

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
JULY 12, 2011

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, July 12, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Pete Crawford, Vice-Chairman; David Dean; and Hollis Loyd, Secretary/Treasurer. Board members Doug Warren and Jerry White were unable to attend the meeting. Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

Mr. Huber advised Board members that Dr. Warren was unable to attend the meeting. Mr. Crawford, as Vice Chairman, called the meeting to order and welcomed those in attendance.

Mr. Huber introduced Kurt Bleach as an intern volunteering service to the county as part of his graduate studies at Radford University. Mr. Huber advised that Mr. Bleach would be assisting the county engineer on the calculating of the sewer rates and the replacement of water meters.

1. Citizen Comments

There were no citizen comments.

2. Public Hearing – Revision of Water and Sewer Connection Fees

Mr. Huber explained the purpose of the hearing was to consider a proposed revision to the water and sewer connection fees.

Mr. Crawford opened the public hearing. There were no citizen comments and the hearing was closed.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adopted the following water and sewer connection fees:

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Connection Fees

Residential Connection Fees

WATER	Existing	Proposed	
Number	Fee	Fee	Notes
1	\$350	\$500	Increase from \$350 due to material costs
2-10	\$350	\$300	Developer provides and installs appurtenances
11-19	\$350	\$250	Developer provides and installs appurtenances
20 and over	\$175	\$200	Developer provides and installs appurtenances

SEWER	Existing	Proposed	
Number	Fee	Fee	Notes
1	\$500	\$500	No Change
2-10	\$500	\$300	Developer pays for tap and cleanout
11-19	\$500	\$250	Developer pays for tap and cleanout
20 and over	\$250	\$200	Developer pays for tap and cleanout

Water connection appurtenances include: tap into main line, service line, corporation stop, meter box, meter setter, meter, stub out and meter lid. The above connection fees only apply where a PSA line is directly adjacent to the meter location. Waterline extensions, rock removal, creek crossings, road borings over 30 feet in length or other unusual costs are added in to the above fees.

Commercial Connection Fees

Commercial water and sewer availability fees remain unchanged at \$1,500 each with the developer or business paying all connection costs.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White.

Additions to Agenda

Mr. Huber advised of the following additional agenda items, with action, if any, noted:

- Excused Absences Due to Tornado Events

Mr. Huber requested the Board consider allowing for an excused absence for two PSA employees who missed work due to sustaining injuries or damage to homes as a result of the recent tornadoes. Those employees were identified as Larry Vest and John Goad. Mr. Huber advised the Board of Supervisors had approved the same policy for county employees.

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On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved excusing absences for those county and PSA employees who missed work due to sustaining injuries or damages to homes as a result of recent tornadoes.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White.

- Barbara Hendricks account

Mr. Huber explained the PSA has a lien on Ms. Hendricks home due to a delinquent account and described a proposed payment plan to allow Ms. Hendricks to satisfy the loan and proceed with the rebuilding of her home.

Board members discussed Ms. Hendricks ability to adhere to any type of payment plan offered by the PSA, any other existing accounts with similar agreements, the potential for Ms. Hendricks to use the amnesty program, any recourse for the PSA should Ms. Hendricks fail to make payments, and the potential for setting a precedent if the Board approves the request.

By consensus, the Board tabled action on this request to its August agenda and directed staff to take following action:

1. Ask Sam Campbell to draft payment agreement between PSA and Ms. Hendricks
2. Ask funding agency to advise staff on what options are available:
3. Explain to Ms. Hendricks Board's position and other alternatives she may have to pay bill off and relieve PSA Board of making decision – (possibly through a bank loan) to clear up account; and Research potential option for SERCAP or NRCA funding

Mr. Loyd questioned past right-off of accounts, recalling the writing off of approximately \$100,000 in delinquent accounts. Ms. Boyd advised Ms. Hendricks was not a part of those write-offs.

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- Fair Akers Subdivision Sewer

Mr. Linkous advised of a request for sewer service to the Fair Acres Subdivision, with an immediate need due to a failing septic tanks.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved staff conducting a preliminary engineering report, with the results to be provided to the Board at a future meeting.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White.

- Mr. Huber advised of the following additional items to be discussed:

1. Hydrant Testing
2. Water and Sewer modeling
3. Consideration to sewer van/truck

3. Finance

a. Follow-up from June Board Meeting:

1. Update on \$129,599 Loan

Mr. Huber provided details outlining \$293,061 in advances from the Board of Supervisors to the PSA dating back to 1982. Mr. Huber further advised while previous payments have reduced these amounts, the audit reports on which these figures are based have not included any calculation of interest due.

Mr. Loyd indicated he had no problem with paying off the \$129,599 currently owed by the PSA, but did not understand paying off an interest free loan.

By consensus, the Board deferred action on this matter, pending a determination that the \$206,632 reported in the packet to the Board is an accurate comparison with the table also referenced in packet, as well as outcome of a request to

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the Board of Supervisors for waiving of five percent interest on amount owed by the PSA.

2. Update on Sewer Vac Purchase

Mr. Huber provided background information on the need for a sewer vac truck. Mr. Linkous advised the purchase of a sewer vac would allow for the cleaning up of wet wells and keeping the sewer system maintained. He shared several pictures of manholes that had overflowed because of blockages in the lines.

Mr. Loyd questioned the average cost to the PSA over the past five years without having the use of a vac truck. Mr. Huber advised the cost is not significant, but the maintenance issues continue to increase. Mr. Loyd also questioned if the work could be done by "Roto Rooter". Mr. Linkous indicated that mechanical unblocking such as is done by "Roto Rooter" type equipment does not remove the debris causing the backup and thus is not as effective as a sewer vac truck.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board authorized staff to proceed with obtaining bids for the vac truck, with the results to be presented at the August Board meeting, if received in time.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean,
Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White.

3. Meter Replacements

Mr. Huber and Mr. Linkous provided updates on efforts to determine the impact of new meters on the overall water system.

Mr. Loyd indicated he did not recall action having been taken by the PSA Board to remove the fixed rate. Mr. Huber advised staff would check on the date of the change to allow for the elimination of the 2,000 gallon minimum and will provide an update at the August meeting.

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4. Parrott Mountain Tank Access

Mr. Linkous reported basic repairs were being made to the road while staff is also calculating the size of the drain pipes needed to prevent reoccurrence. He indicated the expected costs to repair to the road to be approximately \$25,000.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved staff proceeding with obtaining bids for the cost to repair the road and further directed staff to ask REMSI to share in the \$25,000 costs to repair the road.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean,
Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

5. Report on Two Unidentified Accounts in May Finance Report

Mr. Huber provided an update from Attorney Sam Campbell, which recommends that no further action be taken. Mr. Dean requested a report on how many individuals have been able to pay off amount or find other alternatives, such as through SERCAP or bank.

6. Update on Contracting PSA Refuse Collection Services

Mr. Huber advised he had no additional information to share at this time on the potential contracting of PSA refuse collection services; however, he would update the Board as information is made available.

7. Pump Station Rehabilitation Project

Mr. Linkous described in further detail information provided in the packet related to staff "field locating" manholes with GPS equipment for comparison to "As-Built" drawing information. He reported the final area to be field located is along Volvo property and once the right-of-way is cleared the manholes will be located with GPS equipment.

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b. Review of Financial Report

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved the monthly financial report, as presented, a copy of which is filed with the records of this meeting.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

c. Balance Due & Lien Reports

The following report was provided:

Balance Due	4/1/2011	5/3/2011	6/3/2011	7/1/2011
Current Balance	567,066.95	404,557.19	374,608.01	573,118.99
Over 30 Days	27,617.22	60,886.47	31,822.55	90,828.32
Over 60 Days	14,891.12	12,675.96	38,996.10	14,423.61
Over 90 Days	761,058.28	759,778.25	764,404.63	785,599.10
Total	\$ 1,370,633.57	\$ 1,237,897.87	\$ 1,209,831.29	\$ 1,463,970.02
Leins Filed				\$ 359,566.74

Details of Accounts Delinquent for 90 days or more

Detail by type of customer and level of service billed for

	Garbage & Water	Sewer Only	Garbage Only	Total
Residential	31,035.56	8,652.12	560,263.63	\$ 599,951.31
Commercial	1,418.46 -		19,042.11	\$ 20,460.57
Nonuser	165,187.22 -			\$ 165,187.22
Total	\$ 197,641.24	8,652.12	\$ 579,305.74	\$ 785,599.10

Detail by type of customer and active, inactive and non-user accounts

	Inactive	Non User	Active	Total
Residential Water	26,168.80	165,187.22	4,866.76	196,222.78
Commercial Water	1,418.46		-	1,418.46
Residential Garbage	42,661.57		517,602.06	560,263.63
Commercial Garbage	15,563.77		3,478.34	19,042.11
Sewer	2,089.02		6,563.10	8,652.12
Total	\$ 87,901.62	\$ 165,187.22	\$ 532,510.26	785,599.10

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Mr. Huber and Ms. Boyd advised efforts continued to bring liens up-to-date and further described steps being taken towards that effort, including the offering of the amnesty program.

Board members suggested consideration to the hiring of a full time position to focus on collections, as well as consideration to the Treasurer's Office serving as the collection agency for the PSA.

Mr. Huber offered to send an inquiry to the Institute of Government asking if Treasurer's Offices in other localities serve as collection agencies.

d. Budget Adjustments

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved the following budget adjustments:

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
3-500-016080-0900	Roll Off Container Service	\$ 15,000.00
3-500-016190-0200	Residential Water Sales	33,550.00
3-500-016200-0100	Residential Sewer Service	20,000.00
	TOTAL	<u>\$ 68,550.00</u>
<u>EXPENDITURES:</u>		
4-500-042310-1370	Residential Refuse Over Time Salaries	15,000.00
4-500-046200-2700	Water Treatment Plant Workers Comp	3,200.00
4-500-046200-2300	Water Treatment Plant Health Insurance	8,700.00
4-500-046200-6006	Water Treatment Plant Chemicals	15,000.00
4-500-047200-3800-002	Sewer Treatment	15,000.00
4-500-094100-8261	Hubbard Way Waterline Project	2,000.00
4-500-095100-9161	VRA Loan #2 2004	650.00
4-500-094100-8255	Orchard Hills Sewer Project	(145,000.00)
4-500-094100-8220	Rolling Hills Sewer Project	130,000.00
4-500-095100-9203	Bond Sale Costs Commerce Park	24,000.00
	TOTAL	<u>\$ 68,550.00</u>

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Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved a billing adjustment totaling a credit adjustment of \$2,146.93.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved accounts payable for checks numbered 8005550 through 8005713.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

g. Implementation of Bagster Service

Mr. Huber and Mr. Nichols explained the bagster services being offered by Waste Management and the potential for implementation of this type of "mini roll-off" service to residents, and also as an alternative to dumpster use.

Mr. Nichols advised he would continue to review the potential use of the bagster services and provide an update to Board as needed.

4. Operations

a. Minutes of Previous Meeting

By consensus, the Board approved the June 14, 2011 minutes.

b. Inmate Availability Report

Staff reported use of two inmates per day during the month of June.

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Mr. Loyd advised that the letter from Sam Campbell related to the amnesty program noted the program expires on August 31, 2011 and should have been September 30, 2011.

5. Informational Items

a. Sewer Service to Carry-on Trucking

Mr. Huber reported the Town of Pulaski has requested permission to provide sewer service to Carry-on Trucking since the company is located just outside the town limits on Rt. 99.

By consensus, the Board confirmed agreement with staff's approach based on the annexation agreement.

b. 2011 Virginia Tipping Fee and Recycling Report

Board members reviewed the annual report prepared by Draper Aden Associates.

c. PSA Office Sign

Board members were provided with a picture of the new sign that Doug Hudson of the County's General Properties staff installed at the PSA office in Dublin.

d. PSA 2010 Annual Drinking Water Report

Board members were provided with the 2010 Annual Drinking Water report for the PSA which is also being mailed to all water customers as required by the Health Department.

6. Current Authorized Projects

Staff currently has the following projects on their "to do" list but we do not have any additional information to report regarding these items at this time.

a. Action Items

- Construction of Highland Park sewer
(now substantially complete)
- Skyview/NRV Fairgrounds sewer funding
- Construction of Commerce Park Utility Project
- Drop Center location South side of Claytor Lake
- Evaluation of "radio read" water meter option

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b. Pending Items

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

7. Other Matters

- Water and Sewer Modeling

Mr. Huber described the various utility information needs that develop through the course of economic development issues and the need for a detailed water model, noting the county engineer has the expertise to provide computer modeling for both water and sewer.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved an expenditure of up to \$24,000 towards the purchase of water and sewer modeling software, without the maintenance agreement, with funding to be allocated from contingency.

Voting yes: Mr. Conner, Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White

Mr. Dean commented on the continued expansion of water and sewer development in Carroll and Wythe counties and suggested a stronger pro-active approach to further development in Pulaski County.

Mr. Loyd requested staff look into expanded subdivisions, specifically as to what residents are paying. Mr. Linkous indicated the ability to obtain funding is sometimes based on ranking criteria, noting any new projects would come before the PSA for prioritizing. Mr. Linkous also advised work was underway to develop a water and sewer master plan.

Mr. Loyd questioned the status of the PSA Board's recommendation to the Board of Supervisors of a 2 to 3 percent raise for employees. Mr. Huber advised the June 27, 2011 Board of Supervisors meeting did not have a full Board and the request would be presented to the Board at its July 25, 2011 meeting, with an update to be provided to the Board at its August meeting.

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8. Adjournment

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board adjourned its regular July meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, August 9, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd.

Voting no: none.

Not present: Dr. Warren, Mr. White.

Pete Crawford, Vice Chairman

Hollis Loyd, Secretary/Treasurer