

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
JANUARY 10, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, January 10, 2012 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 Nancy Burchett.

Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant 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.

1. Citizen Comments

Ms. Carla Ritter provided details regarding a water leak at her rental residence and an issue related to the landlord requiring Ms. Ritter to pay for charges, including penalty and interest on the billing. Ms. Ritter advised the landlord was Mr. Robert Kittenger.

Board members posed various question including who is responsible for the billing when there are two houses on one meter. Mr. Huber advised the person signing up for water service would be responsible for the billing.

Following Ms. Ritter's comments regarding the billing, Mr. Huber advised the matter was an issue between Ms. Ritter's landlord and Ms. Ritter as the tenant; however, Mr. Huber suggested the following actions be taken to resolve the matter:

1. Staff to research minutes to determine if approval had been granted by PSA for landlord to hook up two houses on one meter;
2. Staff to pull original application for when service was applied for at residence;
3. Provide Ms. Ritter with contact information re: legal aid services. (This information was provided at the PSA meeting.)
4. Staff to contact property owner to advise of Ms. Ritter's appearance before PSA Board, as well as potential for cutting off water.

Mr. Huber advised additional information would be provided at the February PSA meeting. Mr. Huber also advised Ms. Ritter that the staff contact for the billing issue was Debbie Boyd.

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2. Finance

a. Follow-up from previous Board Meetings:

1. Agreement with Pulaski County Sewerage Authority

As reported in the Board packet, as well as at the December 2011 Board meeting, the Sewerage Authority had agreed to the reimbursement of materials, labor plus 15%, and equipment retroactive to July 1, 2011.

At the December meeting, staff was requested to provide an update on the equipment rental rate. Construction cost data from RS Means 2011 indicates that the "Bare Cost" (i.e., no overhead or profit) rate for a 48 H.P. backhoe loader is \$13.35 per hour.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the agreement, based on the rate of \$13.35 per hour, as well as the Sewerage Authority reimbursing materials, labor plus 15%, and equipment retroactive to July 1, 2011.

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

Voting no: none.

2. PSA Delinquent Accounts Explanation

Mr. Huber reported some inflexibility in the reporting system. He advised of plans to download the entire data base to Excel to generate the report. Mr. Huber requested Board members advise of any specific requests related to restructuring of the report, with the report to replace the existing delinquent account report. Mr. Huber advised a report would be provided at the February Board meeting.

3. Skyview Subdivision Update

Mr. Linkous provided an update on the survey results from the Skyview subdivision and the Florence Sexton mobile home park, which indicated 17 of the 70 surveys had been returned (24%), 71% of the households are Low to Moderate Income (LMI) and 84% of residents are LMI. Mr. Linkous

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advised with this high of a percentage, the PSA would have a competitive application. Mr. Linkous advised updates would continue to be provided.

4. Pump Station Surge Protection

As reported in the Board packet, the Draper West and the Highland Road water pump stations continue to sustain electrical damage due to power surges. The price to install surge arrestors on the incoming power service at these stations is \$2,500 each.

Mr. Loyd questioned if AEP had provided an explanation for the surges. Mr. Linkous advised some areas serviced by AEP are more stable than others. He also advised the surges are likely within the power company's range, but the PSA equipment may be more sensitive than for residential areas.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board authorized the purchase of surge protectors at a total cost of \$5,000, on the condition that AEP first be requested to assist in providing surge protection and if AEP denies assistance, proceed with the purchase of the surge protectors.

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

Voting no: none.

5. Overweight Violation

As reported in the Board packet, General District Court Judge Woody Lookabill took under advisement for six months an overweight violation on a PSA refuse truck. The truck was under gross allowable weight but the rear tandem axle weighed 1,700 lbs more than the 40,000 allowable. The front axle only weighed 10,000 of the allowable 20,000. Since the refuse packs from the rear of the truck, the rear of the trucks weigh more when partially full. It may be possible to avoid future problems by retracting the front blade as the truck is headed to the landfill. This would allow the weight of the packing mechanism and some of the trash to move forward on the truck chassis.

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Mr. Dean inquired if the truck receiving the citation was the only truck in the PSA fleet of this type. Mr. Nichols responded that this was common to all PSA garbage trucks.

6. Drop Site Relocation Update

As reported in the Board packet, the Town of Pulaski continues to work through the zoning process of relocating the Dora Highway Drop Site to the area behind the Verizon building.

b. Review of Financial Report

Board members reviewed the financial report in detail.

Mr. Loyd questioned the status of the billing for streetlights. Mr. Huber advised some monies may not have transferred at this time, resulting in a deficit.

Ms. Newby explained the loss of \$419,000 in the Water Department was due to the pay off the county loan and a recent debt service payment.

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	10/3/2011	11/1/2011	12/2/2011	1/3/2012
Current Balance	582,967.89	383,474.80	546,720.29	671,432.82
Over 30 Days	29,137.19	90,069.83	38,201.82	113,228.21
Over 60 Days	32,870.89	13,527.90	42,714.76	12,748.14
Over 90 Days	781,392.14	799,628.97	808,596.32	841,197.38
Total	\$ 1,426,368.11	\$ 1,286,701.50	\$ 1,436,233.19	\$ 1,638,606.55
Liens Filed				\$ 372,330.67

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	36,561.27	28,458.78	581,497.62	\$ 646,517.67
Commercial	1,919.50	-	22,127.00	\$ 24,046.50

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Nonuser	170,633.21	see break down below		\$ 170,633.21
Total	\$ 209,113.98	28,458.78	\$ 603,624.62	\$ 841,197.38

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

	Inactive	Non User	Active	Total
Residential Water	33,146.88	165,227.24	3,414.39	201,788.51
Commercial Water	1,836.82		386.49	2,223.31
Residential Garbage	48,321.21		533,176.41	581,497.62
Commercial Garbage	17,009.02		4,814.17	21,823.19
Sewer	2,356.75	5,405.97	26,102.03	33,864.75
Total	\$ 102,670.68	\$ 170,633.21	\$ 567,893.49	841,197.38

Mr. Huber advised the report is to be restructured as stated in item 2a2.

Mr. Crawford requested the report indicate what percentage of 90 days the PSA is actually collecting and suggested consideration to designating an individual to focus solely on collections.

Mr. Crawford questioned if the PSA had written off some accounts during the audit. Ms. Boyd advised no accounts had been written off.

Mr. Huber advised the automation of the cut off list would allow for more time for staff to focus on collections.

Mr. Loyd requested restructuring of the report to include how much of collections are penalty and interest.

By consensus, the Board accepted the balance due and lien reports, as well as the implementing of the changes to the report as recommended by staff.

d. Budget Adjustments

Mr. Loyd advised the expenditures appeared to be routine monthly expenditures. Mr. Loyd expressed concern that the amount budgeted was inadequate to cover the routine expenditures.

Ms. Newby advised the budget adjustment did include enough funds to cover the remainder of the fiscal year. Ms. Newby also reported the receipt of \$229,000 in additional revenues.

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e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the billing adjustments totaling a net credit of \$3,783.74.

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

Voting no: none.

f. Accounts Payable

Mr. Loyd questioned the payment for charges by the county administrator. Mr. Huber provided an explanation regarding the credit card charges and the reimbursement method.

Mr. Huber advised steps were being taken to issue credit cards in the county's name to leadership team members, providing for a better means of accounting for charges.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved accounts payable for checks numbered 8006465 through 8006601, subject to audit.

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

Voting no: none.

g. VML/VACo AEP Steering Committee 2011-2012 Assessment

Mr. Huber explained the negotiating method used by the VML/VACo AEP Steering Committee for calculating the 2011-2012 assessment.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved payment for expenses related to the VML/VACo AEP 2011-2012 assessment, a copy of said expenses being filed with the records of this meeting.

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

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4. Informational Items

a. Statement of Economic Interests

Mr. Huber reminded Board members of the January 15, 2012 deadline for submitting the Statement of Economic Interest forms.

b. Waterline Easement

Mr. Linkous reported the water line easement for the connection to the City of Radford water treatment plant was signed by Construction Materials on December 23rd at a cost of \$2,500 and work is underway with the City of Radford to see what can be done to help the company with a Brownfields grant to determine the best course of action in cleaning up the site. He also advised work was at the point of water being turned on.

c. Sewer Jet/Vacuum Truck

Mr. Nichols advised the truck had been on display in front of the County Administration Building prior to the meeting for viewing by Board members if desired.

5. 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

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6. Other Matters

Mr. Linkous described a request by two residents for a change in PSA policy to require pressure reducing valves, including that the potential cost for such a change in policy to be approximately \$200 per connection. The Board took no action on this matter.

Mr. Huber reported the flooding of a basement of a resident near Hubbard Way due to a waterline break. Mr. Linkous advised the matter had been turned into the PSA's insurance company.

Mr. Linkous distributed a preliminary draft of the recent chemical optimization study. He also described the table from the study that summarized the type of projects, capital investment costs and potential savings if the project is implemented. Mr. Linkous advised an update on the report would be provided at the February Board meeting.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved \$22,000 in an initial investment in implementing the optimization study.

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

Voting no: none.

Mr. Linkous provided copy of a Notice of Violation received from the Health Department and advised the matter was being addressed by PSA staff.

Mr. Huber submitted a request from the Motor Mile Speedway for the trading of one commercial connection for three residential connections. Mr. Dean requested staff research previous PSA minutes to determine the timeline provided by the PSA Board when initial requests for trading of connections was approved.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board authorized the exchange of one commercial connection for three residential connections, as long as the time period and number of accounts allows for that as previously approved by the Board.

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

Voting no: none.

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Mr. Crawford advised he would be absent from the February PSA Board meeting.

Mr. Huber advised the Board of Supervisors did not fill the "alternate" position on the PSA Board which had previously been held by former supervisor Frank Conner.

7. Closed Session – Legal Matters – 2.2-3711(A)7

Mr. Huber advised a Closed Session would be needed to discuss a legal matter involving the collection of two specific delinquent accounts.

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, that the Public Service Authority Board of Directors enter into 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:

- Billing Matter

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

Voting no: none.

Return to Regular Session

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, that the Board return to regular session.

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

Voting no: none.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Crawford, seconded by Mr. Loyd and carried, that the PSA Board of Directors adopt the following resolution certifying conformance with the Virginia Freedom of Information Act.

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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, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett

Voting no: none.

NanoChemonics Demolition Account

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board authorized the county administrator to waive penalty and interest, if absolutely necessary, in return for full payment of what is owed and should this not resolve the matters, the county administrator is directed to start immediate legal action.

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

Voting no: none.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board authorized the county administrator to work with the New River Resource Authority to come up with a direct billing option for contracted situations.

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

Voting no: none.

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8. Adjournment

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board adjourned its regular January meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, February 14, 2012 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