

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
NOVEMBER 9, 2011

At a regular meeting of the Public Service Authority Board of Directors held on 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, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford, Vice-Chairman; Nancy Burchett; and Hollis Loyd, Secretary/Treasurer. Board member Dave Dean was unable to attend the meeting.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Transportation and Maintenance; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order and declared a quorum present.

1. Citizen Comments

Mr. Garland Campbell presented information to the Board asking to discontinue adding fluoride to the PSA water.

Dr. Warren acknowledged receipt of the information presented by Mr. Campbell and assured Mr. Campbell that the information would be reviewed by the Board.

Mr. Linkous explained that a chemical analysis was underway by AECOM, with the results to be presented to the Board once completed.

Closed Session – 2.2-3711.A.7

Mr. Huber advised a Closed Session would be needed to discuss a legal matter related to the Community Development Block Grant program requirements pursuant to Section 2.2-3711.A.7 of the 1950 Code of Virginia, as amended, to discuss legal matters related to liens on properties being renovated as part of the CDBG Housing Rehabilitation project..

It was moved by Mr. Crawford, seconded by Mr. Loyd and carried, that the Public Service Authority Board of Directors enter Closed Session for discussion of the following:

Legal Matters – Pursuant to Virginia Code Section 2.2-3711(A)7 consultation with legal counsels and briefing by staff for discussion of specific legal matters and matters subject to probable litigation regarding:

- CDBG Housing Rehabilitation Project

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Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett
Voting no: none.
Not present: Mr. Dean.

Return to Regular Session

It was moved by Mr. Loyd, seconded by Ms. Burchett and carried, that the Board return to regular session.

Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett
Voting no: none.
Not present: Mr. Dean.

Certification of Conformance with Virginia Freedom of Information Act

It was moved by Mr. Loyd, seconded by Ms. Burchett and carried, that the PSA Board of Directors adopt the following resolution certifying conformance with the Virginia Freedom of Information Act.

WHEREAS, the Public Service Authority Board of Directors has convened a closed meeting of this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act:

WHEREAS, Section 2.2-3712(D) of the Code of Virginia requires a certification by this Board of Directors that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the PSA Board of Directors hereby certifies to the best of each members' knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority.

Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett
Voting no: none.
Not present: Mr. Dean.

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CDBG Program Requirements

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved the Forbearance agreement, a copy of which is filed with the records of this meeting.

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

Voting no: none.

Not present: Mr. Dean.

Dr. Warren advised the Planning Commission had reviewed a Special Use Permit request for amendments to the zoning ordinance to allow patio homes in the Baskerville community. Dr. Warren also advised the Planning Commission recommendation was being passed to the Board of Supervisors.

2. Finance

a. Follow-up from previous Board Meetings:

1. Delinquency Rate Report

Mr. Huber advised the report included in the Board packet was incorrect and distributed a correct version of the report thanks to input from Mr. Loyd. Mr. Huber noted the overall percentage of delinquencies to be approximately 15-16%.

2. Agreement - CDBG Program Requirements

Action related to this matter was taken in the Closed Session.

3. Update on Findings related to Carroll County Water & Sewer

Mr. Huber provided the following summary in the Board packet in response to the Board's inquiry regarding Carroll County's success with providing water and sewer service to areas outside of the county:

Carroll County was using the same Rural Development funding mechanism that the County was with the Dublin area subdivisions and the Commerce Park projects. What helped Carroll the most was that they had developed a plan for providing utility services to all four interstate exchanges. They then sold their plan to

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legislators and found themselves in a good position to take advantage of stimulus funding which Rural Development found themselves in the need of spending. As a result, they were able to get approximately \$25 million financed by \$15 million in grants, leaving only \$9 million in loans needing to be repaid. There was also an understanding that a major utility expansion would have to be subsidized. Thus, the Board of Supervisors earmarked \$1 million per year for debt service costs, should development not provide revenues needed to service the new debt. The NRV Livability Initiative plan should be of assistance by prioritizing future utility extensions.

Mr. Huber advised that the key to providing water and sewer to outside areas was in planning ahead.

4. Request for Waiving of Portion of Oleta Gravely Account

Mr. Huber described in detail the following summary included in the Board packet related to separate billings for the Gravely properties:

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

An analysis of the PSA water customers in the area of Quesenberry Place, Horn Court, Chrisley Place, Amburn Lane, Lee Highway and Honaker Road determined the following:

- a. 3150 Amburn Lane owned by the Oleta Gravely estate, 3097 Amburn Lane owned by Richard Thornton and 3159 Chrisley Place owned by Richard Hayes did not have PSA water accounts and are within 300 feet of the PSA water line.
- b. 3163 Chrisley Place owned by Jeffrey Wheeler did not have a PSA account but a determination would have been made as to the distance of this property to the PSA water line on Chrisley Place.

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Ms. Burchett inquired if the amnesty program would be an option for the Gravely property situation. Mr. Huber advised the amnesty program had been offered to the Gravely family as an option.

