

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
OCTOBER 11, 2011

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, October 11, 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; Nancy Burchett; David Dean; and Hollis Loyd, Secretary/Treasurer. Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Transportation and Maintenance; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order and declared a quorum present. Dr. Warren also welcomed Ms. Burchett as a new member of the PSA Board.

Mr. Huber introduced Pat Luce with Waste Industries (related to item 2g on agenda). He also introduced Crystal Handy of the Home Consortium and Jennifer Wilsie with the New River Valley Planning District Commission (PDC) (related to item 2a1).

1. Citizen Comments

Mr. Huber provided an update as it related to concerns shared by Mr. Carl Lambert at the September 26, 2011 Board of Supervisors meeting regarding water and sewer service to the County.

Mr. Dean expressed concern that other counties are providing public water and sewer to outside parts of the county, such as Carroll County. Mr. Huber offered to research the Carroll County situation described by Mr. Dean and provide an update at a future meeting.

Dr. Warren suggested citizens were discovering it may be cheaper to use private wells.

Mr. Huber described funding put forth by the county towards Commerce Park. He advised the Park itself is self-supporting through the first five years. Utilities improvements to the park are funded by grants and member localities.

2. Finance

a. Follow-up from previous Board Meetings:

1. Subordination of PSA Liens to CDBG Program Requirements

Mr. Huber explained the ongoing lien situation for homes in the Dora Highway and Baskerville areas of the county. He further advised the county was successful in obtaining Community Development Block Grants (CDBG) for housing rehabilitation in the tornado area and described the process for rehabilitation.

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Crystal Handy and Jennifer Wilsie described how the Home Consortium staff works with the home owner to better understand the practices for maintaining home finances. Ms. Handy advised federal funds cannot be provided on property that can be foreclosed on, although the Home Consortium would allow for the PSA to commit to forgoing foreclosure on the home owner while the HOME Consortium held a lien on the property.

Mr. Huber advised the Board that Sam Campbell was being asked to draft a specific repayment agreement.

Mr. Crawford expressed concern over the forgiving of PSA debts for lack of payment. Ms. Handy clarified the Consortium is not asking the PSA to forgive debts, but is asking the PSA not to foreclose on property.

Mr. Huber recommended a debt service agreement forgoing foreclosure rights by the PSA for the six homes, with the stipulation that the agreement applies only to homes that utilize HOME funds.

Mr. Loyd confirmed if the PSA approves to not foreclose on properties, then the PSA would maintain the first lien to all other liens. Mr. Loyd expressed concern over the potential by the PSA to setting a precedent if this action was taken. Mr. Huber advised the PSA has never foreclosed on property due to delinquent payments on PSA accounts.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the PSA Board approved asking Attorney Sam Campbell to draft an agreement indicating the PSA would retain first lien position and agree not to foreclose on any properties in the project area to receive HOME funds, which are being identified, subject to review and approval by Sam Campbell.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

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2. Fluoridation Concerns

Mr. Huber provided an update on staff findings related to fluoridation concerns. Specifically, that he had talked with Dr. Southern's staff who advised that they can notice a difference between children and adults who are on wells vs. public water services in the decreased number of cavities with those using fluoridated water. Dr. Southern's office also referred Mr. Huber to the American Dental Association website for further information.

Dr. Warren presented his findings on the pros and cons for providing of fluoridation of water, a copy of which is filed with the records of this meeting.

Mr. Crawford inquired as to the chemicals used in PSA water. Mr. Linkous advised the chemical optimization study is underway and will provide the chemicals being used, as well as alternatives. Mr. Linkous advised a report would be provided to the Board once that study was completed.

3. Recommendations for Balancing Sewer Budget

Mr. Linkous provided an update, along with recommended actions for balancing the PSA sewer budget, a copy of which is filed with the records of this meeting.

Mr. Loyd inquired as to the number of pump stations currently in operation and the increase expected. Mr. Linkous provided details regarding the pump stations currently in operation.

Mr. Linkous explained the Draper Aden report of comparative utility charges and responded to questions by Board members regarding the report.

Mr. Dean suggested looking in depth as to use of grant money to fund the various projects as an option for balancing the budget.

Mr. Loyd inquired as to the intended use of the money that was saved on the Skyview project. Mr. Huber advised money saved would be put back into the General Fund and can be used for whatever purpose desired by the PSA Board.

