

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
June 10, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, June 10, 2014, 2014 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: Doug Warren, Chairman; Nancy Burchett; Dave Dean; Dennis Setliff; and Fritz Streff.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Sandra Boyd, PSA Billing; Ronnie Nichols, Director of Operations, Maintenance and Transportation; and Gena Hanks, Clerk to the Board.

Dr. Warren called the meeting to order and welcomed those in attendance.

1. Citizen Comments

There were no citizen comments.

Presentation of FY 2012-13 Audit Report

Deanna Cox, Robinson, Farmer, Cox Associates, provided an update on the PSA's FY 13 audit. Ms. Cox described in detail components of the report. Ms. Cox reported the overall results were good and there were no significant changes. Ms. Cox also described new accounting standards that were implemented, as well as an audit finding related to a transaction where an entry had been made prior to the audit.

On a motion by Mr. Burchett, seconded by Dr. Streff and carried, the Board accepted the FY 13 PSA audit as prepared and presented by Robinson, Farmer, Cox Associates.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

2. Public Hearing

a. Sunday Roll-off Service

Mr. Huber advised of failure to advertise for a public hearing. Mr. Huber suggested a special PSA Board meeting be held on Tuesday, June 24, 2014 at 9:00 a.m. to consider the rate increase and also as a part of that public hearing and to include the sewer connection fee increase to \$100.

By consensus, the Board approved scheduling a special meeting of the PSA Board to conduct a public hearing on Tuesday, June 24, 2014 at 9:00 a.m. in the Board Room of the County Administration Building to consider a

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\$10 per haul rate increase for customers, specifically requesting Sunday service, a 10 cent per 1,000 gallon water and sewer surcharge applicable to PSA customers, specifically located in the Commerce Park, and a \$100 increase in sewer connection fees matching previously advertised increase in water connection fees.

3. Follow-up Itemsa. Drop Site Update

Mr. Huber advised of receipt of the Phase II Environmental Report on the former GEM City site.

Board members discussed the following: the need to ask the environmental group to provide an assessment to capping with asphalt, to what extent the Town of Pulaski will partner with the PSA, the potential for Mr. Aust, GEM City property owner, to correct address issues with the property, and the need to continue with original plan by the PSA for the Town of Pulaski to provide the site and the PSA to operate and maintain the site.

By consensus, Board members requested staff contact the Town of Pulaski to determine the extent of a partnership with the PSA, as well as contact the property owner and environmental firms on assessment and costs.

b. Water Treatment Plant Well Drilling

Mr. Huber explained the absence of Mr. Linkous at the meeting was due to Mr. Linkous working with the PSA crew to address issues related to grading work at Loving Field, as well as problems from pressure reducing valves in the Fairlawn area. Mr. Huber advised consideration by the PSA Board to potentially adding staff to the PSA water crew. Mr. Huber also explained plans to work with Giles County in establishing a construction crew.

Mr. Linkous arrived at the meeting and provided details on the technique used in the drilling efforts to date with focus and resources needing to be shifted to modifying intakes and getting them as operational as possible before winter.

Board members discussed costs associated with the well drilling to date, backup plans in emergency situations, the possibility of drilling deeper and associated costs, the potential for use of divers to assess situation, dredging, protection and annual maintenance costs.

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Staff was requested to provide the PSA Board with the "worst case" scenario. Board members suggested a report be provided at the June 24<sup>th</sup> special meeting, if available by that date.

c. Water Billing Schedule

Mr. Huber described several billing errors related to the transition to the new water meters, resulting in the May bills being mailed out late. Mr. Huber described discussions by the PSA billing staff as to how to address both the timing and accuracy issue and ongoing concerns by the public with the 15-day payment period currently being required of PSA customers. Mr. Huber advised that as a result of those discussions, PSA staff proposes a fairly significant revision to the PSA billing schedule to extend the due date by 10 days from the 15<sup>th</sup> of each month to the 25<sup>th</sup> of each month, which would affect the June 30 cash position of the PSA but should not affect audit results.

Board members discussed methods in notifying PSA customers of the change, including placement on the web and preparation of a news release to local newspapers. Dr. Streff also requested the public be notified of the regular monthly PSA meetings, as well as encourage the public to attend the PSA monthly meetings.

