

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS MEETING
JUNE 13, 2017

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, June 13, 2017, at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia, the following Board members were present: Dr. Doug Warren, Chairman; Dave Dean, Vice - Chairman, Dennis Setliff, Dr. Fritz Streff and Nancy Burchett.

Staff members present included: Jonathan D. Sweet, Executive Director & County Administrator; Karen Thompson, Assistant County Administrator, Management Services; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Maintenance and Transportation; Debra Boyd, Public Service Authority, Accounts Payable/Collections Clerk and Ashley D. Edmonds, Clerk to the Board.

1. Welcome and Call to Order

Dr. Warren called the meeting to order at 9 a.m.

A. Confirmation of A Quorum

All 5 (five) Board members were present confirming a quorum.

2. Approval of the Agenda

A. Additions or Changes to the Agenda

Dr. Warren remarked to staff about the rearrangement of the agenda; however there were no changes or additions.

3. Presentations and Citizens Comments

A. Presentations and Citizens Comments

Bobby Jewell, resident of 6470 New River Road, New River spoke regarding a leak resulting in a \$500 bill. Ms. Jewell's concern was the lack of notification by the PSA regarding the possibility of a water leak. She also expressed concern about a second bill of \$200.

Ms. Boyd remarked that standard procedure is to notify customers of the possibility of a leak and explained the procedure regarding bill adjustments.

Mr. Setliff asked if staff would work with Ms. Jewell to ensure all adjustments to Ms. Jewell's account are correct.

In addition, Mr. Setliff complimented the attendant at the Fairlawn Convenience Center and asked Mr. Nichols to commend the employee.

4. Executive Session

A. Enter Into Closed Session

On a motion by Mr. Setliff, second by Mr. Dean and carried, the Public Service Authority Board of Directors entered into closed session for the discussion of the following:

- Personnel
- Property Disposition and Acquisition
- Legal Matters

Pursuant to Virginia Code Section 2.2-3711(A) 1 discussion and consideration of employment, assignment, appointment, promotion, performance, demotion, salaries, discipline, or resignation of public officers, appointees or employees regarding:

- PSA Appointments

Pursuant to Virginia Code Section 2.2-3711(A) 3 discussion for consideration of disposition or acquisition of publicly held property regarding:

- PCSA and PSA Asset Acquisition

Pursuant to Virginia Code Section 2.2-3711(A) 7 consultation with legal counsels and briefings by staff for discussion of specific legal matters and legal subjects to probable litigation regarding:

- VACORP response to Wanda Stowers Pearce v. Jeremy Wayne Hodge, employee of the Public Service Authority and Public Service Authority (PSA)

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Return to Open Session

On a motion by Mr. Setliff, second by Dr. Streff and carried, the Public Service Authority Board of Directors returned to open session.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

C. Certification of Closed Session

On a motion by Mr. Setliff, second by Mrs. Burchett and carried, the Public Service Authority Board of Directors adopted the following resolution certifying conformance with the Virginia Freedom of Information Act:

WHEREAS, the Public Service Authority Board of Directors has convened a closed meeting of this date pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Act.

WHEREAS, Section 2.2-3371(A) of the Code of Virginia requires a certification by the Board of Directors that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Public Service Board of Directors hereby certifies to the best of each members' knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution files applies; and (ii) only such business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority Board.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

5. Financial Matters

A. Financial Report

The Board reviewed the financial report as presented. Mrs. Newby reported \$1.3 million in excess revenues; however \$1.8 million has been spent in capital improvement projects, leaving approximately a \$500,000 deficit. The remaining deficit will be helped when the final quarterly billing for refuse and utilities are collected but the year will end with the PSA being over budget.

On a motion by Dr. Streff, second by Mrs. Burchett and carried, the Board accepted the Financial report.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Collections Update

Mr. Sweet provided an overview of the collections update. Efforts continue for collection of outstanding account monies and the Board expressed appreciation for staff's vigilance in this area.

C. Delinquency Report

The Board reviewed the Delinquency report; there were no questions.

Dr. Streff suggested providing a quarterly report to the Board for comparison which would help the Board guide operations.

D. One Call Report

Due to technical difficulties, there was no May One Call Report to present for the Board's review.

6. Action Items

Mr. Sweet explained the purpose of adding the Action Items on the agenda was to discuss new and old business.

A. Adoption of FY 18 Budget and Rates

Mr. Sweet introduced the resolution adopting the budget and establishing rates, fees and all other charges for fiscal year of July 1, 2017 - June 30, 2018.

Mrs. Burchett questioned whether the Board would need to approve the upcoming increase to the amount charged to the Town of Dublin for water. Mr. Sweet stated he would need to review the prior agreement, research with staff and place on a future agenda for further discussion or approval, if required. Mrs. Burchett asked what was the purpose of the \$50,000 line item under PSA Administration Operating Reserve. Mr. Sweet advised this amount could be used for upcoming legal counsel needs as it could be looked at as a capital reserve.

On a motion by Dr. Streff, second by Mr. Setliff and carried, the Board approved the resolution which has the dual function of adopting the budget and establishing rates, fees and all other charges for fiscal year of July 1, 2017 - June 30, 2018.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Raw Water Intake Improvements Funding

Mr. Sweet reviewed the raw water intake improvement grant and loan approach by the Virginia Department of Health. Staff's recommendation is a modified approach to the VDH's option 2, where the Board receives \$208,000 in principle forgiveness (grant funding), with a 30 year loan at 2.5% interest and a 5% increase per year to user rates for the next 5 years.

Mr. Dean expressed concern regarding the 5% increase to user rates over 5 years stipulation to the loan without gaining public comments. Mr. Sweet advised that the requirement does not circumvent a public hearing; however the VDH requires that the Authority will fulfill its moral obligation for the cash flow of the project.

On a motion by Dr. Streff, second by Mr. Setliff and carried, the Board accepted the \$208,000 in grant funding with a 30 year loan at 2.5% interest and raise the user rates 5% for the next 5 years and acknowledges if the public does not accept a 5% increase to user rates during the next 5 years and the Authority refuses to increase the user rate, the loan reverts back to the original option where the principle is added and the cost to the public remains at the high level it was before the agreement was made.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

C. Appointments

On a motion by Mr. Setliff, second by Mrs. Burchett and carried, the Board approved the following appointment effective July 1, 2017:

- Mr. Jared L. Linkous, Executive Director, Public Service Authority

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

On a motion by Mrs. Burchett, second by Mr. Dean and carried, the Board approved the following appointments effective July 1, 2017:

- Mrs. Natasha P. Grubb, Clerk to the Board, Public Service Authority
- Ms. Ashley D. Edmonds, Deputy Clerk to Board, Public Service Authority

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

7. Reports from Executive Director and Staff

A. Operational Reports; Convenience Centers and County Landfill Tonnage; Inmate Availability and Cut-Off List

The Board reviewed the operational reports and Dr. Streff thanked staff for clearing previous single stream jamming issues at Dublin and Dora Highway Convenience Centers.

B. Time Keeping System

Mr. Sweet reported the time keeping system is a part of the County's Enterprise Resource Planning (ERP) software which went out to the public on June 9, 2017, and is an ongoing FY 18 project. The Board will be updated on the continued progress.

C. Surveillance Cameras at the Convenience Centers

Mr. Sweet advised the Board that the Pulaski and Fairlawn Convenience Centers are not served by the County's fiber optic network, however a layout for cameras at the Dublin Convenience Center and a quote were provided in the June 13, 2017, BoardDocs agenda packet for review. Board members questioned whether the camera system would have the ability to record or have real time monitoring, how much storage space and back -up for recordings were available and related costs. Mr. Sweet stated the quote was for the hardware and installation and was presented as informational items as certain variables must be addressed such the number of cameras needed.

Mrs. Burchett asked if the County would be interested in sharing the cost of the surveillance cameras as it would benefit both parties (the County's maintenance facilities are located in the same area). Mrs. Newby advised there were no funds in the County's FY 18 budget for the cameras; however Mr. Sweet stated he would look into it.

Dr. Streff questioned the need to make the investment for the surveillance cameras, specifically, are there problems at the Convenience Center or is the loss ratio high? Mr. Setliff reminded the Board of previous peer to peer complaints and its request for staff to provide recommendations for issues at the Convenience Center. Mr. Sweet pointed out several areas where coverage overlapped and could be trimmed back, depending on the problem to be solved.

The Board members advised that the Authority would be willing to purchase a camera if the County would make the same investment to protect the assets at the facility.

Action on this item will be revisited upon the response of the Board of Supervisors regarding cost sharing and allocation of funds.

D. Railroad Fees

Mr. Sweet provided an overview regarding the increase of railroad crossing fees assessed by Railroad Management Company IV LLC on behalf of Norfolk Southern.

There was no action necessary as the Board agreed with staff's recommendation to pay the adjusted fee at \$485.

E. Pulaski Convenience Centers (Brush Sites)

The New River Valley Resource Authority advised they will no longer grind brush at the Pulaski Brush Site. Mr. Nichols further explained the New River Resource Authority would not grind the brush currently held at the site, leaving the only remedy to haul the brush to the landfill and dispose of it at \$32 per ton. In order to dispose of the current brush and material, it will take about two (2) - three (3) weeks and \$15,000.

Staff's recommendation is to close the site temporarily in order to prevent further accumulation of brush and requests the Board decide whether to close the site permanently and shift brush collection to the other Convenience Centers. Additionally, Mr. Nichols advised, the New River Resource Authority would be willing to return to the Pulaski site if the PSA would employ an attendant to monitor the site for contaminants. Mr. Nichols stated it would cost \$15,000 annually to man the site and a one time expense (\$2,000 - \$3,000) for a shelter for the employee.

Mr. Dean asked if a grinder could be rented and Mr. Nichols stated it was a possibility, however the PSA would be responsible for any damages. A used grinder will cost \$300,000 - \$500,000. Mr. Nichols expressed concern if the

PSA continued to allow individuals to dump without monitoring; DEQ will fine the PSA for operating an unauthorized landfill.

On a motion by Dr. Streff, second by Mr. Setliff and carried, the Board authorized the indefinite closure of the Pulaski Convenience Center brush site.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

Staff will communicate the closure of the Pulaski Brush Site and more importantly, the intent behind it to our citizens, the Town of Pulaski and media.

F. Staff to Do List

The following updates were provided on the following staff to do list items:

A. Skyview Phase 3

No update provided.

B. Drop Site on the South Side of Claytor Lake

No update provided.

C. Covered Water Meter Ordinance

No update provided.

D. Draper Area Wythe County Sewer/PSA Connection

No update provided.

E. Water Meter Replacement

No update provided.

F. Water Master Plan

No update provided.

G. Lakewood Estates

No update provided.

H. Facilities for Refuse Employees

No update provided.

I. Pulaski Convenience Center Relocation

Discussion continues with the Town of Pulaski regarding locations to relocate the Pulaski Convenience Center. There were no material updates to report.

J. Brookmont Water System Disinfection By-Products

No update provided.

K. Improvements to Fairlawn Convenience Center

L. Write Off Accounts Consideration

8. Other Matters from the Directors

A. Roanoke County Trash Fee

Item was provided for information purposes by Mr. Setliff for the Board agenda packet.

B. Town of Christiansburg Water Bill Rates

Item was provided for information purposes by Mr. Setliff for the Board agenda packet.

C. Billing Issues - John J. Robertson

The consensus of the Board was to pursue collection of the amount owed (\$1,114.73) and communicate the response to Mr. Robertson.

9. Items of Consent

On a motion by Mr. Dean, second by Dr. Streff and carried, the Board reviewed and approved the following items of consent:

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

A. Minutes of Previous Meeting

The minutes of the May 9, 2017, regular meeting, were reviewed and approved by the Board.

B. Balance Due Report

The balance due report was approved as presented in the June 13, 2017, meeting agenda in BoardDocs.

C. Budget Adjustments

PSA Fund #2017-09 was reviewed and approved by the Board.

D. Billing Adjustments

Mrs. Burchett had questions regarding James Hardie and May Dalton's billing; both errors were contributed to incorrect readings or data input errors and were corrected.

The billing adjustments were approved as listed in the June 13, 2017, meeting agenda in BoardDocs.

E. Accounts Payable

The Board ratified accounts payable for checks numbered #80153142-8015421.

F. Personnel Changes

Board members reviewed a memo describing personnel changes in the month of May 2017, an electronic version of which is filed in the June 13, 2017, BoardDocs agenda.

10. Information Items

A. Notices of Violation for Coliform Treatment Technique and Failure to Monitor for Coliform Bacteria

The Board reviewed the notices of violation presented in the June 13, 2017, BoardDocs agenda.

B. Notice of Violation - Eagleview Mobile Home Park

The Board reviewed the notice of violation presented in the June 13, 2017, BoardDocs agenda.

Mr. Dean remarked about prospective plans for a consolidated middle school. Mr. Sweet advised that a site has been identified by the School system for a potential consolidated middle school construction project. The County's Engineering Department has been contacted regarding utilities; however the architects for the project have not collaborated with the County's Community Development Department on its plans for the \$46 million project.

11. Adjournment

A. Adjournment

On a motion by Dr. Streff, second by Mrs. Burchett and carried, the Board adjourned their June 13, 2017, regular meeting. By consensus, the Board unanimously voted in the affirmative to conclude the meeting.

The July regular meeting of the Public Service Authority will be held on Tuesday, July 11, 2017, at 9 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia.



Douglas B. Warren, PhD, Chairman



Nancy Burchett, Secretary/Treasurer