

FOLLOW-UP AGENDA

ITEM

1. Citizen Comments
(Stan Moran provided background related to the installation of the Draper Valley water tank and requested the PSA Board pay for and/or reimburse for the additional costs beyond the installation of the water tank – Board members requested staff research previous PSA Board meeting minutes and provide copies of minutes related to the Draper Valley water tank, review the income from customers and the cost of fire hydrants for the existing homes – Provide update at future meeting - Copy Mr. Moran)
Ms. Hanks
Mr. Huber/Ms. Hanks

2. Finance
 - a. Commerce Park – Pulaski PSA Water and Sewer Expansion Customer Status Agreement
(Approved agreement – Arrange for execution by Chairman Warren – Send to Virginia's First)
Ms. Hanks

 - b. Follow-up from February Board Meeting
 1. Policy Statement on Installation of Private Sewer Extensions
(Approved policy with changes to language initially presented by staff – Distribute as appropriate)
Mr. Coake

 2. Rebate of Connection Fee
(Approved PSA reimbursing Teresa Wilburn, Ronald Sheffey, Mary Hayton and Paris Caldwell, Jr. the reduced amount of \$361.60 each – Notify residents and arrange for reimbursement)
Mr. Huber/
Ms. Newby

 3. Update on Moving of Dora Highway Site
(Board declared land offered by Town of Pulaski unacceptable due to size and terrain – Notify Town)
Mr. Huber/Mr. Nichols

4. Consideration to Operation and Maintenance of Pulaski County Sewerage Authority (PCSA)
 (Approved contracting with Pulaski County Sewerage Authority for maintenance services only at a cost of \$12,000 to be paid quarterly, noting PCSA would continue to pay for all repair parts – Arrange for draft agreement to be prepared and for presentation to PSA at future meeting – Place on future meeting agenda)

	Mr. Coake
	Ms. Hanks

5. Utilities Crossing Railroads
 (Staff reported research is continuing – Place update on May agenda)

	Ms. Hanks
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6. Report re: Revenues and/or Accounting for Commercial Refuse combined with Increase in Dumping Fees
 (Staff to continue to monitor)

7. C. G. & Deloris Slaughter Account Status
 (Reported fees paid on behalf of Ms. Slaughter)

	Ms. D. Boyd
(Staff to provide listing of any similar accounts with large balances – Place on May agenda under follow-up items)	Ms. Hanks
(Provide Board members with copy of Tax Relief for the Elderly Ordinance – Place on May agenda under follow-up items)	Ms. Hanks
(Staff reported efforts underway to assigning of a bill collector)	

- c. Review of Financial Report
 (Reviewed – Reported benefit of Pepper’s Ferry rebate)

- d. Balance Due & Lien Report
 (Reviewed)

- e. Budget Adjustments
(Reviewed details)
- f. Billing Adjustments
(Approved adjustments totaling credit of \$3,605.15) Ms. Newby
- g. Accounts Payable
(Approved) Ms. Spence
- h. Provision of Generators at Water Treatment Plant
(County engineer provided cost estimates ranging from \$40,000 for installing connection points at WTP to \$300,000 for installing dedicated generators)
- i. Vista Subdivision Update
(Approved payment of \$4,800 to TJ's Truck and Auto Service for damages resulting from water line being cut – Arrange for reimbursement) Ms. Newby
- j. Streetlight at Route 99 Entrance to Moose Lodge
(Approved PSA serving as a straight pass through with a 10% administrative charge on monthly payments) Mr. Huber
- k. 2010 Draft Budget
(Draft budget presented – Place review on May agenda) Ms. Hanks
- l. Sale of Rear Load Trash Truck
(Approved sale of 1993 White trash truck, with staff to examine the need for two drop center and three back up trucks beyond the daily use) Mr. Nichols
- m. Burned Front-Load Truck
(Approved removing useful parts such as transmission, rear axles, rear wheels and tires, and perhaps the packer body and scrapping the remaining vehicle) Mr. Nichols

3. Operations

- a. Minutes of Previous Meeting
(Approved – Copy and index into minute book)
- b. Inmate Availability Report
(Reported use of two inmates per day during the month of March)
- c. Refuse Department Report
(Reported monthly totals)
- d. Drop Site Total & County Landfill Tonnage Report
(Reviewed monthly reports – Staff explained differences in volume of containers between Dublin and Dora Highway sites)
- e. Personnel Changes
(Reviewed)
- f. Progress Reports – Water and Sewer Utilities
(Reviewed summary of March meetings)
- g. SERCAP Funding for Subdivision Sewer Projects
(Reported SERCAP's intent to award Pulaski County a grant up to \$40,000 for sewer projects in Dublin)
- h. Projection of Water Treatment Plant Production
(Reviewed chart illustrating the ongoing increase in water produced by the Water Treatment Plant)
- i. Job Opening
(Reported job opening for refuse truck driver to be advertised internally)

Ms. Dehart

(Dr. Warren acknowledge the impact and importance of trash truck drivers and responsibility given to drivers by entrusting drivers with expensive equipment)

j. Testing of Meters
(Reviewed report related to significant slippage between the amount of water being produced at the WTP and the amount being billed and ongoing evaluation of meter calibrations, accuracy of billings, and review of the experience of the Town of Pulaski in replacing existing Meters with new "radio head" units – Staff to provide an update at future meeting)

k. Comm. of Va. Et al. v. J-M Manuf. Co. d/b/s JM Eagle & Formosa Plastics Corp.
(Reported Ron Coake and County Attorney to attend hearing related to the manufacture and sale of defective PVC pipe – Staff to provide updates to Board as they occur)

l. Household Hazardous Waste Collection Day
(Reported April 17th as HHW Collection Day)

m. Personnel Matters
(Provided summary of personnel issues relative to a Freedom of Information Request)

(Dr. Warren presented a letter from Morgan Morris addressed to Dr. Warren – Dr. Warren indicated he would respond to Mr. Morris in writing, with response to include information that all personnel related matters needed to be processed through proper channels including utilization of Grievance Policy by employees, if appropriate)

Dr. Warren/Ms. Hanks

4. Current Authorized Projects (Staff "to do" list)

- a. Construction of water and sewer service to mobile home parks
- b. Construction of Rolling Hills, Orchard Hills, Vista, and Highland Park sewer
- c. Skyview/NRV Fairgrounds sewer engineering and environmental reports
- d. Commerce Park Utility engineering, easement acquisition and construction
- e. Evaluation of "radio read" water meter option
- f. Lakewood Estates emergency management plan
- g. Drop Center location serving South side of Claytor Lake
(Reviewed)

5. Other Matters
(Mr. Huber advised additional requests for information under the Freedom of Information Act had been received related to surplus properties)

6. Adjournment

Public Service Authority
143 Third Street, NW, Suite 1
Pulaski, Virginia 24301
(540) 980-7705
(540) 980-7717 (fax)



April 8, 2010

TO: PSA Board of Directors

FROM: Staff

SUBJECT: Report Regarding Agenda Items

1. Citizen Comments – We have been contacted by Stan Moran asking to speak to the PSA Board. We anticipate he may have questions regarding the construction of a water tank required by the PSA Board to serve the subdivision surrounding the Draper Valley Golf Course. Currently, the PSA holds a construction bond backed by Stellar One bank in the amount of \$175,000 which will expire in August 2010.
2. Finance - (Items having significant financial impact on the Authority)

Please give Diane Newby a call at 540 980-7705 if you have any questions or concerns regarding the financial reports so that further research can be done and clarification provided at the Board meeting.

- a. Commerce Park – Pulaski PSA Water and Sewer Expansion Customer Status Agreement - **Enclosed** is a draft document as reviewed by Tom McCarthy for consideration by the PSA Board. This agreement follows the outline previously approved in concepts by the PSA Board.
- b. Follow-up from March Board Meeting:
 1. Policy Statement on Installation of Private Sewer Extensions – The following is a revised policy statement incorporating a ten-year declining balance for reimbursement of line extension costs as discussed at the March Board meeting.

Policy on Privately Funded Utility Improvements

The purpose of this policy is to encourage the private development of water and sewer lines by providing for the reimbursement of

development costs as privately developed lines are either used by the PSA or developers in the extension of service to other areas, or as connections are otherwise added to privately financed lines.

The PSA will either reimburse or facilitate reimbursement by others when each of the following criteria are met. The re-division or subdivision of properties owned by the private investor, will not be eligible for reimbursement.