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Mr. Loyd made a motion to purchase 200 radio-read type meters to use for testing purposes. Mr. Huber suggested that the number of units to be purchased be based on the number of units in the subdivision and then placed in a specific neighborhood, such as the New River Community. Mr. Loyd amended his motion as follows:

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved purchasing 100 radio-read type meters to use for test purposes and then to be relocated to a specific route to determine the efficiency of the reading process.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

4. Town of Dublin Water Billing

Mr. Huber provided an update on the Town of Dublin water billing including the possibility that the high billing for the town could be due to a meter error. He indicated the billing issue was also as a result of the timing for the setting of rates for the following year.

Mr. Huber reported asking the Town to advise of its preference to being a "partner" or "customer", with feedback from the Town of Dublin to be reported to the PSA Board once received from Town.

Mr. Loyd questioned the status of the present relationship with the Town of Dublin system. Mr. Huber advised the relationship has been that of a "partnership".

5. Request for Waiving of Portion of Oleta Gravley Account

Mr. Huber described the location of the Gravley properties, as well as the potential location for the water lines.

Board members requested staff determine if separate billings are occurring for each property, if neighbors who are non-users are paying and also determine if any other dwellings in the Gravley's name are paying.

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No action was taken on this matter. Staff indicated an update would be provided at a future meeting.

6. Skyview Phase One

Mr. Huber advised Rural Development had authorized construction of the Skyview Phase I project. He also thanked Board members for assembling for the special PSA meeting held on September 29th.

7. Amnesty Program Report

As reported in the Board packet, the following is a summary of customer participation in the amnesty program:

NAME	ADDRESS	AMT TAKEN OFF	AMT COLLECTED
Keith O'dell	5805 Baptist Hollow Rd	\$142.42	\$464.25
Oletha Gravley	3373 Honaker Road	\$0	\$2,825.74 GB only
Richard Hamblin	5921 Lyons Road	\$64.14	\$427.23
Peter Leonard	5368 Little Pine Lane	\$127.04	\$538.74
Chip Dunford	6271 Swiss Knob Drive	\$1,262.10	\$933.55
Robin Hodges	5997 Wilderness Rd # 31	\$47.58	\$275.96
Carl Letner	2410 Cox Hollow Road	\$112.77	\$593.57
Marie Arnold	5163 Baskerville Street	\$1,372.05	\$25.00
Barbara Hendricks	5157 Baskerville Street	\$452.54	\$90.00
Andrew Arnold	5149 Baskerville Street	\$1,442.71	\$45.00
Andrew Arnold	5151 Arnold Lane	\$485.33	\$0
	Total	\$5,508.68	\$3,393.30

8. Parrott Water Tank

As reported in the Board packet, REMSI has agreed to contribute 50%, or a maximum of \$10,000, to the cost of repairing the road to the Parrott water tank. Mr. Linkous advised the road was worse than expected and that the contractor had moved off site.

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b. Review of Financial Report

Board members reviewed the financial report in detail. By consensus, the Board accepted the financial report.

c. Balance Due & Lien Reports

The following report was provided and reviewed in detail by the Board:

Balance Due	7/1/2011	8/2/2011	9/1/2011	10/3/2011
Current Balance	573,118.99	446,481.59	443,962.88	582,967.89
Over 30 Days	90,828.32	59,388.84	34,850.55	29,137.19
Over 60 Days	14,423.61	9,939.42	35,011.64	32,870.89
Over 90 Days	785,599.10	784,412.06	787,290.25	781,392.14
Total	\$ 1,463,970.02	\$ 1,300,221.91	\$ 1,301,115.32	\$ 1,426,368.11
Leins Filed				\$ 359,566.74

Details of Accounts Delinquent for 90 days or more by type of customer and type of service

	Garbage & Water	Sewer Only	Garbage Only	Total
Residential	32,810.20	8,955.09	548,261.35	\$ 590,026.64
Commercial	1,458.20	-	21,063.43	\$ 22,521.63
Nonuser	168,843.87	See Non-User Breakdown	-	\$ 168,843.87
Total	\$ 203,112.27	8,955.09	\$ 569,324.78	\$ 781,392.14

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

	Inactive	Non User	Active	Total
Residential Water	27,273.88	168,843.87	5,536.32	201,654.07
Commercial Water	1,458.20	See	-	1,458.20
Residential Garbage	45,970.38	Non-User	502,290.97	548,261.35
Commercial Garbage	16,944.83	Breakdown	4,118.60	21,063.43
Sewer	2,147.51		6,807.58	8,955.09
Total	\$ 93,794.80	\$ 168,843.87	\$ 518,753.47	781,392.14

Non-user Breakdown

Resi Water/Garbage	\$ 167,560.35
Sewer	\$ 1,283.52
Grand Total	\$ 168,843.87

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Mr. Loyd expressed concern over the overall reporting process.

Mr. Dean requested staff provide a picture of the vac truck once received. Mr. Huber offered for staff to arrange for viewing of the truck as convenient.

d. Budget Adjustments

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

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PSA FUND #3		
Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-051020-0001	Transfer from General Fund RD Funds Dublin Subdiv	\$ 25,788.00
500-051020-0002	Transfer from General Fund RD Funds Highland Park	693,420.00
500-032020-0300	EDA Funding Commerce Park Project	1,529,468.00
500-032020-0310	Rural Development Funding Commerce Park Project	2,976,425.00
500-041050-0100	Transfer from Reserves	85,058.00
TOTAL		\$ 5,310,159.00
EXPENDITURES:		
500-094100-8255	Orchard Hills Sewer Project	\$ 25,788.00
500-094100-8251	Highland Park Sewer Project	217,912.00
500-094100-8241	Skyview Subdivision Sewer Project	230,317.00
500-094100-8245	Commerce Park Project	4,505,893.00
500-095100-9164	Highland Park Bonds Interest	50,249.00
500-094100-8105-00	Sewer Vac Truck	280,000.00
TOTAL		\$ 5,310,159.00
PSA FUND #4		
Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-041050-0100	Transfer from Reserves	\$ 193,085.00
TOTAL		\$ 193,085.00
EXPENDITURES:		
4-500-094100-8106	Construction Vehicles & Equipment	\$ 9,000.00
4-500-095100-9155	Repayment of Loan to County	184,085.00
TOTAL		\$ 193,085.00

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PSA FUND #5			
Account Title			Amount Increase (Decrease)
Recovered Costs/Sewerage Authority			\$ 12,000.00
TOTAL			\$ 12,000.00
Sewer-Materials & Supplies/Sewerage Authority			\$ 12,000.00
TOTAL			\$ 12,000.00

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

Mr. Loyd inquired as to the timeline for completion of the Orchard Hills and Highland Park projects.

Mr. Linkous advised the projects are basically completed, with cleanup work to be done and billing started for Orchard and Rolling Hills for non-user fees. He advised Highland Park non-user fees are expected to go into effect January 1, 2012.

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved billing adjustments totaling a net credit of \$25,167.83.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved accounts payable for checks numbered 8006016 through 8006173.

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Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett

Voting no: none.

g. Waste Industries Proposal

Mr. Huber introduced Pat Luce of Waste Industries who provided a report on the potential for privatizing waste collection. Mr. Luce inquired if there was any interest in putting out a "Request for Proposal" (RFP) for refuse collection services.

Mr. Huber advised the pros and cons would need to be reviewed related to potential operations, treatment of employees, management of equipment, etc.

Board members questioned the billing practices by Waste Industries. Mr. Luce provided details regarding the billing method used by Waste Industries.

Mr. Dean inquired if the towns of Dublin and Pulaski would need to approve any privatization of refuse collection services.

Mr. Huber recommended preparing an RFP for the sole reason to provide the PSA Board with a means for understanding available options.

Board members directed staff to review the current agreement to determine if the towns of Pulaski and Dublin would need to approve privatization of refuse collection.

Mr. Dean and Ms. Burchett indicated their support in staff preparing an RFP, to allow for a thorough review and evaluation of the PSA's options.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved proceeding with drafting an RFP and presenting findings back to the PSA Board once the RFP process is completed.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett

Voting no: none.

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h. Drop Center Improvements

Mr. Nichols reported \$387,000 in money had been set aside for expenses towards the closing of the landfill, which could be made available for the purpose of upgrading the county's drop centers. He advised these funds are as a result of overage put in reserves for the Ingles Mountain landfill. He indicated the New River Resource Authority (NRRRA) had determined that reserves were no longer needed.

Mr. Huber advised he planned to confirm the calculations are accurate and would advise the PSA Board if any additional information is obtained.

3. Operations

a. Minutes of Previous Meeting

Mr. Loyd requested the September minutes be corrected to balance the figures in the Balance Due report or to remove certain sections of the balance due and lien report. Mr. Huber advised he would review the minutes and remove certain sections that would allow for accurate reporting.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the September 29, 2011 minutes of the PSA meeting. Dr. Warren advised he planned to abstain from the vote, due to being unable to attend the September 29th special meeting of the PSA Board.

Voting yes: Mr. Crawford, Mr. Dean, Ms. Burchett, Mr. Loyd.

Voting no: none.

Abstaining: Dr. Warren.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the September 13, 2011 minutes of the PSA meeting, with a correction to the minutes removing certain sections of balance due and lien report.

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

Voting no: none.

Abstaining: Ms. Burchett.

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b. Inmate Availability Report

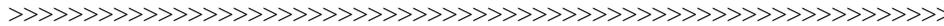
Staff reported use of one inmate per day during the month of September.

c. Drop Site Total & County Landfill Tonnage Reports

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

**Drop Site Total
for the Month of September 2011**

Site	Trips	Tons	Tons per haul
Dora Highway	17	39.18	2.30
Dublin	31	109.68	3.53
Fairlawn	5	36.58	7.31
Totals	53	185.44	3.49



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

Commercial	Residential	Tires	Brush
481.23	1091.12	609	9.45

d. Personnel Changes

Board members reviewed recent personnel changes as reported by Norma Spence.

e. Rescheduling of November Board meeting

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved rescheduling its regular November meeting to Wednesday, November 9th due to Election Day falling on the regular November PSA Board meeting day.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

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f. Wireless Authority Use of Water Tanks

As provided in the Board packet, Board members reviewed a proposed draft agreement with the Wireless Authority for the use of PSA water tanks. The PSA Board had previously approved allowing utilization of water tanks by the Wireless Authority at its September 2011 Board meeting, subject to review of the draft contract.

g. Johnny Crowder Sewer Service

As reported in the Board packet, staff recommended charging non-user fees if any part of the residence can be served by the PSA. Mr. Huber advised this recommendation is based on the expectation that Mr. Crowder would seek to connect to the PSA's sewer system should his septic system ever fail.

No action was taken on this matter. Staff advised a recommendation would be placed on a future agenda.

h. Agreement with Pulaski County Sewerage Authority

As reported in the Board packet, a proposal for labor costs, plus 15%, had been sent to the Pulaski County Sewerage Authority, with no response to date.

4. Informational Items

There was no additional information submitted.

5. Current Authorized Projects

Mr. Loyd inquired if there had been any new developments related to providing a drop site on the south side of the county, or improvements to the Dora Highway site.

Mr. Huber advised the site under consideration on the south side appears to have some unknown activity, which may result in the county being unable to acquire the property. He also advised the Town of Pulaski continues to work with Honeywell on the potential for relocating the Dora Highway site.

Mr. Huber also advised the county has an option on the adjacent property currently owned by Verizon for the relocating of the Sheriff's offices.

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Dr. Warren inquired regarding the status of extending sewer to the NRV Fairgrounds. Mr. Huber advised review of this matter was ongoing, noting monies had been allocated to extend the line to Rt. 100 at the entrance to Commerce Park.

a. Action Items

- Skyview/NRV Fairgrounds sewer funding
- Construction of Commerce Park Utility Project
- Drop Center location South side of Claytor Lake
- Evaluation of "radio-read" water meter option

b. Pending Items

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

6. Other Matters

Mr. Huber reported receipt of information from Jim Bell detailing the percentage of delinquent accounts over 90 days (not being paid over 90 days) is 2.9% for water, 3% for sewer, 3.1% garbage with overall 3.1% delinquent accounts over 90 days. Mr. Dean requested staff provide an update at the April 2012 PSA meeting.

Mr. Loyd inquired as to the status of the suit regarding the account on Thornspring Church Road. Mr. Huber advised no update had been received from Attorney Sam Campbell.

7. Adjournment

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board adjourned its regular October meeting. The next regular meeting of the PSA Board is scheduled for Wednesday, November 9, 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, Ms. Burchett.
Voting no: none.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer