

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

May 11, 2010

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 11, 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; Pete Crawford, Vice Chairman; Hollis Loyd, Secretary/Treasurer; 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; Ron Nichols, Director of Fleet Maintenance; Diane Newby, Finance Director; and Gena Hanks, Executive Secretary.

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

1. Citizen Comments

Stan Moran of T & M Southwest advised he would like to speak regarding item 2a1 on the PSA agenda. Mr. Morgan provided background information related to the installation of the Draper Valley water tank. Mr. Moran requested the PSA Board pay for, or reimburse for, the additional costs beyond the installation of the water tank.

As provided in the Board packet, staff reviewed records describing arrangements between the PSA Board and Stan Moran regarding the tank. Staff recommended assumption by the PSA of \$22,000 in telemetry costs as originally agreed to on August 14, 2007. Staff advised this recommendation is based on the maximum of \$22,000 at that time, estimated telemetry costs of \$16,000, and an allowance of \$4,000 toward the cost of the control valve vault. Installing fire hydrants to serve the existing homes in the subdivision would cost approximately \$3,800 each. There would be approximately 8 hydrants in the original Big Valley Subdivision, 6 in the Fairway Drive addition and 4 in the Atwoods Subdivision. The total cost for all needed hydrants is \$68,400. Staff recommended that T&M Southwest be responsible for the installation of the ten fire hydrants along Fairway Drive and in the Atwoods subdivision developed by Mr. Moran at an estimated cost of \$38,000. Had the original developer installed the water tank, these hydrants would have been required by the Health Department. It is also recommended that the PSA be responsible for the 8 hydrants in the original subdivision at a cost of approximately \$30,400.

Mr. Morgan advised the water tank had been ordered and could be installed in 90 days. He also indicated he was not aware when he bought the property that a control vault and telemetry equipment would be required.

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Mr. Hollis noted that according to the initial agreement, the water tank was to have been installed by 2004.

Mr. White expressed concern that the PSA could be taking on the responsibility of the costs normally paid for by the developer. He recommended the PSA Board take whatever steps necessary to insure that similar situations do not occur in the future.

Mr. Loyd made a motion requesting the PSA Board stand by its original commitment of \$22,000 in telemetry costs only. The motion did not receive a second.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved the PSA funding the cost of installing a control vault for the Draper Valley Water Tank at an additional cost of \$34,000, with the understanding that future guidelines will be put in place to avoid similar occurrences as that with Mr. Moran.

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

Voting no: none.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved the PSA funding \$30,400 for the installation of eight fire hydrants at the Draper Valley Subdivision.

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

Voting no: none.

2. Finance

a. Follow-up from February Board Meeting

1. Draper Valley Water Tank

Action on this item was taken under item 1 – Citizen Comments.

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2. Consideration to Operation and Maintenance of PC Sewerage Authority

The Board reviewed a letter from the Pulaski County Sewerage Authority outlining the terms of the agreement which would allow for the PSA to begin providing maintenance services effective July 1, 2010.

By consensus, the Board directed staff to arrange for preparation of a formal agreement by the County Attorney for review and approval by the PSA Board at its June or July meeting. Further, staff was requested to monitor costs associated with the PSA providing the services and provide an update at the end of the one-year agreement.

3. Large Account Balances

Mr. Huber described a summary included in the Board packet of account balances for which the PSA is owed more than \$500, specifically defining the "Active" and "Inactive" accounts.

Mr. Crawford inquired as to the collections process. Mr. Huber provided a summary of the current collection process by the PSA, noting many of the accounts with over \$20,000 owed to the PSA were accounts where individual had not connected to the PSA water service, resulting in reoccurring penalty and interest costs.

Mr. Loyd requested staff sort the "user" and "non user" accounts and provide an update at the June meeting.

Mr. Huber also described efforts by staff in developing a collections policy for joint collections by the PSA and county. He advised a final proposal would be included for the PSA Board's review at a future meeting.

4. Tax Relief for the Elderly Ordinance

As provided in the Board packet, the Board reviewed the criteria used in providing tax relief to the elderly or disabled in the county.

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5. Update on Sale of JM PVC Pipe to Pulaski County

Mr. Coake described legal action by the U.S. & Commonwealth of Virginia against JM Manufacturing Co., d/b/a JM Eagle, et al. As described in the Board packet, this action is the result of problems in the production of PVC pipe manufactured by this organization which may result in the premature pipe failures. He advised that this product may have been used in approximately 50,000 feet of PSA sewer lines, including the Claytor Lake Sewer System installed by Little B Enterprises and the New River Industrial Park sewer installed by Prillaman and Pace.

The attorneys also shared that JM Manufacturing is contacting jurisdictions in an attempt to get them to verify they have no trouble with their pipe and advised that we should not make any statements as to the status of existing pipe as pending failure cannot be accurately predicted. There is also a concern that we need to exclude them from being considered as "an or/equal" product in bidding future construction projects.

c. Review of Financial Report

Ms. Newby explained the new statement format provided to the Board describing the full year "budget figures" vs. "actual figures". Board members posed questions to staff regarding the report.

d. Balance Due & Lien Report

As reported in they Board packet, the following are the balance due and lien reports:

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Balance Due	2/1/2010	3/1/2010	4/1/2010	5/3/2010
Current Balance	352,136.50	322,436.04	486,596.73	377,870.48
Over 30 Days	100,286.68	52,258.89	26,335.50	54,490.39
Over 60 Days	6,526.00	6,109.24	346,647.40	12,197.87
Over 90 Days	645,946.07	641,679.99	6,049,809.80	632,468.23
Total	\$ 1,104,895.25	\$ 1,022,484.16	\$ 1,152,577.95	\$ 1,077,026.97
Liens	\$ 424,436.69	\$ 422,678.24	\$ 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	12,507.48	5,871.27	444,234.09	\$ 462,612.84
Commercial	1,310.67		11,349.36	\$ 12,660.03
Nonuser	157,195.36			\$ 157,195.36
Total	\$ 171,013.51	\$ 5,871.27	\$ 455,583.45	\$ 632,468.23
Detail by type of customer and active, inactive and non-user accounts				
	Inactive	Nouser	Active	Total
Residential Water	9,908.20	157,195.36	2,599.28	169,702.84
Commercial Water	1,278.85		31.82	1,310.67
Residential Garbage	14,189.55		430,044.54	444,234.09
Commercial Garbage	8,702.40		2,646.96	11,349.36
Sewer	1,598.10		4,273.17	5,871.27
Total	\$ 35,677.10	\$ 157,195.36	\$ 439,595.77	632,468.23

Mr. Dean questioned the lack of significant change in figures reported from month to month. Mr. Huber described the procedures for placing a lien on property and noted new liens would be forthcoming.

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d. Budget Adjustments

On a motion by Mr. White, seconded by Mr. Loyd and carried,
the Board approved the following budget adjustments:

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
3-500-024040-7000	Department of Health Flouride Grant	\$ 1,056.00
3-500-051020-0001	Rural Development Dublin Subdivisions Project	396,356.00
	TOTAL	\$ 397,412.00
<u>EXPENDITURES:</u>		
4-500-046200-6007	Water Treatment Plant Materials & Supplies	\$ 1,056.00
4-500-094100-8255	Dublin Subdivisions Orchard Hills Sewer Project	396,356.00
	TOTAL	\$ 397,412.00

f. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried,
the Board approved a billing adjustments credit totaling \$165.96.

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

Voting no: none.

f. Accounts Payable

On a motion by Mr. White, seconded by Mr. Loyd and carried,
the Board approved accounts payable for checks numbered 8003652
through 8003771, subject to audit.

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

Voting no: none.

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g. Audit Report

As provided in the Board packet, Board members were presented with the PSA audit for the 2008-09 fiscal year indicating an increase of \$363,824 in net assets from \$11,962,577 to \$12,326,401 and an unrestricted cash balance of \$2,271,988 as of June 30, 2009.

On a motion by Mr. White, seconded by Mr. Crawford and carried, the Board accepted the FY 09 audit as prepared by Robinson, Farmer, Cox Associates.

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

Voting no: none.

h. NR Industrial Park Engineering Cost Adjustments

As presented in the Board packet, Board members reviewed two requests from Draper Aden Associates proposing adjustments to the engineering contract for the water connection to the Radford water treatment plant. These adjustments have been reviewed by staff and are recommended for approval by the PSA Board.

Staff noted the first proposal (07) provides a \$27,000 cost should the Board want to contract the design of changes to the sewer pump station at the NRV Airport should capacity become an issue and is not recommended at this time. The second part of this proposal \$20,500 would only involve the additional cost if construction bids are within budget.

The second proposal (08) provides a \$23,000 fixed fee price should the proposed water storage tank result in extended detention times and is not recommended at this time. Approval of the remaining adjustments totaling \$20,150 is recommended.

In total, an increase of \$20,150 is recommended with an additional \$20,500 possible depending on construction bids pending approval by Rural Development.

Mr. Loyd expressed concern over the PSA incurring the costs. He suggested the engineer should be responsible for the costs.

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On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved pay \$20,500 in contract 07, subject to review at the project closing date.

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

Voting no: none.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved \$20,150 in change orders to contract 08.

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

Voting no: none.

i. 2010-2011 Budget

As presented in the Board packet, Board members reviewed a copy of the 2010-2011 draft budget which had been distributed at the April Board meeting. Staff recommended adjustments include a revenue addition of \$12,000 in anticipated revenue from the Sewage Authority for maintenance services to be applied to contingency.

Mr. Loyd requested staff review the payment of streetlights in the Industrial Park and provide an update at the June meeting.

By consensus, the Board requested staff place approval of the FY 11 budget on the June agenda, with the proposed budget to include allocation of \$12,000 in additional revenue from the Pulaski County Sewerage Authority to contingency.

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved the April 13, 2010 minutes.

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

Voting no: none.

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b. Inmate Availability Report

Staff reported the PSA generally had use of two inmates per day for the month of May.

c. Refuse Department Report

Staff reported pickups pending as follows: 4 brush; 3 large items; 0 tires; 0 refrigerator.

d. Drop Site Total & County Landfill Tonnage Report

Staff reported the following drop site total and county landfill tonnage:

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

Site	Trips	Tons	Tons per haul
Dora Highway	39	113.74	2.92
Dublin	35	137.85	3.94
Fairlawn	6	66.13	11.03
Totals	80	317.72	3.98

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

Commercial	Residential	Tires	Brush
1467.06	1053.32	1521	106.60

Mr. Loyd requested staff determine if drop site tonnage is included in the landfill totals and provide an update at the June meeting.

e. Personnel Changes

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

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f. Progress Reports – Water and Sewer Utilities

Staff provided a summary of the March and April 2010 project meetings on water and sewer utilities.

g. Freedom of Information Act Information

As provided in the Board packet, Board members reviewed information requested by William “Morgan” Morris, as well as county staff’s response to Mr. Morris.

h. Scam Alert Targeting Contractors

As reported in the Board packet, a potential telephone scam is being investigated by the Sheriff’s Department which involves calls to electrical and plumbing contractors in the county offering to sell advertising space on a magnetic calendar which is being offered to contractor’s in the area. The callers are asking individuals to verify contractor information, address and phone number, as well as date of birth, mother’s maiden name and then said the cost of it was \$249 and proceeded to ask for his credit card number.

i. Status of Subdivision Sewer Projects

As provided in the Board packet, Board members reviewed a memo being sent to the residents of Orchard, Vista, Rolling Hills and Highland Park Subdivisions providing an update on the various sewer projects and the procedures for connection to these systems. Staff noted problems with a contractor trying to install lines without the appropriate contractor’s license, installation prior to completion of the public line, as well as reported being recommended by the County staff. Staff advised residents are being provided with a listing of contractors who do this type of work without any specific recommendations.

j. Safety Awards

Board members were presented with a listing of employees eligible to receive \$50 and \$100 safety awards.

Mr. Loyd expressed concern that the two supervisory staff were included in the listing of employees to receive the awards. Mr. Nichols explained that the two supervisory staff often serve as backup drivers due to shortages in staff, which can often be critical to insuring

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collection services are provided to county citizens. Mr. Loyd noted the two supervisory staff are not full time drivers.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved safety award payouts as follows:

**Safety Award Payout FY March 1, 2009--February
28,2010**

<u>Drivers</u>	<u>Safety Award</u>
Eddie Cressell	\$100
Steve Earhart	\$100
Jerry Graham	\$100
Ronnie Gravely	\$100
Tommy Havens	\$100
Brian Kornatowski	\$100
Patrick Phillips	\$100
Elly Polly	\$100
Scott Saunders	\$100
Doug Stillwell	\$100
Barry Underwood	\$100
Jerry Taylor	\$100
Alfred Woodyard	\$100
<u>Helpers</u>	
Bradley Bowers	\$50
Tim Bowles	\$50
David Burton	\$50
Chuck Collins	\$50
George Hazel	\$50
Leonard Holmes	\$50
Joey Mann	\$50
Stephen Morris	\$50
Fred Pearson	\$50
Danny Poff	\$50
Kelly Rhett	\$50
Tommy Rummell	\$50
Kurt Webb	\$50
Cornelius Worrell	\$50

Total Safety Award Payout **\$2,000**

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

Voting no: Mr. Loyd.

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

The Board noted the following current authorized projects:

- 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
- h. Evaluation of joint negotiation of rail crossing fees

5. Other Matters

Mr. Huber described a request by Larry Dowdy for an adjustment in charges resulting from a water leak at his residence, with a suggestion by staff for the PSA to split the costs with Mr. Dowdy.

Mr. Loyd questioned the frequency of leaks occurring. Mr. Huber advised leaks occur fairly routinely.

Mr. Hiss suggested review and revisions to the existing policy related to water leaks by residents.

By consensus, the Board tabled action on this matter to allow staff to review and revise the current policy, as well as for staff to provide a recommendation regarding Mr. Dowdy's request.

Mr. Huber recommended the PSA Board consider moving future PSA meetings to the Board Room of the County Administration Building which would allow for easier access to the meeting, as well as allow for the use of the hearing devices by Board members, if desired.

By consensus, the Board agreed to hold its June meeting in the Board Room, with consideration to a meeting time to be discussed at the June meeting.

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6. Adjournment

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board adjourned its regular May meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, June 8, 2010 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N. W., in the Town of Pulaski.

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

Voting no: none.

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer