

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
June 9, 2015

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At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, June 9, 2015 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; and Dennis Setliff. Fritz Streff was unable to attend the meeting.

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

Dr. Warren called the meeting to order and welcomed those present.

1. Citizen Comments

There were no citizen comments.

2. Financial Matters

A. Financial Report

Ms. Newby and Mr. Huber described the monthly financial report and offered to answer any questions by Board members.

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the Board accepted the monthly financial report.

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

Voting no: None.

Not present: Dr. Streff

B. FY 16 PSA Budget

Staff presented the most recent draft of the proposed PSA budget resulting in an increase of approximately \$30,000 in contingency.

Ms. Burchett asked if there were plans to include in the FY 16 budget funding for utilities for the new PSA billing office, as well as for the building for the water crew. Mr. Huber recommended moving \$10,000 from contingency to cover the utilities for the two buildings.

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Mr. Linkous advised that the revenues were based on a proposed 5% rate increase for which a public hearing had been held on May 11, 2015. Mr. Linkous also advised it was expected to take an additional two to three months to complete the building for the water crew.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the PSA Board approved the FY 16 budget, as presented, with amendments to include the additional utility expenses from contingency, as well as the following rate structure:

➤ **Water**

• **Effective July 1, 2015)**

Base Rate (\$/mo):

- Residential/Small Business (Less Than 50,000 gal/mo) \$ 9.38
- Medium Commercial (50,000 to 100,000 gal/mo) \$ 55.13
- Large Commercial/Industrial (Over 100,000 gal/mo) \$ 110.25

Usage Rate (\$/1,000 gallons):

- up to 50,000 gal \$ 4.41
- 50,000 to 100,000 gal \$ 4.14
- over 100,000 gal \$ 3.86

➤ **Sewer**

• **Effective July 1, 2015**

Base Rate (\$/mo):

- Residential/Small Business (Less Than 50,000 gal/mo) \$ 11.03
- Medium Commercial (50,000 to 100,000 gal/mo) \$ 79.54
- Large Commercial/Industrial (Over 100,000 gal/mo) \$ 165.38

Usage Rate (\$/1,000 gallons):

- up to 50,000 gal \$ 6.34
- 50,000 to 100,000 gal \$ 6.07
- over 100,000 gal \$ 5.79

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Residential Connection Fees

WATER

Number	Existing Fee	Proposed Fee	Notes
1	\$ 600.00	\$ 700.00	Increase due to material cost.
2 - 10	\$ 375.00	\$ 420.00	Developer provides and installs appurtenances.
11 - 19	\$ 300.00	\$ 350.00	Developer provides and installs appurtenances.
20 and Over	\$ 225.00	\$ 280.00	Developer provides and installs appurtenances.

SEWER

Number	Existing Fee	Proposed Fee	Notes
1	\$ 500.00	\$ 700.00	Increase due to material cost.
2 - 10	\$ 300.00	\$ 420.00	Developer pays for tap and cleanout.
11 - 19	\$ 250.00	\$ 350.00	Developer pays for tap and cleanout.
20 and Over	\$ 200.00	\$ 280.00	Developer pays for tap and cleanout.

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

Sewer connections include: tap into main line, service lateral from main to property line and/or right of way, and cleanout. Sewer line extensions, rock removal, creek crossings, road crossings, or other unusual costs are added to the above fee.

Commercial Connection Fees

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

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

Voting no: None.

Not present: Dr. Streff

C. VACORP Insurance Renewal FY 16

Mr. Huber described an option in the VACORP insurance proposal for fiscal year 2015-16 for additional Cyber Risk Insurance. Mr. Huber advised the current policy covers up to \$500,000 for network security

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breaches and online privacy matters and also that additional coverage is offered from one million to three million, with additional fees from \$3,500 to \$6,500.00.

Mr. Dean inquired if the School Board and Board of Supervisors would be provided the same option. Ms. Newby advised quotes had not been received for the County.

Board members noted the benefit of having the School Board, PSA and Board of Supervisors with the same coverage, further agreeing to the benefit of the additional coverage.

