

## PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

May 13, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 13, 2014, 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; Nancy Burchett; Dave Dean; Dennis Setliff; and Fritz Streff.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Debra Boyd, PSA Collections Clerk; Sandra Boyd, PSA Collections; and Gena Hanks, Clerk to the Board.

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

1. Citizen Comments

Ms. Brenda Blackburn referenced comments made at the April PSA meeting related to the PSA placing liens on the property of individuals who had not paid their bills as the result of "back billing" upon discovery by the PSA that individuals had not been billed for garbage services. Ms. Blackburn requested the PSA Board consider eliminating the balances on these citizens – Mr. Huber clarified that the PSA does not "back bill" individuals for services, but rather billing by the PSA starts on the day it is discovered that someone is not receiving bills for services being rendered by the PSA.

Mr. Garland Campbell submitted a written request for the Board to consider eliminating fluoride from the PSA's water supply. Mr. Campbell described recent studies describing harmful effects of fluoride. Dr. Warren expressed thanks and appreciation to Mr. Campbell for his comments and advised the PSA Board had accepted and read the documents submitted to date by Mr. Campbell.

2. Recognition and Moment of Silence for PSA Employee

a. Moment of Silence and Authorization to Prepare Memorial Resolution

Dr. Warren shared with the Board news of the death of Ronnie Gravely, PSA employee. Dr. Warren noted that Mr. Gravely had been with the PSA for 28 years and described Mr. Gravely as quiet in nature, strong, dependable and reliable and Mr. Gravely would be greatly missed by his family and co-workers.

Mr. Huber also spoke to Mr. Gravely's service with the PSA.

Dr. Warren called for a moment of silence in memory of Mr. Gravely.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved staff drafting a memorial resolution honoring Mr. Gravely,

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with said resolution to be presented to Mr. Gravely's family at a future PSA Board meeting.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

b. BoardDocs Presentation

Mr. Huber described the BoardDocs program and also advised training for the new tablets would be provided to the Board as needed.

c. Award for Water Treatment Plant Water Quality

Dr. Warren summarized a "gold award" received by the Water Treatment Plant from the Virginia Department of Health as a result of "water quality improvements" at the Water Treatment Plant.

Mr. Linkous spoke to the great example of the hard work of the PSA Water Treatment Plant employees.

3. Follow-up Items

a. Drop Site Update

Mr. Huber summarized a meeting with Doug Aust and Pulaski Town Manager Shawn Utt regarding the possible utilization of the former GEM City scrap yard for use as a replacement for the Dora Highway Drop site. Mr. Huber advised specifics regarding the potential site would be provided in Closed Session.

b. Adjustment to Carla Ritter Account

Mr. Huber provided a history of the Carla Ritter account specifically an ongoing leak at the rental residence near the intersection of Ruebush and Highland Road and related adjustments to the account by the PSA. Mr. Huber summarized specific issues related to Ms. Ritter paying only the \$100 per month and not the additional monthly charges as was the intention when the adjustments were made to the account.

Board members discussed the need for staff to develop recommendations on how a resident can proceed through the legal system to force the landlord to address issues related to leaks.

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Mr. Huber suggested the potential for referring renters to the Legal Aid Society Staff to develop recommendations and present those recommendations at a future meeting to the PSA Board for review.

c. Virginia and Surrounding Counties Water Rates

Mr. Huber described the documents provided in the Board packet related to rates in surrounding localities. Mr. Huber advised staff is recommending a 5% increase in water and sewer rates, which would begin the process of moving the PSA out of its current deficit.

Mr. Linkous clarified there would need to be multiple 5% increases to allow for the PSA to move out of its current deficit and to generate enough revenue to accomplish some of the goals established by the PSA Board.

Board members discussed the following: the amount of additional water/sewer revenues the additional 5% would generate; the FY 15 recommended budget; and the need to develop long range stability for funding towards improvements and future development of the PSA system.

Approval of Water/Sewer Rate Increase

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board approved a 5% increase in water and sewer rates, effective July 1, 2014.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

d. Update on Water Treatment Plant Well Drilling

Mr. Linkous described a meeting with the onsite driller and provided an update on issues with the property owner of the second site, and also the potential for the need for some lines to be moved by the telephone company and AEP, with plans to move forward once the issues are resolved.

Board members discussed the additional costs associated with the drilling and the possibility of the PSA providing equipment and personnel.

Mr. Linkous provided a summary of the costs associated with the drilling specifically for each drilling to cost approximately \$21,000 per well, with a cost of \$3,142 for renting dewatering containers.

Mr. Huber advised the Board is requested to approve \$42,000 for the well drilling.

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On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board approved an expenditure of \$42,000 for well drilling.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

4. Action Items

a. FY 15 Budget Adoption

Board members discussed the changes to the proposed budget which include the 5% rate increase, with staff noting the first couple of years the 5% increase will reduce the deficit; however, it will not generate enough revenue to add new projects.

Ms. Newby described a change in the health insurance reducing the overall premiums for FY 15 to 3%. Ms. Burchett inquired if the additional costs would be borne by the employee. Ms. Newby advised the Board of Supervisors had approved picking up all additional costs associated with the high deductible plan and to have employees pick up part of the additional costs for the Choice Plan.

Ms. Burchett also inquired if the budget included any increase in salaries. Ms. Newby advised the budget did not include a salary increase; however the Board of Supervisors was including a 1% increase in salaries. Ms. Newby advised the costs to provide a 1% salary increase for PSA employees to be approximately \$19,000.

Ms. Burchett inquired as to the revenue related to the Commerce Park recovery costs. Ms. Newby advised those costs are the annual debt service amount that Commerce Park is reimbursing.

Staff was directed to revise the FY 15 budget and place adoption of the said budget on the June PSA agenda.

b. PSA Post Compliance Procedures for Tax Exempt Bonds

Mr. Huber presented PSA Post Compliance Procedures noting the only known change to the procedures would be the adjustment to the naming of the compliance officer from the PSA secretary/treasurer to the PSA executive director.

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board approved the following Post Compliance Procedures for Tax Exempt

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Bonds, with the approval to include an adjustment as to the designation of compliance officer naming the compliance officer to be the PSA Executive Director.

**Pulaski County Public Service Authority  
Post-Issuance Tax Compliance Procedures  
For Tax-Exempt Bonds**

(Adopted May 13, 2014)

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds (the “**Bonds**”) issued by the Pulaski County Public Service Authority, a political subdivision of the Commonwealth of Virginia (the “**Authority**”) which will increase the likelihood of compliance with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds. The Authority reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Authority also reserves the right to change these policies and procedures from time to time.

**General**

The Authority adopts these post-issuance tax compliance procedures for all Bonds issued by the Authority. As used in these procedures, “**Compliance Officer**” means the [PSA Executive Director] of the Authority or, with respect to any Bond issue, the officer, employee or agent of the Authority specifically designated in the tax certificate and agreement (“**Tax Certificate**”) or other documents finalized at or before issuance of the Bonds as the “**Compliance Officer**” for purposes of these procedures with respect to that Bond issue.

**Post-Issuance Compliance Procedures**

A. Internal Revenue Service Filings

At the time of issuance and throughout the life of the Bonds, issuers of governmental bonds must comply with certain information filing requirements under §149(e) of the Code. The Compliance Officer will work with bond counsel and any other legal counsel and advisors to file all applicable documents with the Internal Revenue Service by the required due date.

B. External Advisors/Documentation

The Compliance Officer will consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures will be documented in the Tax Certificate and other documents finalized at or before issuance of the Bonds. Those requirements and procedures will include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

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The Compliance Officer will consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This step will include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.

The Compliance Officer will be responsible to determine (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Bond issue. If it is determined that such calculations are or are likely to be required, the Compliance Officer will engage expert advisors (each a “**Rebate Service Provider**”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, or else will ensure that the Authority has adequate financial, accounting and legal resources of its own to make such calculations.

Unless otherwise provided by the ordinance or resolution relating to the Bonds, unexpended Bond proceeds will be held by a trustee or other financial institution, and the investment of Bond proceeds will be managed by the Compliance Officer. The Compliance Officer will prepare (or cause the trustee, if any, to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements will be delivered to the governing body of the Authority if it so requests.

C. Arbitrage Rebate and Yield

It is the Authority’s policy to comply with all applicable requirements under Federal arbitrage regulations. The Compliance Officer will consult with bond counsel and other legal counsel and advisors, as needed, in connection with:

- 1) Determining the likelihood of complying with an arbitrage rebate exemption. If at the time of Bond Issuance, based on reasonable expectations set forth in the Tax Certificate and Agreement, it appears likely that the Bond issue will qualify for an exemption from the rebate requirement, the Compliance Officer may defer taking any of the actions set forth in subsection (2) below. Not later than the time of completion of construction or acquisition of the Project, and depletion of all funds from the Project Fund, the Compliance Officer will make a determination if expenditure of the bond proceeds qualified for exemption from the rebate requirements based on spending within 6 month or 18 month period after issuance. If rebate exemption is determined to be applicable, the Compliance Officer will prepare and keep in the permanent records of the Bond Issue a memorandum evidencing this conclusion together with records of expenditure to support such conclusion. If the transaction does not qualify for rebate exemption, the Compliance Officer will initiate the steps set forth in (2) below.
- 2) If necessary, engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing periodic statements concerning the investment of Bond proceeds to be furnished to the Rebate Service Provider. If at the time of Bond Issuance it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (1) above, the Compliance Officer will:
  - engage the services of a Rebate Service Provider and, prior to each rebate calculation date, cause the trustee or other financial institution investing bond proceeds to deliver

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periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;

- provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitor efforts of the Rebate Service Provider;
- assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitor the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds; and retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the bond issuer.
- in lieu of engaging an outside Rebate Service Provider, the Compliance Officer may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. Such determination will be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination will be maintained in the records of the bond transaction.

D. Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

It is the Authority's policy that the Compliance Officer will be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds (e.g., restrictions on private business use, payment and security);
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements;"
- consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;



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- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- to the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary; and
- with respect to other types of exempt facilities, adopting any such procedures that bond counsel deems appropriate to periodically assess whether such facility continues to qualify as an exempt facility.

All relevant records and contracts will be maintained as described below.

E. Record Keeping Requirements

It is the Authority's policy that the Compliance Officer will be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds and any Final Completion Report filed pursuant to the Bond documents; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

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

Voting no: None.

c. Pulaski County Sewerage Authority Update

Mr. Huber described the proposed operational changes to the existing services provided by the PSA to the Sewerage Authority.

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board approved the following modifications to the agreement, noting the



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agreement will automatically "roll off" each year, unless there are specific changes requiring Board action:

1) The Sewerage Authority would like to see our PSA billing associated to the maintenance agreement billed to the Sewerage Authority on a quarterly basis. This allows the Authority board a better opportunity to manage our budget and to correct accordingly.

2) The Sewerage Authority now has accounts with the supply houses in the area that would be commonly used to secure materials required for a repair. They would like to have the PSA team to just charge the materials directly against their account with a reference to the repair being performed. This would also allow the Sewerage Authority Board to see their obligations quicker enabling the desired budget control. It would also eliminate any manual matching of the invoices after the fact.

3) The Sewerage Authority would like to have the current service agreement "roll over" each year without anyone needing to remember.

Voting yes: Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.  
Abstaining: Mr. Setliff.

5. Consent Items

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

a. Minutes of Previous Meeting

The Board approved the minutes of the April 8, 2014 Board meeting as presented.

b. Balance Due & Lien Reports

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

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<b>Balance Due</b>	<b>2/3/2014</b>	<b>3/3/2014</b>	<b>4/1/2014</b>	<b>5/6/2014</b>
Current Balance	\$ 534,151.55	\$ 543,199.18	648,692.24	498,541.30
Over 30 Days	\$ 189,079.95	\$ 98,262.14	89,048.58	107,233.99
Over 60 Days	\$ 6,380.62	\$ 33,734.18	62,094.44	40,536.90
Over 90 Days	\$ 1,123,242.41	\$ 1,117,568.87	1,135,828.85	1,127,295.46
<b>Total</b>	<b>\$ 1,852,854.53</b>	<b>\$ 1,792,764.37</b>	<b>1,935,664.11</b>	<b>1,773,607.65</b>
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**

	<b>Garbage &amp; Water</b>	<b>Sewer Only</b>	<b>Garbage Only</b>	<b>Total</b>
<b>Residential</b>	\$ 49,549.55	\$ 65,345.75	\$ 749,038.92	\$ 811,655.15
<b>Commercial</b>	\$ 1,668.45	\$ -	\$ 70,440.25	\$ 72,108.70
<b>Nonuser</b>	\$ 191,252.54	see breakdown	\$ -	\$ 191,252.54
<b>Total</b>	<b>\$ 242,470.54</b>	<b>\$ 65,345.75</b>	<b>\$ 819,479.17</b>	<b>\$ 1,127,295.46</b>

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

	<b>Inactive</b>	<b>Non User</b>	<b>Active</b>	<b>Total</b>
<b>Residential Water</b>	\$ 44,133.81	\$ 33,272.45	\$ 5,415.74	\$ 82,822.00
<b>Commercial Water</b>	\$ 1,668.45	\$ -	\$ -	\$ 1,668.45
<b>Residential Garbage</b>	\$ 54,526.62	\$ 18,894.36	\$ 694,512.30	\$ 767,933.28
<b>Commercial Garbage</b>	\$ 32,823.55	\$ -	\$ 37,616.70	\$ 70,440.25
<b>Sewer</b>	\$ 7,284.74	\$ 1,507.72	\$ 58,061.01	\$ 66,853.47
<b>Penalty</b>	\$ -	\$ 13,181.48	\$ -	\$ 13,181.48
<b>Interest</b>	\$ -	\$ 124,396.53	\$ -	\$ 124,396.53
<b>Total</b>	<b>\$ 140,437.17</b>	<b>\$ 191,252.54</b>	<b>\$ 795,605.75</b>	<b>\$ 1,127,295.65</b>

**c. Budget Adjustments**

There were no budget adjustments presented at the meeting.

**d. Billing Adjustments**

The Board reviewed and accepted billing adjustments totaling a net credit of \$9,612.26.

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e. Accounts Payable

The Board approved accounts payable for checks numbered 8010249 through 8010370, subject to audit.

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

Voting no: None.

6. Staff Reports

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

a. Financial Reports

Board members discussed CDBG reimbursement expenses. Mr. Linkous advised this was associated with the Skyview Sewer project and indicated the project is currently out to bid, with bids to be received on June 6<sup>th</sup> for Phase II of the project. Mr. Linkous advised the funds will likely not be received this fiscal year.

Ms. Burchett inquired if there were any reserve requirements as a part of the refinancing of the debt. Mr. Huber advised there were no requirements to his knowledge

The Board 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

1. Inmate Availability

Staff reported use of three inmates per day for the month of April 2014.

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2. Drop Site and County Landfill Tonnage Reports

Drop Site Totals for the Month of April

Site	Trips	Tons	Tons per haul
<b>Dora Highway</b>	10	27.40	2.74
<b>Dublin</b>	31	97.90	3.15
<b>Fairlawn</b>	7	36.68	5.24
<b>Totals</b>	48	161.98	3.37

County Landfill Tonnage  
(County customers & Refuse Department Haulers  
for the Month of April 2014).

Commercial	Residential	Tires	Brush
3,292.20	1,392.70	375	2.99

3. Cut Off List

Staff reported 43 cutoffs for the month of April.

4. Personnel Changes

The following were reported as PSA personnel changes: Pete Crawford, resigned; Dennis Setliff, hired/appointment; and Steve Jarrells, retired.

