

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, February 9, 2010 at 9:00 a.m. in the Central Conference 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; Hollis Loyd, Secretary/Treasurer; Pete Crawford; David Dean; Jerry White; and alternate Board member Frank Conner. Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Ronnie Coake, County Engineer; Diane Newby, Finance Director; and Gena Hanks, Executive Secretary.

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

1. Citizen Comments

There were no citizen comments.

2. Finance

Mr. Huber provided an update on the funding issues facing the County as a result of budget cuts at the state level. He advised Pulaski County will receive \$4 million less in the upcoming fiscal year than the current year.

Mr. Huber advised that while the funding cuts at the state level do not affect the PSA General Fund, possible restructuring of county and PSA departments to address the funding shortfall are likely to be implemented, should state funding not be reinstated.

a. Follow-up from January Board Meeting - Mr. Huber offered to answer questions related to the following report which was included in the February Board packet in response to questions posed by the PSA Board at its January meeting:

1. Balance Due and Lien Report - **Mr. Loyd had questioned why the over 90 days continues to increase when disconnections should occur at 30 days** - Debbie Boyd responds as follows: Cut offs are conducted at the beginning of each month for anything over 30 days past due. Penalty and interest is added monthly to ALL balances that have not been paid. We have some customers that move out without notifying us they have moved. Therefore, their charges increase monthly due the past due amounts and they move from thirty, sixty and ninety days past due.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

2. Rebate of Connection Fee - **Mr. Loyd had requested the following information with responses provided by Pete Huber as follows:**
- **Are bills by individual or subdivision – billing rates are calculated by project** – In this case, the Subdivision Sewer (Orchard Hills, Vista and Rolling Hills subdivisions) are calculated at the same rate as Highland Park and potentially Skyview Subdivision so as to minimize the number of different rates;
 - **Why do different subdivisions pay different rates** – As described above, the PSA is working to minimize the number of different rates. The use of different rates allows the PSA to install utilities in places that would not otherwise be economically feasible. As a result, PSA services can be extended to more households and a larger geographic area;
 - **Will individuals be required to pay difference between lower rate paid since sewer installed and higher rate to be paid** – Yes, assuming the PSA approves reimbursing them for their initial investment;
 - **Could there be other similar situations** – The PSA staff has searched the financial records and do not find any instances of similar situations;
 - **Provide explanation regarding reference to third house owned by Austin Hall** – Mr. Hall paid \$7,000 per house and the owner of 5654 Valley View Drive paid \$5,000 toward the \$13,000 total cost of installing the sewer line serving these households. It is recommended that these amounts be reimbursed by the PSA in order to achieve consistent billing of the entire subdivision. It is proposed that these individuals be reimbursed for the investment in the line and begin paying a higher minimum billing as required for all other residences in the subdivision;
 - **Additional history and information related to the requested rebate for four individuals on Lovell Drive** – All four subdivisions to which sewer service is being extended had previously had significant problems with failing septic systems. At least one of the four houses on Lovell Drive faced the need to upgrade their septic systems. It was less expensive for these residents to join together to pay for extending sewer service to their residence than it was for rebuilding their septic systems. Thus, the line was put in and the cost split between these four households. Reimbursing them for this cost, less the normal connection fee, would help equalize the billing for the entire subdivision since it would not be fair for these residents to pay debt service for

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

February 9, 2010

the installation of sewer lines to all other parts of their subdivision.

Authorization is recommended to rebate the amount of connection fees previously paid, less \$500 per household to the current property owner, with the exception of a rebate to Austin Hall upon receipt of an affidavit indicating that he had not included anything more than the \$500 connection fee when pricing the construction of the house.

A motion was made by Mr. Dean to approve all rebates as described by staff. The motion failed on the following roll call vote:

Voting yes: Mr. Dean.

Voting no: Mr. White, Mr. Crawford, Mr. Loyd, Mr. Conner,
Dr. Warren.

Mr. Loyd expressed opposition to providing the rebates due to lack of documentation in the PSA minutes to such an agreement between the homeowners and the PSA. Mr. Dean indicated it was his desire to honor the verbal agreement between PSA staff and Mr. Hall and provide the recommended rebates.

Mr. Huber advised the PSA would have already planned to install public sewer to the areas where rebates were recommended.

Dr. Warren indicated the PSA would be setting a precedent where the homeowner had incurred expenses for the installation of a sewer system and then a rebate given to that homeowner. He requested staff to document any future similar occurrences.

By consensus, the Board requested staff to develop a draft policy statement on installation of private sewer extensions and provide the draft to the PSA Board at a future meeting. Further, staff was requested to determine if any similar occurrences exist where a rebate may be requested due to previously installed sewer lines.

Approval of Rebates

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved the recommended rebates for the two houses owned by Austin Hall in the amount of \$6,000 (total initial cost of \$7,000 for two houses, less \$1,000 in connection fees - \$500 each) pending execution of an affidavit that this cost was not passed on to the subsequent property owner.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

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

Voting no: none.

Abstaining: Dr. Warren.

By consensus, the Board tabled action on the rebates requested for homeowners on Lovell Drive, pending additional research by staff to determine if any oral or written agreements exist with the homeowners, with staff findings to be provided at the March PSA Board meeting.

Provision of Organizational Chart

Mr. Loyd requested the Board be provided with a copy of the PSA organizational chart at the March Board meeting.

3. Purchase of New Truck Chassis and Packer Body - **Board members requested additional information on the status of the packer body and the potential for swapping bodies of the truck rather than \$50,000 for replacement of new chassis and rear load packer body** – The chassis are not interchangeable. The truck that burned was a front load unit which has a cab-over-engine chassis configuration while the rear load packer bodies are designed to fit on a conventional chassis (engine in front of the cab). Delaying the purchase of the chassis would have jeopardized the purchase of one of the remaining units not having a requirement for urea tanks. Thus, the chassis was ordered following telephone conversations with Board members.

On the motion of Mr. Loyd, seconded by Mr. White and carried, the Board approved the purchase of the chassis and packer body at a cost of approximately \$150,000.

Voting yes: Mr. White, Mr. Crawford, Mr. Loyd, Mr. Conner,
Dr. Warren.

Voting no: Mr. Dean.

4. Recycling at Drop Center – **Mr. Loyd had questioned how to dispose of shingles and expressed concern over the testing being required** – Persons needing to dispose of shingles can either treat shingles as assumed to contain asbestos OR have the shingles tested to confirm that they are asbestos free. If assumed or proven to contain asbestos,

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

shingles can be bagged and delivered to the landfill with a 24-hour notice. Bagging can be done either by individual contractor bags or in bulk by placing plastic in the bed of the truck prior to loading and folding the plastic over the load. Shingles tested to be free of asbestos can be disposed of in the same manner as any other construction debris by placement in a dumpster, roll-off or self transported to the landfill. Edith Hampton and Pete Huber have confirmed that the landfill will continue to require testing of materials to properly dispose of asbestos and is addressing non-compliance by other localities.

Mr. White inquired as to the cost of the asbestos testing. Mr. Huber responded the cost to be approximately \$12.00.

Mr. Crawford inquired if the drop center would haul paint cans. Mr. Huber advised paint cans will be hauled if the paint cans are open and there is no evidence of liquid in the cans. He advised the cans must be dry.

b. Review of Financial Report

Ms. Newby reported approximately \$1.4 million had been collected from Rural Development for the subdivision sewer projects.

Mr. Lloyd questioned the collections on Commercial Refuse. Commercial refuse customers are generally smaller businesses. Several of those businesses have less activity in the winter so they are not currently paying for extra pickups. PSA staff also reported that residents were adding trash to the business containers which was in turn causing some businesses to have to pay for additional pickups. As a result, several businesses have limited their pickups to 2 cans per week. Commercial refuse rates are \$20 per month with a limit of 2 cans per week. Any additional container is billed at the rate of \$2 for each additional container at each pickup. If a business is paying for as many as 3 extra cans per week, it is cheaper for them to switch to the dumpster rate at \$15 per month to rent the container plus \$28 per each pickup.