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the PSA Board approved the following: paying \$3,500 for additional one million dollar coverage and also asking the Board of Supervisors and School Board to consider doing the same due to a shared computer system.

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

Voting no: None.

Not present: Dr. Streff

3. Follow-up Items

A. Collections Update

The following written report was provided on the status of PSA collections: there have been 112 claims matched from the Set Off Debt Program thus far in the amount of \$ 20,610.33; there have been no new garbage accounts set up in response to the letters mailed for the month of May; and staff continues to set up new accounts that will start with first billing for this quarter due July 25, 2015.

Board members also discussed procedures for when a resident moves while still owing a utility bill.

B. Update on Pulaski County Sewerage Authority (PCSA) Reconstruction Project

Mr. Setliff summarized work to date on the sewer line reconstruction project along Rt. 11. Mr. Setliff advised the next meeting of the PCSA was scheduled for June 16th and that the proposed maintenance agreement would be presented at that meeting. Mr. Setliff

also expressed appreciation for the healthy relationship between the PSA Board and PCSA.

C. Pulaski County Sewerage Authority Agreement

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the PSA Board endorsed the proposed maintenance agreement, a copy of which is filed with the BoardDocs agenda for this meeting.

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

Voting no: None.

Not present: Dr. Streff

4. Action Items

A. Absence Without Leave Policy

Mr. Huber and Ms. Thompson described recommended revisions to the policy, noting the existing policy is vague in addressing issues with no call/no show employees.

Mr. Dean expressed concern over the inability of the employee's record to be cleared if an offense does not reoccur after the first offense. Mr. Huber described issues related to employees not calling in and the hardship placed on other employees and the supervisor for the department.

Ms. Thompson advised the proposed amendments allow for tightening the policy after three consecutive days of not showing up to work and no notification to the supervisor by the employee.

Mr. Huber also explained the previous payroll method of paying hourly vs. salary.

Mr. Huber advised the most reasonable method for approving policies would be for the PSA Board to allow the Board of Supervisors to make decisions regarding personnel policy matters and the PSA Board to accept same policies.

Dr. Warren suggested changing the word "shall" in sub paragraph c related to third occurrence to "may".

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Ms. Burchett referenced under "sub paragraph a" the statement related to "loss of benefits" and suggested the "loss of benefits" wording also be included under "sub paragraph b", further identifying in parenthesis the benefits that will be lost (such as leave time).

Mr. Huber recommended the Board approve allowing the Board of Supervisors to set personnel policies for both the PSA and Board of Supervisors.

Ms. Burchett expressed concern over the potential for the PSA Board to lose its ability to provide input on changes to personnel policy.

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the PSA Board approved allowing the Board of Supervisors to set personnel policies for the PSA. Further, future personnel policy amendments, etc. would be presented to the PSA Board for review and comment followed by passing to the Board of Supervisors for final approval on behalf of both boards.

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

Voting no: None.

Not present: Dr. Streff

B. Flexible Spending Account 2015

Staff noted one particular change this year is the addition of the "change in status" election where a participant may revoke coverage under the group health plan, which provides minimal essential coverage, due to reduction in hours of service. This particular change will allow employees who have been deemed eligible for insurance, who have an involuntary reduction in work hours, to be able to revoke coverage with the County and enroll in coverage on the Government Exchange Plan.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved the following 2015 Flexible Spending Account (FSA) Adopting Resolution, as well as the Supplemental Participation Agreement, and Flexible Benefit Plan document for the County's (PSA) Section 125 Plan that will take effect July 1, 2015:

Adopting Resolution

The undersigned authorized representative of Pulaski County Public Service Authority (the Employer) hereby certifies that the

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following resolutions were duly adopted by the Employer on June 9, 2015 and that such resolutions have not been modified or rescinded as of the date hereof.

RESOLVED, that the form of amended Cafeteria Plan including a Health Flexible Spending Account and Dependent Care Flexible Spending Account effective July 1, 2015, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of County of Pulaski Flexible Benefit Plan as amended and restated, and the Summary Plan Description approved and adopted in the foregoing.

Original signed by appropriate representative

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

Voting no: None.

Not present: Dr. Streff

C. Community Recycling Center

Mr. Huber described discussions with Volvo regarding the possibility of having a community recycling center for the County and Volvo employees.

Mr. Dean expressed concerns related to Volvo's hauling of recyclables to a location other than Montgomery Regional Recycling facility.

Board members discussed the following: options by industries, such as Volvo and James Hardie, to disposing of recyclables; any potential loss of revenue by the PSA; and the need for a clear description by Volvo for a recycling center.

Mr. Setliff offered to meet with Volvo representatives to discuss the matter and provide an update at the July PSA meeting.

Mr. Huber offered to contact James Hardie representatives to discuss long-term volume estimates as this would affect the ability of the PSA to service an additional drop center.

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Mr. Nichols described the current practice in place for hauling of Red Sun refuse.

5. Consent Items

A. Minutes of Previous Meeting

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved the minutes of the May 12, 2015 PSA Board meeting.

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

Voting no: None.

Not present: Dr. Streff.

B. Balance Due and Lien Reports

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board accepted the following balance due and lien reports:

Balance Due	3/2/2015	4/1/2015	5/1/2015	6/1/2015
Current Balance	627,461.98	725,732.35	670,461.12	596,914.28
Over 30 Days	69,248.76	55,713.03	48,099.45	94,451.28
Over 60 Days	74,817.57	67,796.22	63,719.75	27,074.11
Over 90 Days	1,135,285.45	1,122,840.47	1,112,396.80	1,144,166.23
Total	1,906,813.76	1,972,082.07	1,894,677.12	1,862,605.90
Liens Filed	1,346,855.59			

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	\$ 73,976.19	\$ 57,155.13	\$ 777,258.49	\$ 908,389.81
Commercial	\$ 2,101.06		\$ 55,072.90	\$ 57,173.96
Nonuser	\$ 178,602.43			\$ 178,602.46
Total	\$ 254,679.71	\$ 57,155.13	\$ 832,331.39	\$ 1,144,166.23

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

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	Inactive	Non User	Active	Total
Residential Water	\$ 65,167.85	\$ 31,422.59	\$ 8,853.34	\$ 105,443.78
Commercial Water	\$ 1,963.21		\$ 92.85	\$ 2,056.06
Residential Garbage	\$ 65,093.70	\$ 14,471.94	\$ 712,164.79	\$ 791,730.43
Commercial Garbage	\$ 43,057.16		\$ 12,015.74	\$ 55,072.90
Sewer	\$ 14,778.72	\$ 1,574.38	\$ 42,376.41	\$ 58,729.51
Penalty		\$ 13,096.28		\$ 13,096.26
Interest		\$ 118,037.29		\$ 118,037.29
Total	\$ 190,060.64	\$ 178,602.46	\$ 775,503.13	\$ 1,144,166.23

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

C. Budget Adjustments

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved PSA June 2015 #8 appropriation and PSA June 2015 #9 appropriation.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

D. Billing Adjustments

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board reviewed and accepted billing adjustments totaling a net credit of \$11,998.20.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

E. Accounts Payable

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved accounts payable for checks numbered 8012029 through 8012155, subject to audit.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

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6. Staff Reports

A. Operational Reports

By consensus, the Board reviewed and accepted the operational reports as follows:

1. Inmate Availability

Staff reported use of three inmates per day for the month of May 2015.

2. Drop Site and County Landfill Tonnage Reports for May 2015

Drop Site Totals
for the Month of May 2015

Site	Trips	Tons	Tons per haul
Dora Highway	13	35.45	2.73
Dublin	22	98.53	4.48
Fairlawn	10	36.96	3.70
TOTAL	45	170.94	3.80

County Landfill Tonnage
(County customers & refuse department haulers
for the Month of April 2015)

Commercial 3258.98	Residential 973.58	Tires 1,385	Brush 5.34
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3. Cut Off List

Staff reported there were 47 cutoffs for the month of May.

4. Personnel Changes

Board members reviewed a memo describing personnel changes in the month of May, 2015, an electronic version of which is filed in the BoardDocs agenda.

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B. PSA Billing Office

Mr. Huber reported the cost of a new electronic sign to be approximately \$15,000, with this cost not including installation.

Board members discussed potential use of state surplus sign formerly used by NRCC, plans for location of signage once installed, as well as the need for the Board to set an amount to be spent towards signage.

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the PSA Board approved an expenditure up to \$3,000 for acquisition of surplus sign, including approval for County Administrator to submit bid on surplus sign.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

Mr. Huber also reported anticipated delays in moving forward with the renovation of the new facility, should the PSA Board choose to use existing County labor to renovate the building. Mr. Huber and Mr. Linkous described a staff recommendation to seek proposals for contracting work, noting architectural work was expected to cost at a minimum of \$20,000. Mr. Linkous advised bids and proposals could be received (using architects under contract with the County) and a report provided at the July PSA meeting.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the PSA Board approved proceeding with hiring of an architect to provide design work for the new PSA billing offices.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.
Not present: Dr. Streff

Mr. Setliff suggested the possibility of using the Radford University interior design group for Project.

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C. Laboratory Drive Water Tank

Mr. Linkous summarized the PSA's offer to Mr. Rosenfeld related to a tank lease agreement, noting the changes presented were requested in an effort to be consistent with current lease agreements. Mr. Linkous advised no response had been received from Mr. Rosenfeld to the PSA's proposed changes to the lease agreement.

D. Pulaski Intake Dredging Schedule

Mr. Linkous described a meeting with AECOM to discuss schedules and advised the goal is to have bids distributed, make award and begin dredging by mid November 2015. Mr. Linkous advised the dredging would be started but not completed by the scheduled drawdown. Mr. Dean inquired if there had been any resolution with property owners to the issues related to the wells. Mr. Linkous advised the only task left was to clean up the stone.

E. Western Virginia Authority Proposed Rate Revision

Mr. Huber described an article provided by Mr. Setliff related to a recent publication in the Roanoke Times related to a rate hearing announcement for the City of Roanoke and other localities.

F. Bedford Regional Water & Sewer Rate Increase

Mr. Huber described an article provided by Mr. Setliff related to the Bedford Regional water and sewer rate increase.

G. Christiansburg Water Meters

Mr. Huber described an article/news story from WDBJ7, which had been provided by Mr. Setliff, related to Christiansburg leaks and water outages. Mr. Linkous advised that Christiansburg representatives had contacted PSA staff to discuss replacement of meters.

7. Staff To-Do Listing

The Board reviewed the following staff listing of ongoing items:

- a. Skyview/NRV Fairgrounds Sewer Funding
- b. Drop Center on the South Side of Claytor Lake
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Draper Area Wythe County Sewer/PSA Connection
- f. Water Meter Replacement
- g. Water Master Plan
- h. Change Exist at Fairlawn Drop Site
- i. Pulaski Drop Site

8. Other Matters

Dr. Warren noted that a local beverage company had written on its product that the product was brewed from waters of the New River and expressed appreciation in knowing the PSA's water had quality standards.

Mr. Linkous described recent complaints related to discoloration in water which was as a result of the annual flushing out of system.

Mr. Dean inquired re: the status of the meter study. Mr. Linkous advised staff continued to provide large amounts of data to VT and they are in the process of beginning the actual meter testing, noting the data continues to be reviewed.

Mr. Setliff requested staff place on the July Board agenda follow-up to discussions held in a recent Closed Session.

Mr. Setliff requested staff provide an update on the status of the Dublin drop site renovations. Mr. Linkous advised the renovations that are underway are on schedule and any additional updates could be provided at the July meeting.

Dr. Warren inquired regarding the hiring of drop site attendants. Mr. Nichols advised the PSA had previously been using PSA refuse employees to help at the sites in the evenings; however, job ads had been placed to fill the positions on a permanent basis.

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9. Adjournment

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board adjourned its regular meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, July 14, 2015 at 9:00 a.m. in the Board Room of the CAB.

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

Voting no: None.

Not present: Dr. Streff.


Doug Warren, Chairman


Nancy Burchett, Secretary/Treasurer