

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 12, 2013

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, November 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: Pete Crawford, Vice-Chairman; Dave Dean; Fritz Streff; and Nancy Burchett. Doug Warren, Chairman, was absent from 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; Ronnie Nichols, Director of Operations, Maintenance and Transportation; and Gena Hanks, Executive Secretary.

Mr. Huber explained Dr. Warren's absence was due to sickness and that Mr. Crawford, Vice Chairman, would serve as interim chairman.

Mr. Crawford called the meeting to order and welcomed those in attendance.

1. Citizen Comments

There were no citizen comments at this time.

2. Follow-up Items

a. Update on Water Intake/Wells

Mr. Linkous described two potential well sites, as well as described the outcome of contact with property owners, the Department of Health and the geotechnical engineer. Mr. Linkous also described options, should the well testing not be successful.

Dr. Streff spoke to the importance of the PSA working towards a cooperative solution with the property owners.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved the License Agreement and Right-of-Way Entry (a copy of which is filed with the records of this meeting) and authorized staff to work with the property owners in obtaining final execution of the agreements.

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

Voting no: none.

Absent: Dr. Warren

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Board members requested staff provide an update on the status of the well testing at the December 10, 2013 PSA meeting, assuming additional information is available to report.

b. Appointment of an Alternate Member

Mr. Huber reported the Board of Supervisors has appointed Dennis Setliff as an alternate on the PSA Board, and to serve in the event a quorum would not exist due to regular Board member absences.

Mr. Crawford advised of plans to be absent from the PSA meetings in January, February and March 2014.

Staff was requested to notify Dennis Setliff, PSA Board Alternate, of the planned absences by Mr. Crawford and extend an invitation for Mr. Setliff to attend meetings, if Mr. Setliff's schedule would allow.

c. Status of Hiring of Additional Clerk

Mr. Huber advised of the hiring of Ryan Mabry in the position of PSA Account Clerk, with a starting date of November 18, 2013.

Mr. Huber also advised that Debbie Boyd would assume the new duties as Collections Clerk on November 15, 2013.

d. Letter to Town of Pulaski Regarding Drop Site Locations

Mr. Huber described a letter sent to Pulaski Town Mayor Jeff Worrell from Chairman Doug Warren requesting reconsideration of the proposed relocation of the Dora Highway drop site.

Mr. Huber also described a meeting with an owner of property on Bob White Boulevard regarding potential property for a drop site, noting the results of the meeting had been passed along to the Pulaski Town Manager.

Mr. Huber also reported that the Pulaski Town Manager had suggested using Walnut Avenue as the route in and out of the proposed drop center site on the Honeywell property, rather than the route beside of the new Sheriff's building (old Verizon), all subject to the Town purchase of the property.

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e. Update on Hazelwood Drive Water Connection

Mr. Linkous advised no response had been received from the property owner to the letter sent by staff.

3. Action Items

a. Refinancing of Existing PSA Debt

Mr. Huber explained a recommendation by staff authorizing Davenport Financial advisors to solicit proposals for refinancing portions of the existing PSA debt, as well as provided an overview of PSA debt, details of specific bond interest rates and a summary of which debts would be eligible for financing, with recommendation being made as a part of the overall review of debt being carried by the County.

Mr. Huber advised a potential savings of over \$200,000 to the PSA.

Board members discussed the formal solicitation process, taxing authority, administrative costs, timeline for receiving proposals and the two specific projects being considered for refinancing.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved authorizing solicitation to obtain pricing on refinancing of existing PSA debt.

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

Voting no: none.

Absent: Dr. Warren

b. Mandatory Direct Deposits

Mr. Huber reported a recommendation by County staff to policy amendments which would require all full-time and part-time employees to participate in the direct payroll deposit benefit.

Board members discussed employee feedback, the need to provide assistance to employees in working with the banks to set up accounts, potential fees associated with opening a bank account, the benefit to County payroll staff through a reduction in workload, the need to provide computer access to employees without personal computers, potential concerns by employees who prefer a "paper check", use of debit cards by employees and a desire by the PSA Board to assume these costs rather than pass along to employees.

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Ms. Burchett requested the removal of wording "or upon becoming a full time employee" from the draft policy.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved the following policy amendment, with change in wording noted by Ms. Burchett:

Direct Deposit

The County provides employees the ability to have payroll checks automatically deposited through direct payroll deposit. An employee needs to complete an authorization form for this benefit.

Effective January 1, 2014, all full-time and part-time employees employed by Pulaski County and the Pulaski County PSA shall be required to participate in the direct payroll deposit benefit. Employees not having a checking and/or savings account for direct payroll deposit shall be allowed 30 days after employment to acquire a checking and/or savings account for direct payroll deposit. To receive confirmation of an employee's deposit, all full-time and part-time employees should create an E-stub account (or other future electronic transaction program) as provided by Pulaski County.

To assure that direct payroll deposits are credited to employees checking and/or savings account in a timely manner, the county shall transmit the direct payroll deposit for employees four (4) banking days prior to payroll. If no transmitting or other problems occur, employees should receive credit for their direct payroll deposit one (1) day prior to payday.

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

Voting no: none.

Absent: Dr. Warren

c. **Alternative to Garbage Truck Purchase**

Mr. Nichols provided background related to the PSA's history in purchasing garbage trucks and also described an opportunity to delay the purchase of a garbage truck by a year. Mr. Nichols advised the delay of purchase was a result of having to replace the engine in one of the best maintained garbage trucks in the PSA fleet.

Mr. Nichols recommended taking the \$200,000 budgeted annually for the garbage truck, along with the \$86,000 left after purchase of two trucks and purchase a horizontal grinder rather than a new garbage truck. Mr. Nichols advised the total cost of a grinder was expected to be

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between \$250,000 and \$300,000. Mr. Nichols described the benefits to the PSA in having a grinder as a part of the PSA's equipment, including the ability of the PSA to grind brush, and use of the grinder on site during any future weather events resulting in large amounts of downed trees – Ms. Burchett inquired as to the life expectancy of a grinder. Mr. Nichols advised a grinder would likely last a minimum of 15 years under normal usage.

Dr. Streff suggested the purchasing of a grinder would allow for the PSA staff to respond to immediate needs for grinding of brush, as well as the potential for providing assistance in other unexpected situations.

By consensus, the Board concurred with staff plans to recommend purchasing a horizontal grinder rather than a garbage truck in the next fiscal year.

d. Change in Health Savings Account (HSA) Deposit

Mr. Huber described a recommended change to a one-time HSA deposit for all employees in July instead of two bi-annual payments, as is now the case, with said change to correspond with the annual open enrollment period for insurance, resulting in increased staff efficiency.

Board members discussed the current method used in depositing funds into employees' accounts and the fairness to the employee by all of the funds being deposited at one time.

Ms. Burchett advised the School Board had implemented the change at the beginning of 2013 and the change had proved to be working well.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board accepted staff recommendation to change to a one-time HSA deposit for all employees in July.

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

Voting no: none.

Absent: Dr. Warren

e. PSA Board Payment for Meetings Attended

Mr. Huber described plans by staff to recommend to Board of Supervisors a change in practice whereby various Board members would be paid based on attendance.

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Board members discussed the time spent by PSA Board members throughout the month with work related to PSA matters, further expressing concern that the PSA meeting is not the only time spent by Board members in addressing PSA matters.

Mr. Dean expressed concern that an "Alternate" Board member would likely not have the benefit of full knowledge of matters brought before the PSA Board, resulting in the potential for lack of an informed decision by the Board.

Mr. Huber offered to have staff provide "alternate" Board members with a copy of the full packet.

Mr. Huber advised county staff would review the recommended change in practice, with consideration to a recommendation which would include non-payment to Board members only where absences are pre-planned. An update will be provided at the December PSA meeting, following review of the proposed change by the Board of Supervisors at its November 25, 2013 meeting.

f. PSA Administration Equipment

Mr. Huber described the need for a new printer by the PSA Administration offices which allows for scanning/emailing/faxing numerous items, as well as the need to replace the three office chairs, with all purchases totaling \$819.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved the request for a new printer by the PSA Administration offices, as well as replacing three office chairs, with all purchases totaling \$819, and with funds to be taken from contingency.

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

Voting no: none.

Absent: Dr. Warren

g. Leak Detection Equipment

Mr. Linkous provided background information related to the PSA Board's previous approval of \$6,000 for the purchase of leak detection equipment, with said equipment costs and use to be split jointly with Giles County. Following that approval, Mr. Linkous advised PSA staff received notification from Giles County of concerns with the leak detection

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equipment and therefore the equipment was not purchased and the \$6,000 funds remained in the PSA funds.

Mr. Linkous further described a recent leak which occurred on Rt. 114, resulting in the need for leak detection equipment and the assistance of Giles County through the use of "electronic geophones". Mr. Linkous advised the leak was detected within minutes as a result of use of the electronic geophones.

Mr. Linkous requested the Board reappropriate the previously approved \$6,000 towards the purchase of electronic geophones to be used in leak detection situations.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved the reappropriation of \$6,000 towards said towards the purchase of electronic geophones to be used for leak detection.

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

Voting no: none.

Absent: Dr. Warren

h. County Garage Sprinkler System

Mr. Linkous described being contacted by the company installing the sprinkler system to the new County garage, inquiring if the PSA had interest in installing 600-700 feet of waterline to serve the County garage by the PSA vs. connecting to the Town of Dublin system, at a cost of \$8,000-\$10,000, which would allow for the PSA to serve a County owned facility. Mr. Linkous advised the original bid for the new County garage was based on connecting the garage to the Town of Dublin water system.

Board members discussed the benefit to having garage sprinkler system connected to the PSA.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved staff recommendation to spend \$8,000 to \$10,000 to connect the County garage facility to the PSA line.

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

Voting no: none.

Absent: Dr. Warren

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4. Consent Items

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board approved the following items of consent:

a. Minutes of Previous Meeting

The Board approved the minutes of the October 8, 2013 Board meeting.

b. Balance Due & Lien Reports

The Board reviewed and accepted the following balance due and lien reports:

Balance Due	8/1/2013	9/4/2013	10/1/2013	11/1/2013
Current Balance	542,208.67	640,641.39	752,908.22	562,545.95
Over 30 Days	215,166.45	28,059.13	40,461.48	70,586.90
Over 60 Days	17,512.86	52,162.31	19,236.42	16,796.84
Over 90 Days	1,050,969.34	1,052,566.30	1,097,072.50	1,094,264.99
Total	\$ 1,825,857.32	\$ 1,773,429.13	\$ 1,909,850.25	1,744,366.31
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	40,992.43	71,847.97	737,583.43	\$ 850,423.83
Commercial	1,609.76		39,188.43	\$ 40,798.19
Nonuser	203,042.97	see break down below		\$ 203,042.97
Total	\$ 245,645.16	71,847.97	\$ 776,771.86	\$ 1,094,264.99

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

	Inactive	Non User	Active	Total
Residential Water	36,250.23	34,956.75	4,742.20	75,949.18
Commercial Water	1,609.76			1,609.76
Residential Garbage	47,835.99	19,260.27	689,747.44	756,843.70
Commercial Garbage	10,999.63		28,188.80	39,188.43
Sewer	5,551.25	1,447.72	66,296.72	73,295.69
Penalty		15,318.00		15,318.00
Interest		132,060.23		132,060.23
Total	\$ 102,246.86	\$ 203,042.97	\$ 788,975.16	1,094,264.99

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c. Budget Adjustments

The Board reviewed and accepted the following budget adjustments:

PSA FUND #4		
Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-041050-1000	Transfer from General Fund	5,000.00
TOTAL		\$ 5,000.00
EXPENDITURES:		
500-094100-8134	Water Treatment Plant Well Testing	\$ 45,000.00
500-094100-8264	Wate Line Newbern Elementary/Adult Day Care	10,000.00
500-091400-9301	Contingency Funds	(50,000.00)
TOTAL		\$ 5,000.00

d. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$6,764.07.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8009461 through 8009571, subject to audit.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Streff, Ms. Burchett.
Voting no: none.
Absent: Dr. Warren

5. Staff Reports

a. Financial Reports

Ms. Burchett referenced the expenditures in the recycling drop center, noting all funds had been expended. Ms. Newby advised this was

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due to landfill fees and reallocation from other departments would be made.

Ms. Burchett also noted the Refuse Department had \$235,000 more in revenues and that the cash balance had increased to \$200,000.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board reviewed and accepted the financial reports as presented by Ms. Newby.

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

Voting no: none.

Absent: Dr. Warren

b. Operational Report

Mr. Huber offered to provide any information to the following reports included in the Board packet:

1. Inmate Availability

Staff reported use of three inmates per day for the month of October 2013.

2. Drop Site and County Landfill Tonnage Reports

Drop Site Total
for the Month of October 2013

Site	Trips	Tons	Tons per haul
Dora Highway	6	16.92	2.82
Dublin	23	91.20	3.96
Fairlawn	7	27.81	3.97
Totals	36	135.93	3.77

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

Commercial	Residential	Tires	Brush
3192.19	1207.77	1295	20.62

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3. Cut Off List

PSA staff report no cutoffs were made last month due to billing issues.

4. Personnel Changes

There were no personnel changes to report.

c. Sewage Overflow on Cleburne Avenue

Mr. Linkous described the circumstances surrounding the overflow indicating overflows can be caused by mechanical failure, etc. Mr. Linkous advised the DEQ must be notified anytime an overflow occurs and that occurrences are rare.

d. Sewer Issues

Mr. Linkous advised staff received a sewer odor complaint from a resident of Cooks Crossing and upon checking the hydrogen sulfide levels at the manhole being monitored, indications showed higher than normal readings. Mr. Linkous also advised a check of the PSA equipment indicated all systems were in working order. Further, as reported in the board packet, staff had contacted Siemens regarding the matter and determined that Siemens had been evaluating a new process within the Town of Pulaski, which did not appear to be working and that the Town of Pulaski system was re-set to the normal operation, with no further complaints being received.

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. Meter Replacement with Radio Read Units
- f. Draper Area Wythe County Sewer/PSA Connection
- g. Water Meter Replacement
- h. Water Master Plan
- i. Change Exit at Fairlawn Drop Site

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Dr. Streff inquired if any information was available on the Wythe County sewer. Mr. Linkous advised no additional information was available at this time.

7. Other Matters

Mr. Dean spoke to the future plans of Debbie Boyd in assuming the new Collection Clerk position. Mr. Huber advised efforts were underway to have GIS staff to connect residents with improved properties with PSA customers to be sure all properties are being billed. Mr. Huber advised there were 9,300 records, with 8,900 matches and 370 that did not match, with some issues related to county addresses. Mr. Huber described efforts to automate the system of checking accounts noting that completion of this project over the next six months.

8. Adjournment

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board adjourned its regular November meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, December 10, 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. Streff, Ms. Burchett.

Voting no: none.

Absent: Dr. Warren

Pete Crawford, Vice-Chairman

Nancy Burchett, Secretary/Treasurer