Additionally, staff noted that there were a couple of odd postings to the Commercial Refuse account in the 2008-2009 budget year. The estimated budget for this fiscal year would have been based on those revenue postings at that point in time during creation of the 2009-2010 budget. PSA staff is researching these postings to determine if they were posted to the wrong revenue account last fiscal

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

year. If they were indeed posted to the wrong account, then the budget number for this fiscal year would not be accurate.

c. Balance Due & Lien Report

The following balance due and lien reports were provided:

Balance Due	11/1/2009	12/1/2009	1/1/2010	2/1/2010
Current Balance	354,130.47	358,852.30	486,142.22	352,136.50
Over 30 Days	54,040.41	34,624.42	13,886.45	100,286.68
Over 60 Days	12,623.89	29,289.62	10,619.37	6,526.00
Over 90 Days	613,364.25	617,590.49	641,670.55	645,946.07
Total	\$1,034,159.02	\$ 1,040,356.83	\$ 1,152,318.59	\$ 1,104,895.25
Liens	\$ 425,219.65	\$ 424,436.69	\$ 424,436.69	\$ 424,436.69
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	9,723.23	5,252.43	428,232.74	\$ 443,208.40
Commerical	809.74	-	10,748.05	\$ 11,557.79
Nonuser	191,179.88	-	-	\$ 191,179.88
Total	\$ 201,712.85	\$ 5,252.43	\$ 438,980.79	\$ 645,946.07
Detail by type of customer and active, inactive and non-user accounts				
	Inactive	Nouser	Active	Total
Residential Water	7,913.49	191,179.88	1,809.74	200,903.11
Commerical Water	809.74	-	-	809.74
Residential Garbage	9,624.09	-	418,608.65	428,232.74
Commerical Garbage	6,512.36	-	4,235.69	10,748.05
Sewer	1,163.07	-	4,089.36	5,252.43
Total	\$ 26,022.75	\$ 191,179.88		645,946.07

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

d. Budget Adjustments

There were no budget adjustments presented at this meeting.

e. Billing Adjustments

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board of Directors approved customer adjustments in the credited amount of \$256.67.

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Dr. Warren,
Mr. Conner.

Voting no: none.

Not present for the roll call vote: Mr. Loyd

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved the accounts payable for checks numbered 8003179 through 8003332, subject to audit.

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Loyd,
Dr. Warren, Mr. Conner.

Voting no: none.

g. PSA Reimbursements

As reported in the Board packet, pay requests for engineering services related to the Subdivision Sewer Project (Rolling Hills, Orchard & Vista Subdivisions) and Highland Park were submitted to Rural Development for reimbursement. Total projected reimbursements for these projects total \$218,435.63 to date of which \$50,017.20 is related to Highland Park and \$168,418.43 is related to the Subdivision Sewer Project. Staff is also working with the PDC in deciphering invoices pertaining to land right fees for easements and related services also associated to these projects for reimbursement.

h. Agreement Between Virginia's First and PSA Regarding Water and Sewer Capacity

As reported in the Board packet, an agreement for the provisions of debt service payments by Virginia's First to help offset debt service costs for utility improvements at the Commerce Park including an interconnection between Morgan's Cut and the Radford

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

City Water Treatment Plant is recommended. This agreement would provide the PSA with up to \$55,572 in revenue to help offset the cost of the system. Board members were also provided a spreadsheet dividing specific components of the project into PSA and Commerce Park benefits, a copy of which is filed with the records of this meeting.

By consensus, the Board provided general consent to the County Attorney drafting an agreement for the provisions of debt service payments by Virginia's First to help offset debt service costs for utility improvements at Commerce Park, including an interconnection between Morgan's Cut and the Radford City Water Treatment Plant, with said agreement to be presented to the PSA Board at a future meeting. Further, staff was directed to request the engineers to review/update the spreadsheet included in draft agreement.

3. Operations

a. Minutes of Previous Meetings

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the minutes of the January 13, 2010 Board meeting, with a correction to the title of Dr. Warren in the opening statement of the meeting.

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Loyd,
Dr. Warren, Mr. Conner.

Voting no: none.

Staff reported the PSA generally had use of two inmates per day for the month of January, 2010.

c. Refuse Department Report

Staff reported the following pickups pending: 1 brush; 2 large items; 0 tires; 0 refrigerators.

d. Drop Site Total & County Landfill Tonnage Report

Mr. Dean inquired as to the status of the potential relocation of the Dora Highway drop center site. Mr. Huber advised a response had not been received by the Town of Pulaski, but indicated staff would request an update from the Town.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

The Board reviewed the following drop site and landfill tonnage reports:

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

Site	Trips	Tons	Tons per haul
Dora Highway	21	46.81	2.23
Dublin	23	75.77	3.30
Fairlawn	5	31.12	6.23
Totals	49	153.70	3.14

COUNTY LANDFILL TONNAGE
(County customers & Refuse Department Haulers)
(for the Month of January 2010)

Commercial	Residential	Tires	Brush
1109.56	888.19	757	1.97

e. Personnel Changes

The Board reviewed an update report on recent personnel changes, as prepared by Norma Spence.

f. Progress Reports – Water and Sewer Utilities

The Board reviewed information provided in the Board packet related to the implementation of the Commerce Park water interconnection between the PSA and Radford Water Treatment Plant.

Mr. Huber reported the appointment of David Ridpath as the new Radford City Manager. By consensus, the Board approved staff proceeding with the signing of the agreement.

Also by consensus, the Board designated Pete Crawford to serve on the committee for meeting with the City of Radford, which is the result of a vacancy created by the resignation of Maynard Sayers from the PSA Board. Mr. Huber advised that Mr. Crawford would serve on the committee along with Dr. Warren.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

g. Utilities Crossing Railroads

The Board reviewed information provided in the Board packet related to a proposal of a \$750 contribution to a nationwide effort to reduce the financial and administrative burden of obtaining permission for utility crossings under railroad lines. Staff recommended approval, indicating this is an ongoing issue for the PSA and will also become an issue for the County and the Wireless Authority with the need to replace existing leased data connections with fiber lines owned by the County.

By consensus, the Board requested staff to determine what progress had been made on this matter and what agencies/localities are involved, with a report to be provided to the PSA Board at its March meeting. No action was taken by the PSA Board at this time.

h. Request for Water Line Improvements – Church Street

The Board reviewed information provided in the Board packet for a request for the replacement of a water line serving 6453 Church Street in the New River community.

Mr. Huber suggested a review of the request as part of the Capital Improvement Projects for the PSA.

i. Overweight Ticket Court Case

As reported in the Board packet, Ronnie Nichols obtained a reduction in the overweight ticket charges from \$687 to a fairer amount of \$322.

Mr. Crawford inquired if James Hardie should be held responsible for paying back the charges due to the haul being picked up from the James Hardie facility.

By consensus, the Board requested staff send a letter to representatives of James Hardie advising of the ticket charges and requesting consideration by James Hardie to paying for any future ticket charges which may occur as a result of overweight hauling from the James Hardie facility.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

j. Credit Card Payments

The Board reviewed a proposal included in the Board packet for the use of Paymentus services allowing the PSA to accept credit card payments. A service fee of \$2.75 would be charged to the customer for the use of this service in addition to their PSA charges. Paymentus is currently being used by the Treasurer's Office in the collection of local taxes. Currently, PSA customers also have the option of setting up direct debit bank draft at no cost to the customer. The use of Paymentus will be at no cost to the PSA.

Mr. Loyd and Dr. Warren expressed concern that PSA customers may interpret the additional charge for using the services by Paymentus as being a charge implemented by the PSA. Staff indicated the new payment method and reference to the additional charges could be posted on the county's web site and in the new county newsletter.

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved using the services of Paymentus for accepting credit card payments, subject to no up front charges to the PSA, a separate billing by the company for additional charges and the freedom by the PSA to withdraw from the contract with Paymentus at any time.

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Loyd,
Dr. Warren, Mr. Conner.

Voting no: none.

Board members requested staff include a note on the county's web site, as well as in the next county newsletter, regarding the new service provided by Paymentus.

k. Update on January Water Issues

Board members reviewed a reported included in the Board packet, describing recent water pumping and treatment issues faced by the PSA Water Treatment Plant operators. A number of lessons were learned from this experience, including the risk of depending on a single source of water; the need to routinely clean the wet well and the reinstallation of additional chemical feeds for pH control; the need for updated documentation of valving operations and emergency phone numbers; and the need for an upgradeable web site. The

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

20,000 gallons of bottled water has an 18 month shelf life and will be stored locally pending local or statewide needs.

Mr. Dean inquired as to the expenditures incurred by the PSA for water issues which occurred in January. Mr. Huber advised a reporting of the expenditures could be provided at the March Board meeting.

Mr. Crawford questioned what policy was in place for notifying the PSA Board of critical issues involving the PSA. Mr. White requested staff develop a policy for providing updates to individual PSA Board members when issues arise related to PSA matters.

Mr. Loyd expressed concern that the citizen's alert system used during the recent water issue was delayed in providing him with a call.

Mr. Loyd questioned if there were any steps in place to avoid any future occurrences related to the water issue. Mr. Coake described the steps taken to address the issue and indicated updates would be made to the documentation on emergency procedures for addressing any future issues related PSA water services.

Mr. Dean and Mr. White inquired if the county and/or PSA had backup generators in place to address power outages. Mr. Coake advised there were no backup generators at the Water Treatment Plant; however, steps were in place to contact companies who can readily provide backup generators.

I. Commendation of Water Treatment Plant Employees

As reported in the Board packet, staff suggested a commendation be provided to the staff at the Water Treatment Plant and other PSA staff for their dedication and teamwork in working long hours in responding to the situation. Staff suggested the commendation be extended to those who made special arrangements to maintain fire protection services, arranged for and provided delivery of 20,000 gallons of bottled water and those who updated the public regarding the situation

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved staff preparing an appropriate commendation for PSA employees recognizing their efforts in responding to the recent water crisis, with a copy of the commendation to be placed in each employee's personnel files.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Loyd,
Dr. Warren, Mr. Conner.

Voting no: none.

m. Sewer Connections

The Board reviewed information provided in the Board packet related to the policy requiring residents within 300 feet of a public water or sewer line to pay a non-user fee and the potential for an issue to arise with policy due to construction of an alternative sewer disposal system in Orchard Hills.

Mr. Dean requested staff provide background information at its March meeting on the 300 ft. policy.

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

As reported in the Board packet, staff currently has the following projects on their "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

5. Other Matters

- Consideration to Operation and Maintenance of Pulaski County Sewerage Authority

Mr. Coake advised of a request by the Pulaski County Sewerage Authority for the PSA to provide operation and maintenance services for the Sewerage Authority.

By consensus, the Board requested staff to negotiate with the Pulaski County Sewerage Authority to provide operation and maintenance services for the Sewerage Authority, with an update to be provided to the PSA Board at a future meeting.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 9, 2010

7. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board adjourned its regular February meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, March 9, 2010 at 9:00 a.m. in the Central Conference Room of the County Administration Building, 143 Third Street, N. W., in the own of Pulaski.

Voting yes: Mr. White, Mr. Crawford, Mr. Dean, Mr. Loyd, Dr. Warren,
Mr. Conner.

Voting no: none.

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer