



**GATE CITY SANITATION AUTHORITY MINUTES
DECEMBER 14, 2011
156 E. JACKSON ST.
6:00 PM**

I. CALL TO ORDER

Dewey Breeding, Vice Chair called the meeting to order at 6:01P.M.

II. ROLL CALL –Town Clerk Kathy Riley

PRESENT: Vice-Chair, Dewey Breeding
Council Member, Roger Cassell
Board Member, Daris Hartsock
Acting Town Manager, Mark Jenkins
ABSENT: Chairman, Jim Craft
Board Member, Rodney Baker (**Arrived late at 6:18 p.m.**)

Others present: Town Attorney, Michele B. Brooks, Steve Jennings

III. CONSENT ADGENDA

- Approval of Bills.
Motion made to approve payment of bills for November, 2011.
Motion by: Board Member, D. Hartsock 2nd by: Council Member, R. Cassell
VOTE: Yeas, 3
Nays, 0
Absent 1 – J. Craft
- Approval of Sanitation Minutes
Motion made to approve Minutes for November 8, 2011.
Motion by: Board Member, D. Hartsock 2nd by: Council Member, R. Cassell
VOTE: Yeas, 3
Nays, 0
Absent 1 – J. Craft

IV. PUBLIC COMMENT -

Steve Jennings – States he is present for himself and three other partners in the Hunter’s Crossing subdivision regarding sewer reimbursement. He presented information to Sanitation Board (attached) stating this was information he provided the Town Council in 2005 per advice of Mr. Carrico and they approved this. Mr. Jennings speaks to Town Attorney, M. Brooks that he believes she has a copy of this information.

Town Attorney, M. Brooks – Believes she has a copy of that, but it has been sometime since she has looked at it.

Town Clerk, K. Riley – Asks, if the Board would like her to make copies for everyone?

Town Attorney, M. Brooks – States that would be great and informs Mr. Jennings she has seen that document.

Steve Jennings – States he is speaking on behalf of other partners going through the chain of command to get all the reimbursements we were told we would be entitled to.

Town Attorney, M. Brooks – Asks, who told you it would be reimbursed?

Steve Jennings – Mr. Carrico, Mr. Jason Stewart, Mr. Daugherty, etc.

Town Attorney, M. Brooks – Was there a vote by the Town Council?

Steve Jennings – No. No. Let me finish. We were told this before we started. We went through the Planning Commission, engineered sewer lines per state codes and state tested. So were the water lines. Mr. Carrico informed us when we got through to go in front of the Town Council they would vote on it up and down. Which is what we done. I just followed the procedure I was told to follow. States when the Town Council voted on this, I was never told by nobody anywhere in this town that I was to follow up and come to the sewer commission to get the sewer okay. So when Mr. Carrico told me everything was in order I went to the New Peoples bank, where here is all the paperwork on it, and Hunter’s Crossing Sewer escrow account is what he was told to do.

Town Attorney, M. Brooks – By?

Steve Jennings – Mr. Carrico. State he brought the deposit slips to the Town and they started to deposit the money into the checking account. I thought it was a done deal. We all thought it was a done deal, we were busy. We received a letter from Ms. Jenkins, the Town Attorney after Mr. Carrico, which I followed up immediately with the same response I gave to you. None of us was aware of any of this. I called Mr. Carrico and asked him for a copy of the contract. He informed me the Town of Gate City had a copy of all the contracts and I let it go until I got a letter from Ms. Brooks. I called Ms. Brooks the day I got the letter in May. Here it is December and I got my presentation. I spoke to Mr. Carrico on 3 or 4 occasions. He informed me three weeks ago he had the contracts and that the town had one, but he has yet to produce it. I spoke to everyone in his office. They informed me they have the contracts, but they have to find them. That brings me to being here five years later. States he has gone through the minutes and this has been brought up a lot. Mr. Tucker Barker brought it up finding it strange the Chairman of the Planning Commission would be requesting reimbursement on his own project. He found in here there’s a discretion that we didn’t know where the sewer lines went in. It was engineered, put in by an engineer, as shown on the forms given to you, the cost of the engineer. I don’t know where we tied into Barker’s line. Didn’t know Barker had a line up through there. Had no idea. I think, 99.9% sure that three of those house may not even be on their line and explains why. Discusses Tucker’s mentioning many times in minutes and thinks Barker was on Town Council, not sure.

Vice Chair, D. Breeding – Explains Tucker was Chairman of the Sanitation Board, Tucker and Robert owned the property where Quillen subdivision. Tucker was Chairman of the board years ago.

Steve Jennings – States this is when this happened. Thought they were being reimbursed for it. Explains taking the money to an escrow account in the bank and paying back into the Town in taxes. Discusses where he read in minutes of statements made that they did not know where the sewer ran into their sewer lines. We were well aware of where the hook up were, man holes, etc, put in through state spec and approved through the town. States in 2007, Mr. Carrico informs board that we have not gone in front of the sewer committee.

Vice Chair, D. Breeding – That’s what I was going to ask you. According to all these minutes, I tried to read all these minutes and try to come up with some kind of conclusion. They way I see in the minutes, you went before the Town Council about the water reimbursement

Steve Jennings – No sir, that’s where it stops. States when he went in front of the Town Council, giving them the same sheet I give you, and not one time was I informed that all I was going for was the water. Not one time in your chain of command told me that I had to go to both meetings. If so, I would have went. Discusses where he saw payment of 25% to the Barkers and 25% to Hunter’s Crossing.

Council Member, R. Cassell – But it was never voted on.

Steve Jennings – States a simple phone call, not aware of this nor any of his partners with Mr. Carrico doing a lot of work for us on other different things. States would have come in front of this board.

Vice Chair, D. Breeding – Reads from past minutes where Mike Carrico explained where Steve Jennings never came before the sewer board to ask for reimbursement but he did come before Town Council for water reimbursement.

Steve Jennings – That’s right. I wasn’t told. When the Town Council approved this form I give them, they didn’t say how much of this was water, how much was sewer. States he was told to combine them the expenditures and bring them to the Town Council. Read in minutes where someone said it was not your alls job that the Town Council should do this before it got to

Town Attorney, M. Brooks – It was just a comment, it wasn’t anything that was voted on.

Steve Jennings – I understand that.

Town Attorney, M. Brooks – Mr. Carrico says there is a contract. I’ve asked Mr. Carrico for contracts, if there are any. He thinks they may be somewhere, but I have never been given copies. When I sent the letter to you, I requested all the contracts. You were not the only one who received that letter. I was, as Town Attorney, trying to clarify what were the obligations the town had.

Steve Jennings – I understand that. **(Speaking over Town Attorney – inaudible comments)**

Town Attorney, M. Brooks – It is not clear to me.

Steve Jennings – It isn’t to me either. I’ve been to his office three times in the last two months with him telling me the same song and dance. Doesn’t understand why when it was approved for the water not told you need to go in front of the sewer. Never mentioned and when he went by Mr. Carrico’s office, after the Town meeting, he said this is good this is all I need. I’ll get the contract together for you guys and get your checks going. I opened a checking account, brought deposits slips by the town thinking it was finished.

Vice Chair, D. Breeding – States Kathy (Town Clerk) has dug out all these minutes and they go way back with a lot of discussion about it but I can’t come to any conclusion.

Council Member, R. Cassell – States only thing he found is approval to reimburse the Barkers.

Steve Jennings – Questions him getting the money, not knowing about it and requests to see Mr. Barkers contract. States Mr. Carrico thought the contract was in 1989 and asks where the copy is and Mr. Carrico has a copy of his.

Council Member, R. Cassell – You didn’t even start that subdivision in 89.

Steve Jennings – Started in 2001.

Board Member, Rodney Baker arrives to meeting at 6:18 p.m.

Council Member, R. Cassell – Explains Chris (Town Treasurer) called him today and states if we takes this on, it’s \$60,000 still remaining.

Vice Chair, D. Breeding – To be reimbursed?

Council Member, R. Cassell – Explains when we discuss how short we are in sewer, plus add another \$60,000 more.

Vice Chair, D. Breeding – Will create a rate increase.

Council Member, R. Cassell – States this should never have been done. Mike Carrico started this and I won’t get into that, but it should never have been started. I won’t vote to put another \$60,000 on the citizens. Sorry it wasn’t voted on before, it should never have been done and can’t sit here and put \$60,000 more on the citizen’s to pay for somebody’s sewer line.

Steve Jennings – It’s your sewer line, sir. It’s not mine.

Council Member, R. Cassell – How’s it ours?

Steve Jennings – I don't own it now. You're drawing all the money and funds off of it. We were told by everybody in this town, by everybody in this chain of command, even by your Town Attorney. Not here to argue about it, just trying to make rights, right. Did everything he was told to do by your Mayor, Town Manager, and Town Attorney. I took it to Town Council and they approved it.

Town Attorney, M. Brooks and Council Member, R. Cassell – States at same time, they approved the water.

Steve Jennings – They didn't tell me they approved the water.

Town Attorney, M. Brooks – With all due respect to you, it is not their job to tell you what to do. To tell you the steps that you have to take, do you understand that? I don't think it is their obligation to say you have to come to the Sanitation Authority.

Steve Jennings – Begs her difference. If he was in any other city to develop land with them they would tell him steps to take.

Town Attorney, M. Brooks – You say you have a contract. If we had that, it would make it easier and we've talked about that many times. Without a contract and with documents we have, they have to go on those documents they have in front of them which does not appear, with perhaps three of them, that the Sanitation Authority was going to pay anything and that was the 25% to Mr. Barker. What it looks like to me.

Steve Jennings – He's getting 25%.

Town Attorney, M. Brooks – Right, but I don't think Sanitation Authority voted on any of that. They can do whatever they want to do. They are the authority in this situation. But it does not appear, from the documents we have, would you agree that they ever voted to pay for that?

Steve Jennings – I can't say one way or the other.

Town Attorney, M. Brooks – Right, we don't have any proof that it was, I would disagree (**Interrupted by Steve Jennings – Inaudible comment**)

Steve Jennings – They started to pay it, they started to deposit the money into this sewer escrow account.

Council Member, R. Cassell – Who was supposed to draw the contract up?

Steve Jennings – Mr. Carrico. Mr. Carrico, the Town Attorney. He informs me he's got it.

Council Member, R. Cassell – He's told a lot of people that.

Steve Jennings – He was your attorney. You're throwing a lot of people under the bus here. Explains what he did with the property that had no tax base and it now has \$800,000 to a million tax base for this town. States you are reimbursing your Town Attorney on his project at the end of town. Reiterates who told him procedures to take and would be treated same as all other developers were treated. All he got is the shovel asking when and how much money was owed to water. Goes over his document presented.

Board Member, R. Baker – In interest of full disclosure. I live in Hunter's Crossing and am familiar with the subdivision and do not have a financial interest one way or the other in terms of paying my sewer bill every month.

Vice Chair, D. Breeding – Seems we get down to the problem that we need to come up with a contract. Mike Carrico has a contract we need to get a copy of it, just to see what it says and see where we can go from there. What do you think Michele?

Town Attorney, M. Brooks – I think that would be tabled.

Steve Jennings – How do you go about getting that contract?

Town Attorney, M. Brooks – I will call Mike.

Vice Chair, D. Breeding – She's our attorney, she can check with Mike and try to get it from him.

Town Attorney, M. Brooks – The problem is we've had difficulty in getting a whole lot of contracts. Some of these are quite old. I've only been Town Attorney not even a year. If I have a contract, I have a copy of it and now the town keeps, scans and have documents they maintain. At this point, we don't have any contracts that reflect that.

Steve Jennings – Asks, why would any business or municipality or whatever start issuing checks without a contract? You all done that. You deposited into my sewer escrow account for years.

Council Member, R. Cassell – That is how this came about. We wasn't following proper procedures and discovered we weren't in compliance and couldn't continue.

Steve Jennings – I understand that.

Town Attorney, M. Brooks – I think they are saying if we can come up with a copy of the contract it would assist them in their decision. I think they want to be fair with you. I will call Mike first thing in the morning to see if he can get a copy.

Steve Jennings – States he's been to his office four times. They cannot find nothing. He said he found his in the basement of his house. Strange he finds his, but nobody else. Questions chain of command he would follow if he wanted to put in a development? Discusses drawings submitted.

Board Member, R. Baker – Mentions location of man holes behind homes.

Council Member, R. Cassell – Questions location of man hole Mr. Barker mentions you tied in?

Steve Jennings – I don't know. Did what the engineers asked us to do.

Council Member, R. Cassell – States Robert mentioned that again when he came to us a while back that part of it was tied into his.

Vice Chair, D. Breeding – He must have a line that comes down Woodland Street over on that side of the hill.

Steve Jennings – Reiterates what he read in the minutes regarding % payment for this partnership and found out it was shelved. If he'd have known, he would have come to the meetings. I would not have known until Ms. Brooks contacted him. Requests board to look at this. States why do it in three incidences and he's being shuffled aside. Feels there was a conflict of interest with Carrico and the Barkers with the positions they were in and requests to see Mr. Barker's contract.

Town Attorney, M. Brooks – States we don't have it here or if we have copy of it. No, yes we do. We do have a copy of it.

Steve Jennings – Can I see that?

Town Clerk, K. Riley – I can't put my hands on it right now. You can request a FOIA request and I have seven days in which to give it to you.

Steve Jennings – I'll do that. Mr. Carrico made the assumption that he thought that it was done in the minutes.

Town Clerk, K. Riley – Mr. Barker's contract is in the minutes.

Steve Jennings – Okay, I'd like to see them.

Town Clerk, K. Riley – No problem, just come in and fill out the FOIA request.

Steve Jennings – Asks where Cardinal Lane is?

Board Member, R. Baker – Responds it's off Moccasin Hills.

Board Member, R. Baker – Asks if it can be determine if Hunter's Crossing sewer system tied into the other one with doing a tie test or something.

Vice Chair, D. Breeding - Suggests Stoney, from the Town, probably knows which one is connected.

Board Member, D. Hartsock – It all ends up going to the city, doesn't matter whose line it cross across to get to treatment plant.

Steve Jennings – Doesn't know where the Barker line starts or ends and explains tie in locations. Asks Board to look at it and discuss it.

Vice Chair, D. Breeding – Doesn't know what to tell him, but need to get a copy of the contract before they can make a decision on this. So, let us table this to see if Michele can find a copy of the contract somewhere and we'll go from there.

Town Attorney, M. Brooks – I will call Mike first thing in the morning and I will write you a letter and see if there is anything

Steve Jennings – Will you send me a copy of it? I've talked to Shirley, Mike and girl who works there and they all assure me the contract were written but they just don't know where they are at. They also informed me the Town had a copy.

Town Attorney, M. Brooks – We cannot, and I'm going to speak, I know Kathy spent hours. She was the one who came up with this looking for contracts and we cannot find them.

Steve Jennings – Well, personally, I wouldn't have wrote a check unless I had a contract.

Town Attorney, M. Brooks – If there is a document, I would like to look at it.

Steve Jennings – I'd like to see it too.

Board Member, D. Hartsock – None of your guys, your group, has a copy?

Steve Jennings – None of us four has a copy.

Town Clerk, K. Riley – Carrico never provided you a copy?

Steve Jennings – No.

Town Attorney, M. Brooks – So, you would not have signed a document?

Steve Jennings – I can't answer that, I signed a lot of stuff at Mike's office. I couldn't tell you. I couldn't and I wouldn't, I told you that. I wouldn't necessarily present myself for anything on that.

Council Member, R. Cassell – The funny thing is there's nothing even mentioned in the minutes there was a contract submitted to this group to even consider. Back then a lot of times the Clerk didn't attach things that came in like you do. They might have come in, but they didn't get attached to the minutes.

Town Clerk, K. Riley – I would have thought a mention was made.

Council Member, R. Cassell – Right, there's nothing even mentioned.

Steve Jennings – Except time when they were dividing what they were going to pay.

Council Member, R. Cassell – That was because Robert talked about that.

Steve Jennings – They didn't even get the names of the partners right and lists names. Had he know he was to come here, I wouldn't be here today, I would have come the day I left the Town Council and came to the next meeting.

Council Member, R. Cassell – A lot of the blame goes right out the street.

Steve Jennings – States his disappointment with a lot of the stuff.

Council Member, R. Cassell – If he handled it for you, he should have everything.

Steve Jennings – Restates he swears he does. Said he told him three weeks ago, I got it Steve, it's here, we wrote. It's in order. I've asked him to find it, he can't find it and he tells me the town's got it.

Town Attorney, M. Brooks – Asks Mr. Jennings if his address is still the same?

Steve Jennings – Yes, send it to the Post Office Box. 1706. States reimbursement on water, where's the contract on that?

Vice Chair, D. Breeding – Kathy do you have a contract on that reimbursement for water?

Town Clerk, K. Riley – I don't know.

Town Attorney, M. Brooks – I believe there's some action by the Council on that. It's actually in the minutes that they did that. It was actually voted on by in Town Council and is in the minutes.

Steve Jennings – That was 2005 and goes over what he was receiving for the one house and using the money to pay taxes. I appreciate the Board for looking at this with fairness.

Town Attorney, M. Brooks – Promises to contact Mr. Carrico immediately.

Vice Chair, D. Breeding closed the public comment session at 6:40 P.M. and opened the consent agenda session.

V. UNFINISHED BUSINESS – None

VI. NEW BUSINESS –

Council Member, R. Cassell – Between the two years (audits) we way upwards between water and sewage between \$200,000.

Town Attorney, M. Brooks – What I told you last month the sewer was okay, the next year's audit changed all that.

Council Member, R. Cassell – Discusses the year-end balances for the 2010 and 2011 audits. We're about \$64,000 short in sewer with about \$141,000 in just water, \$200,000 combined. Andy Miles is going to do a study and discusses the grants and costs to cover the grants with estimation of \$6.00 increase. We have to make it self sufficient or Rural Development will come in and take it over. Looking at different options and provides explanation of options to Board. Chris feels if we leave the sewer at 100% and put the rate increase in, we're covered. We're trying to make it as easy on the citizens as possible. He discusses possibility of contracting trash pick-up by Waste Management or other company that may be cheaper versus purchase of new truck. If Andy comes up with a sewer increase, we'll have to have a Public Hearing. Chris and Andy feel if we stay at 100% we'll be fine that it will cover both.

Vice Chair, D. Breeding – If it stays at 100% will we still have to have a Public Hearing?

Council Member, R. Cassell – No. It will cover that in water. Andy may have something for us by next month to look at. Discusses report Chris sent explaining its contents and breakdown. We hope to do it all at one time so we're not back next year doing it again.

Town Attorney, M. Brooks – PSA will be raising rates too. I'm sure there will be some pass along costs to us as well.

Council Member, R. Cassell – We knew we would be needing to do this but didn't know the impact would be so bad.

Vice Chair, D. Breeding – States Dan Danko told us a long time ago we would need to raise our rates. We knew it was coming but put it off as long as you can.

Council Member, R. Cassell – We're not trying to make money, just trying to break even and looking at all options that we can to make it self sufficient. States Frances (Perry) is pushing to get a group together to approach the Board of Supervisors (BOS) that we have representation on that board. We were told in the past we can have representation, but we can't vote.

Board Member, R. Baker – Mentions BOS discussed plan of water tank up at the Golf Course.

Council Member, R. Cassell – Trying to work that in with Moccasin Hills grant. Discusses PSA doing refinancing of long term debt. The same company, Davenport & Co., approached Chris regarding current loans and Davenport & Co. has done a study and will meet with Chris to propose refinancing at 3.75% through year 2031 savings of \$70,700 with annual debt savings each year would be \$1,800 going down with each year.

VII. OTHER BUSINESS –

Council Member, R. Cassell – States he was reading the contract again and it says we share the cost of the expansion and operating and maintain it. Do we have any legal recourse as to how much of this increase?

Town Attorney, M. Brooks – I just glanced over it, since we talked about it.

Council Member, R. Cassell – Discusses part of our expense was for the extra debt to add on and it does say we would help with cost of operating and maintaining. Has a problem with the citizens of Gate City paying for debt for water they ran for Rye Cove and every else. We'll pay for what we but shouldn't have to bear the cost for.

Town Attorney, M. Brooks – It says an equitable basis for sharing of the cost for the proposed expansion and the cost of expansion. That is something we can look at.

Council Member, R. Cassell – If we're not careful we'll be adding onto our people. They're in the same boat we are. Their revenue is not covering the cost of operating. That question came up before this thing was ever signed. What's going to happen when you start putting it all over the County. Oh, it won't affect the citizens of Gate City and here we are and it's going to. Today's paper had they're real close to connecting to the City of Kingsport as water back up. We need to be careful and monitor that.

Board Member, R. Baker – Discusses checking with other companies for better rates mentioning the different rates quoted to PSA and other agencies.

Council Member, R. Cassell – Trying everything to save some money. He also wants to speak to Jim (Craft) to see if he will reconsider not resigning from the Sanitation Board.

Vice Chair, D. Breeding – Questions Town Attorney, M. Brooks that some time back it was asked for her to check to see about Town Council to take Sanitation Board under Town Council. Did you check on that?

Town Attorney, M. Brooks – I did and the answer is they can. We would have to amend some things, obviously. It's possible to do it. I don't see anything that prohibits it.

Council Member, R. Cassell – If we continue to not be able to get people, don't know what else to do. Somebody needs to take authority to do business. I think that was kind of the original agreement when everything go up and running the Council would take it over.

Vice Chair, D. Breeding – Since we don't have the treatment plant anymore we talked about that before. Didn't know how complicated it would be.

VIII. ADJOURN

Motion for Board to adjourn to next regularly scheduled Sanitation Meeting on January 10, 2012 at 6:00 p.m.

Motion by: Council Member, R. Cassell 2nd by: Board Member, R. Baker

VOTE:	Yeas,	3
	Nays,	0
	Absent	1 – J. Craft

Vice Chair, Dewey Breeding, adjourned the meeting at 7:12P.M.

Dewey Breeding – Vice Chair

Kathy Riley – Town Clerk