

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 12, 2013

At a regular meeting of the Public Service Authority Board of Directors held on 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, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford; Nancy Burchett; and Fritz Streff. Board member Dave Dean was unable to attend the meeting due to illness.

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.

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

Mr. Huber introduced new Board member, Fritz Streff, representing the Draper District.

1. Citizen Comments

Brenda Blackburn inquired regarding the timeline for PSA Board members being reappointed following their terms expiring on January 31, 2013.

Mr. Huber advised that Mr. Dean, Dr. Warren and Mr. Crawford were reappointed by the Board of Supervisors at the February 6, 2013 Board meeting. Ms. Blackburn suggested the Board of Supervisors took no formal action as it relates to the decision to not reappoint Mr. Loyd to the PSA Board. Mr. Huber provided details related to the need to have a representative from each election district, resulting in Mr. Dean being reappointed to represent the Massie District.

Ms. Blackburn questioned the authenticity of photographs provided to the Board which were related to previous concerns by Ms. Blackburn over the disappearance of gates at the drop center.

Mr. Garland Campbell shared detailed information regarding previous requests related to removal of fluoride from the PSA water system. Mr. Campbell also shared his understanding of health related problems associated with inclusion of fluoride in the water. Mr. Campbell requested the Board consider removal of fluoride from the water system.

Mr. Crawford advised that surveys of the dental community had resulted in unanimous support for continuing with the inclusion of fluoride in PSA water.

Dr. Warren expressed appreciation to Mr. Campbell for comments shared and advised Mr. Campbell that the PSA did not have the authority to remove fluoride without authorization from the Virginia Department of Health.

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Mr. E. W. Harless expressed concern over the continuing sewer odor in Dublin and the effects on his ability to rent his personal property. Mr. Harless described his understanding of the relation of the sewer odor to the lack of a lagoon at the James Hardie plant in Dublin. Mr. Harless inquired if the sewer line was a shared line with the Town of Pulaski.

Dr. Warren advised that while the PSA did not accept responsibility for the sewer odor, the PSA had authorized financial commitments in an effort to assist in addressing the problem.

Mr. Linkous described the PSA's responsibility of the main trunk line between the Town of Dublin, the County, the PSA and the Town of Pulaski that follows between Cooks Crossing and the Fairlawn pump station.

Mr. Harless advised he would likely seek legal counsel to address the problem.

2. Follow-up Items

a. Hiring of a PSA Collections Agent and Discussion with Treasurer

Mr. Huber explained the fairly high accumulated debt was mostly due to non-users of garbage collection.

Mr. Huber also described a meeting with Treasurer Melinda Worrell as to the possibility of the Treasurer's office assisting with PSA debt collection. Mr. Huber advised that Ms. Worrell has agreed to take the top 10-15 PSA delinquencies and add those to the debt setoff, although those results would be affected by the start of tax refunds being in progress.

Dr. Streff questioned the anticipated expected return. Mr. Huber advised staff would follow-up on this matter and provide an update at the next PSA meeting.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved hiring of a collection person, with trial use of the debt setoff program through the Treasurer's Office.

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

Voting no: None.

Not present: Mr. Dean.

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b. Status of Water Treatment Plant Dredging and Generators

Mr. Huber explained staff continued to evaluate options for dredging around the raw water intake and possibly alternative funding options for generators at the Water Treatment Plant and raw water pump station. Staff reported scoping changes have resulted in an increase from the original \$25,778 approved during the February meeting to \$28,235 (i.e., \$2,457), with said scoping changes being the result of additional contour information from AEP allowing a comparison of current conditions with those of 2007.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved an additional \$2,457 for engineering related expenses for the Water Intake and Generator Study.

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

Voting no: None.

Not present: Mr. Dean.

c. Extended Drop Center Hours

Mr. Huber explained permanently expanding the hours of the Dublin Drop Center would cost the PSA \$2,184 per year and provide a relatively inexpensive way of upgrading the current level of customer service provided by the PSA.

Ms. Burchett inquired if existing personnel would be used to meet the additional hours. Mr. Huber advised the maximum hours that could be worked would be 29 hours and noted the additional cost of \$2,184 did not include health insurance costs.

On a motion by Ms. Burchett, seconded by Mr. Crawford and carried, the Board approved continuing the new Sunday drop hours of 1:00 p.m. to 5:00 p.m.

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

Voting no: None.

Not present: Mr. Dean.