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board concurred with action by staff for the change in the water billing schedule as detailed above, including notifying the public of the changes, through all sources possible.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

d. Recommendations re: Landlord/Tenant Water Leakage Issues

Mr. Huber reported that at the May PSA meeting, the Board had requested staff develop recommendations on addressing issues which arise where a renter is being held responsible for making payments as a result of leaks and in which the landlord does not address the matter. Mr. Huber advised the matter was discussed with the Southwest Virginia Legal Aid Society which advised that the tenants may file a tenant assertion with the court and begin paying rent to the court rather than to the landlord as called for in <http://leg1.state.va.us/000/cod/55-248.27.HTM>. Staff plans to advise customers having these types of issues to either contact legal aid or a local attorney.

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e. Fluoride Update

Mr. Huber described receiving additional information from Garland Campbell related to a request by Mr. Campbell for the PSA to remove fluoride from PSA water, attachments of which were provided to the Board via the BoardDocs agenda.

Mr. Setliff expressed appreciation to Mr. Campbell for providing the information to date and commended Mr. Campbell for his fervor on the matter. Mr. Setliff described having discussed at length with the Director for the Association of Dental Researchers (ADR) the issue related to including fluoride in water systems, noting an abundance of misinformation in society related to the fluoride issue. Mr. Setliff described the ADR's findings that fluoride is a positive addition to the water system, as long as contained within prescribed limits and monitored appropriately.

Dr. Streff advised of also having researched the matter with findings overwhelmingly showing the positive benefit in providing fluoride in water systems with evidence supporting the program followed by the PSA.

Dr. Warren advised the PSA Board would continue to support the inclusion of fluoride in the PSA water system.

f. Garry Frazier Account

Mr. Huber described an email from Attorney Sam Campbell which further describes a blanket release form to be used to release all prior PSA liens against Garry Frazier, Emmy Frazier & Rebekah Crofts and the delivery of \$10,000 settlement check to the Treasurer which satisfies account # 300113 through March 31, 2014. Mr. Huber noted that beginning as of April 1, 2014; garbage and non-user water should be billed to Emmy G. Frazier and Rebekah S. Crofts at 5594 Thornspring Church Road, Dublin.

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the PSA Board accepted the report from Attorney Sam Campbell describing the settling of the Garry Frazier account.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

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4. Action Items

a. FY 2012-2013 Audit Report

Action on this matter was taken earlier in the meeting.

b. FY 15 Budget Adoption

Ms. Newby described the changes to the proposed budget, based on the PSA Board's previous discussions, which included a 1% salary increase for employees and adjusted rates to include the 5% increase in water rates approved by the Board. Mr. Huber advised the PSA's contingency increased to \$221,156.

Board members discussed concerns over the costs associated with the painting and improvements to the water tanks and the need to prevent the water tanks from becoming unsightly.

Mr. Linkous described the method used in the assessment of the PSA's water tanks which included paint and metal thickness, corrosion, foundations, etc. Mr. Linkous described the findings following the assessment of water tanks advising the majority of the tanks were in good shape; however, several tanks were in poor condition including the Lakewood Estates tank and the Lyons Road tank.

Board members discussed the importance of having available resources to allow for general maintenance of the tanks.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the PSA Board approved the FY 15 budget, as presented, and to include an increase in funds for water tank painting from \$115,000 to \$150,000 to be taken from contingency.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

c. Old Hurst Road Dumpster

Mr. Huber described receipt of an email from John and Diane Wilson describing issues related to the dumpster on Old Hurst Road, specifically damage to the dumpster which attracts animals resulting in garbage being strewn across the property.

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Mr. Nichols described the difficulties in turning around at the end of Old Hurst Road and suggested staff look at the dumpster to determine if the lid on the dumpster can be repaired.

Board members discussed the number of residents served on Old Hurst Road, the potential for the dumpster to be dumped twice weekly, the possibility of providing some type of surveillance at the site and further expressed concern over the unsightliness of trash being strewn across the properties.

By consensus, Board members requested staff repair the lid on the dumpster on Old Hurst Road, communicate to Mr. and Mrs. Wilson and other residents along Old Hurst Road that some form of electronic surveillance may be provided at the site, with strong follow-up action to be provided by the PSA if it is found that trash is a result of people and not animals. Board members indicated action should include obtaining tag numbers of non-residents using the dumpster and a sign is to be erected at the dumpster indicating the dumpster is for residents only.

d. Ronnie Gravely Memorial Resolution

Mr. Huber described the difficulties experienced by staff following the loss of Mr. Gravely. Mr. Huber also shared a suggestion by a co-worker of Mr. Gravely's to an annual hike in honor of Mr. Gravely. Mr. Huber shared county policy in which the PSA pays for an employee assistance program providing for counseling to employees when needed.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the PSA Board adopted the following memorial resolution, with Mr. Gravely's family to be invited to attend the July 8<sup>th</sup> or August 12<sup>th</sup> PSA Board meeting to accept the resolution:

**MEMORIAL RESOLUTION  
RONALD W. GRAVELY**

**WHEREAS**, Ronald W. "Ronnie" Gravely worked with the Pulaski County Public Service Authority since his hiring in October 1989 until his untimely death on May 3, 2014; and

**WHEREAS**, Ronnie Gravely enjoyed hiking outdoors with family, friends and co-workers; and

**WHEREAS**, Ronnie Gravely was a great co-worker to those fortunate enough to work alongside him; and

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**WHEREAS**, Ronnie Gravely demonstrated a high degree of professionalism in dealing with all citizens and employees of Pulaski County;

**NOW, THEREFORE BE IT RESOLVED**, that the Pulaski County Public Service Authority Board of Directors does commend the contributions made by Ronnie Gravely to his family, community, and Pulaski County; and

**BE IT FURTHER RESOLVED**, that the Pulaski County Public Service Authority Board of Directors does extend to the family of Ronnie Gravely its sympathy and condolences in his passing; and

**BE IT FURTHER RESOLVED**, that the text of this resolution be spread upon the minutes of the Pulaski County Public Service Authority Board of Directors this 10<sup>th</sup> of June 2014 in permanent testimony to the service of Ronnie Gravely to the County of Pulaski.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,  
Ms. Burchett.

Voting no: None.

e. Garbage Charges where Dumpsters are Available

Mr. Huber described that while in the process of determining payment for refuse services, the question has come up regarding whether a cluster of homes needed to pay individual refuse service if they had ready access to a dumpster. Mr. Huber indicated this situation would take place in agricultural settings where several residences use the farm dumpster, as well as at apartment complexes where one dumpster services a number of families. Mr. Huber advised staff recommendation is not to charge the \$15 per month fee where the dumpster is located on the same property as the residence. However, in cases where the owner of a business lives away from their business, they would still need to pay for garbage service at their place of residence, which would minimize the transport of trash from one location in the County to another, while giving residents options for joint use of dumpster service.

By consensus, Board members requested staff draft a policy addressing the matter and present draft policy to the PSA Board for review and approval at its July 8<sup>th</sup> meeting.

f. Skyview Sewer

Mr. Linkous described the bids received, specifics related to the range of bids, and options available to the PSA.

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Board members and staff discussed potential assistance from Rural Development or looking to the PSA reserves to make up the difference.

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the PSA Board approved pulling \$146,298 from reserves to make up for the higher than estimated construction costs for the Skyview Project.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

g. PSA Billing Office Building Site

Mr. Linkous described estimated renovations cost to be \$317,000 with the largest component being the HVAC.

Board members discussed follow-up steps which include sharing the results with the property owner, and looking at alternative locations and sites, including any vacant school buildings.

By consensus, the Board agreed to defer the project until the water intake issue is resolved.

h. Roll Off Trucks

Mr. Huber reported an increase in roll-off business resulting in the need to hire an additional roll-off driver. Mr. Nichols advised a new truck is not needed.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved the hiring an additional roll-off driver.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

5. Consent Items

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved the following items of consent:

a. Minutes of Previous Meeting

The Board approved the minutes of the April 7, 2014 and May 13, 2014 meetings, as presented.



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b. Balance Due & Lien Reports

The Board reviewed and accepted the following balance due and lien reports:

	<b>Garbage &amp; Water</b>	<b>Sewer Only</b>	<b>Garbage Only</b>	<b>Total</b>
Current Balance	\$ 543,199.18	648,692.24	498,541.30	111,410.47
Over 30 Days	\$ 98,262.14	89,048.58	107,233.99	52,713.41
Over 60 Days	\$ 33,734.18	62,094.44	40,536.90	48,446.65
Over 90 Days	\$ 1,117,568.87	1,135,828.85	1,127,295.46	1,134,285.06
<b>Total</b>	<b>\$ 1,792,764.37</b>	<b>1,935,664.11</b>	<b>1,773,607.65</b>	<b>1,346,855.59</b>
Liens Filed				\$ 676,832.74

**Details of Accounts Delinquent for 90 days or more**

**Detail by type of customer and level of service billed for**

	<b>Garbage &amp; Water</b>	<b>Sewer Only</b>	<b>Garbage Only</b>	<b>Total</b>
<b>Residential</b>	\$ 51,833.84	\$ 66,133.09	\$ 748,802.46	\$ 866,769.39
<b>Commercial</b>	\$ 1,683.85		\$ 72,926.48	\$ 74,610.33
<b>Nonuser</b>	\$ 192,905.34	see breakdown below		\$ 192,905.34
<b>Total</b>	<b>\$ 246,423.03</b>	<b>\$ 66,133.09</b>	<b>\$ 821,728.94</b>	<b>\$ 1,134,285.06</b>

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

	<b>Inactive</b>	<b>Non User</b>	<b>Active</b>	<b>Total</b>
<b>Residential Water</b>	\$ 44,773.87	\$ 33,307.74	\$ 7,059.97	\$ 85,141.58
<b>Commercial Water</b>	\$ 1,683.85			\$ 1,683.85
<b>Residential Garbage</b>	\$ 54,878.11	\$ 18,930.43	\$ 693,924.35	\$ 767,732.89
<b>Commercial Garbage</b>	\$ 33,137.03		\$ 39,789.45	\$ 72,926.48
<b>Sewer</b>	\$ 7,377.05	\$ 1,517.72	\$ 58,756.04	\$ 67,650.81
<b>Penalty</b>		\$ 13,345.73		\$ 13,345.73
<b>Interest</b>		\$ 125,803.72		\$ 125,803.72
<b>Total</b>	<b>\$ 141,849.91</b>	<b>\$ 192,905.34</b>	<b>\$ 799,529.81</b>	<b>\$ 1,134,285.06</b>

c. Budget Adjustments

The Board approved the following budget adjustments:

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PSA FUND #10		
Account Number	Account Title	Amount Increase (Decrease)
<b>REVENUES:</b>		
500-018990-2400	Sale of Surplus Property	\$ 1,100.00
500-019010-7100	Commerce Park Debt Reimbursement	55,000.00
500-019010-7500	General Fund Debt Reimbursement	41,905.00
500-016080-1000	User Rebate Landfill	82,991.00
500-016190-0600	Pulaski Water Sales	11,000.00
500-016200-0100	Commercial Sewage Fees	30,000.00
	<b>TOTAL</b>	<b>\$ 221,996.00</b>
<b>EXPENDITURES:</b>		
500-041320-5110	Street Lighting Electrical Services	\$ 3,240.00
500-042310-3800-005	Residential Refuse NRRRA Charges	108,664.00
500-042320-3800-005	Recycling/Drop Center NRRRA Charges	(108,664.00)
500-045100-8101	PSA Administration Machinery & Equipment	4,744.00
500-045200-1114	PSA Billing Salaries	11,373.00
500-045200-2100	PSA Billing FICA	871.00
500-046200-1170	Water Treatment Plant Salaries	4,126.00
500-046200-2100	Water Treatment Plant FICA	316.00
500-046105-6007	Lakewood Estates Repair & Maintenance Se	30.00
500-047100-5110	Sewer Collection Electrical Services	14,000.00
500-047100-6006	Sewer Collection Chemicals	24,700.00
500-047100-1170	Sewer Collection Salaries & Benefits	8,000.00
500-047200-3800-002	Sewer Treatment Peppers Ferry	25,000.00
500-092110-5850	Miscellaneous Refunds	500.00
500-095100-9149	Suntrust #1 Refinanced Loans	56,628.00
500-095100-9147	RD #5 Claytor Lake	(7,392.00)
500-095100-9159	RD Claytor Lake #2	(9,156.00)
500-095100-9204	Bond Sales Costs	2,067.00
500-095100-9205	Suntrust #1 Bond Sales Costs	50,450.00
500-095100-9206	Suntrust #2 Bond Sales Costs	19,067.00
500-095100-9161	VRA Revenue Bonds 2004	(12,269.00)
500-094100-8121	Dewatering Pad	2,525.00
500-094100-8127	Water Quality Improvements	1,600.00
500-094100-8245	Commerce Park	9,500.00
500-094100-8253	Fair Acres Subdivision	500.00
500-094100-8257	Loving Field Water Line Extension	30,000.00
500-091400-9301	Contingency Funds	(18,424.00)
	<b>TOTAL</b>	<b>\$ 221,996.00</b>

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d. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$42,143.27.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8010371 through 2010521, subject to audit.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,  
Ms. Burchett.

Voting no: None.

6. Staff Reports

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board reviewed and accepted the following staff reports as presented:

a. Financial Reports

The Board reviewed and accepted the financial reports as presented by Ms. Newby, a copy of which is filed with the records of this meeting.

b. Operational Report

1. Inmate Availability

Staff reported use of three inmates per day for the month of May 2014.

2. Drop Site and County Landfill Tonnage Reports

**Drop Site Total for the Month of May 2014**

Site	Trips	Tons	Tons per haul
Dora Highway	5	15.18	3.03
Dublin	31	111.72	3.60
Fairlawn	6	36.76	6.12
<b>Totals</b>	<b>42</b>	<b>163.66</b>	<b>3.89</b>

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**County Landfill Tonnage  
(County Customers & Refuse Department Hauliers  
for the Month of April 2014)**

Commercial	Residential	Tires	Brush
4,999.00	1,639.48	373	0

3. Cut Off List

Staff reported there were no cutoffs for the month of May.

4. Personnel Changes

The following were reported as PSA personnel changes in May:  
Ronnie Gravely, Deceased.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,  
Ms. Burchett.

Voting no: None.

c. Collections Report

Debra Boyd had provided the following collections report which was included in the Board report:

1. Set-off Debt Collections: 437 accounts submitted totaling \$629,130.85. I have received a total of \$23,987.36 on 4/4/14, 5/5/14, 6/3/14 to post to these delinquent accounts.
2. May 20th mailing of approximately 195 letters.
3. Additions of 92 new refuse customers since January.
4. Settlement agreements with 5 refuse customers resulting in the adjustment of \$4,708.47 allowing them to pay a lump sum of \$2,899.90 to clear up their accounts.

d. Compensatory (Comp) Time Payout

Mr. Huber reported discovery that the previously established policies regarding payout of comp time were no longer being followed, noting the Federal Fair Labor Standards Act requires that non-exempt (operations) employees who had accumulated over 240 hours of compensatory time would need to be paid for any amount over 240 hours. Mr. Huber advised that discovering that this requirement had not been followed in recent years, staff is implementing the payout of \$29,097.40 to four Board of Supervisors

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employees and \$10,330.28 to three PSA employees with careful monitoring in the future of comp time accumulations.

7. Staff To-Do Listing

Board members reviewed the following items which staff is currently working on but for which there is no additional information to report to the Board at this time.

- a. Skyview/NRV Fairgrounds Sewer Funding
- b. South Side of Lake and Fairlawn Drop Centers
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Meter Replacement with Radio Read Units
- f. Draper Area Wythe County Sewer/PSA Connection
- g. Water Meter Replacement
- h. Water Master Plan
- i. Change Exit at Fairlawn Drop Site

8. Other Matters

Mr. Huber invited PSA Board members to attend the following two events: Tablet training – Wednesday, June 25<sup>th</sup> at 11:00 a.m. in IT Training facility; and Public information officer training by Virginia Tech – Wednesday, June 25<sup>th</sup> at 1:00 p.m. in IT Training Facility.

Dr. Warren welcomed Anthony Akers as Interim Assistant County Administrator.

9. Adjournment

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board adjourned its regular June 2014 meeting. The next meeting will be a public hearing to be held on Tuesday, June 24, 2014 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski. The next regular meeting of the PSA Board is scheduled for Tuesday, July 8, 2014 at 9:00 a.m. in the Board Room of the CAB.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

  
Nancy Burchett, Secretary/Treasurer

  
Doug Warren, Chairman