Mr. Loyd advised he was not in favor of reducing the balance owed on the Gravely account.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board declined to reduce the balance on the Gravely account.

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

Voting no: none.

Not present: Mr. Dean.

5. Update on RFP for Privatization of Refuse Collection

Mr. Huber reported staff continues to work on drafting a Request for Proposals for review by the Board.

Mr. Crawford expressed concern over the perception by current PSA employees that those employees may lose their jobs. Mr. Nichols advised he had met with the employees regarding this matter and had explained the process. Mr. Nichols offered to meet with employees an additional time, should there continue to be concerns.

6. Water Treatment Plant (WTP) Filter Valve Actuators

As reported in the Board packet, the filter valve actuators have been installed at the Water Treatment Plant. Mr. Linkous presented before and after pictures of the valve actuators, indicating a much needed improvement in the overall system.

7. Town of Pulaski 4A and 4B Improvements

As reported in the Board packet, the Town of Pulaski has requested that the PSA consider contributing to the cost of replacing the wastewater pumps at the 4A and 4B pump stations. Mr. Linkous described the locations of the pump stations and advised that available capacity was being determined.

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8. Water Department Truck

As reported in the Board packet, the new water department truck has been delivered and will soon be sent for installation of the utility bed. Mr. Linkous advised an additional \$2,864.25 is needed from the contingency fund to complete the parts purchase and installation.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved an additional \$2,864.25 to complete the parts purchase and installation for the Water Department truck.

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

Voting no: none.

Not present: Mr. Dean.

9. Skyview/Fairgrounds Sewer

Mr. Linkous noted that the preliminary engineering report for Skyview would need to be updated in order to meet Rural Development requirements and that it would be helpful to combine Skyview, Hubbard Way and Fair Acres projects. Mr. Linkous also described the potential for applying for grant funding for the Skyview project through the CDBG program, which would require collection of household income information.

Mr. Loyd requested a summary of the funding of projects to date. Mr. Huber provided a verbal summary of those projects.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board authorized utilizing \$35,000 to be used towards updating the Skyview PER, an environmental assessment for the Fair Acres Subdivision sewer and the distribution of income surveys by the Planning District Commission.

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

Voting no: none.

Not present: Mr. Dean.

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10. Town Water Billings

Mr. Linkous described efforts to begin the process of checking the accuracy of meters, including details of meters checked at the Dublin No. 1 (Cleburne/Bagging Plant), Dublin No. 3 (Bagging Plant/Old Rt. 11), and Pulaski (Cougar Trail Rd.). He advised a recommendation will be presented at a future meeting as to which meters will need to be replaced.

b. Review of Financial Report

Ms. Newby reported a net revenue of \$64,860 despite a significant debt service payment having been made in October.

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 | 8/2/2011 | 9/1/2011 | 10/3/2011 | 11/1/2011 |
|--------------------|------------------------|------------------------|------------------------|------------------------|
| Current Balance | 446,481.59 | 443,962.88 | 582,967.89 | 383,474.80 |
| Over 30 Days | 59,388.84 | 34,850.55 | 29,137.19 | 90,069.83 |
| Over 60 Days | 9,939.42 | 35,011.64 | 32,870.89 | 13,527.90 |
| Over 90 Days | 784,412.06 | 787,290.25 | 781,392.14 | 799,628.97 |
| Total | \$ 1,300,221.91 | \$ 1,301,115.32 | \$ 1,426,368.11 | \$ 1,286,701.50 |
| | | | | |
| Leins Filed | | | | \$ 359,566.74 |
| | | | | |

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 | 33,906.24 | 26,896.54 | 548,661.53 | \$ 609,464.31 |
| Commercial | 1,545.47 | - | 21,073.24 | \$ 22,618.71 |
| Nonuser | 167,545.95 <i>see break down below</i> | | - | \$ 167,545.95 |
| Total | \$ 202,997.66 | 26,896.54 | \$ 569,734.77 | \$ 799,628.97 |

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

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| | Inactive | Non User | Active | Total |
|----------------------------|-----------------|-----------------|---------------|--------------|
| Residential Water | 29,530.17 | 162,296.61 | 4,376.07 | 196,202.85 |
| Commercial Water | 1,516.52 | | 28.95 | 1,545.47 |
| Residential Garbage | 45,913.24 | | 502,748.29 | 548,661.53 |
| Commercial Garbage | 17,216.97 | | 3,856.27 | 21,073.24 |
| Sewer | 2,417.94 | 5,249.34 | 24,478.60 | 32,145.88 |
| Total | \$ 96,594.84 | \$ 167,545.95 | \$ 535,488.18 | 799,628.97 |

Mr. Loyd inquired if the delinquent listing included non-users. Mr. Huber advised the report did include non-users.

Mr. Huber expressed appreciation to Debbie Boyd for her efforts in working to compile the reports each month.

d. Budget Adjustments

Mr. Nichols provided details regarding the need for a bucket and trailer for the loader recently approved by the Board, the additional funds for which are included in the overall budget adjustments.

