

# SANITATION AUTHORITY MINUTES



## TOWN OF GATE CITY SANITATION AUTHORITY MINUTES SPECIAL CALLED MEETING November 14, 2019 156 E. JACKSON ST. 6:30 pm

### I. CALL TO ORDER

Roger Cassell, Chairman/Council Member, called the meeting to order at 6:31 P.M.

### II. ROLL CALL – Town Clerk, Lydia Lane

	PRESENT:	ABSENT:
Chairman, Roger Cassell	X	
Vice-Chair, Jo Ann Castle	X	
Board Member, Sandra Craft	X	
Board Member, Bob Richards	X	
Board Member, Daris Hartsock	X	
Town Attorney, Michele Brooks	X	
Town Manager, Greg Jones	X	

Others present: Dave Wilson, Mattern & Craig; Nel Hartsock; Jim Craft

### III. UNFINISHED BUSINESS

#### • PSA Contract

Town Attorney Michele Brooks stated that she submitted the proposal to PSA during the second week of October and they were given until November 1st to respond and they have not responded. Town Attorney Michele Brooks recommended giving the PSA a little more time to see if they will respond. Chairman Roger Cassell discussed issues with Mike Dishman concerning the sports complex access road. Town Manager Greg Jones stated that the Sanitation Authority will need to meet again to discuss the offer from DEQ, and can discuss the PSA again then which will give them more time to respond. Chairman Roger Cassell stated that he is ready to seek litigation. Board Member Bob Richards stated that he is ready to seek litigation as well. Town Attorney Michele Brooks stated that the Sanitation Authority would have to vote to authorize her to draft a complaint based on Mr. Sturgill's findings. Vice-Chair Jo Ann Castle asked if it would be possible to draft another letter stating that if something is not settled by a certain date, then the matter will be taken to court? Vice-Chair Jo Ann Castle stated that a copy of this letter would need to be sent to the entire PSA board. Town Attorney Michele Brooks asked when the Sanitation Authority would like to set the deadline for the PSA to respond to the letter? Board Member Bob Richards stated that a week or ten days after their meeting would be sufficient. Town Attorney asked if a date of no later than December 17<sup>th</sup> would be okay? Chairman Roger Cassell stated that would be fine. Town Attorney Michele Brooks stated that she will work on drafting a letter to send after the response deadline and attempt to contact Mr. Mullins again. Vice-Chair Jo Ann Castle requested that the letter include that the PSA attorney will not communicate. Town Attorney Michele Brooks stated that she has told the PSA this issue during their board meetings.

**Motion made to authorize Town Attorney Michele Brooks to send PSA a letter regarding the PSA proposal with a response deadline of December 17, 2019 and if no response has been made by this date, Town Attorney Michele Brooks is authorized to file suit on behalf of the Gate City Sanitation Authority.**

Motion by: Bob Richards

2<sup>nd</sup> by: Daris Hartsock

VOTE: Aye, 5

Nay,  
Absent,  
Abstain,

**Motion Carried.**

• **DEQ Wastewater Line Replacement Project**

Town Manager Greg Jones stated that bids came in at \$380,000 over the estimates. Town Manager Greg Jones stated that options will need to be created to deal with this problem. Dave Wilson with Mattern & Craig stated that the bids from Estes and McFall were very close. Mr. Wilson stated that one option may be to ask DEQ to give an all-in grant fund. Town Manager Greg Jones stated that this could yield two results: either DEQ could give us an offer back with a loan and grant funding mixture or it could be all loan money. Town Manager Greg Jones stated that another option would be to scale back the project. Mr. Wilson stated that Bill Spencer feels that DEQ will soon be on board with the clean water revival loan fund giving 70% grant upfront for detailed waste-water study or planning grant work. Chairman Roger Cassell stated that the project has come too far to scale back. Dave Wilson stated that if the project was scaled back it would lose all of the lines on Ezra McNutt Alley, Kane Street, and King Alley and at least 400 feet of one of the trunk lines. Town Manager Greg Jones stated that he agrees that the project has come too far to scale back and that the project is in a good position to continue. Town Manager Greg Jones discussed the funding offer options with the Sanitation Authority. Town Manager Greg Jones stated that option one takes into consideration that additional grant money will be provided along with the loan. Town Manager Greg Jones stated that the yearly payment will go from \$51,000 to \$62,000. Town Manager Greg Jones stated that without the grant money, the yearly payment will be \$70,880. Town Manager Greg Jones stated that the replacement of the commercial and residential meters will create additional revenues. Town Manager Greg Jones stated that the commercial meter replacement alone will generate an additional \$40,000. Town Manager Greg Jones stated that either option will create a loss and therefore a slight rate increase. Town Manager Greg Jones stated that it must be closed by December 31<sup>st</sup>. Vice-Chair Jo Ann Castle asked if we choose to ask DEQ for more money, will there be enough time for them to process and agree to it? Town Manager Greg Jones stated that there is enough time if we do it now. Town Manager Greg Jones discussed the draft letter to Mattern & Craig. Vice-Chair Jo Ann Castle asked what is the percent of the loan now? Town Manager Greg Jones stated that it is a 0% interest rate. Dave Wilson stated that the VML Legislative Day would be important to attend to meet with DEQ, VDH, etc. Vice-Chair Jo Ann Castle asked if the rate increase will come back off once cost savings are achieved? Town Manager Greg Jones stated that he has not heard of a reduction in rates being implemented before but will have to see how the project works out. Chairman Roger Cassell asked how the PSA's fee factors into this once they start using the line? Town Manager Greg Jones stated that for us the costs for PSA should drop. Town Manager Greg Jones stated that the covenant is at 15% of the costs. Board Member Daris Hartsock asked if PSA will be using part of the trunk line? Town Manager Greg Jones stated yes. Dave Wilson recommended that the Town request additional grant funding for the entire overage. Town Manager Greg Jones stated that he recommends keeping figures in the request precise.

**Motion made to send DEQ a letter requesting additional funding to cover additional expenses.**

Motion by: Jo Ann Castle

2<sup>nd</sup> by: Bob Richards

VOTE: Aye, 5

Nay,

Absent,

Abstain,

**Motion Carried.**

**IV. CLOSED SESSION - NONE**

**V. MOTIONS FROM CLOSED SESSION - NONE**

**VI. ADJOURN**

**Motion made for Board to adjourn to the regular scheduled Sanitation Authority Meeting on January 13, 2020 at 6:00 p.m.**

Motion by: Jo Ann Castle

2<sup>nd</sup> by: Daris Hartsock

VOTE: Aye, 5

Nay,

Absent

Abstain,

**Motion Carried.**

Chairman Roger Cassell adjourned the meeting at 7:21 P.M.

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Roger Cassell – Chairman

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Town Clerk – Lydia Lane