

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

January 14, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, January 14, 2014 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; Dave Dean; Nancy Burchett; Fritz Streff; and Dennis Setliff, Alternate. Pete Crawford was absent from the meeting.

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

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

Mr. Huber introduced Brandon Moore, GIS Consultant, advising that Mr. Moore would provide a demonstration on the GIS system during the PSA meeting.

Dr. Warren welcomed Dennis Setliff, Alternate PSA Board Member, who will be attending the meeting(s) during the absence of Pete Crawford.

Dr. Warren welcomed PSA Board members and staff to the New Year and expressed his wishes for a productive and prosperous new year.

Dr. Warren referenced the recent chemical spill that occurred in Charleston, WV and asked the county engineer to provide an update on the PSA's ability to provide water, should a similar incident occur in the county. Mr. Linkous advised part of the issue with the incident in WV was due to the chemicals not being caught before entering the water distribution system, indicating if notification had been made in time to close down the intake, the system could have relied upon storage capacity while the chemicals passed downstream. Mr. Linkous further advised that, based upon events last winter, the PSA is capable of operating approximately 48 hours on available storage, without running the raw water intake pumps, noting circumstances are different depending upon if the water system has to be shut down due to chemicals entering the distribution system.

Dr. Warren advised Roanoke County was changing its billing procedure to charge for runoffs and noted it is the PSA which pays the price for storms generating heavy rain.

1. Citizen Comments

There were no citizen comments at this time.

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Dr. Warren advised that Dr. Streff would need to leave the PSA meeting early due to a previous commitment and requested Board members' consensus with adjusting the agenda items to allow for Dr. Streff's involvement in several agenda items. Board members concurred with the moving of agenda items as needed; however, staff noted the minutes would be prepared to follow the order of the original agenda.

2. Follow-up Items

a. PSA Account Location and Collections Efforts and GIS demonstration

Brandon Moore provided a demonstration of work performed allowing for the mapping of non-paying and delinquent accounts. Mr. Moore described in detail the process that will be used by Debbie Boyd, PSA Collections Clerk, in tracking delinquent accounts.

As reported in the Board packet, Ms. Boyd submitted 436 accounts totaling \$629,120.85 for collection through the Virginia Set-off Debt Program, which is the process for matching PSA claims with information sent in to the state by individuals filing their State Income Taxes for a refund. Reports also included the PSA's receipt of \$6,606.79 on a delinquent account as a result of the PSA being included in a judicial sale.

Board members discussed the information provided, with suggestions related to color coding of the spreadsheet for easier identification of certain information.

Ms. Boyd explained a letter drafted for PSA Board review which will be used to send to residents not otherwise accounted for in the PSA billing records. Board members concurred with sending the letter, as appropriate, and also discussed an expected return rate from accounts being addressed. Discussions were also held as to the steps to be taken by PSA staff to follow-up on the accounts, once the letter is sent.

Dr. Warren thanked Mr. Moore for his efforts in developing a system for tracking accounts.

b. Update on Water Intake/Wells

Mr. Linkous reported staff continues to work on updating the agreements and would provide updates as they become available.

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c. Status of Town of Pulaski Drop Site Locations

Mr. Huber offered to provide Mr. Setliff a summary of the status of the drop site location, if desired. Mr. Huber also advised no response had been received from the Town of Pulaski.

Mr. Huber commended Charles "Rhudy" Linkous for his efforts in cleaning up and organizing the Dora Highway Drop Site.

Ms. Burchett inquired if brush is being collected at the Dora Highway site. Mr. Huber advised the brush site remained closed and therefore no brush is being collected at the Dora Highway site.

Mr. Dean inquired as to the policy in place for closing of the drop sites during holiday hours and requested consideration to keeping the drop sites open on certain holidays, particularly when a holiday falls after a day when trash trucks have been operating. Mr. Huber advised staff would monitor the situation in the future as holidays occur.

d. Update on Hazelwood Drive Water Connection

Mr. Linkous provided Board members with a signed copy of the agreement which had been executed on December 10, 2013 and received by staff on December 13, 2013.

e. Landings Limited Partnership Loan

Mr. Huber described a report included in the Board packet advising that the attorney for the owner of Landings Limited Partnership had advised that the sale of the property had fallen through, resulting in no change in ownership, or in the existing loan agreement at this time.

Ms. Burchett inquired if customers should be billed for the debt service. Mr. Huber advised calculations on debt service were shown to be a relatively small amount each month; however, Mr. Huber offered to review the amount and provide an update at the February meeting as to the potential for billing customers for debt service.

f. NRV Regional Water Supply Plan

Mr. Huber described an "Executive Summary" of the NRV Regional Water Supply Plan and offered to provide Board members with a copy of the 115 page document, if desired.

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3. Action Items

a. Refinancing of Existing PSA Debt

Mr. Huber introduced Courtney Rogers, Senior Vice President of Davenport and Company, with discussions being held between the PSA Board and Mr. Rogers via phone conference. Mr. Rogers reviewed and described in detail a "Summary of Bids Received for Series 2014 Tax Exempt Bank Qualified Water, Sewer and Refuse Revenue Bonds". Mr. Rogers advised the only proposal received was from SunTrust. Mr. Rogers further recommended the PSA Board approve Option B described in the summary.

Following a detailed review of the "Summary of Bids Received for Series 2014 Tax Exempt Bank Qualified Water, Sewer and Refuse Revenue Bonds", a motion was made by Ms. Burchett, seconded by Mr. Setliff and carried, approving the recommendation by Davenport and Company accepting Option B as described in the summary (a copy of which is filed with the records of this meeting), as well as approving the scheduling of a special meeting of the PSA Board for Wednesday, January 29, 2014 at 9:00 a.m. to approve all documents necessary to allow for the closing.

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

Voting no: none.

Not present: Mr. Crawford, Dr. Streff.

b. Take-Home Vehicle Policy

Dr. Warren referenced the policy provided in the Board packet and advised the recommended policy changes are due to the IRS regulations requiring the taxing of employees who are issued a take-home vehicle. Dr. Warren also noted an employee using a take-home vehicle will be taxed on a yearly benefit of \$735 divided equally between 24 pay periods.

Mr. Huber provided a listing of those employees who are assigned a take-home vehicle, as well as described potential options to those employees who currently take a vehicle home and where upon adoption of the policy, may not have the flexibility of doing so.

Ms. Burchett expressed support for adopting the policy; however, Ms. Burchett expressed concerns regarding the need for vehicles to be taken home by several of the employees on the list who are currently doing so.

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Dr. Streff described a situation he had personally witnessed in which a PSA employee was observed driving a take-home vehicle to a personal activity.

Mr. Huber and Mr. Linkous provided specific purposes for each employee who is currently assigned a take-home vehicle.

Ms. Burchett restated her support of the Take-Home Vehicle Policy and also spoke to having no concerns as to employees who are assigned take-home vehicles using those vehicles in emergency situations; however, Ms. Burchett expressed concerns over the lack of justification for taking home a vehicle by several of the employees who are currently assigned take-home vehicles.

Board members discussed a potential change to the policy which provides for including a section requiring a description as to why an employee fits the requirements for vehicle assignment (detailing the nature of the request).

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved the following policy with amendment to include a change in the policy adding a section requiring a description as to why an employee fits the requirements for vehicle assignment (detailing the nature of the request):

Pulaski County Personnel Policy Section O-10: VEHICLE FRINGE BENEFIT

This is to establish a procedure to promote vehicle usage in an efficient and economical manner with consistent and understandable guidelines.

Take-Home Vehicle Assignment: A take-home vehicle will be provided to those employees who have management or supervisory duties/responsibilities and are routinely expected to respond to operational emergencies from the employee's residence during off duty hours. These vehicles are provided for use while commuting between a residence and a work location, in addition to using them for business purposes during the normal workweek. Typically, these employees occupy positions where it is impractical to implement a requirement to proceed to the central garage location to obtain a county vehicle, particularly in the event of an emergency.

Employees assigned a Take-home vehicle are authorized to drive such vehicle to and from work. Such employees are prohibited from using these vehicles during non-work hours for personal use, except in response to an operational emergency. However, because they have no other form of transportation during the normal work hours, the following exception is authorized - travel to and from lunch or incidental/personal errands - pursuant to the "de minimis" usage exemption in IRS Publication 15-B, Employers Tax Guide to Fringe Benefits.

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The use of a county-owned Take-home vehicle used to commute to and from is a taxable, non-cash fringe benefit of \$1.50 per one way per day commute (\$3.00 for a round trip commute per day), under federal tax regulations. As such, this must be included as taxable income on employee wage and tax statements. The taxable benefit for commutes will be based on 245 working days per year (2,080 hours/8 hours per day = 260 days per year, less 15 days for approximate vacation/holiday time) X \$3.00 per day. These calculations equate to a taxable benefit of \$735 annually.

All Take-home and daily assigned vehicles are required to be marked with the Pulaski County logo and individual identification number.

Employees who are provided a Take-home vehicle should not house their vehicles outside of the County, even if their residence is located in another county. However, the County Administrator may grant an exception to this rule, if operational requirements necessitate.

The Take-home vehicle use agreement will be required to be on file for each employee assigned a Take-home vehicle.

This policy does not regulate public safety vehicles assigned to public safety employees and does not apply in emergency declarations and pending severe weather events.

Take-Home Vehicle Use Agreement

Pursuant to Pulaski County policy, all employees assigned a Take-home vehicle, are required to complete and sign this form:

Employee Name: _____ Department: _____
 Vehicle number: _____ Vehicle license #: _____
 Make/Model: _____ Date Assigned to Employee: _____

1. Pulaski County has provided you with the use of a Take-home vehicles, which allows you to commute to and from work in this vehicle. You may not use said vehicle for personal purposes other than commuting or de minimis personal purposes as defined in this policy.
2. As of the effective date of this policy, Pulaski County will include a taxable, non-cash fringe benefit of \$1.50 per one-way per day commute (\$3.00 for a round trip commute per day) as a deduction code to your annual salary at a yearly cost of \$735 or \$30.62 per pay period.
3. Employees found in violation of the above policies are subject to disciplinary action and may be required to substantiate all business and personal use of the vehicle (including commuting), by submitting appropriate documentation to Pulaski County. Such documentation will be used to compute the taxable, non-cash fringe benefit to be added to the employee's compensation at the end of the year. It is likely that the fringe benefit computed in the case of violation of these policies will be in excess of the \$3.00 per day. If adequate documentation related to personal use is not provided to Pulaski County, the IRS requires the County to assume that all use of the vehicle is entirely personal.

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Please explain the justification and reasons why a take-home vehicle is requested:

I have read the above policy statement, understand the implication of personal use (other than commuting) of County vehicles, and agree to follow all aspects and regulations of the policy.

Employee Signature: _____
Department Director Approval: _____
County Administrator Approval: _____

Date: _____
Date: _____
Date: _____

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

Voting no: Mr. Dean.

Not present: Mr. Crawford.

Mr. Hiss also stated that the adoption of the policy allows for formalizing the taxable benefit and also tightens the procedure as to why a vehicle is taken home.

Mr. Huber requested flexibility in authorizing vehicle usage during emergency situations, or impending weather related situations.

Mr. Dean expressed concern over the PSA Board's involvement in dictating which employees are assigned take-home vehicles.

Mr. Huber advised that the adoption of the policy, along with the comments by Board members, warranted a stricter review of the need for an assigned vehicle by an employee before approval is granted.

c. Raw Water Wet Well Cleaning

Mr. Linkous described difficulties encountered by Water Treatment Plant staff in operating the raw water pumps at full flow since December 23, 2013, noting the problem had been the amount of debris build-up, particularly leaves, in the wet well. Mr. Linkous advised the plant was operating 24 hours during that time to keep up with the demand and as a result, staff had taken proposals to clean the wet well and are requesting \$6,598 to complete the task. Mr. Linkous advised said costs would be covered by monies available in the Water Treatment Plant improvements line item of the budget.

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On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board endorsed action by staff regarding the raw water wet well cleaning, including the use of monies already available in the Water Treatment Plant budget.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,
Ms. Burchett.

Voting no: none.

Not present: Mr. Crawford.

4. Consent Items

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

a. Minutes of Previous Meeting

The Board approved the minutes of the December 10, 2013 Board meeting.

b. Balance Due & Lien Reports

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

Balance Due	10/1/2013	11/1/2013	12/2/2013	1/2/2014
Current Balance	752,908.22	562,545.95	547,105.13	792,179.54
Over 30 Days	40,461.48	70,586.90	233,285.09	9,089.88
Over 60 Days	19,236.42	16,796.84	49,277.13	43,718.61
Over 90 Days	1,097,072.50	1,094,264.99	1,103,112.35	1,097,302.17
Total	\$ 1,909,850.25	1,744,366.31	1,932,779.70	1,942,290.20
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	41,813.60	73,073.47	736,488.38	\$ 851,375.45
Commercial	1,624.64		39,377.75	\$ 41,002.39
Nonuser	204,924.33	see break down below		\$ 204,924.33
Total	\$ 248,362.57	73,073.47	\$ 775,866.13	\$ 1,097,302.17

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

	Inactive	Non User	Active	Total
Residential Water	37,962.78	35,058.23	3,850.82	76,871.83
Commercial Water	1,624.64			1,624.64
Residential Garbage	48,577.27	19,406.90	687,911.11	755,895.28
Commercial Garbage	32,908.30		6,469.45	39,377.75
Sewer	6,519.65	1,457.72	66,553.82	74,531.19
Penalty	-	15,502.36		15,502.36
Interest	-	133,499.12		133,499.12
Total	\$ 127,592.64	\$ 204,924.33	\$ 764,785.20	1,097,302.17

c. Budget Adjustments

The Board reviewed and accepted the following budget adjustments:

PSA FUND #6

Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-016080-0900	Roll Off Container Revenues	\$ 551,000.00
500-016080-1000	User Rebate Landfill	(135,000.00)
	TOTAL	\$ 416,000.00
EXPENDITURES:		
500-042320-3800-005	Recycling/Drop Centers NRRRA User Charges	\$ 250,000.00
500-042340-3800-005	Roll Off Refuse NRRRA User Charges	316,000.00
500-042350-3800-005	Direct Landfill Use NRRRA User Charges	(150,000.00)
	TOTAL	\$ 416,000.00

d. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$13,197.75.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8009687 through 8009851, subject to audit.

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Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Mr. Streff,
Ms. Burchett.

Voting no: None.

Not present: Mr. Crawford.

5. Staff Reports

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

a. Financial Reports

Board members reviewed and accepted the financial reports as presented by Ms. Newby, a copy of which is filed with the records of this meeting.

b. Operational Report

The Board reviewed and accepted the following operational reports:

1. Inmate Availability

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

2. Drop Site and County Landfill Tonnage Reports

Drop Site Total for the Month of December 2013

3.

Site	Trips	Tons	Tons per haul
Dora Highway	3	10.28	3.42
Dublin	20	66.57	3.32
Fairlawn	4	21.76	5.44
Totals	27	98.61	3.65

County Landfill Tonnage

(County customers & Refuse Department Haulers for the Month of December 2013)

Commercial	Residential	Tires	Brush
2,637.60	1,249.81	412	4.02

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3. Cut Off List

Staff reported no cutoffs for the month of December due to the holidays.

4. Personnel Changes

There were no personnel changes to report.

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

Voting no: None.

Not present: Mr. Crawford, Dr. Streff.

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

7. Other Matters

Mr. Huber described recent action by the Board of Supervisors in reviewing the potential for converting to electronic board packets, which include the purchase and use of "tablets" and the "BoardDocs" software. Mr. Huber invited PSA Board members to consider converting to electronic board packets and also participating in training of the BoardDocs software which is scheduled for Thursday, February 20th at 6:00 p.m.

Staff was requested to invite Heather Freeman of the school staff to attend the February 11, 2014 PSA meeting to provide a demonstration of the BoardDocs software.

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Mr. Huber offered to provide a tour of the PSA's various facilities for Mr. Setliff, or any Board member. Board members were requested to advise Mr. Huber and/or Mr. Linkous if tours are desired.

Mr. Dean requested an update on the status of the County Garage construction. Mr. Linkous advised the building of pads was underway and also noted the contractor planned to work on the county garage before beginning work on the water and sewer building.

8. Adjournment

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board adjourned its regular January 14, 2014 meeting. The next meeting of the PSA Board will be a special meeting scheduled for Wednesday, January 29, 2014 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW in the Town of Pulaski for the purpose of review and consideration to documents related to refinancing of PSA debts. The next regular meeting of the PSA Board is scheduled for Tuesday, February 11, 2014 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. Setliff, Mr. Dean, Dr. Warren, Ms. Burchett.

Voting no: None.

Not present: Mr. Crawford, Dr. Streff.


Nancy Burchett, Secretary/Treasurer


Doug Warren, Chairman