Mr. Huber advised a report would be provided at the April meeting on the issue related to missing gates.

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d. Meetings with Board Members regarding Future Water and Sewer Services

Mr. Huber advised staff was arranging meetings for the County Engineer to meet individually with the PSA/Board of Supervisor members from each district.

e. Results of Rate Negotiations with the Town of Dublin

Mr. Huber provided an update on a meeting between County and Town of Dublin staffs to discuss the rate negotiations and presented information supporting an overall fixed rate of \$2.25/1,000 gallons for FY13-14 with an increase of at least \$0.07/1,000 gallons for FY14-15.

On a motion by Mr. Crawford, seconded by Dr. Streff and carried, the Board accepted and approved the negotiated fixed rate of \$2.25/1,000 gallons for FY 13-14 with an increase of at least \$0.07/1,000 gallons for FY 14-15 – notify Mr. Parker.

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

Voting no: None.

Not present: Mr. Dean.

3. Action Items

a. Interest by Southwest Virginia Gas in Leasing Garage Property

Mr. Huber reported having been approached by Southwest Virginia Gas about a possible location of a propane terminal in Pulaski County, with one possible option being to co-locate a terminal at the County garage.

By consensus, the Board confirmed interest in the concept described by staff.

b. Adjustment of Penalty and Interest on Pulaski House Demolition Costs

Mr. Huber reported prior to the current situation, the PSA billing for home demolitions was summarized into a single number, without specific reference to the structure. Further, several houses in the Town of Pulaski were demolished in the past few months as part of two \$700,000 tornado recovery grants received by each the Town of Pulaski and by the County for the replacement, renovation, or demolition of properties in Draper and within the Town of Pulaski. Staff noted, as a result of these factors, there was significant confusion on a \$6,768.76 bill owed to the PSA by the Town

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of Pulaski, with the delay resulting in penalty and interest charges of \$824.14.

Ms. Burchett inquired if the bill had been paid by the Town of Pulaski. Mr. Huber responded the bill had been paid by the Town.

On a motion by Ms. Burchett, seconded by Mr. Crawford and carried, the Board approved waiving penalty and interest of \$824.14.

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

Voting no: None.

Not present: Mr. Dean.

c. Hollis Loyd Resolution

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

RESOLUTION OF APPRECIATION

Hollis Loyd

WHEREAS, Hollis Loyd served the citizens of Pulaski County on its Public Service Authority from July 11, 2005 to January 31, 2013; and

WHEREAS, Hollis Loyd served with the best interest of the whole county at heart; and

WHEREAS, Hollis Loyd approached his role on the Public Service Authority with great diligence and sense of responsibility for the operations, budget, and usage fees; and

WHEREAS, Hollis Loyd was supportive of growing the water and sewer system, improving water plant operations, and always seeking more efficient methods of refuse collection while keeping customer service as a top priority; and

WHEREAS, his leadership and public service has benefited not only present and past citizens of Pulaski County, but will enhance the quality of Pulaski County's governmental services for its future citizens.

NOW, THEREFORE BE IT RESOLVED, that the Pulaski County Board of Supervisors does hereby commend and express its sincere appreciation for the service of Hollis Loyd to the county and its citizens; and

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BE IT FURTHER RESOLVED, that this Board of Supervisors does extend to Hollis Loyd its best wishes for health and happiness in the future years; and

BE IT FURTHER RESOLVED, that the text of this resolution be spread upon the minutes of the Board of Supervisors in permanent testimony of its appreciation to the service provided by Hollis Loyd.

Mr. Huber invited PSA Board members to attend the Board of Supervisors March 25th meeting at which time the resolution would be presented to Mr. Loyd.

d. Supplemental Waste Transport Agreement

Mr. Huber reported Volvo is seeking certification as not using a municipal landfill for refuse disposal and in order to do so, Volvo has contracted with Covanta 4Recovery to transport refuse to a solid waste incinerator in Alexandria, Virginia. Further, that the PSA is being asked to pick up dumpsters as is normally done, but take them to another part of the Volvo property rather than to the landfill with the PSA still being paid \$85 per haul.

Mr. Huber also reported the agreement with Covanta for provision of transport service was signed following approval of the concept at the joint PSA/Planning Commission work session.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board formally approved the agreement with Covanta 4Recovery, a copy of which is filed with the records of this meeting.

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

Voting no: None.

Not present: Mr. Dean.

e. Reconsideration to the Provision of Water Service to Fairview Community Gardens

Mr. Huber reported the PSA Board having previously recommended that water be trucked into the proposed community garden and stored in a large container as is currently the practice in the community gardens operated by the Town of Pulaski along Dora Highway.

Mr. Huber also advised the Chamber of Commerce and the VT Cooperative Extension Service staffs have not been able to locate a tank and there are concerns with stagnation of stored water.

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Board members discussed the \$500 connection fee cost, and the project being a community project with the Chamber, Fairview Home, Bowling Construction, the Virginia Cooperative Extension Service and the Regional Jail.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved participation in the Fairview Community Gardens project through a free connection and hard hydrant, while charging for water usage.

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

Voting no: None.

Not present: Mr. Dean.

f. Water Leak Detection Equipment

Mr. Linkous reported the Giles County PSA has contacted the PSA to determine interest in splitting the cost of purchasing water leak detection equipment (i.e., \$6,000). Mr. Linkous advised the Giles County PSA has a full time water leak detection specialist on staff and has provided the PSA with assistance in locating difficult leaks in the past at no charge.

Board members inquired regarding payment for services during training, potential for training of a Pulaski County PSA employee to use equipment, and method used in determining use of equipment.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved \$6,000 for the joint purchase of water leak detection equipment with the Giles County PSA.

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

Voting no: None.

Not present: Mr. Dean.

g. Pay Application No. 1 for the Galvanized Water Replacement Project

Mr. Linkous shared Pay Application No. 1 for the Galvanized Water Replacement Project which includes a \$7,806.26 Change Order request. Mr. Linkous confirmed an agreement that the contractor is due the additional money as a result of unforeseen conditions that resulted in increased time and materials.

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On a motion by Ms. Burchett, seconded by Mr. Crawford and carried, the Board approved an additional expenditure of \$7,806.26 for a Change Order request for the Galvanized Water Replacement project.

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

Voting no: None.

Not present: Mr. Dean.

4. Consent Items

On a motion by, seconded by and carried, the Board approved the following:

a. Minutes of Previous Meetings

The Board approved the minutes of the February 12, 2013 PSA Board meeting.

b. Balance Due & Lien Reports

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

Balance Due	12/3/2012	12/28/2012	2/1/2013	3/1/2013
Current Balance	546,674.25	740,126.33	471,575.55	527,995.75
Over 30 Days	43,561.80	25,853.34	154,974.66	59,310.30
Over 60 Days	47,284.32	41,803.31	19,722.58	65,790.94
Over 90 Days	990,800.75	987,377.74	958,406.80	962,519.72
Total	\$ 1,628,321.12	\$ 1,795,160.72	\$ 1,604,679.59	\$ 1,615,616.71
Liens Filed				\$ 676,832.74

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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
Residential	31,231.92	65,329.67	653,981.23	\$ 750,542.82
Commercial	1,553.96		21,976.82	\$ 23,530.78
Nonuser	188,446.12	see break down below		\$ 188,446.12
Total	\$ 221,232.00	65,329.67	\$ 675,958.05	\$ 962,519.72

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

	Inactive	Non User	Active	Total
Residential Water	27,016.22	156,813.46	4,215.70	188,045.38
Commercial Water	1,553.96			1,553.96
Residential Garbage	32,781.05		621,200.18	653,981.23
Commercial Garbage	15,904.52		6,072.30	21,976.82
Sewer	4,429.74	31,632.66	60,899.93	96,962.33
Total	\$ 81,685.49	\$ 188,446.12	\$ 692,388.11	962,519.72

c. Budget Adjustments

The Board approved the following budget adjustment:

PSA FUND #9				
Account Number	Account Title	Amount Increase (Decrease)		
REVENUES:				
		TOTAL	\$	-
EXPENDITURES:				
500-094100-8112-009	Water Treatment Plant Generator Study		\$	25,778.00
500-094100-8130	PSA Water/Sewer/Refuse Offices & Storage Bldg			75,000.00
500-094100-8235	Drop Site Improvements (Cameras)			6,000.00
500-091400-9301	Contingency Funds			(106,778.00)
		TOTAL	\$	-

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d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$65,113.88.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8008384 through 8008515, subject to audit.

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

Voting no: None.

Not present: Mr. Dean

5. Staff Reports

a. Financial Reports

The Board reviewed and accepted the financial report as presented.

b. Operational Report

1. Inmate Availability

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

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 February 2013

Site	Trips	Tons	Tons per haul
Dora Highway	13	19.68	1.51
Dublin	24	76.03	3.16
Fairlawn	7	42.52	6.07
Totals	44	138.23	3.14

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

Commercial	Residential	Tires	Brush
3495.67	1010.52	1540	290

Dr. Streff inquired regarding the increase in tire disposal from the previous month. Mr. Huber described circumstances related to an individual storing tires in a home and then taking the tires to the drop center. Mr. Huber advised matter had been addressed by County staff.

3. Cut Off List

Staff reported the water/sewer cut off list for February resulted in 40 cut-offs.

4. Personnel Changes

There were no personnel changes to report.

c. Sewer Odor Update

Mr. Huber shared a memo from John Hawley to Mayor Jeff Worrell and the Pulaski Town Council regarding ongoing odor issues along Bob White Boulevard and at Cook's Crossing. Mr. Linkous advised the PSA does not have any association with the line through the Town of Pulaski; however, there is partial ownership between Dublin and Fairlawn on the large main, which was built in the 70's and 80's. Mr. Linkous also described steps taken by the Town to address the issue by applying peroxide and bioxide to reduce concentrations.

Board members inquired regarding addressing spikes in concentrations, and if elevated concentrations are traced back to the James Hardie plant. Mr. Huber described sewer emission standards which are enforced by Pepper's Ferry, noting any changes in standards would have to be initiated by the Town of Pulaski. Mr. Huber advised that the PSA nor the County have direct authority over the regulation of sewer discharge by James Hardie as is the case with industries in the unincorporated portions of the County.

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d. Reduction in Lead in Drinking Water Act

Mr. Huber shared Public Law 111-380 which was signed into law by President Obama on January 4, 2011 and takes effect on January 4, 2014 and which states that potable water systems cannot use solders and flux containing more than 0.2% lead; and pipes, fittings, and components containing more than 8.0% lead.

Mr. Linkous advised the impacts to the PSA are expected to be minimal, due to the fact that the PSA does not have large stockpiles of products that have these attributes, noting the largest impact will be supply warehouses, which must clear their stock of these items.

e. J-M Eagle PVC Pipe Litigation Update

Mr. Huber shared a memo describing the current status of a class action law suit currently underway against JM Eagle as a manufacturer of allegedly substandard PVC pipe, noting the PSA used JM Eagle pipe in the construction of sewer lines in some of the recently installed subdivision sewer projects and the County has been assisting the State in pursuing the matter.

f. Water Infrastructure Asset Management Presentation

This matter was deferred to a future meeting.

g. Water Service Insurance

Mr. Huber shared a solicitation received offering to provide up to \$3,000 in repair costs for \$4.95 per month or \$59.40 per year, noting no coverage for the cost of lost water. Dr. Warren advised of also receiving a similar solicitation expressing concern that residents receiving the notice may be confused as to its purpose.

h. Initial FY 14 Budget

Mr. Huber and Ms. Newby described initial revenue projections and requested expenditure requests, noting the resulting gap will have to be closed through recommended budget adjustments.

Mr. Linkous described in detail the Capital Improvements Projects listing, noting the potential for raising water rates in the future to meet more capital needs in the future.

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Board members discussed the timeline for adopting the budget.

Mr. Huber advised he expected to have information at the April PSA meeting, with adoption by the PSA Board at the June meeting.

Ms. Burchett questioned the figures shown under commercial water sales. Mr. Huber advised of an effort in the formulas which will be corrected.

Board members discussed recent upgrades by the Western Virginia Water Authority through the replacement of pumps at pump stations, noting a savings of \$300,000 in electric costs.

Mr. Linkous advised the referenced pumps were larger than those of the PSA, noting some projects were pulled to allow for replacing high service pumps at the WTP, which will allow for a cost savings.

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. Bioxide Feed System at Lee Highway Court
- c. South Side of Lake and Fairlawn Drop Centers
- d. Dublin PSA Office Relocation
- e. Covered Water Meter Ordinance
- f. Lakewood Estates emergency response plan
- g. Radio Read
- h. Draper Area Wythe County Sewer/PSA Connection
- i. Water Intake for Main Meter

7. Other Matters

Dr. Warren recommended placing on the April PSA agenda the election of a Secretary/Treasurer.

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8. Adjournment

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board adjourned its regular March meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, April 9, 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, Dr. Warren, Dr. Streff, Ms. Burchett.

Voting no: None.

Not present: Mr. Dean

Doug Warren, Chairman

Peter Huber, County Administrator