

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
FEBURARY 8, 2011

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, February 8, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford, Vice-Chairman; Hollis Loyd, Secretary/Treasurer; Dave Dean; and Jerry White. Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Diane Newby, Finance Director; Debbie Boyd, PSA Billing staff; John Goad, Water Treatment Plant; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order.

1. Citizen Comments

Dr. Warren opened the meeting for citizen comments. There were no citizen comments.

Dr. Warren explained the PSA Board had met at the proposed drop center site in the Town of Pulaski at 8:30 a.m. Dr. Warren described events leading to the PSA Board meeting were due to the Town of Pulaski inviting the Board to attend the meeting in conjunction with a site visit by the Environmental Protection Agency. Dr. Warren advised the site visit was moved from the end of the PSA meeting to the first item on the agenda. Staff was requested to provide follow-ups on the matter to PSA Board as they occur.

2. Finance

a. Follow-up from January Board Meeting

1. Inclement Weather Policy

County staff explained the proposed policy. Board members inquired as to specific items in the policy, specifically the purpose of the reference to the closing of New River Community College (NRCC) as part of the decision to allow an employee to either arrive for work late or utilize leave. Staff suggested striking all references to NRCC in overall inclement weather portion of policy, described abuse of the policy where an employee utilizes the hour allowed for in the policy when school is closed, described the current policy allows for an employee to either take a personal leave day or show up for work, and described the policy for school bus drivers.

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Board members expressed concern over charging of annual leave when an employee is unable to provide own transportation to work during inclement weather. Staff described the current practice of the county providing transportation to an employee who may be unable to arrive for work.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved a recommendation to the Board of Supervisors for the deleting of all references to New River Community College in the Inclement Weather portion of the Personnel Policy, as well as the addition of language indicating transportation would be provided to the employee during an inclement weather event, should an employee be unable to provide their own transportation.

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

Voting no: none.

2. Outdoor Water Usage

Staff described Town of Blacksburg procedures giving residents the option not to pay sewer fees where water is not returned to the sewer system (watering gardens, washing cars and filling swimming pools). Staff provided further background including the assistance by Richard Fasnacht in researching options and has found a plastic meter costing \$70.

Board members questioned the number of residents likely to use the plastic meter, the impact on the PSA sewer costs and any potential reduction in revenues.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved the use of plastic meters, with said meters to be owned by the customer with a buy-back of the meter when no longer used.

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

Voting no: Mr. Crawford, Dr. Warren

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board offered an amendment to the original motion that prior to implementation of use of plastic meters,

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staff is directed to survey PSA customers to determine interest in use of the new meters, with implementation of use of new meters to be dependent upon the survey results showing significant interest in use of new meters by residents.

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

Voting no: Mr. Crawford

Mr. Huber advised the survey of residents could be accomplished by placing a notice in future water bills, as well as through the county newsletter.

b. Review of Financial Report

Ms. Newby reported that the financial report now included a breakdown of net change by departmental function.

Ms. Newby and Mr. Huber described issues resulting in the delay in including the monthly report in the Board packet which included efforts to implement the changeover from 2010 to 2011. Ms. Newby also described in detail a net loss by the PSA of \$125,000, \$108,000 of which are funds unreimbursed to date on the Commerce Park project, and some costs related to a net loss of streetlight costs. Staff further noted a good part of the sewer issue will be resolved when subdivisions come on line.

On a motion by Mr. White, seconded by Mr. Crawford and carried, the Board reviewed and accepted the revenues and expenditures summaries, as submitted by Ms. Newby.

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

Voting no: none.

c. Balance Due & Lien Report

By consensus, the Board accepted the following balance due and lien report:

Staff described the placing of liens, as well as the likelihood of the "over 90 days" continuing to grow due to the adding of penalty and interest charges. Mr. Loyd requested staff provide a breakdown of the listing of non-user customers for other than water.

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On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board accepted the following balance due and lien report:

Balance Due	11/1/2010	12/2/2010	1/4/2011	2/2/2011
Current Balance	415,134.79	385,500.26	594,235.45	427,500.87
Over 30 Days	77,200.46	47,804.75	32,156.13	73,645.31
Over 60 Days	11,091.71	33,688.02	38,350.43	12,276.07
Over 90 Days	688,983.70	693,931.64	696,053.01	726,274.82
Total	\$ 1,192,410.66	\$ 1,160,924.67	\$ 1,360,795.02	\$ 1,239,697.07
Liens	\$ 351,816.76	\$ 350,105.65	\$ 350,105.65	\$ 349,366.65

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	24,096.86	7,857.27	517,238.77	\$ 549,192.90
Commercial	1,872.23	-	17,018.77	\$ 18,891.00
Nonuser	158,190.92	-	-	\$ 158,190.92
Total	\$ 184,160.01	\$ 7,857.27	\$ 534,257.54	\$ 726,274.82

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

	Inactive	Nonuser	Active	Total
Residential Water	19,941.95	158,190.92	4,154.91	182,287.78
Commercial Water	1,872.23	-	-	1,872.23
Residential Garbage	33,057.56	-	484,181.21	517,238.77
Commercial Garbage	12,572.58	-	4,446.19	17,018.77
Sewer	1,945.68	-	5,911.59	7,857.27
Total	\$ 69,390.00	\$ 158,190.92	\$ 498,693.90	726,274.82

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

Voting no: none.

d. Budget Adjustments

Ms. Newby and Mr. Huber reported that adjustments are primarily due to significant rebuilding of equipment. Board members expressed concern that adequate funds were not budgeted for the current year, as well as additional budget adjustments likely to be needed for the remaining five months of the current fiscal year.

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Ms. Newby advised only \$8,000 of the \$20,000 requested budget adjustment had been spent to date. She also advised that budget figures for repair and maintenance will be closely reviewed for FY 12.

Board members noted the "rebuids" that are currently underway could possibly impact the budget next year in that there may not be as much in expenses as anticipated with repairs.

Mr. Dean inquired if any federal funds were available to assist the PSA with rebuids. Mr. Huber advised there were no federal funds for small items such as rebuids.

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

Account Number	Account Title		Amount Increase (Decrease)
<u>REVENUES:</u>			
3-500-041050-1100	Transfer from Reserves	\$	20,000.00
		TOTAL \$	20,000.00
<u>EXPENDITURES:</u>			
4-500-046100-6007	PSA Water Service Repair & Maintenance Supplies	\$	10,000.00
4-500-046100-3310	PSA Water Service Repair & Maintenance Services		10,000.00
		TOTAL \$	20,000.00

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

Voting no: none.

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved a billing adjustment totaling a credit adjustment of \$4,938.56.

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

Voting no: none.

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f. Accounts Payable

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8004878 through 8004995, subject to audit.

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

Voting no: none.

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved the January 11, 2011 minutes with amendments to reflect Frank Conner as a voting member.

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

Voting no: none.

b. Inmate Availability Report

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

c. 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 January 2011

Site	Trips	Tons	Tons per haul
Dora Highway	28	60.65	2.17
Dublin	11	30.12	2.74
Fairlawn	7	33.36	4.77
Totals	46	124.13	2.70

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County Landfill Tonnage
(County customers & Refuse Department Haulers
for the Month of January 2011)

Commercial	Residential	Tires	Brush
1997.76	948.96	2	6.99

Mr. Huber indicated the totals will likely increase with good weather.

d. Personnel Changes

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

Mr. Huber advised there were 52 applicants for the county engineer position. He noted 12 individuals were invited for an interview (with two withdrawing), with interviews ongoing and that a decision is expected within the next thirty days.

Board members inquired as to the recruitment/advertising efforts and the location of the majority of the applicants. Mr. Hiss advised advertisements were placed not only locally, but in several national publications, with at least one-half of the applicants living out of state, one-half working for private sector companies and some working for municipalities and counties.

e. Environmental Assessment Task Order

Mr. Huber provided details regarding the proposed task order are for an environmental assessment of the sewer service for Hubbard Way Subdivision.

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board approved the Environmental Assessment Task Order with the New River Valley Planning District Commission, a copy of which is filed with the records of this meeting.

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

Voting no: none.

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4. Informational Items

a. Construction Project System Integrator

Board members were provided a copy of the Request for Proposals for technical services necessary to read water tank levels at both the PSA and Radford Water Treatment plants.

Board members questioned if the individual would be an employee or a contracted service. Mr. Huber advised the services would be contracted. Mr. Huber also described the need for approval of a resolution by the PSA which provides documentation to Rural Development that revenues will be sufficient to pay the loan for this project in the future.

Board members inquired regarding any loans to the PSA since 2004. Mr. Huber advised the resolution allows for the PSA to change rates in 2014 as needed, but does not commit to any specific rate at this time.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the following resolution:

Approval of Resolution
for
Commerce Park Utility Project Water Rates

The following resolution provides documentation to Rural Development that revenues will be sufficient to pay the loan for the Commerce Park Utility project:

WHEREAS, the Pulaski County Public Service Authority was formed as a political subdivision to exercise public and essential governmental functions to provide for the public health and welfare of the citizens of Pulaski County; and

WHEREAS, it has operated and maintained water systems, sewer systems and refuse and disposal systems within Pulaski County; and

WHEREAS, the County has been awarded loan funding from the USDA Rural Development Agency for the construction of the Commerce Park Utility Project involving the installation of a water interconnection with the City of Radford and other utility improvements to and within the Commerce Park;

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NOW BE IT RESOLVED, the Pulaski County Public Service Authority agrees to consider for adoption the following rates for the above mentioned project at a future public hearing by the Public Service Authority:

Existing Water Rate:
\$6.50 base rate
\$3.00 per 1,000 gallons.

Revised Rate:
\$9.50 base rate
\$3.60 per 1,000 gallons

Existing rates for all surcharged water customers (Brookmont, Schrader Hill, New River, etc) would likewise be increased by \$3 per month and \$0.60 per 1,000 gallons.

(NOTE: This resolution in its entirety was amended at a special called meeting by the PSA Board on February 15, 2011).

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

Voting no: none.

b. Rescinding of Notices of Violation

As provided in the Board packet, Board members reviewed copies of notices from the Health Department rescinding previous Notices of Violation for the Mount Olivet and Brookmont water systems were provided.

c. Southeast Rural Community Assistance Program

Mr. Huber described receipt of notice from SERCAP of approval of the grant allocation of the \$10,000 grant for the water and waste water preliminary engineering report for the joint Town of Pulaski/Pulaski County grant project.

Mr. White inquired as to any potential by the PSA for aiding the proposed Town of Pulaski boundary adjustment. Mr. Huber advised the grant project results are likely to be referenced in any proposed boundary adjustment by the Town of Pulaski.

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d. EcoSmart Recycling

Mr. Huber advised of confirmation that EcoSmart Recycling is free to sell recycled material on the open market, noting the Executive Director of the regional recycling center confirms that the locality has to have a physical or contractual attachment to materials in order for there to be a requirement to deliver the material to the Christiansburg facility.

Dr. Warren questioned the potential impact on the PSA should a company such as James Hardie opt to recycle their panels. As an example, Mr. Huber described Volvo's current recycling practice, noting industries are free to recycle and any action to do so by an industry is not a matter that the PSA can control.

5. Current Authorized Projects

a. Action Items

- Construction of Highland Park sewer
- Skyview/NRV Fairgrounds sewer funding
- Commerce Park Utility closing and construction
- Report on Sewer Revenues and Expenditures

Mr. Loyd noted this report is being provided by staff and therefore could be removed from "Action Items" listing.

- Drop Center location South side of Claytor Lake

Mr. Huber and Mr. Nichols advised this effort would take additional time, noting the difficulty in interest by citizens in providing land for a drop site center.

Mr. Dean inquired if DeHaven Park had been considered as a potential site. Mr. Huber advised the park was not a potential site, indicating the ideal location would be an area just across the lighthouse bridge.

b. Pending Items

- Evaluation of "radio read" water meter option
- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

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6. Other Matters

Mr. Dean inquired as to the state of a partnership with other localities on the sewer vacuum. Mr. Huber advised the Town of Pulaski was interested, but that the City of Radford was not due to age of their unit.

7. Visit to Honeywell Site – (Proposed Drop Center Location)

Dr. Warren advised the visit was made prior to PSA meeting, with the general consensus of the PSA Board to be that the Town of Pulaski should continue to own the site, including all capital costs incurred and all responsibility for development of the site should be born by the Town of Pulaski. Dr. Warren requested staff provide updates on this matter as they occur.

8. Adjournment

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board adjourned its regular February meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, March 8, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd, Mr. White.
Voting no: none.

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer