

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
MARCH 13, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, March 13, 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; Hollis Loyd, Secretary/Treasurer; Dave Dean; and Nancy Burchett. PSA Board member Pete Crawford was unable to attend the meeting.

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; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

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

1. Citizen Comments

- FY 11 Audit Presentation

Dr. Warren advised the presentation had been rescheduled to the April PSA Board meeting at the request of the auditors.

Ms. Brenda Blackburn inquired regarding ownership of property in Newbern which had previously been purchased by the PSA and on which a PSA water tower is located. Mr. Huber advised the property in question was previously purchased by the PSA from Frank Conner at a cost \$2,500.

Ms. Blackburn requested a listing of localities having ownership in the Commerce Park, as well as questioned the practice used to seek reimbursement from the localities for work at Commerce Park provided by Pulaski County. Mr. Huber verbally provided the listing of localities, noting Pulaski County has approximately 44% ownership and therefore reimbursement is not sought for minor work performed by the county at Commerce Park.

2. Finance

a. Follow-up from previous Board Meetings:

1. Revised PSA Billing Report

Board members reviewed a revised billing report with changes suggested by the Board at its February meeting. Mr. Dean requested staff incorporate horizontal lines into the spreadsheet. By consensus, the Board accepted the revised billing report.

2. Motor Mile Speedway Request for Trading of Commercial Connections

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Mr. Huber reported the Board had previously approved six commercial connections valued at \$9,000 each, with the agreement extended through December 31, 2013 with a current balance of \$69,500 in connection credits.

3. Drop Center Master Plan

Mr. Linkous provided details regarding a proposal from Thompson and Litton (T&L) to develop a preliminary site plan for the proposed Town of Pulaski drop center location at a cost of \$5,000. Mr. Linkous also advised T&L had also proposed a package for developing all drop center sites at a total cost of \$13,000.

Mr. Dean requested clarification on the purpose of staff obtaining a proposal for all three sites. Mr. Linkous advised interest in reducing overall costs by working on three sites rather than one at a time.

Ms. Burchett inquired if the costs associated with the proposal were to be paid by the New River Resource Authority (NRRA). Mr. Huber advised the PSA would need to pay the costs up front; however, staff would determine the availability of NRRA funds previously set aside for Ingles Mountain landfill post-closure costs.

Ms. Burchett questioned if there were any plans for the other two drop sites. Mr. Linkous advised there is a master plan underway for the County garage which would also include evaluating the Dublin drop site and that the other two proposed site evaluations would include the Fairlawn site and a desired location on the South side of Claytor Lak.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board authorized proceeding with evaluating only the Town of Pulaski drop site at a cost of \$5,000, with staff to seek reimbursement from NRRA funds.

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

Voting no: none.

Not present: Mr. Crawford.

Mr. Dean expressed appreciation to county staff for efforts to plan ahead for the drop site improvements.

4. Outside Water Usage Meter Program

Board members reviewed the existing policy. There were no recommended changes and Mr. Linkous reported meters are available for distribution when requested by customers.

Dr. Warren requested the information include information regarding meter availability in the county's quarterly newsletter.

5. Bulk Meter Testing

Mr. Linkous reported the installation of all meters, with scheduling of testing of meters to be determined.

Dr. Warren expressed concern over the lack of PSA water on the south side of Claytor Lake.

6. iPearl Meter Installation

Mr. Linkous reported installation of all 100 meters, with the meters to remain in place for two billing cycles for comparison to the historical water usage of each location. Mr. Loyd questioned the ability of staff to provide meter readings from the office. Mr. Linkous advised that Mr. Loyd's suggested method was possible, but would require more infrastructure, including the location of towers throughout the county.

Staff was requested to provide an update to the Board at a future meeting.

Mr. Loyd advised of a potential billing error on his residential bill due to the bill having no charges for water. Ms. Boyd was requested to review the matter and contact Mr. Loyd with an update.

7. Medical Community Letter

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Mr. Linkous provided a draft letter for review by the Board in sending to dental and medical professionals in the county asking for input regarding the injection of fluoride to the drinking water system.

Mr. Dean requested language in the letter be changed as follows: "The PSA would like your professional input regarding the continuation of the PSA's current practice of infusing fluoride in the county's water system."

Mr. Loyd expressed concern over efforts being made regarding the fluoride issue, with only one resident having voiced concerns over the matter.

Mr. Huber suggested sending the letter to the various health professionals seeking input on the continued practice of infusing fluoride into the water system.

Staff was requested to provide an update to the Board once received.

b. Review of Financial Report

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the financial report as presented, a copy of which is filed with the records of this meeting.

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

c. Balance Due & Lien Reports

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

<b>Balance Due</b>	<b>12/2/2011</b>	<b>1/3/2012</b>	<b>2/1/2012</b>	<b>3/2/2012</b>
Current Balance	546,720.29	671,432.82	396,502.39	438,734.58
Over 30 Days	38,201.82	113,228.21	78,091.70	38,052.27
Over 60 Days	42,714.76	12,748.14	12,937.71	11,370.25
Over 90 Days	808,596.32	841,197.38	847,544.16	840,928.98
<b>Total</b>	<b>\$ 1,436,233.19</b>	<b>\$ 1,638,606.55</b>	<b>\$ 1,335,075.96</b>	<b>\$ 1,329,086.08</b>
Liens Filed				\$ 372,330.67

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**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
<b>Residential</b>	37,637.26	46,694.54	562,973.29	\$ 647,305.09
<b>Commercial</b>	2,729.45	-	20,384.05	\$ 23,113.50
<b>Nonuser</b>	170,510.39	see break down below		\$ 170,510.39
<b>Total</b>	\$ 210,877.10	46,694.54	\$ 583,357.34	\$ 840,928.98

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

	Inactive	Non-User	Active	Total
<b>Residential Water</b>	34,555.80	136,462.20	3,081.46	174,099.46
<b>Commercial Water</b>	2,600.18		129.27	2,729.45
<b>Residential Garbage</b>	50,555.89		512,417.40	562,973.29
<b>Commercial Garbage</b>	17,194.54		3,189.51	20,384.05
<b>Sewer</b>	4,300.72	34,048.19	42,393.82	80,742.73
<b>Total</b>	\$ 109,207.13	\$ 170,510.39	\$ 561,211.46	840,928.98

d. Budget Adjustments

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

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PSA FUND #9		
Account Number	Account Title	Amount Increase (Decrease)
<b>REVENUES:</b>		
500-041050-0100	Transfer from Reserve Funds	\$ 15,000.00
500-051020-0001	Dublin Subdivision Rural Development Funds	(444.00)
500-051020-0002	Highland Park Subdivision Funds	(444,793.00)
500-051020-0003	Skyview Subdivision Funds	445,237.00
	<b>TOTAL</b>	<b>\$ 15,000.00</b>
<b>EXPENDITURES:</b>		
500-047100-6007	Sewer Repair & Maintenance Materials	\$ 15,000.00
	<b>TOTAL</b>	<b>\$ 15,000.00</b>

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

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved adjustments for February totaling a net credit of \$12,490.07, as well as approved the March adjustments totaling a net credit of \$4,711.50.

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

f. Accounts Payable

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8006747 through 8006892, subject to audit.

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

g. Senior Services Van

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Mr. Huber provided details regarding the recommended purchase of a 2005 Ford F-350 14-passenger center aisle raised roof van with 136,000 miles to replace the current PSA sign truck.

Mr. Linkous advised the truck being replaced was used by PSA Water Department staff to hold signage, stands and cones while responding to water leaks. He further advised the van would be used not only for holding signage, etc., but also in any emergency situations where deemed necessary.

Mr. Loyd inquired as to the costs to convert the van to meet the needs of the PSA water department. Mr. Linkous advised the costs will be minimal, due to being able to pull the seats from the van.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved an expenditure of \$4,250 for the purchase of the 2005 Ford van.

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

Voting no: None.

Not present: Mr. Crawford.

Dr. Warren requested consideration to providing a decal for PSA vehicles which specifically identifies the vehicle as being a PSA vehicle.

Mr. Huber advised the county's existing logo could be used, with modifications to change the wording to Public Service Authority.

Mr. Dean suggested adding the PSA office number to the logo.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved an expenditure of up to \$200 for the purchase of PSA decals for all PSA vehicles, to include a phone number for contacting the PSA.

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

Voting no: None.

Not present: Mr. Crawford.

Staff was directed to develop a PSA logo, including the PSA phone number, and proceed with ordering decals.

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h. Other Matters

Dr. Warren expressed concern over the inadequate office space currently being used by PSA billing staff. Mr. Huber advised efforts were underway to seek other office space in the Dublin area and requested Board members to advise staff of any potential locations they may hear about for new office space for PSA billing staff.

i. VRA and Rural Development Loans

Mr. Huber described the remaining debt service balance from the VRA loan and the need to utilize funds for water or sewer projects.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved using VRA funds to pay off the debt service of two loans, including an additional \$5,000 from the PSA to repay loans in full.

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

Voting no: None.