Mr. Loyd noted it was his understanding when the funds were initially approved for the loader that the funds allowed for the purchase of a bucket and trailer. Mr. Nichols advised commitments had been made for the purchase of the loader, but not a trailer, should the Board choose not to approve the additional funds.

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

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| PSA FUND #6 | | |
|----------------------|---------------------------------|-------------------------------|
| Account Number | Account Title | Amount Increase (Decrease) |
| <u>REVENUES:</u> | | |
| | | |
| | TOTAL | \$ - |
| <u>EXPENDITURES:</u> | | |
| 500-091400-9301 | Transfer from Contingency Funds | \$ (27,865.00) |
| 500-046100-6007 | Water Meters | 25,000.00 |
| 500-094100-8105-006 | Water Dept Truck | 2,865.00 |
| 500-094100-8106 | Refuse Loader & Trailer | 23,120.00 |
| 500-094100-8105-008 | Refuse Department Garbage Truck | (17,720.00) |
| 500-042340-8120 | Roll Off Other Equipment | (5,400.00) |
| | TOTAL | \$ - |

Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett.
Voting no: none.
Not present: Mr. Dean

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved billing adjustments totaling a net credit of \$8,935.42.

Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett.
Voting no: none.
Not present: Mr. Dean

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved accounts payable for checks numbered 8006174 through 8006284, subject to audit.

Voting yes: Mr. Crawford, Dr. Warren, Mr. Loyd, Ms. Burchett
Voting no: none.
Not present: Mr. Dean.

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3. Operations

a. Minutes of Previous Meeting

By consensus, the Board approved the October 2011 minutes of the PSA meeting.

b. Inmate Availability Report

Staff reported use of two inmates per day during the month of October.

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 October

| Site | Trips | Tons | Tons per haul |
|---------------|-----------|---------------|---------------|
| Dora Highway | 17 | 35.53 | 2.09 |
| Dublin | 37 | 116.08 | 3.13 |
| Fairlawn | 7 | 38.33 | 5.47 |
| Totals | 61 | 189.94 | 10.69 |

County Landfill Tonnage

(County customers & Refuse Department Haulers
for the Month of October 2011)

| Commercial | Residential | Tires | Brush |
|------------|-------------|-------|-------|
| 406.48 | 1,000.44 | 744 | 11.13 |

Mr. Loyd inquired if the landfill totals included trash picked up by PSA Refuse collection. Mr. Huber advised the landfill totals includes everything going into the landfill.

d. Personnel Changes

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

e. Wireless Authority Use of Water Tanks

Mr. Huber reported the county attorney will be requested to provide language for drafting a formal agreement, with draft agreement to be placed on a future agenda.

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Mr. Loyd inquired as to the affect on PSA refuse collection services should employees attend the breakfast. Mr. Nichols advised collection services would not be affected, as Friday's collections are typically a short day.

4. Current Authorized Projects

a. Action Items

The following information was presented in the Board packet for review:

- 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

5. Other Matters

Mr. Loyd questioned the plans for the Thanksgiving holiday as it relates to refuse collection. Mr. Huber advised that the Refuse Collection staff choose to take only Thanksgiving Day off and would be compensated according to policy on the other day and a half in designated as holidays.

Mr. Huber and Mr. Linkous described the potential need to move to condemnation of a revised easement for the water line connecting the Radford Water Treatment Plant with the new line underneath the New River due to the finding of batteries which had been dumped in the area of the planned waterline. Mr. Linkous advised testing had determined where there were "hot spots" and that the Department of Environmental Quality had recommended capping and not disturbing the area where the batteries had been dumped, resulting in the request to moving of the easement.

Mr. Loyd inquired if the area proposed for the relocation of the water line was clear of potential hazards. Mr. Huber advised that soil tests and a review by the Virginia Department of Environmental Quality confirmed the pipe can be placed in the new location.

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Mr. Crawford inquired if the Environmental Protection Agency can force the cleanup of the batteries. Mr. Linkous responded that most of the site is at residential levels, with one hot spot having been found at commercial range.

Mr. Huber advised the county attorney had suggested proceeding with condemnation in conjunction with the Board of Supervisors.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved offering up to \$1,000 to obtain the appropriate easement allowing for the relocation of the water line.

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

Voting no: none.

Not present: Mr. Dean

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved authorizing staff to proceed with condemnation in conjunction with Board of Supervisors.

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

Voting no: none.

Not present: Mr. Dean

Mr. Linkous shared updated photos related to work on the access road to Parrott Mountain Road.

Mr. Linkous shared "Notices of Violations" received related to the Lakewood Estates, Brookmont and Mount Olivet communities, as well as steps to be taken to correct the violations.

Mr. Loyd inquired as to the status of the citation received recently related to an overweight truck. Mr. Nichols advised the issue has been appealed with court date scheduled for December 20, 2011.

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6. Adjournment

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board adjourned its regular November meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, December 13, 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, Dr. Warren, Mr. Loyd, Ms. Burchett
Voting no: none.
Not present: Mr. Dean.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer