

LENOWISCO Planning District Commission  
Board of Directors' Meeting  
August 1, 2011

The LENOWISCO Planning District Commission Board of Directors met on Monday, August 1, 2011, at 5:30 p.m. in the conference room of the LENOWISCO Planning District Commission, Duffield, Virginia.

Those members present were: Mr. Ben Allen, Mr. Ronnie Shortt, Mr. Mark Carter, Mr. Larry Mosley, Mr. Joe Herron, Mr. Bob Adkins, Mr. Robert Raines, Mr. Larry Vicars, Mr. Carl Bailey, Mr. Joe Horton, Mr. Kyle Fletcher, Mr. Danny Parks and Mr. Bobby Dorton.

Those members absent were: Mr. Homer "Pete" Sumpter and Mr. Robert Robbins

LENOWISCO staff members present were: Mr. Glen Skinner, Executive Director; Mr. Chris Starnes, Transportation Planning Manager; Mrs. Zetta Ferguson, Director of Project Management; Mr. Frank Kibler, Senior Planner and Mr. Duane Miller, Deputy Director.

Others present were: Mr. Anthony Smith, Secure Futures.

The Chairman, Mr. Bob Adkins, called the meeting to order at 5:35 p.m., which was followed by the invocation and pledge of allegiance.

The first order of business was approval of the minutes for the June 6, 2011, Board of Directors' meeting. On a motion by Mr. Joe Horton, duly seconded by Mr. Kyle Fletcher, the Board unanimously approved the minutes.

The second order of business was approval of the agenda. Mr. Glen Skinner requested one change to the agenda regarding reappointment of Virginia Coalfield Coalition board memberships. This item was added to the Executive Director's report under item number 3. On a motion made by Mr. Larry Mosley, duly seconded by Mr. Robert Raines, the Board unanimously approved the amended agenda as presented.

The third order of business was the presentation of the financial report by Mr. Larry Vicars. He reviewed the May and June financial reports for LENOWISCO PDC and LENOWISCO LLC. Mr. Vicars and Mr. Duane Miller explained that approximately \$50,000 had not been used from the reserve fund as originally budgeted due to additional revenue from project management activities and from the retirement of Mr. Steve Gibson in 2010 reducing the fringe benefit line item. Mr. Vicars also noted that going forward a new line item will be shown on the financial reports to reflect the accounts receivables. Regarding LENOWISCO LLC, Mr. Vicars stated that most of the funds received from Sunset Digital have been used on legal and consulting fees. It was noted that some of the legal and consulting fees shown on the report are actually spread over two fiscal years. On a motion by Mr. Larry Vicars, duly seconded by Mr. Robert Raines, the Board unanimously approved the Treasurer's report as presented.

The fourth order of business was the presentation of Water / Wastewater technical assistance and construction funding requests by Mr. Duane Miller:

Technical Assistance Funds

- A. Scott County PSA – Filter Plant Road Sewer Design - \$6,000
- B. Scott County PSA – Briarcliff/Yuma Pump Station and Tank Telemetry - \$4,000
- C. Scott County PSA – Kingsport/Scott County Interconnection Preliminary Design - \$10,000
- D. Town of Pennington Gap – Infiltration/Inflow Study & PER - \$15,000
- E. Scott County PSA – Big Moccasin Water Planning & Preliminary Design - \$10,000

- F. St. Charles Water & Sewer Authority – Infiltration/Inflow Study & PER - \$15,000
- G. Town of Coeburn – Sheffield Acres/Route 72 Sewer Environmental Report - \$1,500
- H. Wise County PSA – Indian Creek Area Sewer Project PER - \$15,000
- I. Wise County PSA – Stephens Section Sewer Project PER - \$10,000
- J. Lee County PSA – Frog Level Water Project Environmental Report - \$1,500
- K. Lee County – Western Lee County Sewer Project Study - \$5,000

On a motion by Mr. Carl Bailey, duly seconded by Mr. Joe Herron, the Board unanimously approved these Technical Assistance Fund requests as presented.

Construction Funds

- A. Town of Appalachia – Big Stone Gap/Appalachia Interconnection Project - \$15,000
- B. Town of Big Stone Gap - Big Stone Gap/Appalachia Interconnection Project - \$20,000

On a motion by Mr. Ronnie Shortt, duly seconded by Mr. Mark Carter, the Board unanimously approved these Construction Fund requests as presented.

Transfer Request

- A. Lee County PSA – Transfer from Baileytown to Isopod Road/Katelyn Drive - \$163,000

On a motion by Mr. Kyle Fletcher, duly seconded by Mr. Larry Mosley, the Board unanimously approved this transfer request as presented.

The fifth order of business was the presentation of Community Development Block Grant (CDBG) funding by Mr. Duane Miller. Mr. Miller explained that two LENOWISCO region projects were selected for CDBG funding, Hamilton Town Sewer Extension and Bold Camp Phase II Sewer Project, both in Wise County. He stated that the Anglers Way Water Project in Scott County was three projects below the cutoff line for projects selected for funding. Mr. Miller also stated that if additional projects are selected for funding later this year, the Anglers Way Project stands a fair chance of being funded.

The sixth order of business was the presentation of Virginia Tobacco Commission applications by Mr. Chris Starnes. Mr. Starnes summarized the five projects that LENOWISCO assisted with which were submitted on July 15, 2011: Wise Inn Redevelopment Project, Wise County Fairgrounds Improvement Project, Nickelsville Community Medical Facility Phase II, Keith Memorial Park Lighting Project and Scott County Riverside Project Development Phase I and Phase II. Mr. Starnes stated that some indication of decision on these funding requests could be made in September.

The seventh order of business was the presentation of an update on the LENOWISCO Regional Water Supply Plan by Mr. Frank Kibler. Mr. Kibler stated that this four year long process, led by the Department of Environmental Quality (DEQ), is nearing completion and the final stage of the process is to have all localities hold a public hearing and pass a resolution adopting the plan. He also stated that DEQ was requesting the process be completed by November 1<sup>st</sup> and that the plan was posted on the LENOWISCO website for public review.

The eighth order of business was an update on the Comprehensive Economic Development Strategy (CEDS) by Mr. Frank Kibler. Mr. Kibler explained that the update to the CEDS document is underway and will be submitted to the Federal Economic Development Administration (EDA) by the end of August. He presented for consideration Resolution 2012-1 “Adopting the 2011 Update to the Comprehensive Economic Development Strategy”. On a motion by Mr. Ronnie Shortt, duly seconded by Mr. Larry Vicars, the Board unanimously adopted the resolution. This resolution is attached to and a part of these minutes.

The ninth order of business was a discussion of the upcoming ARC funding round by Mr. Glen

Skinner. Mr. Skinner reminded board members that the upcoming round of ARC funding will be accepting applications through the end of September. He invited anyone who had a project in mind to contact LENOWISCO staff to discuss the project.

The tenth order of business was the Executive Director's report by Mr. Glen Skinner, which included the following items:

**Item #1** - Mr. Skinner, with input from Mr. Anthony Smith with Secure Futures, gave an update on the solar project. LENOWISCO Solar was awarded \$1.75 million by the Virginia Tobacco Commission (VTC) and negotiations regarding the exact contract language related to that grant award are on-going between the VTC and the US Treasury Department. The VTC originally gave LENOWISCO a deadline of August 11, 2011 to sign the contract. Mr. Skinner noted that by the end of the week of August 5<sup>th</sup>, hopefully some more decision on the contract language would be reached.

Mr. Ben Allen asked how billing will be handled for the solar project and where LENOWISCO revenue would come from. Mr. Smith explained that a billing to the Scott County Economic Development Authority (SCEDA) will reflect a set rate of ten (10) cents per kilowatt hour and that the SCEDA is ready to sign a power purchase agreement.

Mr. Robert Raines asked how the rate would be handled over and above of the amount of energy that the solar project will produce. Mr. Smith explained that Scott County will pay the difference between what the solar project creates and what actual usage will be. Mr. Raines stated that there are still many moving parts to be ironed out to which Mr. Smith and Mr. Skinner agreed.

Mr. Ben Allen asked if this was the first project Secure Futures has been involved with. Mr. Smith explained a project is ongoing at Eastern Mennonite University which has been up and running for eight months and is overproducing by 12 percent. Mr. Smith stated that the project has been inspected by the US Department of Energy and everyone is pleased with the results so far.

Mr. Larry Vicars stated that the Crooked Road Tech Center uses approximately \$20,000 of electricity per year and that the Pioneer Center for Business Opportunity uses approximately \$40,000 of electricity per year, for a total of approximately \$60,000 per year. He questioned where the predicted additional revenue would be coming from. Mr. Smith explained that the project is being constructed with grant funds and that the approximately annual operating revenue will be \$120,000, of which approximately half will be from the ten cents per kilowatt hour and the other half coming from the twelve cent per kilowatt hour through Tennessee Valley Authority's (TVA) Generation Partners initiative. Mr. Smith explained that TVA is banking these solar credits for their own use in other projects, which he stated is a common trend among many electricity providers.

Mr. Robert Raines stated that once the Tobacco Commission grant is accepted that LENOWISCO is on the hook for the project. He cautioned against moving too fast into a project that is still in the very early stages of development. Mr. Skinner responded that he agreed and that he is only seeking authorization to create LENOWISCO Holdings LLC and seek an extension of the VTC contract deadline of August 11<sup>th</sup>. Mr. Skinner also stated that a called board meeting would take place to further explain the project.

Based on the discussion on the solar project, a motion was made by Mr. Ronnie Shortt to give Mr. Skinner authorization to ask for the Virginia Tobacco Commission to extend the contract deadline until the end of August and also authorization to create LENOWISCO Holdings LLC. The motion was seconded by Mr. Danny Parks and the Board unanimously approved the motion as presented.

**Item #2** – Mr. Skinner updated the Board on progress related to the Entrepreneurial Blueprint Project. He has been working with UVA Wise on this project and it is moving forward.

**Item #3** – Mr. Skinner updated the Board on the Virginia Coalfield Coalition (VCC) wireless project. He has been working with Bristol Virginia Utilities and Powell Valley Electric Cooperative to get fibers to the towers for the 4G service. Verizon Wireless has also been working closely with this project. He stated that the LENOWISCO Board needs to reappoint board members to the VCC Board. He suggested that the current LENOWISO Executive Committee plus Mr. Ronnie Shortt and Mr. Mark Carter be the appointed members for the VCC board. Based on that suggestion, Mr. Robert Raines made a motion, duly seconded by Mr. Ben Allen, the Board unanimously approved the board appointments as presented.

**Item #4** – Mr. Skinner stated that the Duffield Development Authority (DDA) has dissolved their assets as of June 30, 2011. The DDA has transferred \$57,795 to LENOWISCO to cover any expenses related to LENOWISCO overseeing the records of the DDA. Mr. Skinner stated that these funds have been put into the reserve fund.

**Item #5** – Mr. Skinner stated that the High Knob Tower Enhancement Project has been awarded \$50,000 for the tower rebuilding project from the Appalachian Regional Commission.

**Item #6** – Mr. Skinner stated that he had been working with Mr. Starnes to streamline the process of putting together and mailing board packets. Discussion has been had regarding using three ring binders for future packets.

The eleventh order of business was an update on LENOWISCO LLC by Mr. Glen Skinner. He stated that the Virginia Tobacco Commission (VTC) had outlined items required before they would entertain the transfer of the broadband project from LENOWISCO to the Powell Valley Electric Cooperative. He has pulled together the items the VTC asked for with the exception of the asset inventory list. He stated that additional meetings later in August would be the next steps in this process.

The twelfth order of business was a closed meeting to discuss a personnel matter as permitted by Virginia Code §2.2-3711(A)(4). On a motion made by Mr. Kyle Fletcher, duly seconded by Mr. Danny Parks, the Board voted unanimously to enter into the closed meeting.

After the closed meeting deliberations, a motion was made by Mr. Ronnie Shortt and duly seconded by Mr. Larry Mosley, for the Board to return to an open meeting. This motion passed unanimously. In compliance with the Virginia Freedom of Information Act, the Board voted by roll call on the Certification of Closed Meeting. This certificate is attached to and a part of these minutes.

The final order of business was a public comment period opened by Chairman Bob Adkins. There were no public comments offered and the public comment period was subsequently closed.

There being no further business to discuss, Mr. Ronnie Shortt made a motion, duly seconded by Mr. Kyle Fletcher, and followed with unanimous approval of the Board, to adjourn the meeting at 8:00 p.m.

Respectfully submitted,

GLEN A. SKINNER  
Secretary