water and sewer capacity on their website that at this time is probably not available.

Mr. Winesett – They’re saying that they can deliver more water than we have available, correct?

Mrs. Phillips – Yes. At this time yes.

Mr. Jessup – But we have the water if we want to pay for it, right?

Mrs. Phillips – At this time it would be more than what our permit calls for on that. I’m sure they have plenty of capacity. We would need to renegotiate with New River.

Dr. Littrell – That’s all I got. Hope everyone stays happy and safe.

Mr. Phillip McCraw – I don’t have anything.

(ORDER)

ADJOURNMENT

Upon a motion made by Mr. Jessup, Seconded by Mr. Winesett, and duly carried, the Authority does hereby adjourn at 3:55 pm until the next regularly scheduled meeting on May 11, 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, Interim Director