

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, October 9, 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; and Nancy Burchett. Board members Pete Crawford and Dave Dean were unable to attend the meeting.

Staff members present included: Robert Hiss, Assistant County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Debra Boyd, PSA Billing; Ronnie Nichols, Director of Operations, Transportation and Maintenance; and Gena Hanks, Executive Secretary.

Dr. Warren called on any comments from Board members. There were no comments at this time.

1. Citizen Comments

Mr. Daniel Hancock explained a situation related to the account of his father Lonnie Hancock, which reflected Mr. Hancock owing a total of \$1,459.04 for which \$878.19 are landfill charges, (Penalty charges of \$51.09; and Interest charges of \$529.76.).

Debbie Boyd advised she had removed the penalty and interest codes from Lonnie Hancock's account. Mr. Hancock indicated his father had made \$20.00 payments on this account for many years following removal of debris resulting from a fire at Lonnie Hancock's home.

Board members discussed the method of disposal of the debris from Mr. Hancock's residence following the fire. Board members also questioned the history of Mr. Hancock's account as it related to payments being made. Ms. Boyd noted payments had been made monthly, without fail; however, due to the reoccurring penalty and interest charges, the account continued to increase beyond what Mr. Hancock could reasonably pay. Staff noted a disposal permit was not obtained by the contractor who had removed the debris.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the appointment of Nancy Burchett to work with PSA Billing staff to determine a solution for Mr. Hancock's account and provide an update at a future meeting.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

2. Follow-up Items

a. VACo Response to Rate Negotiations

As reported in the Board packet, correspondence had been received from the VML/VACo/APCo Steering Committee providing an update on the ongoing negotiations. Mr. Loyd inquired regarding the services provided by Steering Committee Legal Counsel. Ms. Burchett advised that the Steering Committee was suggesting a potential savings to the county of \$12,600.

b. Billing Office Location

As reported in the Board packet, staff described continuing efforts to evaluate options at the REMSI Rt. 100 and Rt. 11 buildings, as well as other options at the Visitors' Center and the former Dublin Primary building. Mr. Hiss advised the most promising option seemed to be the current REMSI office on Rt. 100; however, there were concerns over parking. Board members questioned the potential location for a drive-in window, alleyway entrance, and lot lines.

c. Board Compensation

As reported in the Board packet, staff described a listing of compensation paid to various other boards, a copy of which is filed with the records of this meeting.

Mr. Loyd requested action on this matter be tabled to allow for the full PSA board to be present.

3. Action Items

a. Rate Adoption

As reported in the Board packet, rate adjustments had been discussed, advertised and a public hearing held on October 1, 2012, with no citizen comments.

Mr. Loyd advised he did not agree with a PSA rate increase; however, due to there having been no citizen comments either for or against the rate increases, Mr. Loyd indicated he would vote in favor of the proposed rate increases.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
 October 9, 2012

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the rate increases as follows with an effective date of November 1, 2012:

➤ Water

Base Rate (\$/mo):

Residential/Small Business (Less Than 50,000 gal/mo).....	\$ 8.50
Medium Commercial (50,000 to 100,000 gal/mo)	\$ 50.00
Large Commercial/Industrial (Over 100,000 gal/mo)	\$ 100.00

Usage Rate (\$/1,000 gallons):

up to 50,000 gal	\$ 4.00
50,000 to 100,000 gal	\$ 3.75
over 100,000 gal	\$ 3.50

➤ Sewer

Base Rate (\$/mo):

Residential/Small Business (Less Than 50,000 gal/mo).....	\$ 10.00
Medium Commercial (50,000 to 100,000 gal/mo)	\$ 75.00
Large Commercial/Industrial (Over 100,000 gal/mo)	\$ 150.00

Usage Rate (\$/1,000 gallons):

up to 50,000 gal	\$ 5.75
50,000 to 100,000 gal	\$ 5.50
over 100,000 gal	\$ 5.25

➤ Refuse

▪ (\$/mo)

General	\$ 15.00
Low Volume/Non-User	\$ 8.00

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

b. Comfort Inn Penalty and Interest Waiver Request

As reported in the Board packet, Mr. Urvash Patel, Manager of the Comfort Inn, is requesting waiver of \$476.41 in penalty charges and \$39.69 in interest charges related to a payment made on September 29, 2012.

Dr. Warren requested clarification on the location of the referenced Comfort Inn. Mr. Linkous advised the Comfort Inn was near Shoney's in Dublin.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

Ms. Boyd advised that Mr. Patel is requesting the Board waive all fees due to the payment having been 14 days late.

Ms. Burchett expressed concern over the current policy of the PSA in assessing a 10% late penalty fee, particularly with commercial accounts.

Mr. Linkous advised he was not aware of the PSA waiving fees due to late payment, except in circumstances where there was an issue related to the account and beyond the control of the resident.

The Board took no action to waive the fees as requested by Mr. Patel.

By consensus, the Board requested staff to prepare a recommendation related to assessing of late fees.

c. Red Carpet Inn

As reported in the Board packet, Mr. Dharmendra Patel had been invited to attend the October PSA meeting; however, a response had not been received by county staff. Mr. Linkous also advised that Mr. Patel is the owner of 14 acres adjacent to the former Days Inn property and had expressed an interest in developing the property.

d. Covered Water Meters

Mr. Linkous described a summary provided in the Board packet related to the development of a policy regarding covering of water meters. Mr. Linkous also shared examples of pictures showing covered meters.

By consensus, the Board authorized staff to develop a policy related to covered water meters and provide an update at the November Board meeting.

e. Dublin Tank Door

Mr. Linkous described information provided in the Board packet related to damage to the Dublin Tank garage door, including recent quotes to replace the door with the lowest bid at \$6,025 with Hall's Garage Doors.

Board members inquired as to how the damage occurred. Mr. Linkous advised staff did not know how the damage occurred. Mr. Loyd

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

requested confirmation that the quote from Hall's was \$75 less than Professional Doors, which is a local vendor. Mr. Linkous advised that unless there is a justifiable reason to not accept the low bid from Hall's Garage, then acceptance of the low bid is required.

Mr. Loyd inquired if the bid from Hall's Garage provided for disposal of the old door. Mr. Linkous indicated staff would review the bid documents and if bid documents from Hall's Garage did not include disposal of the old door, resulting in additional costs, staff would then award the bid to Professional Doors.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved replacing the Dublin Tank garage door at a cost of \$6,025, subject to staff confirming the bid from Hall's Garage includes disposal of the old door and if additional costs of \$75.00 or more are applied by Hall's Garage, award of bid would go to Professional Doors, Inc. at a cost of \$6,092.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

f. Replacement of Galvanized Water Lines

Mr. Linkous explained a staff recommendation to allocating \$61,466.63 from Contingency funds to the project and award of the project to H. T. Bowling, Inc. at a cost of \$243,539.63. Mr. Linkous advised that old lines continued to split and leak. Mr. Linkous also noted one line had been replaced, with an additional six lines needing to be replaced. He also advised that the PSA did not have the staffing levels to complete the replacements in a timely manner, resulting in seeking contractor bids.

Board members discussed the lines to be replaced, including the line on Hubbard Way.

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved allocating \$61,466.63 from Contingency funds to the project and awarded the project to H. T. Bowling, Inc. at a cost of \$243,539.63 for the replacement of galvanized water lines.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

g. Allocation of Pulaski-Dublin-Radford (PDR) Money

Mr. Linkous explained a staff recommendation to allocating \$337,000 from Pulaski-Dublin-Radford (PDR) money to improving PSA facilities at the County Garage property and explained when the PDR partnered together to operate Ingles Mountain Landfill, there was money that had to be set aside for the normal post closure care to DEQ standards. Mr. Linkous also noted once the NRRRA was formed, the NRRRA handled the post closure care. The money that is available in PDR funds exceeds what was foreseen to be needed for post closure care. Mr. Linkous advised the excess money has been allocated to PDR based on their contributions. Mr. Linkous described plans for Phase 1 of the Garage expansion, as well as future planning that could include drop center improvements, noting the PSA had no funds designated towards the garage improvements. Mr. Linkous clarified the request for allocating PDR funds to be used for Phase II of the County Garage improvements, as well as to improve the drop center site.

Board members requested staff clarify if PDR funds were put up by the county or PSA. Mr. Loyd offered a motion to defer any action until staff confirms whether the PDR funds belong to Pulaski County, or the PSA, and to allow for more details to be provided on what the funds will be used for.

Mr. Loyd inquired regarding use of funds for radio read meters. Mr. Linkous advised the funds would cover a small portion of the installation of the radio read meters. Mr. Linkous recommended the PSA provide support of the allocating of funds, subject to clarification by staff to funds belonging to the county or PSA.

Ms. Burchett offered a second on Mr. Loyd's motion, with said vote being carried by the Board, to defer action on this matter to the November Board meeting to allow staff to clarify if PDR funds belong to the county or PSA and to determine what the funds would be used for, as well as costs associated with that use.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

h. Tractor Purchase

Mr. Linkous explained a staff recommendation to reallocate approximately \$4,995 from the \$10,986 remaining sewer department vehicle funds to complete the purchase of a new tractor for the water and sewer departments. Mr. Loyd inquired if quotes included a backhoe. Mr.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

Linkous advised a backhoe was not needed at this time and therefore was not included in the quotes. Mr. Loyd inquired as to the location for housing the tractor. Mr. Linkous advised the tractor would be housed at the county garage.

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved a staff recommendation to reallocate approximately \$4,995 from the \$10,986 remaining sewer department vehicle funds to complete the purchase of a new tractor for the water and sewer departments.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

i. Certificate of Deposit

Ms. Newby explained the PSA has a Certificate of Deposit (CD) in the amount of \$657,016.21 at National Bank of Blacksburg that matured on September 20, 2012. Ms. Newby advised that currently, the interest for renewing a CD for a 12 month term is 0.20%, or 0.23%, for an 18 month term and that a business money market account at NBB is earning 0.52% for deposits over \$100,000.

Mr. Loyd inquired if bids were taken. Ms. Newby advised bids were not taken, noting the Treasurer does all banking with National Bank, as they provide a better rate than published.

Board members discussed the timing on the CD. Ms. Burchett suggested going with business money market account which is higher than CD's and doesn't tie up the funds. Mr. Loyd advised the money market account would allow the flexibility of moving funds to a CD if there is a drop.

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved investing \$657,000 in a business money market account at NBB with staff to monitor funds, should the earnings go below current CD interest rates, with approval granted to move to a CD if that drop occurs.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

4. Consent Items

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the following Items of Consent, as noted:

a. Minutes of Previous Meetings

The Board approved the minutes of the September 1, 2012 meeting.

b. Balance Due & Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	7/3/2012	8/2/2012	9/5/2012	10/1/2012
Current Balance	227,792.34	487,871.10	511,108.43	755,737.81
Over 30 Days	43,393.47	61,025.20	23,052.47	41,999.21
Over 60 Days	37,215.17	34,706.18	44,035.49	18,533.03
Over 90 Days	882,966.66	911,370.57	940,980.49	979,652.38
Total	\$ 1,191,367.64	\$ 1,494,973.05	\$ 1,519,176.88	\$ 1,795,922.43
Liens Filed				\$ 372,330.67

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	44,742.11	59,847.56	658,371.36	\$ 762,961.03
Commercial	2,419.87		32,366.61	\$ 34,786.48
Nonuser	181,904.87	see break down below		\$ 181,904.87
Total	\$ 229,066.85	59,847.56	\$ 690,737.97	\$ 979,652.38

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

	Inactive	Non User	Active	Total
Residential Water	40,755.39	145,438.08	3,986.72	190,180.19
Commercial Water	2,419.87		-	2,419.87
Residential Garbage	52,567.19		605,804.17	658,371.36
Commercial Garbage	28,206.01		4,160.60	32,366.61
Sewer	5,773.55	36,466.79	54,074.01	96,314.35
Total	\$ 129,722.01	\$ 181,904.87	\$ 668,025.50	979,652.38

c. Budget Adjustments

The Board approved the following budget adjustments:

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

PSA FUND #3

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
		TOTAL \$ -
<u>EXPENDITURES:</u>		
500-045100-8107	PSA Administration Computer Equipment	\$ 1,083.00
500-091400-9301	Contingency Funds	(1,083.00)
		\$ -

PSA FUND #4

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
		TOTAL \$ -
<u>EXPENDITURES:</u>		
500-094100-8246	Rt. 100 Waterline Replacement	\$ (45,395.00)
500-094100-8247	Morris Farm Road Waterline Replacement	(21,000.00)
500-094100-8249	Church Street Waterline Replacement	(15,000.00)
500-094100-8250	Joyce Way Waterline Replacement	(20,000.00)
500-094100-8261	Hubbard Way Waterline Replacement	(28,353.00)
500-094100-8262	Fairview Court Waterline Replacement	(12,000.00)
500-094100-8248	Nicewander Way Waterline Replacement	(50,000.00)
500-094100-8254	Replacement of Galvanized Water Lines	253,700.00
500-091400-9301	Contingency Funds	(61,952.00)
		TOTAL \$ -

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

**Pulaski County PSA
Contingency Funds
9/30/2012**

Beginning Balance 07/01/11	500-091400-9301	\$ 635,485.00
Uses:		
PSA Admin	Replace cash register computer	(1,083.00)
PSA Water	Replacement of Several Water Lines	<u>(61,952.00)</u>
Balance 9/30/12		<u>\$ 634,402.00</u>

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$5,362.49.

e. Accounts Payable

The Board approved accounts payable for checks numbered have check numbers 8007748 through 8007862, subject to audit.

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

Voting no: None.

Not present: Mr. Crawford, Mr. Dean.

5. Staff Reports

a. Financial Reports

Ms. Newby reported making a debt service payment of \$338,000 to VRA in September. Ms. Burchett inquired if this was the annual amount. Ms. Newby confirmed the \$338,000 was the annual amount.

Ms. Newby described the new comparison report provided in the Board packet. Mr. Loyd questioned the labor costs in the Refuse Department, noting the costs had risen by approximately \$15,000 from last year. Ms. Newby advised the additional costs were likely associated with the 5.7% increase in pay for VRS; however, this would be confirmed and reported to the Board at the November meeting.

Mr. Hiss also advised the costs are likely associated with the implementation of the final phase of the compensation study, noting almost 100% of the refuse crew received an increase.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

b. Inmate Availability Report

Staff reported the use of one inmate per month during the month of September.

c. Drop Site Total & County Landfill Tonnage Reports

Board members reviewed the following reports which were included in the Board packet:

Drop Site Totals
for the Month of September 2012

Site	Trips	Tons	Tons per haul
Dora Highway	25	35.06	1.40
Dublin	31	97.37	3.14
Fairlawn	9	50.78	5.64
Totals	65	183.21	2.81

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

Commercial	Residential	Tires	Brush
2647.74	961.06	643	244

Dr. Warren discussed the potential for offering some type of recycling since the closing of EcoSmart. Dr. Warren requested staff provide a recycling report each month showing weight and date of recycling.

Mr. Loyd inquired as to the status of the over 90 days report. Ms. Newby advised that Mr. Huber and Mr. Linkous had been working on the report. Staff was requested to provide an update on the report at the November Board meeting.

d. Personnel Changes

The Board reviewed a listing of personnel changes as prepared by Norma Spence.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

October 9, 2012

e. Cut off List Update

Staff reported the PSA Water cut-offs for the month of September were 16. It was noted that this is a drop from last month's number of 25, which was a large drop from the average of 80-90.

f. PRV Repairs

Staff reported there have been issues related to increased pressures in the Fairlawn area, resulting in water line breaks and customer complaints. Staff had developed a list of valves in the water distribution system and inspection and maintenance program to ensure that the valves remain in proper working order.

Mr. Linkous advised quotes for rebuild kits had not been received.

g. Tank Inspection and Repairs

Staff reported completion of recommended repairs and preparations for design and construction documents to replace the Lakewood Estates hydro-pneumatic tank.

Dr. Warren described a meeting he had attended where discussions were held about drilling of wells and the feasibility of wells on the south side of the lake.

Ms. Burchett advised it was her understanding that Lakewood Estates was the only well system that the PSA operates.

h. Closing of EcoSmart

Staff reported confirming the closing of EcoSmart.

Board members discussed the status of the purchase of roll offs. Mr. Nichols advised he was working with the New River Resource Authority (NRRRA) staff to distribute bid specs.

Dr. Warren shared difficulties experienced by patrons in reaching port holes in containers. Mr. Nichols advised new containers should be "user friendly".

Mr. Loyd inquired if the drop site attendants were able to help patrons when needed. Mr. Nichols advised the drop site attendants should be able to assist patrons as needed.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

i. Aqua Virginia Letter

Staff shared a letter related to privatization of water systems and noted no recommendation for such privatization was recommended.

Dr. Warren also shared an article in the Wall Street Journal regarding privatizing water.

j. Mount Olivet – DBP's

Staff shared correspondence from the Department of Health regarding results of water samples and compliance by the PSA with the Health Department regulations.

k. Garland Campbell Comments

Staff shared a "Thank you" note from Mr. Garland Campbell for good service provided by the PSA staff.

l. Alleyway Letter

Mr. Nichols reported he continued to work with the residents along the alleyway in Fairlawn.

6. Current Authorized Projects

Board members reviewed the following items, with notations made related to discussions on specific matters:

a. Action Items:

- Skyview/NRV Fairgrounds sewer funding

Mr. Linkous reported he continued to seek CDBG funding, particularly since this is the time of year that CDBG funds are being allocated. Mr. Linkous advised that with the approval of the new rates, the Preliminary Engineering Report (PER) can be finalized.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

- Construction of Commerce Park Utility project

Staff reported the project was being completed and connecting new customers.

- South Side of Lake and Fairlawn Drop Centers

- Dora Highway Drop Center Cost Estimates

Mr. Linkous provided several options and recommended providing approval allowing for staff to negotiate with the Town of Pulaski for Option 2.

Board members discussed the layout for Option 2, including the need for new compactors.

Board members also discussed concerns related to the roll off bins. Mr. Linkous advised it was proposed to have the Dublin site to be the location to dispose of brush and moving away from having brush at the individual sites. Mr. Nichols advised 80% of the debris that comes into a drop site is small enough to go into a compactor and that improvements to any drop site would be such that nothing would be placed on the ground.

Mr. Loyd advised that patrons should not be inconvenienced as a result of any improvements to the drop sites.

- Evaluation of "radio read" water meter option

b. Pending Items:

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

7. Other Matters

There were no other matters discussed at this time.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
October 9, 2012

8. Adjournment

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board adjourned its regular October meeting. The next meeting of the PSA Board is scheduled for Tuesday, November 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.

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

Voting No: None

Not present: Mr. Crawford, Mr. Dean.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer