

Patrick County Public Service Authority

Meeting of May 17, 2005

Present: Bob Pendleton, Chairman; Arthur Boyd; Garland Cockram, Vice-Chairman; Rodney Kendrick, Secretary; and Darrell Worley

Absent: None

Also Present: Michael Burnette, Assistant County Administrator; Lisa Rakes, Administrative Assistant; Kevin Heath with Adams Heath Engineering
Jamie Clark, WHEO

A meeting of the Patrick County Public Service Authority was held on May 17, 2005 at 6:00 PM in the Second Floor Conference Room of the Patrick County Administration building.

Mr. Bob Pendleton, Chairman, called the meeting to order. The agenda for this meeting was presented to the members. Upon motion of Mr. Garland Cockram and seconded by Mr. Darrell Worley, the agenda was approved. The minutes of the April 19, 2005 meeting were presented, and Mr. Pendleton noted that the minutes should be corrected in regards to statements made concerning the wells at the former Fulflex site. It was noted in the minutes that Mr. Buddy Williams acknowledged they were possibly contaminated; however, the only potentially contaminated wells are on the back of the property. Mr. Pendleton suggested that this be clarified to note that Mr. Williams asserted the high-producing wells to be retained by the PSA are not contaminated. Motioned by Mr. Darrell Worley and seconded by Mr. Rodney Kendrick, the minutes were approved as amended.

Voting Aye: All
Voting Nay: None

Mr. Mike Burnette reported that he met with Rural Development regarding the transfer of the name on the current grant/loan has been approved. He mentioned that the letter from the Town of Stuart currently reads that it will be transferred to the County, but it should specifically state that it will be transferred to Patrick County Public Service Authority. As soon as the letter is received, Mr. Burnette will forward it to the members.

Discussion ensued regarding the County retaining ownership of a small area of land on which three wells are located at the former Fulflex site. Mr. Burnette informed the members that the County decided not to pursue retention of the land at this time, as it would have caused the prospective Wal-Mart officials to re-survey the land. The County did not want to delay the closing of the Wal-Mart deal. Mr. Burnette recommended that further testing be performed on those existing wells to confirm that they are usable for the reason that if the County owns those

wells and they are not usable, the wells will be considered as abandoned and would cost additional money to remove them. Mr. Pendleton inquired about the procedure on testing the wells. Mr. Kevin Heath addressed the question and stated that the wells would have to be re-permitted and would be tested over a 48-hour period and described the process. Mr. Burnette further brought up the fact that the two high-capacity wells are located in a flood plain.

Mr. Kevin Heath from Adams Heath Engineering discussed the Patrick Springs Water Sewer Project. It is to be set up as an extension of the Town of Stuart system. The plans have been completed for the project, although a few minor details need to be clarified, such as easements to be granted for the project.

Mr. Heath talked with Travis Jackson from Rural Development who mentioned that a Letter of Conditions will be forthcoming to the Patrick County Public Service Authority that will list all actions that need to be performed. First of all, the project must be specifically defined. Further, if proceeding as an extension of the Town system, an agreement needs to be prepared between the Town and Patrick County Public Service Authority laying out all terms and conditions agreed upon. Also, easements and rights-of-way need to be prepared, and surveys completed regarding endangered species.

Discussion ensued regarding additional funding for the project. Approximately \$100,000-\$155,000 in subsidies will be needed from the County until the customer base is built up. The rates could be based on out-of-town user rate used by Town of Stuart. Mr. Burnette stated that User Agreements will need to be prepared; however, the rates need to be figured prior to this. Also, possible site locations for the two pump stations were discussed.

The members discussed the existing lines that go up to Rich Creek. According to the Town/County Annexation Agreement, the water storage tank at Vaughan Furniture and the lines east of that will belong to the Patrick County Public Service Authority.

Mr. Pendleton brought up the necessity of improving the roads in Patrick County in order to build up the industry in the area.

Mr. Burnette stated that the Authority needs to meet with Rural Development to further discuss the rate structure. Also, Mr. Heath will work on the revised PER and endangered species survey.

Mr. Burnette further indicated that the Town would provide water and sewer to the County at the cost of treatment only. Mr. Rodney Kendrick inquired about the amount of time that the County can lock in the Town so that the price would not be increased. Mr. Burnette replied that the Town could not “jack up” the price since it is based on cost of treatment. If the price goes up, the Town would have to prove that costs for treating the water and sewer had increased. A treatment plant is expensive to build and maintain, so it will be preferable to reach an agreement with the Town.

Mr. Heath discussed the different regional area town or city/county user rates. Martinsville/Henry County has an audit each year to keep track of costs. Martinsville charges Henry County \$1.00/thousand gallons each for water and sewer. Whereas, the Town of Hillsville charges Carroll County \$4.50/thousand gallons of water and \$5.16/thousand gallons of sewer. Mr. Pendleton asked about a fixed cost. Mr. Darrell Worley requested water/sewer quotes from other comparable areas.

Mr. Garland Cockram inquired about the necessity of meeting with the Town, and Mr. Burnette suggested that the mayor and the manager join the meeting with the Authority and Rural Development. The members further expressed their desire to have Mr. Heath present at the meeting also, and Mr. Heath agreed to attend. Mr. Burnette will contact Mr. Heath after arrangements are made with the Town for a meeting.

Mr. Garland Cockram wanted to know who would need to approach the citizens about easements, and Mr. Burnette stated that he had been contacting people but would call on other members to assist him, if needed.

Mr. Pendleton mentioned that he would talk to Alfred Martin in the Patrick Springs area, who owns property that may be beneficial for pump station usage.

The members also discussed further extensions of the Project and the necessity of treatment plants, as needed in the future.

For other business, Mr. Burnette mentioned that Mr. Darrell Cockram had talked with members of Carroll County Public Service Authority and they offered to meet with the Patrick County Public Service Authority on Thursday, May 26, 2005 at 5:00 p.m. in Hillsville to offer advice. Mr. Burnette said that he would prepare a memo to the members asking for participation in the meeting.

The next meeting was scheduled for June 7, 2005.

With no further business to discuss, Mr. Worley made the motion and was seconded by Mr. Cockram to adjourn.

Chairman

Date