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

Voting no: None.

c. Collections Report

Debra Boyd described the following collections report which was included in the Board report:

1. Set-off Debt Collections: 437 accounts submitted totaling \$629,130.85. Received \$22,218.31 of that money on 4/4/14 and 5/5/14 to post to these delinquent accounts.
2. March 26th mailing of approximately 420 letters as a final notice before billing to start.
3. Additions of 64 new refuse customers.

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4. Settlement agreements with 5 refuse customers resulting in the adjustment of \$4,708.47 allowing them to pay a lump sum of \$2,899.90 to clear up their accounts.

Board members discussed including the collection figures in the overall balance sheet for the PSA and the number of letters mailed out.

Ms. Boyd provided a summary of the report, noting approximately 1,500 letters had been mailed out. Ms. Boyd also confirmed that the PSA does not "back bill" any customers who are found to be receiving PSA services, but never billed. Ms. Boyd described having to explain the difference between "residential vs. commercial" where customers are found to be taking trash from residence to commercial business, rather than having service at the residence.

Ms. Burchett reported the current billing had errors on the bills, specifically some residents had been double billed. Sandra Boyd explained the error was as a result of the method used for billing using the new radio meters. Ms. Boyd advised accounts were being adjusted and staff was working to correct the problem to avoid future occurrences.

Mr. Linkous advised an additional 300 meters had been ordered.

## 7. 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

## 8. Other Matters

Mr. Huber described an issue related to an ongoing major water leak at the Executive Motel and the issues as they are related to the water meter serving this property being relocated from its location on the adjacent property formerly part of the St. Alban's complex to its present location along Rt. 11. Mr. Huber advised

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when the meter was relocated, a valve was placed at the former meter location and the line to the Motel remained unchanged, with the suspected leak being near the location where the water meter used to be located. Mr. Linkous advised there were no records indicating the PSA had relocated the meter. Mr. Linkous also described the difficulties that would be involved in obtaining an easement to the property, as well as the precedent that would be set by the PSA performing the work.

Mr. Huber advised the owner of the motel is requesting the PSA repair the leak; however, staff is concerned with this approach that making the repair would be doing so on the customer side of the meter.

Mr. Huber advised that he and Mr. Linkous have had extensive discussions with the owner of the motel advising of the PSA's inability to work on the private side of the line.

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the Board approved a 75% adjustment in the Executive Motel billing, with the sole responsibility for repairing the leak to be that of the property owner.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.  
Voting no: None.

Mr. Huber also advised steps would be taken to notify the public of the PSA policy which prohibits the PSA from working on the customer side of the meter, with a recommendation to the property owner of the Executive Motel to connect to the meter and run the line to the motel property.

The Board took a five minute recess.

8. Closed Session – 2.2-3711 (A)1,3,7

A closed session is requested pursuant to Section 2.2-3711(A)1,3,7 of the 1950 Code of Virginia, as amended, to discuss property disposition or acquisition matters.

It was moved by Ms. Burchett, seconded by Dr. Streff and carried, that the Public Service Authority 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:

- PSA Employee Hours

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Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion for consideration of the disposition or acquisition of publicly held property regarding:

- Dublin Office Building
- Acquisition of a replacement for the Dora Highway Drop Site

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:

- Gary Frazier Law Suit

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

Voting no: None.

Return to Regular Session

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

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

Voting no: None.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, that the PSA Board of Directors adopts the following resolution certifying conformance with the Virginia Freedom of Information Act.

WHEREAS, the Public Service Authority Board of Directors 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:

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 PSA Board of Directors 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



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identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority.

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

Voting no: None.

Gary Frazier Account

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved waiving \$3,000 in the PSA charges as part of the settlement suit against Gary F. Frazier account based on cash payment of balance and authorized \$500 policy exception and settlement be accepted as recommended by legal counsel.

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

Voting no: None.

9. Adjournment

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board adjourned its regular May 2014 meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, June 10, 2014 at 9:00 a.m. in the Board Room of the CAB.

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

Voting no: None.

  
Nancy Burchett, Secretary/Treasurer

  
Doug Warren, Chairman