- a. Water or sewer lines are designed, installed and inspected to PSA specifications with the prior approval of the County Engineer and confirmed by the PSA Board of Directors, as documented in the PSA Board minutes;
- b. Privately installed lines are sized and designed to accommodate anticipated future growth; and
- c. Ownership of the lines and necessary maintenance easements are deeded to the PSA immediately upon completion at which point in time the PSA will assume maintenance responsibilities.
- d. Only the portion of lines located within the public utility easements and available for use by others will be eligible. The cost of private laterals (extending from the user's side of the water meter or sewer clean out to a residence or place of business) and any line located on a private right-of-way is not eligible for any reimbursement cost sharing through the PSA.

For projects meeting the above standards reimbursements will be made according to the following criteria:

- a. Reimbursements would be limited to a period of ten years with the amount of reimbursement decreasing by ten percent per year beginning from the date of installation less payment of standard connection fees in effect at the time of the reimbursement;
- b. Customers receiving the rebate would be billed for debt service costs in the same way as all other customers in the subdivision;
- c. Reimbursements would be limited to the following situations:
 1. The extension by the PSA of the private line to serve other residents;
 2. The connection of other customers to the line.
- d. The amount of reimbursement shall be based on a division of the amount paid by the number of connections being made. Any subsequent connections made during the ten-year period would either be prorated or individually negotiated less the connection fee in effect at the time the connection is made.

- e. Any reimbursements will be made to the party owning the property at the time the reimbursement is made.

The PSA reserves the right to enter into alternative agreements as may be necessary for the welfare of the County and as documented in the minutes.

Example – Five years ago, Developer A installs 4,000 feet of PSA approved sewer line to a 20 parcel subdivision capable of serving other residents at a cost of \$200,000. Today, five residents wish to connect to the line. The total amount eligible for reimbursement is \$100,000 (\$200,000 less 10% per year un compounded). This amount is divided between the total number of connections to the line (20 installed by the developer plus five new connections = 25) or \$4,000 each. The connection fee is currently \$500 per household, thus the amount reimbursed for each new connection would be \$3,500 (\$4,000 less the \$500 connection fee) or a total of \$17,500.

2. Rebate of Connection Fee on Borman and Lovell Drive – The application of a 10% annual reduction to the residents on Borman and Lovell Drive would reduce the reimbursement from \$3,808 to \$361.60 each. Thus, it is recommended that the PSA reimburse Teresa Wilburn, Ronald Sheffey, Mary Hayton and Paris Caldwell, Jr. the full amount of \$361.60 each (\$4,308 per connection initially charged by the PSA in 2002 x 20% remaining reimbursement less the current \$500 connection fee). In effect, the reduced amount would have cost each household \$35.90 each per month (\$4,308 x 10% for each of 8 years = \$430.8 per year or \$35.90 per month).
3. Update on Moving of Dora Highway Site – ***Enclosed*** is correspondence from the Town of Pulaski to Honeywell regarding the five-acre site in downtown Pulaski. Also ***enclosed*** is an aerial photograph illustrating the location of the proposed site. It is difficult to recommend that the PSA purchase this site due to the lack of elevation change, the potential for prior environmental issues and proximity to the flood plain. I recommend that the PSA ask the Town for assistance in purchasing, developing and being responsible for environmental issues at this site, or assist the PSA in finding a four- to five-acre site having at least 5 feet of elevation change to allow 2 to 3 feet of elevation change for roll-off boxes with appropriate drainage for the boxes and the surrounding area.
4. Consideration to Operation and Maintenance of Pulaski County Sewerage Authority - The Sewerage Authority is willing to pay the PSA \$12,000 annually for maintenance services. This amount is based on the current cost to the Sewerage Authority for

maintenance operations. While it can be anticipated that maintenance costs will increase over time, the PSA may also be able to reduce actual costs through the shared use of PSA equipment, repair supplies and expertise. It is recommended that the PSA agree to provide maintenance at this cost for the first year, with the possibility of contracting for a longer period. This recommendation is based on eliminating the duplication of governmental type services and equipment. Furthermore, the assumption of maintenance responsibilities moves the authorities toward the goal of common operations. It is also recommended that the Sewage Authority set a reasonable starting date due to personnel considerations.

5. Utilities Crossing Railroads - ***Enclosed*** is additional information related to the Railroad Crossing Fees. I have asked the nationwide city/county management organization for references for the Eagle One and am continuing to research the integrity and qualifications of this firm.
6. Report re: Revenues and/or Accounting for Commercial Refuse combined with Increase in Dumping Fees – Currently the dumpster account is charged with all tonnage taken to the landfill after subtraction of direct haul, drop site, roll-offs and residential refuse. Roll-off containers are charged to commercial refuse. As an estimate, dumpsters account for about 130 tons per week and this amount seems to be reflected in the monthly expenditures. Diane Newby and Ronnie Nichols are working to revamp the accounting for both revenues and expenditures in order to separate front-load, rear-load and roll-off commercial accounts, drop centers, residential refuse, refuse delivered directly to the landfill either by residents, contractors, or industries.

This accounting will never be completely accurate since rear load dumpsters are emptied by the same trucks picking up residential refuse. Currently, 130 rear-load dumpsters are picked up approximately once a week and refuse is comingled with residential trash. Frontload trucks pick up another 160 front-load dumpsters approximately three times per week.

7. C. G. & Deloris Slaughter Account Status – The PSA received word that the following fees were paid on behalf of Ms. Slaughter: Garbage: \$2,342.47; Water - \$2,170.86; State Fee \$3.30 – Total: \$4,516.63 – Waiver of \$33,890.82.
- c. Review of Financial Report - A copy of the monthly financial report is ***enclosed***. As reported in the Southwest Times, Peppers Ferry is reducing treatment costs in response to the wet weather, resulting in an increase in

flows and a corresponding increase in local revenues. The following is a summary of this rebate and suspended recycle flow charges for PSA as provided by Clarke Wallcraft:

<u>YTD</u>		<u>March</u>	<u>Calendar</u>
	WWTP Cost Center Rebate =	\$20,299.83	\$31,553.73
	Recycle Flow =	<u>\$ 3,961.46</u>	<u>\$12,148.60</u>
	Total	\$24,261.29	\$43,702.33

- d. Balance Due & Lien Report – The following are the balance due and lien reports.

Balance Due	1/1/2010	2/1/2010	3/1/2010	4/1/2010
Current Balance	486,142.22	352,136.50	322,436.04	486,596.73
Over 30 Days	13,886.45	100,286.68	52,258.89	26,335.50
Over 60 Days	10,619.37	6,526.00	6,109.24	34,664.74
Over 90 Days	641,670.55	645,946.07	641,679.99	604,980.98
Total	\$ 1,152,318.59	\$ 1,104,895.25	\$ 1,022,484.16	\$ 1,152,577.95
Liens	\$ 424,436.69	\$ 424,436.69	\$ 422,678.24	\$ 422,678.24
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	11,122.86	5,607.94	420,094.75	\$ 436,825.55
Commercial	1,367.40		10,624.47	\$ 11,991.87
Nonuser	156,163.56			\$ 156,163.56
Total	\$ 168,653.82	\$ 5,607.94	\$ 430,719.22	\$ 604,980.98
Detail by type of customer and active, inactive and non-user accounts				
	Inactive	Nonuser	Active	Total
Residential Water	9,352.77	156,163.56	1,770.09	167,286.42
Commercial Water	1,074.70		292.70	1,367.40
Residential Garbage	11,813.59		408,281.16	420,094.75
Commercial Garbage	8,182.61		2,441.86	10,624.47
Sewer	1,567.53		4,040.41	5,607.94
Total	\$ 31,991.20	\$ 156,163.56	\$ 416,826.22	\$ 604,980.98

- e. Budget Adjustments – The following budget adjustments are submitted for the Board's review and approval:

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
3-500-041050-0100	Use of Reserve Funds	\$ 125,180.00
		TOTAL \$ 125,180.00
<u>EXPENDITURES:</u>		
4-500-046100-6007	Water Dept Equipment (Replace Damaged Water Pump)	1,000.00
4-500-046100-6007	Water Dept Equipment (Replace Water Pump at Landfill)	5,000.00
4-500-046100-6007	Water Dept Repairs & Maintenance (Replace Electrical Panel)	10,180.00
4-500-046200-6004	Water Treatment Plant Medical & Lab Supplies	45,000.00
4-500-047100-1270	Sewer Collection Overtime	1,000.00
4-500-047100-5110	Sewer Collection Electrical Services	30,000.00
4-500-047100-6007	Sewer Collection Repair & Maintenance Supplies	10,000.00
4-500-046200-5110	Water Treatment Plant Electrical Services	10,000.00
4-500-046200-1270	Water Treatment Plant Overtime	13,000.00
		TOTAL \$ 125,180.00

PSA FUND #5

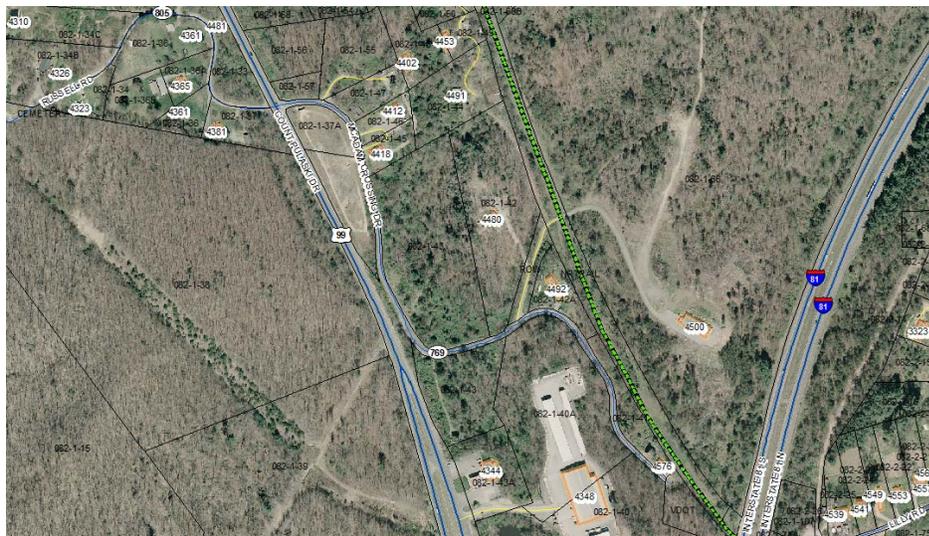
Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
3-500-051020-0002	Rural Development Highland Park	\$ 2,157,600.00
3-500-051020-0001	Rural Development Dublin Subdivisions	1,453,044.00
		TOTAL \$ 3,610,644.00
<u>EXPENDITURES:</u>		
4-500-094100-8251	Highland Park Sewer Project	\$ 2,157,600.00
4-500-094100-various	Dublin Subdivisions Sewer Project	1,453,044.00
		TOTAL \$ 3,610,644.00

- f. Billing Adjustments - Adjustments totaling a net credit of \$3,605.15 are submitted as described on the enclosed report.
- g. Accounts Payable - Review and approval of the enclosed accounts payable is requested.
- h. Provision of Generators at Water Treatment Plant - Ron Coake advises he received cost estimates ranging from \$40,000 for installing connection points at the Water Treatment Plant to \$300,000 for installing dedicated generators.

- i. Vista Subdivision Update - TJ's Truck and Auto Service, Inc. was required to move several storage trailers off of the portion of his property through which a sewer line had to be installed. Payment of \$1,800 is recommended as the owner was not fully aware of the location of the line prior to installation. In addition, a private water line across this property was not marked prior to installation and was cut by the contractor. As a result of the break, a water pump overcharged a pressure tank located on the upper floor of his office building. The resulting water damage will cost \$3,000 to fix. Staff recommends treating both expenses as a project cost with payment of \$4,800 to be made to TJ's Truck and Auto Service. This amount would be charged to the project cost and financed with the remainder of project costs.

Lane Penn reports that the engineer for Anderson and Associates, Paula Moore, E. C. Pace and Lane made a substantial completion inspection of Vista subdivision. While there were a couple of corrections needing to be made by the contractor, residents can now begin making connection after purchasing a building permit.

