

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
February 10, 2003

At a regular meeting of the Pulaski County Public Service Authority Board of Directors held on Monday, February 10, 2003, at 9:00 a.m. in the Conference Room of the County Administration Building, in the Town of Pulaski, the following members were present: H. W. Huff, Jr., Chairman; Archa Vaughan, Jr.; Winston Snead; and Carl Mathes. Absent: J. Mack Baker. Staff members present included: County Administrator, Peter M. Huber; Assistant County Administrator, Nancy M. Burchett; and Attorney Sam Campbell.

1. Public Hearing – Discounting Water and Sewer Connection Fees Purchased in Bulk:

Chairman Huff opened the public hearing as advertised for public comments.

No comments were heard; therefore, the Chairman closed the public hearing.

On the motion of Mr. Snead, seconded by Mr. Mathes and carried, the Board of Directors approved the following rates, fees and charges effective February 10, 2003 as advertised:

Water and Sewer Connection Fees: For mobile home parks, residential apartments, condominiums and possible subdivisions where over twenty (20) connections are being purchased in bulk with no cash expenditures by the Pulaski County Public Service Authority, the water and sewer connection fee shall be \$425.00 per household per connection for both water and sewer.

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.

Voting no: none.

Not Present: J. Mack Baker

2. Reports from the County Administrator & Staff:

a. Collection Staff Activity

1. Adjustments

On a motion by Mr. Vaughan, seconded by Mr. Mathes, and carried, the Board of Directors approved adjustments in the credit amount of \$2,668.05 per staff recommendation.

Voting yes: Mr. Vaughan, Mr. Mathes Mr. Snead and Mr. Huff.

Voting no: none.

Absent: Mr. Baker.

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2. Inmate Availability Report

Staff reported the inmate count for the month of January 2003 had been two inmates per day.

3. Balance Due Report

The Board reviewed and accepted the balance due report as submitted by staff.

4. Lien Report

The Board reviewed and accepted the lien report as prepared by staff. Said report reflected total liens in the amount of \$377,236.74 as of January 24, 2003.

5. Work Order Count

Staff reported that there were 5 brush pick-ups, 10 large items, 2 tires and 1 refrigerator requiring pick-up as of February 6, 2003.

b. Drop Site Regulations:

The Board reviewed current drop site regulations with staff. Staff reported some confusion currently existing pertaining to items allowed for receipt at the centers. County Administrator, Peter Huber, requested comments and suggestions from the Board member for possible changes to the guidelines to assure that the centers are user friendly while avoiding possible abuse by contractors or other commercial users.

c. Management and Operation Agreement for Pulaski County:

On the motion of Mr. Mathes, seconded by Mr. Vaughan and carried, the Board of Directors approved the following Management and Operation Agreement between the County of Pulaski and the Pulaski County Public Service Authority:

**MANAGEMENT AND OPERATION AGREEMENT
FOR
PULASKI COUNTY CENTRAL WATER AND SEWER PROJECT**

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THIS MANAGEMENT AND OPERATION AGREEMENT dated this 10th day of February, 2003, and entered into by and between the COUNTY OF PULASKI, VIRGINIA, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "the County" and the PULASKI COUNTY PUBLIC SERVICE AUTHORITY, a public body politic and corporate created by the County, pursuant to the Virginia Water and Waste Authorities Act (§§ 15.2-5200 to 15.2-5158, inclusive, Code of Virginia, 1950, as amended), hereinafter referred to as "the Authority."

W I T N E S S E T H

WHEREAS, the Authority currently operates the County-owned water treatment plant and the sale and distribution of potable water throughout the County; and

WHEREAS, the Authority currently owns and operates transmission and distribution system, including piping, pumping, and water storage, and wastewater transmission system, including piping and pumping operations within the County of Pulaski, Virginia; and

WHEREAS, the County is in the process of designing and constructing an expansion to the System consisting of approximately 25,446 linear feet of new water lines, approximately 16 new fire hydrants, approximately 10,610 linear feet of new gravity sewer lines, wastewater pump station, and approximately 2,800 linear feet of sewer force main (the "Improvements"); and,

WHEREAS, the County has requested and the Authority has agreed to operate and maintain the Improvements as an extension to and part of the System owned, operated, maintained and managed by the Authority pursuant to the terms of this agreement; and,

WHEREAS, the Board of Supervisors of the County has determined that the public health, safety, and welfare of the residents of Pulaski County can be best protected by entering into this agreement to provide for the operation, maintenance, and management of the Improvements as part of the Authority's System;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the parties hereto, agree as follows:

ARTICLE I. AGREEMENT

Section 1.1. Operation, maintenance and management of system.

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On and after the commencement date, the County and the Authority, in combination with each other in the manner herein described, shall operate, maintain and manage the Improvements on the terms and conditions set forth in this agreement.

ARTICLE II. TERM.

Section 2.1

The commencement date shall be the date the Improvements have been tested, and accepted for operation by the Board of Supervisors of Pulaski County and the Pulaski County Public Service Authority.

Section 2.2. Term

The term of this Agreement shall commence on the commencement date and shall expire on the fortieth anniversary date of the commencement date, subject to such extension as is contemplated in this Article II.

Section 2.3. Extension.

In the absence of an agreement to extend this agreement for a definite term beyond the original term or any extension thereof, upon the end of the Term this Agreement shall continue on the same terms and conditions on a month-to-month basis.

ARTICLE III, OPERATION, MAINTENANCE AND MANAGEMENT

Section 3.1. General

The Authority shall do the following with respect to the Improvements:

- A. The Authority shall manage, operate, maintain, repair and improve the Improvements as part of the System at all times on behalf of the County in compliance with all federal, state, and local laws, regulations and permits, and in accordance with this agreement.
- B. The Authority, at all times shall keep the improvements in good repair and working order and shall manage, operate, maintain, repair and improve the Improvements in an efficient and economical manner, all in accordance with this Agreement, the standard operating and employment procedures of the Authority, and prudent industry and utility practice.

Section 3.2. Compliance with laws, regulations and permits

Upon completion and acceptance of the Improvements, the Authority shall operate the Improvements as part of the System in compliance with the Safe Drinking Water Act ("SDWA"), the Resource and Conservation Recovery Act, as amended ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, as amended (CERCLA), the Occupational Safety and Health Act ("OSHA"), and any and all other applicable local, state, and federal laws, codes, ordinances, and regulations as they pertain to the Improvements.

Section 3.3. Federal financial assistance

The Authority shall comply with all requirements related to the federal financial assistance granted the County to acquire and construct the Improvements.

ARTICLE IV. FINANCIAL TERMS

Section 4.1. Establishment and collection of rates, fees and charges.

The Authority shall, subject to the approval by the County, fix, charge and collect rates, fees and charges for the use of or for the services furnished by the System, including the Improvements. Such rates, fees, and charges shall be charged to and collected from any person contracting for the services or the lessee or tenant who uses or occupies any real estate which is serviced by or benefits from the System or Improvements.

Section 4.2. Payment of expenses.

The Authority shall provide all related insurance and bond coverage as provided in Article V, labor, materials, machinery, vehicles, equipment (including office equipment), fuel, power, chemicals, supplies, spare parts, testing and laboratory analysis, and all else necessary for or incidental to the management, operation, maintenance, repair and improvement of the Improvements in accordance with this Agreement and in accordance with applicable laws, ordinances, and regulations. These items mentioned and all other costs and expenses related to the Improvements and the System incurred by the Authority to operate and maintain such Improvement and System, shall be paid monthly by the Authority. The Authority will reimburse the County on a monthly basis, the monthly debt service amount, in order for the County to make the debt service payment to U.S. Department of Agriculture's Rural Utility Service in a timely manner.

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Section 4.3. Accounting.

The Authority will provide the County an annual (on the fiscal year) detailed accounting of expenses incurred and fees collected. Fees, rates and charges collected from customers will as nearly as possible be sufficient to meet all expenses of operation and maintenance, of the Improvements and the System.

Section 4.4. Surplus funds.

The Authority will forward surplus funds, when available, to the County to be placed in a reserve fund for future operation and maintenance needs of the System and the Improvements.

Section 4.5. Operational shortfall of funds.

When operational, if the maintenance expenses (as described in Section 4.2) including insurance and related expenses exceed the available funds received from fees, rates, and charges, the County will make available funds from the reserve fund to pay for the Authority's actual expenses in excess of such collections as evidenced by the annual detailed accounting report. Should the Authority still have unpaid expenses once the surplus has been used then the County and Authority, together, shall adjust its fees, rates and charges to cover its actual expenses.

ARTICLE V. INSURANCE.

Section 5.1. Insurance required.

The Authority shall not commence the performance of the services under this Agreement until it has provided insurance of the types and in such amounts as set forth herein and such insurance has been approved by the County. The Authority shall maintain such insurance in full force and effect for the duration of this Agreement.

Section 5.2. County as additional insured.

The insurance policies maintained by the Authority and more particularly described hereafter shall specifically designate the County as an additional insured.

Section 5.3. Worker's Compensation.

The Authority shall maintain during the term of this Agreement worker's compensation and employer's liability insurance in accordance with the requirements of the general laws of the Commonwealth of Virginia and all other applicable laws and regulations.

Section 5.4. Public liability insurance.

The Authority shall maintain during the term of this Agreement such public liability insurance as shall protect it against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damages, which may arise from the performance of services hereunder regardless of by whom performed (including any subcontractors). The minimum acceptable limits of liability to be provided by such public liability insurance shall be \$5,000,000 for each occurrence/annual aggregate by the Authority (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

Section 5.5. Motor vehicle liability and property damage insurance

The Authority shall maintain, or cause any subcontractor to maintain, during the term of this Agreement such motor vehicle liability insurance as shall protect it against claims for damages resulting from bodily injury, wrongful death, and property damage, which may arise from the operations of any owned, hired or non-owned motor vehicles used by or for it (or subcontractors) in connection with the performance of services hereinafter. The minimum acceptable limits of liability to be provided by such motor vehicle liability insurance shall be \$5,000,000 for each occurrence/annual aggregate by the Authority (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

Section 5.6. Fidelity Bond Coverage.

The Authority shall maintain during the terms of this Agreement blanket fidelity bond coverage protecting the Authority from all losses through any act of fraud, larceny, forgery, theft, embezzlement, wrongful abstraction, willful misapplication or willful misappropriation, or other fraudulent or dishonest acts committed by its officers or employees. The minimum acceptable limits shall be \$100,000 each occurrence/annual aggregate.

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Section 5.7. Property Insurance.

The Authority shall maintain during the term of this Agreement such hazard insurance policy covering the fair market value of all insurable interests of the County and Authority in and to the real estate and personal property constituting elements of the System and Improvements.

ARTICLE VI. ENFORCEMENT

Section 6.1. Dispute resolution.

Any disputes arising under this Agreement shall be referred to the County Administrator and the Executive Director of the Authority for resolution. If the dispute cannot be resolved between them to the satisfaction of both the County and the Authority, either party shall be entitled to institute such proceedings at law or in equity may be necessary or desirable in its sole discretion.

Section 6.2. Binding effect.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and except as to such successors and assigns, it is not intended to and shall not confer upon any other person, firm or corporation, public or private, other than the holder or holders from time to time of any revenue bonds of the Board, any rights hereunder.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in duplicate on its behalf by its proper official hereunto duly authorized the day and year first above written.

BOARD OF SUPERVISORS OF
PULASKI COUNTY, VIRGINIA

BY: s/Joseph L. Sheffey
ITS: Chairman

ATTEST:

s/Peter Huber, Clerk

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BY: s/H. W. Huff
ITS:Chairman

ATTEST:

s/J. Mack Baker, Secretary

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.

Voting no: none.

Absent: Mr. Baker.

d. Whitepine Enterprises, Inc. Account:

The Board reviewed correspondence from Sam Campbell, attorney at law, regarding his collection efforts on the above reference account for refuse service provided to the former Pulaski Appliance Store and apartment building located in the Town of Pulaski.

e. Request by Scott Hillyard for Reduction in Dumpster Cost:

The Board reviewed a request from Mr. Scott Hillyard, owner of Subway in Fairlawn, requesting either a lower rate for refuse pickup or permission from the PSA to use a private vendor for refuse service. The Board took no action on this request until staff could confirm the amount quoted by the private vendor for refuse pickup.

e. Informational Items:

1. Personnel Changes:

The Board reviewed personnel changes as reported by Nancy M. Burchett, Assistant County Administrator.

2. Virginia Wastewater Revolving Loan Program:

The Board reviewed details of a loan offer from the Virginia Department of Environmental Quality for the installation of public sewer service. Staff advised the loan offer should first be made to the Pulaski County Sewerage Authority since the project would be in that service area.

3. Demand for Mobile Home Park Sites:

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The Board reviewed a response from Jim White regarding local demand for mobile home park sites. Further, staff reported Shawn Utt had been asked to develop a schedule for the construction of water and sewer service expansion for the Polyester Mobile Home Park.

4. Listing of PSA Accounts 90 Day Old:

Staff advised the above listing would be provided to the Board by the next regular meeting.

5. Industry Follow-up:

Staff reported the prospective industry discussed at the January meeting of the Board of Directors had advised the project had been put on a hold for two years.

g. Current Authorized Projects & Items Under Review:

The following projects were reported to be under review:

1. Cloyd's Mountain Sewer Extension by VDOT
2. New River Industrial Park Sewer Pump Station
3. Water & Sewer Extensions Preliminary Engineering Reports
4. Collier Acres Sewer Extension with Commerce Park Development
5. Gateway Mobile Home Park Water & Sewer Extension Engineering
6. Water Hydrant Flushing

3. Approval of January 13, 2003 Minutes:

On the motion of Mr. Mathes, seconded by Mr. Snead and carried, the Board of Directors approved the minutes of the January 13, 2003 meeting.

Voting yes: Mr. Vaughan, Mr. Mathes, Mr. Snead and Mr. Huff.

Voting no: None.

Absent: Mr. Baker.

4. Accounts Payable:

On the motion of Mr. Vaughan, seconded by Mr. Mathes and carried, the Board of Directors approved the accounts payable listing for checks numbered 114 through 194, subject to audit.

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Voting yes: Mr. Vaughan, Mr. Mathes, Mr. Snead and Mr. Huff.
Voting no: None.
Absent: Mr. Baker.

5. Closed Meeting – Closed Meeting – 2.2-3711.A. 1.3.5.7:

It was moved by Mr. Mathes, seconded by Mr. Vaughan and carried, that the Board of Directors enter closed session for discussion of the following:

Personnel – Pursuant to Virginia Code Section 2.2-3711(A)1 discussion for consideration of employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of public officers, appointees or employees, regarding:

- Employee Terminations

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:

- Delinquent Account – Whitepine Enterprises, Inc.

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.
Voting no: none.
Absent: Mr. Baker.

Return to Regular Session

On a motion by Mr. Mathes, seconded by Mr. Vaughan and carried, the Board returned to regular session.

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.
Voting no: none.
Absent: Mr. Baker.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Vaughan, seconded by Mr. Mathes and carried, the Board of Directors adopted the following resolution certifying conformance with the Virginia Freedom of Information Act.

WHEREAS, the Board of Directors of the Pulaski County Public Service Authority 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:

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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 Pulaski County Public Service Authority Board of Directors of Pulaski County, Virginia 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 Board of Directors.

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.
Voting no: none.
Absent: Mr. Baker.

It was moved by Mr. Vaughan, seconded by Mr. Snead and carried, to authorize attorney, Sam Campbell, to correspond and negotiate with Whitepine Enterprises regarding their delinquent account. Further, Mr. Campbell shall be authorized to waive some penalty and interest on this account, but is also authorized to proceed by bringing suit should negotiations not be productive in resolving this matter.

Voting yes: Mr. Snead, Mr. Mathes, Mr. Vaughan and Mr. Huff.
Voting no: none.
Absent: Mr. Baker.

6. Other Matters:

The Board reviewed with Peter Huber proposed changes within the refuse department operations. Changes included a review of the refuse routes to equalize the routes among employees, allow for refuse employees to work in other departments one day per week, return to a 40 hour work week, holiday pay based on time actually worked, a rotating list for overtime opportunities for employees, and reverse feedback evaluations by the employees.

The Board expressed no objections to the above proposed changes.

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7. Adjournment

There being no further business to discuss, the meeting was adjourned. The next regular meeting of the Pulaski County Public Service Authority Board of Directors was scheduled for Monday, March 10, 2003 at 9:00 a.m. at the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia.

H. W. Huff, Jr., Chairman

Archa Vaughan, Vice-Chairman