

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

February 12, 2013

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, February 12, 2013 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; David Dean; and Nancy Burchett.

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

Mr. Huber explained Board of Supervisors' action surrounding the decision to not reappoint Mr. Loyd to the PSA Board, specifically due to there being two PSA Board members located in the Massie District and lacking of a representative from the Draper District. Staff was directed to place consideration to the appointment of a Secretary/Treasurer on the March PSA Board agenda.

1. Citizen Comments

Mr. Richard Chumbley of Draper explained his 2009 purchase of land across from the former Red Carpet Inn at Exit 94 in Draper and requested the Board consider extending sewer to this area to allow for development of his property. Mr. Chumbley described plans in the future to request to have the property rezoned to Commercial.

Mr. Huber described the closest location of sewer was at the pump station at Dora Highway across from the former Red Carpet Inn.

Mr. Dean expressed appreciation to Mr. Chumbley for his comments and advised the PSA Board will do all within their means to meet the request. Mr. Dean noted, however, that the project is costly and will require cooperation from property owners in the area.

2. Follow-up Items

a. PSA Office Locations

Staff presented a recommended contract with Thompson and Litton at a cost of \$3,800 for the evaluation of PSA office space needs and options.

Mr. Huber described plans to solicit input from citizens in the Dublin zip code area as the general area of solicitation.

Mr. Dean inquired if the contract with Thompson and Litton (T&L) would include the amount of space needed, as well as consideration of

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previously suggested sites. Mr. Huber advised T&L would review all options, including previously suggested locations and would also provide cost estimates.

Mr. Linkous described the sites to be reviewed which includes the former REMSI building across from Wades in Dublin, the current REMSI site on Rt. 100, potential site at the County garage, and the Visitor Center. Mr. Dean inquired if the new building at the County garage, which will provide office space for PSA refuse staff, could be considered as a potential location. Mr. Linkous described his understanding of this site was to limit public access and allow for storage of equipment and office space for PSA refuse employees.

On a motion by Ms. Burchett, seconded by Mr. Crawford and carried, the Board approved contracting with Thompson and Litton at a cost of \$3,800 for the evaluation of PSA office space needs, a copy of which is filed with the records of this meeting.

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

Voting no: None.

b. Bioxide Feed System

Mr. Huber described a recommendation to the purchasing of a bioxide feed system for the Lee Highway pump station from the Montgomery County PSA at a cost not to exceed \$7,854.67.

Mr. Linkous described the Town's efforts towards modifying the system resulting in reduction in citizen complaints and further described a recommendation to the purchasing of a bioxide feed system in order to protect the PSA from any future liability.

Board members discussed the following: the costs for a new system, the life of the system being offered by Montgomery County, the volume of wastewater at the pump station, and the annual maintenance fee.

Mr. Huber suggested asking Montgomery County for a reduced price in the system.

Mr. Linkous indicated the system provides for an alternative reaction to creating hydrogen sulfide and provided an "insurance policy", should the PSA need to address the issue in the future.

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On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved inspection of the pump and following staff determination that pump is in good condition, an offer of \$5,000 being made to Montgomery County.

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

Voting no: None.

Mr. Dean inquired if the odor on Bob White Blvd. and Rt. 99 is associated with the Town sewer.

c. Scheduling of Work Sessions on Master Plan and Capital Improvements

Board members recommended a joint meeting with Planning Commission on Tuesday, February 26th at 9:00 a.m. Staff was directed to poll Planning Commission and advise County Administration of date(s) selected by Planning Commission.

d. Drop Site Update – cameras and containers

Mr. Huber described Comcast's request to remove a requirement by the County and Town to provide a local Comcast office. Mr. Huber advised that the Town had agreed to this request. Mr. Huber also explained a request to Comcast for the provision of high speed internet service to the Dublin and Dora Highway drop centers.

Mr. Huber provided an update on the installation of cameras and the status of the new recycling containers.

e. PSA Delinquent Accounts

Staff provided an update on delinquent accounts.

Board members discussed the following: recommendations of a four-step process for the collecting on delinquent accounts; the possibility of removing penalty and interest in an effort to collect monies now rather than later; the need for a public hearing should the "Debt Set-off Program" be implemented; staff flexibility in decisions related to removing penalty and interest; and staff recommendation of accounts owing more than \$5,000 being reduced to \$1,000 as it relates to utilization of the Debt Set-off Program.

Staff was requested to determine if a public hearing is required before implementing new charges related to the Debt Set-off Program.

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Mr. Linkous described the current collection percentage based on the overall customer base, noting only 5% of the overall customer base is delinquent.

Mr. Huber recommended authorizing staff to implement the collection of delinquent accounts through the Debt Set-off Program and allow staff to discuss with the Treasurer the potential for assisting with the collection efforts.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the PSA Board approved staff recommendations as follows:

1. Restore prior reduction in Hicks and Robertson accounts
2. Authorize utilization of Virginia Debt Set-off Program on all PSA accounts owing more than \$5,000
3. Offer to forgive 100% of penalty and 50% of interest charges upon payment of 100% of the remaining balance
4. Charge affected PSA customers with administrative charges for use of the Debt Set-off Program (\$20 per account)

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved the advertising and hiring of an individual to focus on delinquent collections.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.

f. Update on Liens

Mr. Huber described work underway by PSA Billing staff to reconcile accounting records with the current liens in order to provide the PSA with a more accurate record.

Board members discussed the method used for making a determination to take customer to court for delinquent account.

Mr. Huber clarified the PSA had not taken any customers to court for delinquent accounts.

Ms. Burchett inquired as to the status of an existing suit against the PSA. Mr. Huber advised his understanding that the PSA's collection attorney was awaiting a court date to address the suit.

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Mr. Huber described the PSA's ability to collect on delinquent accounts.

Dr. Warren called for a five minute recess.

3. Action Items

a. January 17, 2013 Storm Event – Power Outages

Mr. Linkous described a chronology of events resulting in operational difficulties at the Water Treatment Plant due to an extended 43-hour power outage on January 17, 2013.

Mr. Linkous provided details regarding potential funding through Health Department construction assistance, noting the maximum that could be received through this assistance would be 30% of the approximately \$400,000 needed for a new generator for the Water Treatment Plant, with the remaining 70% through a loan at a less than 2% rate. Mr. Linkous also described the intended location of a generator if purchased.

Board members discussed the size of the generator, any potential benefits to the County, AEP, and citizens. Mr. Linkous advised the generators would be sized to meet the needs of the Water Treatment Plant, that serving adjacent residences would not be technically feasible, and suggested preparing application to Health Department for construction assistance, as well as approving a PSA expenditure of \$25,778.00 to study the intake structure.

Mr. Dean inquired if \$25,778 would create any financial hardships. Ms. Newby advised the PSA had \$500,000 in contingency.

Dr. Warren suggested PSA staff do all within available resources to seek grant to assist with funding of generator.

On a motion by Mr. Dean seconded by Mr. Crawford and carried, the Board approved the appropriation of \$25,778 to study, the intake structure, as well as staff making application to the Health Department Construction Assistance Funding.

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

Voting no: None.

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b. January 30, 2013 Storm – Sedimentation

Mr. Linkous described a chronology of events related to the power and siltation problems at the PSA Water Treatment Plant on January 30th.

Staff also described photos illustrating the recent disposition of sediment in and around the intake pipes.

Board members discussed dredging efforts, preliminary estimates for dredging, monies to date on dredging efforts, and options available to the Board.

Mr. Huber commended PSA staff for their work during the event.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved the following as recommended by staff: ratification of rental of raw water intake by-pass pump; ratification of underwater survey of area surrounding raw water intake; approved dredging of raw water intake and surrounding area.

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

Voting no: None.

c. Early February Storm Event – Debris Removal

Staff described debris removal efforts following the early February storm event and the large volume of debris being removed in efforts to assist residents.

Mr. Huber reminded the Board of Mr. Loyd's previous suggestion to consider offering Sunday hours at the drop sites.

Ms. Newby advised the cost per week to keep all drop sites open on Sunday to be approximately \$10. Ms. Burchett suggested advantages to the citizens by allowing Sunday hours at the drop sites.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved ratifying extension of hours at the Fairlawn and Pulaski Drop Centers to a total of eight hours per day, six days a week, as well providing free roadside pick-up of storm debris.

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

Voting no: None.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved extending drop sight hours to four hours on Sundays, with an update to be provided by staff at the March 12, 2013 Board meeting.

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

Voting no: None.

d. Town of Dublin Water Settlement Negotiation

Staff described a recommendation to begin a fixed rate negotiation of a fixed rate contract with the Town of Dublin.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved negotiations with the Town of Dublin, confirming Nancy Burchett as representing the PSA Board during the negotiation process.

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

Voting no: None.

e. Support for Electroplate-Rite Sewer Reimbursement

Mr. Huber explained a request by the Town of Dublin for support for reimbursement by the Environmental Protection Agency (EPA) for \$22,675 in damage done to the Dublin sewer line from drilling of test wells to evaluate possible groundwater contamination from Electroplate-Rite.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved issuing a letter of support to the Town of Dublin for support for reimbursement done to the Dublin sewer line from drilling of text wells to evaluate possible groundwater contamination from Electroplate-Rite.

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

Voting no: None.

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f. Outsourcing of PSA Bulk Mail

Staff clarified action on this matter had previously been approved by the PSA Board.

g. Acceptance of Skyview Sewer CDBG grant/loan

Mr. Huber described an announcement by Governor McDonnell of approval of \$3.9 million in CDBG funding, which included grant funds totaling \$574,405 for the Skyview Sewer - Phase 1B project, with a minimum PSA match of \$23,630.

Ms. Burchett inquired if the grant could be placed in the PSA's name. Mr. Linkous advised that with the CDBG, funding must be routed in the County's name.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the approved accepting \$575,405 grant from the Department of Housing and Community Development CDBG Program for the Skyview Sewer Phase 1B project.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.

Mr. Dean inquired regarding the number of homes affected by the grant. Mr. Linkous advised 50 homes met the low-to-moderate income criteria to benefit from the grant and therefore connection fees would be waived.

Mr. Linkous advised there were an additional 15-20 homes not falling within the low-to-moderate income criteria.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved waiving the fees for all homes in the Skyview Subdivision.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.

Mr. Dean inquired if the PSA was able to assist with the removal of construction debris at the home being built for a veteran in Pulaski County. Mr. Huber advised the PSA assisted with trash removal at the home with no charges by the PSA.

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h. Relocation of Water and Sewer Building

Mr. Huber described Board of Supervisors action requesting the PSA assume costs associated with relocating the existing pole structure on the County garage site, noting the Board of Supervisors intentions to assume costs associated with grading of the site, as well as having requested County staff to provide in-house work for excavation of the site.

Mr. Linkous described plans for the steel building.

Mr. Dean inquired if the PSA funds existed to fund the projected \$75,000 for the construction of the building. Ms. Newby advised the PSA had \$500,000 in contingency.

Board members discussed the costs for painting of water tanks, as well as concerns over ongoing and new projects with costs to be assumed by the PSA.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved \$75,000 expenditure for the relocation of the existing pole structure.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Ms. Burchett.
Voting no: None.

4. Consent Items

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

a. Minutes of Previous Meetings

The Board approved the minutes of the January 8, 2013 PSA Board meeting.

b. Balance Due & Lien Reports

By consensus, the Board approved the following balance due and lien reports:

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Balance Due	11/1/2012	12/3/2012	12/28/2012	2/1/2013
Current Balance	505,062.48	546,674.25	740,126.33	471,575.55
Over 30 Days	63,617.61	43,561.80	25,853.34	154,974.66
Over 60 Days	15,362.77	47,284.32	41,803.31	19,722.58
Over 90 Days	982,669.33	990,800.75	987,377.74	958,406.80
Total	\$ 1,566,712.19	\$ 1,628,321.12	\$ 1,795,160.72	\$ 1,604,679.59
Liens Filed				\$ 676,832.74

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	30,215.92	63,772.35	654,548.61	\$ 748,536.88
Commercial	1,546.86		21,679.48	\$ 23,226.34
Nonuser	186,643.58	see break down below		\$ 186,643.58
Total	\$ 218,406.36	63,772.35	\$ 676,228.09	\$ 958,406.80

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

	Inactive	Non User	Active	Total
Residential Water	26,662.78	155,300.72	3,553.14	30,215.92
Commercial Water	1,520.11		26.75	1,546.86
Residential Garbage	32,458.15		622,090.46	654,548.61
Commercial Garbage	17,039.95		4,639.53	21,679.48
Sewer	4,389.16	31,342.86	59,383.19	63,772.35
Total	\$ 82,070.05	\$ 186,643.58	\$ 689,693.07	958,406.80

c. Budget Adjustments

The Board approved the following budget adjustment:

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PSA FUND #8				
Account Number	Account Title			Amount Increase (Decrease)
<u>REVENUES:</u>				
			TOTAL	\$ -
<u>EXPENDITURES:</u>				
500-046200-3000-005	Water Treatment Plant Water Testing Analysis			\$ 4,478.00
500-046200-6004	Water Treatment Plant Medical and Lab Supplies			(4,478.00)
500-094100-8112-008	WTP Chemical Optiminization Implementation			22,000.00
500-046100-6007	Water Meters			15,000.00
500-091400-9301	Contingency Funds			(37,000.00)
			TOTAL	\$ -

Ms. Newby provided a report related to the contingency funds balance.

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$20,515.76.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8008253 through 8008383, subject to audit.

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

Voting no: None.

5. Staff Reports

a. Financial Reports

The Board reviewed and accepted the financial report as presented.

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b. Operational Report

1. Inmate Availability

Staff reported use of three inmates per day for the month of January.

2. Drop Site and County Landfill Tonnage Reports

The Board reviewed the following drop site and County landfill tonnage reports:

Drop Site Total for the Month of January 2013

Site	Trips	Tons	Tons per haul
Dora Highway	9	18.63	2.07
Dublin	21	61.34	2.92
Fairlawn	8	29.52	3.69
Totals	38	109.49	2.88

County Landfill Tonnage
(County customers & Refuse Department Haulers
for the Month of January 2013)

Commercial	Residential	Tires	Brush
2221.62	1253.49	462	305

3. Cut Off List

Staff reported the normal schedule would have resulted in cut-offs being done on December 24th. Due to a combination of the holidays and limited staffing, we did not do cut-offs in December with plans to resume with the January cycle.

4. Personnel Changes

There were no personnel changes to report.

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c. Fluoride Article

Mr. Huber presented a recent article regarding fluoride which had been submitted by Garland Campbell. Dr. Warren requested staff thank Mr. Campbell for sending information regarding the fluoride issue. Mr. Huber advised he had been responding back to Mr. Campbell upon receipt of emails.

d. Eddie Hill ROW/Easement

Mr. Huber reported completion of documents for purchase of the waterline easement at a cost of \$500.

e. Negotiated Appalachian Power Company Electric Rates

Mr. Huber described VACo and VML's ongoing negotiations of favorable APCO rates.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board authorized Chairman Warren to sign the APCO rate agreement, once the agreement is received, and subject to review of the agreement by the County Attorney.

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

Voting no: None.

f. Recycling Brochures

Staff distributed brochures which will be distributed at drop sites, PSA payment locations, the Pulaski Municipal Building and the County Administration Building.

g. Water Quality Test Results

Staff reported receiving notification from the Dept. of Health that the PSA is in compliance with state standards regarding the total haloecetic acids and trihalomethances.

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6. Staff To-Do Listing

Board members reviewed the following Items which staff is currently working on but for which there is no additional information to report to the Board at this time.

- a. Skyview/NRV Fairgrounds sewer funding
- b. South Side of Lake and Fairlawn Drop Centers
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Lakewood Estates emergency response plan
- f. Radio Read
- g. Draper Area Wythe County Sewer/PSA Connection
- h. Water Intake for Main Meter

7. Other Matters

Board members directed staff to draft a resolution of appreciation for Hollis Loyd and place action on the March PSA agenda for adoption, with a scheduled presentation to Mr. Loyd at a future PSA meeting.

8. Adjournment

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board adjourned its regular February meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, March 12, 2013 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, Ms. Burchett.

Voting no: None.

Doug Warren, Chairman

Peter Huber, County Administrator