Not present: Mr. Crawford.

j. Utilization of Commerce Park Contingency Money

Mr. Linkous explained the need to utilize approximately \$275,000 in contingency funds from the Commerce Park project, as well as provided a list of potential projects including: meter upgrade/replacement or sewer inspection camera.

Mr. Loyd questioned when Commerce was expected to be completed. Mr. Linkous advised the substantial completion of Commerce Park is expected within two months.

Mr. Dean suggested using funds for an existing project, rather than a new project. Mr. Huber advised funds must be used for sewer or water project.

Dr. Warren inquired if any funds would be remaining to use in putting in towers. Mr. Huber advised if funds are used towards the meter upgrade/replacement, there are likely to not be any remaining funds left for the radio-read towers.

By consensus, the Board approved submitting the meter upgrade/replacement and sewer inspection camera as potential uses of funds.

k. Rate Structure

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Mr. Huber and Mr. Linkous explained the current and proposed water and sewer rate structures, a copy of which are filed with the records of this meeting.

Board members expressed a desire to expand PSA water service to other areas of county, beyond those currently being serviced.

Mr. Loyd questioned when the last rate increase was implemented. Mr. Huber advised records indicate the last increase occurred in 2003. Mr. Loyd requested confirmation that rates had not been increased since 2003.

Mr. Huber explained the timeline for advertising for a rate increase, should the Board approve advertising for a public hearing.

Mr. Loyd inquired if the county had a master plan for line extensions. Dr. Warren responded the county had a Comprehensive Plan with projected areas for extending water service.

Mr. Huber indicated increasing rates to allow for some system expansion and improvements would be a positive move for the PSA.

Board members questioned when water service was first installed in the county. Mr. Huber offered to provide a history of water service and any rate increases.

Ms. Burchett advised separate rates were initially set at a base rate due to conditions of various loans and grants.

Dr. Warren further explained the concept of a uniform rate and requested consideration by the Board to the common good for all citizens. Dr. Warren also requested the Board expand water service to broader areas of the county and expressed a desire to see the momentum toward these efforts to continue.

Mr. Dean recommended continued efforts by staff to seeking grant alternatives, allowing for expansion of water service.

Mr. Hiss indicated a unified rate is the best method to allow for potential growth in the county, with a rate increase allowing for a "cushion" of funds to be set aside for anticipated projects.

Mr. Loyd discussed the percentage of customers paying the \$6.50 rate, noting very few water lines had been installed in the county. Mr. Huber advised of water lines having been installed in the New River area, as well as in the Claytor Lake area, and in new subdivisions.

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Mr. Huber noted that well over 100 miles of water lines wer installed in the initial development of the PSA water system.

I. Capital Improvements Listing

The Board reviewed the Capital Improvements listing as presented.

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the February 2012 minutes of the PSA meeting with a correction to the next meeting date.

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

b. Inmate Availability Report

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

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 February 2012

<b>Site</b>	<b>Trips</b>	<b>Tons</b>	<b>Tons per haul</b>
<b>Dora Highway</b>	14	24.65	1.76
<b>Dublin</b>	30	116.27	3.87
<b>Fairlawn</b>	7	59.01	8.43
<b>Totals</b>	51	199.93	3.92

County Landfill Tonnage  
(County customers & Refuse Department Haulers)  
(for the Month of February 2012)

<b>Commercial</b>	<b>Residential</b>	<b>Tires</b>	<b>Brush</b>
408.42	849.31	611	14.78

d. Personnel Changes

The Board members reviewed a listing of recent personnel changes.

e. Lee Highway Court/Cooks Crossing Odor Complaints

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Mr. Linkous described complaints being received by the Town of Pulaski regarding an odor along the Dublin interceptor. He also advised that PSA staff had made efforts to assist in determining the cause of the odor, with those efforts finding a citizen operating a fan over the cleanout to prevent the odor from entering the citizen's home.

Mr. Huber advised PSA staff would continue to review the matter and if the cause is determined to be the PSA's responsibility, to proceed with correcting the problem.

4. Informational Items

a. SERCAP Conference and Luncheon

As reported in the Board packet, Board members were requested to advise staff of any interest in attending the May 4<sup>th</sup> Water is Life! Conference and Luncheon.

b. Water Treatment Plant Truck

Board members commended the PSA Water Treatment Plant staff for the extra efforts taken to thoroughly clean and detail the used truck transferred for use at the plant.

c. Engineering Contract Amendments on Commerce Park

Board members reviewed two contract amendments for engineering services for the Commerce Park, which were included in the Board packet.

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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

6. Other Matters

There were no other matters discussed at this time.

7. Adjournment

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

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

Voting no: None.

Not present: Mr. Crawford.

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Doug Warren, Chairman

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Hollis Loyd, Secretary/Treasurer