- j. Streetlight at Route 99 Entrance to Moose Lodge – Appalachian Power Company has provided the following estimate for installing a streetlight at the corner of Count Pulaski Drive (Route 99) and McAdam Crossing Drive (Route 769). A 9,500 Lumen (100 Watt) High Pressure Sodium light placed on the existing pole number 547-602 at the entrance to McAdam Crossing Drive would require a transformer to be installed and cost \$1,599.27 for the installation and \$6.18 per month. It is recommended that the PSA offer to either serve as a straight pass through with a 10% administrative charge on the monthly payments or finance the initial cost with a higher monthly fee to cover long term financing of the initial cost. The Moose Lodge is asking that the County subsidize this cost since a number of other residents would be served by the streetlight as illustrated in the following GIS image:



- k. 2010-11 Draft Budget – The draft budget will be distributed at the April meeting to allow for adjustments at the May meeting with adoption projected for the June Board meeting.
- l. Sale of Rear Load Trash Truck – With the purchase of a new rear load trash trucks, staff recommends the sale of a 1993 White with unknown amount of miles due to failure of the odometer. With this sale, the rear load fleet will include eight trucks for daily use, two rear-load trucks used in the drop centers and three trucks used serving as back-ups when the daily use or drop-center trucks are in the garage for maintenance or repair. Other PSA trucks include two front-load trucks, four primary and 1 backup roll-off trucks, and two boom trucks.
- m. Burned Front-Load Truck – Staff has not been able to find a replacement cab but did run across three similar burned units. In addition, there is a concern with how to replace the wiring on this vehicle. For these reason, we recommend our removal of any useful parts such as the transmission, rear axles, rear wheels and tires, and perhaps the packer body and scrapping the remaining vehicle.

3. Operations

- a. Minutes of Previous Meetings - ***Enclosed*** are the minutes of the March 2010 meeting for your review and approval. **Please call Gena at 980-7705 with any changes so that revised copies of the minutes can be provided at the meeting.**
- b. Inmate Availability Report - Staff reports the PSA generally had use of two inmates per day for the month of February.
- c. Refuse Department Report - Pickups pending: 5 brush; 0 large items; 0 tires; 0 refrigerator.
- d. Drop Site Total & County Landfill Tonnage Report

**DROP SITE TOTAL
FOR THE MONTH OF MARCH 2010**

Site	Trips	Tons	Tons per haul
Dora Highway	41	99.14	2.42
Dublin	31	117.21	3.78
Fairlawn	4	17.56	4.39
Totals	76	309.91	4.08

County Landfill Tonnage
 (County customers & Refuse Department Haulers)
 (for the Month of March 2010)

Commercial	Residential	Tires	Brush
1438.24	1026.71	829	89.54

- e. Personnel Changes - ***Enclosed*** is a report prepared by Ms. Spence of recent personnel changes.
- f. Progress Reports – Water and Sewer Utilities – ***Enclosed*** is a summary of the March project meetings.
- g. SERCAP Funding for Subdivision Sewer Projects - ***Enclosed*** is notice from SERCAP of its intent to award Pulaski County a grant up to \$40,000 for sewer projects in Dublin. These funds may be used to pay for PSA connection fees and the cost of private laterals connections between residences and collection lines for low-income residents.
- h. Projection of Water Treatment Plant Production – ***Enclosed*** is a chart prepared by Ronnie Coake illustrating the ongoing increase in water produced by the PSA water treatment plant. This chart, along with the limitations of the 8-inch water line between Dublin and Fairlawn and the dangers of relying on a single source of water, were key factors in the decision by the PSA Board to join with the City of Radford in using the Radford water treatment plant as an additional source.
- i. Job Opening – A job opening for a refuse truck driver (Sanitation Worker II) has been advertised internally. We will not be accepting any outside applications.
- j. Testing of Meters - As part of the application process for the interconnection between the PSA and the Radford City water system, we have determined that there is significant slippage between the amount of water being produced at the water treatment plant and the amount being billed. While we are still reviewing the situation, it appears the slippage is approximately 30%. We are not satisfied with the situation and are evaluating a variety of possible causes. Currently, the most likely culprit seems to be with the accuracy of older meters when reading low volume flows. Richard Fasnacht and the water distribution staff are checking meter calibrations, the information technology staff is checking the accuracy of billing records and Ron Coake and I are reviewing the experience of the Town of Pulaski in replacing existing meters with new "radio read" units. The Town of Pulaski anticipates paying for the new

meters through increased billings due to the elimination of unbilled water losses.

- k. Commonwealth of Va. Et al. v. J-M Manufacturing Co. d/b/s JM Eagle and Formosa Plastics Corporation – Virginia’s Assistant Attorney General, Eric Gregory, is prosecuting a lawsuit against J-M Manufacturing Company for the manufacture and sale of defective PVC pipe used in water and sewer systems causing the pipe to prematurely collapse. Ron Coake is working with Mr. Gregory in determining the extent to which this pipe may have been used by the PSA.

- l. Household Hazardous Waste Collection Day – Just a reminder that the New River Resource Authority has arranged a regional household hazardous waste recovery day at Pulaski County High School on Saturday, April 17th.

- m. Personnel Matters – As brought up by Morgan Morris, subsequently reviewed by each PSA Board member, then forwarded to me for review, the following is a summary of personnel issues as I understand them from the information provided to us. My approach has always been to openly admit and address errors, or omissions, to ensure that past mistakes are not made worse by future actions. Thus, I have placed this matter on the open portion of the agenda while removing references to individual names. **As with all other items on the agenda, Board members are encouraged to give Robert Hiss or me a call should you have any questions regarding these items so that we can be sure to provide any additional information requested by the Board at the meeting. My cell number is 540 440-0308.**
 - 1. Employee exceeding 32 hours per week while drawing VRS retirement – This issue has been of concern for a number of years due in large part to the lack of clear information from VRS. Prior to the May 2009 complaint, the official position of the VRS was that each employer would have to define part-time employment with a general reference to IRS rules. Both Nancy Burchett and Gordon Jones worked on this issue and it was our interpretation that part-time would be limited to a maximum of 80% of a full work week, or 32 hours. However, there was no specific limit set by VRS and employees who called VRS directly seemed to get differing responses and retired employees worked more than 32 hours per week according to the jobs they were doing.

It was only through the May 2009 complaint that we received a clear written determination from VRS. Prior to this determination, retired employees working in PSA, as well as in Courthouse security for the Sheriff’s Office, did work more than 32 hours per week.

This information was provided to VRS and the enclosed letter of satisfaction was received from VRS. The complaint letter from VRS has helped provide a clear and consistent standard which has since been adhered to with one exception.

It should be noted that total compensation cannot be divided into the hourly rate to determine hours worked since vacation, holiday and sick leave pay each affect these calculation. In addition, employment by another VRS employer would be governed by the other employer.

2. **Posting of Jobs** – While not specifically required, we have made it a practice to notify employees of job openings and to solicit applications either internally, or both internally and externally. In the past, we have had problems with posted notices in that they have sometimes been missed, covered up, fallen off, or removed from bulletin boards. In addressing this issue, all job openings are now described in the “Grapevine” a short employee newsletter inserted into the paycheck, or direct transfer stub of each employee. This practice ensures that all employees are consistently made aware of available openings.

With increasingly tight budgets, it can be anticipated that departments will become smaller and that job postings will be limited to existing employees so as to reduce the overall size of the public payroll.

3. **Selection of a Clerk of the Works for Riverlawn Elementary School** – In order to avoid having to lay-off employees following the completion of a job, we have sought to fill temporary construction related jobs with internal candidates where possible and where in-house expertise was available. The individual asked to serve as clerk-of-the-works for the construction of Riverlawn had previously served as a building official and as clerk of the works for Edwards Hall at NRCC and Pulaski Elementary School which was built to a similar design as the Riverlawn School.
4. **Sharing of Supervisory Staff** – In an ongoing effort to reduce overhead costs, the County has historically sought to share services. This effort has historically included sharing of the County Attorney between the Board of Supervisors and School Board, and joining of the PSA Executive Director and County Administration functions. More recently, shared supervision of departments has included the School Board and County Information Technology functions, County and School Board garage functions, PSA and School Board transportation functions, and County and School Board mowing functions, joint purchasing of chemicals through the

Pepper's Ferry Regional Wastewater Treatment Authority, and joint use of the Radford Water Treatment plant by the PSA and Commerce Park. We are continuing this effort through the possible joint purchasing with Montgomery County, and sharing of a building efficiency expert with Giles County.

5. **Hydrant Flushing** – We have had a difficult time finding persons having the ability, experience and wiliness to flush fire hydrants. Hydrant flushing should be done at least annually in order to reduce the amount of sediment in the PSA's water lines. While spot problems are addressed through day-time flushing, system wide flushing of hydrants must be done between 11 p.m. and 6 a.m. to limit the amount of sediment stirred up by the flushing process entering residential systems. These hours make it difficult for the water department to do the work without compromising daytime operations.

Flushing hydrants must be done in a systematic process following the flow of water in the pipes. A significant amount of damage can be done to the water system by improperly closing a hydrant and there are safety concerns with providing traffic safety if the water has to run across the road. Hydrant flushing is a temporary job requiring a significant amount of effort in a short amount of time. The selection of employees has been based on their knowledge of the County, public safety, fire protection, and their ability to work early morning hours.

6. **Drop Center Attendants** – We have had two incidents involving unauthorized removal of materials from the drop center which took place in July, 2008 and April, 2009. The County's personnel policy has had a longstanding provision addressing "side benefits" of public employment and reads as follows (highlighting added):

N. GIFTS AND GRATUITIES POLICY

An employee of Pulaski County is subject to disciplinary action if he accepts "gifts or gratuities" of value from anyone doing business with the County or anyone actively operating under the various codes and ordinances of Pulaski County.

The term "gifts and gratuities" includes, but is not limited to monies, credits, lavish meals, **household appliances and furnishings**, clothing, loans of money, tickets to sporting events, theaters, etc., transportation, vacations, travel or hotel expenses and various forms of entertainment. County related business trips paid for by others must receive prior approval of the Board of Supervisors.

The term value could apply to any gift if given in return for "special treatment" from the County. The receipt of such items as calendars, sample advertisements such as a pencil or ball point pen on which the employer's place no real value may be accepted as a courtesy, but only if the employee has not requested the item. The overriding factors shall be that the gift is accepted as a courtesy, **has no value to the employee**, is not requested by the employee and is in no way related to "Special treatment" for the giver. Any gift should be discouraged when possible.

Employees may not personally accept gifts of significant value, but may accept gifts or contributions that will be used to the benefit of the public in a county office, subject to acceptance of that contribution being confirmed by the County Administrator or the Board of Supervisors. A value in excess of \$25.00 shall be deemed significant.

In both incidents, the employees were terminated. One appealed within the maximum 20-working days standard while the other appealed over a year following termination of employment. These incidents prompted the need for a policy specific to the operation of the PSA drop centers and a policy was adopted by the PSA Board on July 14, 2009. This policy to require donations be delivered directly to the home of the employee was necessary to prevent problems with employees and the public "scavenging" for items at the drop center.

7. **Merit Pay System** – In November, 2001 I had recommended consideration to a merit pay program. In doing so, I wanted to be sure employees could address any performance issues well before the evaluation process. The Board of Supervisors did not implement the plan. The previous "full pay within 5 years" implemented in the late 1980s was used to bring County employees up to local industry pay standards. This plan required that employees get both a 5% **and** the cost of living increase on an annual basis because top pay was regularly increased by the amount of the cost of living increases. This plan also required that the Board of Supervisors and PSA budget a "full pay reserve" within each departmental budget to ensure funds would be available from which to grant pay increases. In 2000 the Board of Supervisors declined to continue funding the "full-pay reserve" and pay increases were subsequently limited to cost of living adjustments.

An "equal pay for equal work" approach as called for in the personnel policy would include a consideration for the quality of work done based on years of experience. Indeed both sick and annual leave schedules provide increased benefits based on years of service.

8. **Employee Evaluations** – There have been shortcomings in the evaluation process and in particular with evaluations in the PSA refuse department. Some evaluations gave an average rating in all areas of work performance and others were missed. In addition, the PSA refuse department has had a significant turnover in supervisory staff and I have always felt that a supervisor should work with an employee for at least a year before performing evaluations. This situation has been addressed with the help of Alfred Woodyard and Jerry Taylor who have conducted an evaluation of all but four part-time drop center employees and two employees currently out on workmen's compensation leave. In addition, Robert Hiss is setting up a check-in system to ensure that all County and PSA employees are evaluated on an annual basis.

4. **Current Authorized Projects** - The 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. Construction of water and sewer service to mobile home parks
 - b. Construction of Rolling Hills, Orchard Hills, Vista, and Highland Park sewer
 - c. Skyview/NRV Fairgrounds sewer engineering and environmental reports
 - d. Commerce Park Utility engineering, easement acquisition and construction
 - e. Evaluation of "radio read" water meter option
 - f. Lakewood Estates emergency management plan
 - g. Drop Center location serving South side of Claytor Lake

PMH/gh