

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS  
March 10, 2015

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, March 10, 2015 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; Karen Thompson, Assistant County Administrator; Diane Newby, Finance Director; Debra Boyd, PSA Collections Clerk; Gena Hanks, Clerk to the Board; Jared Linkous, County Engineer; and Ronnie Nichols, Director of Operations, Maintenance and Transportation.

Dr. Warren called the meeting to order and welcomed those present.

1. Citizen Comments

A. Public Comments

There were no citizen comments.

B. Response to inquiry at February PSA Meeting

Mr. Huber reported that at the February PSA meeting, Brenda Blackburn had inquired as to when the PSA realized there were residents who did not have accounts with the PSA, but were receiving service. Mr. Huber responded that there have always been residents who were not signed up for refuse collection services.

C. Dora Highway Drop Center

Mr. Huber shared a compliment provided by a citizen on Mr. Rhudy Linkous, Dora Highway Drop Site attendant, specifically that Mr. Linkous was nice and helpful and also that the drop site was clean, neat and organized.

2. Financial Matters

A. Financial Report

Ms. Newby described the financial report, noting the percentage of remaining funds fell well within the normal average for this time of year.

Mr. Burchett inquired if the recent "credit" billing issue had been resolved. Ms. Boyd advised the billing issue had since been resolved.

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Board members and staff discussed original financial projections for the fiscal year, as well as insurance payments that affect the overall figures.

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

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

Voting no: None.

B. Pepper's Ferry Budget

Staff shared information from the Pepper's Ferry Regional Waste Water Treatment Authority related to the FY 2015-2016 Pepper's Ferry budget.

C. Proposed FY 15-16 Rate Increase

Mr. Linkous summarized the history of staff efforts to bring both the water and sewer departments into a net positive operating condition, including a staff recommended long range rate plan during the FY 14-15 budget planning sessions which proposed a 5% per year rate increase in both water and sewer rates for a 5-year period.

Mr. Linkous reminded the Board that the initial 5% increase was approved for the FY 14-15 budget year and recommended approval of another 5% increase during the FY 15-16 budget. Mr. Linkous also described a spreadsheet illustrating the projected vs. audited numbers.

Board members and staff discussed the following: potential financial burden on county residents; proposed changes by the Board of Supervisors in real estate tax rate; overall cost cutting measures; the perception by the public to any rate increase by the PSA and the need to provide the public with information supporting any rate increase, as well as reinforcing the work of the PSA.

Mr. Huber advised staff was working on a solution to address the concerns related to public relations for both the County and PSA.

Mr. Huber inquired if staff should proceed with developing a budget with the 5% increase factored into said budget. Mr. Setliff noted

significant projects that were facing the Board and the lack of alternatives for funding said projects, without some type of rate of increase.

Board members and staff discussed the following related to the FY 15-16 budget: the timetable for presentation of the proposed budget; including a 5% projected increase in rates; and emergency efficiency improvements.

By consensus, the Board authorized staff to proceed with preparing the FY 15-16 budget with a 5% rate increase factored into the budget.

3. Follow-up Items

A. Collections Update

Ms. Boyd reported the following: 59 claims matched from the Set-off Debt Program in the amount of \$12,960.11; no new garbage accounts set up in response to the letters mailed; and staff is continuing the process of additional billings throughout the county and has covered 69 of the 132 tax maps in the County. Ms. Boyd also described the set-off debt collection program.

Dr. Streff expressed concern over the loss of revenue due to the billing of residents who only occupy residences on a "part-time" basis and requested consideration to another level of billing for these residences.

Debbie Boyd described the current billing method for those residents on the lake where homes are only occupied seasonally. Mr. Huber also described the current three levels of billing: full service, low volume, and summer billings.

Dr. Streff requested continued tracking of part-time residents to insure the PSA is recovering costs for the services provided. Mr. Nichols advised there is minimal change in refuse collection routes during the summer months, indicating few residents are likely part-time residents.

B. Update on Pulaski County Sewerage Authority (PCSA) Reconstruction Project

Mr. Setliff summarized work to date on the sewer line reconstruction project along Rt. 11, as well as other matters related to the Pulaski County Sewerage Authority. Mr. Setliff described a recent method put in place establishing supplier accounts and thanked Richard Fasnacht

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for taking the lead in implementing this new method. Mr. Setliff advised the PCSA Board would be reviewing the existing maintenance agreement between the PSA and PCSA and that agreement would be brought before the PSA Board once reviewed by the PCSA.

C. Pulaski to Dublin Force Main

Mr. Linkous described in detail a diagram showing the Pulaski to Dublin Force Main, highlighting areas specifically related to the PSA connections. Mr. Linkous also described the Town of Pulaski and Dublin operations of the system, as well as the percentage of capacity.

4. Action Items

A. Commercial Real Estate Sale-Purchase Contract

Ms. Burchett inquired if the property was going to be surveyed. Mr. Huber advised that said property would be surveyed and would be paid for by the PSA.

Mr. Setliff requested staff provide a listing of planned improvements/upgrades to the facility.

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the Board approved a real estate purchase contract from First Bank of Virginia, as prepared by Attorney Sam Campbell, an electronic version of which is filed with the BoardDocs agenda for this meeting.

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

Voting no: None.

B. Revised Lease Between Pepper's Ferry, PSA and Pulaski County

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the Board approved a revised "Lease Between Pepper's Ferry Regional Wastewater Treatment Authority, the Pulaski County Public Service Authority and the County of Pulaski, Virginia", an electronic version of which is filed with the BoardDocs agenda for this meeting.

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

Voting no: None.

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C. Memorandum of Understanding – Leave Transfers

Ms. Burchett expressed concern that the policy as written, allows for transferring the liability to the entity in which the employee is transferring. Ms. Burchett suggested consideration to amending the policy transferring the liability of annual leave that would otherwise be paid out to the employee by the previous employer to the entity in which the employee is transferring, with no payment for the sick leave since this is only paid out to an employee upon retirement and only at 25%.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved the following amended policy, subject to approval of the same by the Board of Supervisors and REMSI:

**MEMORANDUM OF UNDERSTANDING  
Employee Transfers**

By and between the:  
Pulaski County Board of Supervisors  
Pulaski County Public Service Authority  
Regional Emergency Medical Services, Inc. (REMSI)

WHEREAS, it is in the mutual interest of all parties to allow employees to further their professional careers; and

WHEREAS, on occasion an employee desires to transfer his/her employment to another agency within Pulaski County for professional and personal reasons; and

WHEREAS, the above boards within Pulaski County desire that a transfer be a seamless transition, not to negatively affect any organization or the well-being of the transferring employee; and

WHEREAS, it is necessary to accurately account for accrued leave time and seniority of a transferring employee.

THREFORE, the governmental entities of Pulaski County as referenced above agree to the following terms and conditions:

1. Any Annual (i.e. vacation) Leave monetary balance shall be retained by the employee and all earned annual leave days shall be transferred to the new employer. The entity from which the employee is leaving will be

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responsible for payment of all accrued annual leave time (up to allowed maximums) to the receiving entity at the time the transfer of leave takes place.

2. The employee shall retain all earned Sick Leave days with the new employer through transfer of all accruals.

3. The employee will receive credit for years of service with the former employer with regards to the annual and sick leave accrual rate, employee service awards as well as the Virginia Retirement System.

So adopted and effective by the following Boards and Authorities: Board of Supervisors (February 23, 2015), PSA Board of Directors (March 10, 2015) and Regional Emergency Medical Services, Inc. (REMSI) (March 3, 2015).

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

Voting no: None.

D. Raw Water Intake Design Contract

Mr. Linkous described a proposal by AECOM to provide engineering services to develop bid ready construction documents for a raw water intake at Claytor Lake and a dredging plan to remove sediment in the area of the existing intake at a total cost of \$255,960. Mr. Linkous advised AECOM was the sole proposal received.

Board members discussed the proposal in detail, including the three components to the project, construction that had taken place to date, concerns related to the lake flow, AECOM's experience with similar projects, the costs associated with the project, potential funding sources for the project, and the timeline for starting and completing the project.

Mr. Dean requested the county engineer provide the Board with a copy of the overall study of the project.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved the contract with AECOM for engineering work related to the raw water intake, an electronic version of which is filed with the BoardDocs agenda for this meeting.

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

Voting no: None.

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5. Consent Items

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved the following remaining items of consent as noted:

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

A. Minutes of Previous Meeting

The Board approved the minutes of the February 10, 2015 PSA Board meeting.

B. Balance Due and Lien Reports

The Board accepted the following balance due and lien reports:

Balance Due	12/1/2014	1/5/2015	2/2/2015	3/2/2015
Current Balance	485,465.35	-504,152.65	601,543.62	627,461.98
Over 30 Days	92,696.89	70,233.17	216,531.64	69,248.76
Over 60 Days	57,359.34	60,524.42	27,106.54	74,817.57
Over 90 Days	1,140,882.37	1,124,981.77	1,135,602.73	1,135,285.45
<b>Total</b>	<b>1,776,403.95</b>	<b>751,586.71</b>	<b>1,980,784.53</b>	<b>1,906,813.76</b>
Liens Filed	1,346,855.59			

**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
<b>Residential</b>	\$ 72,166.83	\$ 68,966.14	\$ 761,319.26	\$ 902,452.23
<b>Commercial</b>	\$ 2,273.82		\$ 55,039.78	\$ 57,313.60
<b>Nonuser</b>	\$ 175,519.62	see breakdown below		\$ 175,519.62
<b>Total</b>	\$ 249,960.27	\$ 68,966.14	\$ 816,359.04	\$ 1,135,285.45

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

	Inactive	Non User	Active	Total
<b>Residential Water</b>	\$ 60,567.76	\$ 31,128.37	\$ 11,599.07	\$ 103,295.20

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Commercial Water	\$ 1,777.67		\$ 496.15	\$ 2,273.82
Residential Garbage	\$ 61,025.12	\$ 14,187.30	\$ 700,294.14	\$ 775,506.56
Commercial Garbage	\$ 42,979.76		\$ 12,060.02	\$ 55,039.78
Sewer	\$ 15,204.31	\$ 1,532.38	\$ 53,761.83	\$ 70,498.52
Penalty		\$ 12,945.81		\$ 12,945.81
Interest		\$ 115,725.76		\$ 115,725.76
<b>Total</b>	<b>\$ 181,554.62</b>	<b>\$ 175,519.62</b>	<b>\$ 778,211.21</b>	<b>\$ 1,135,285.45</b>

C. Budget Adjustments

There were no budget adjustments presented.

D. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$137,374.86.

E. Accounts Payable

The Board approved accounts payable for checks numbered 811636 through 8011755, subject to audit.

6. Staff Reports

A. Operational Reports

Mr. Huber reported the large volume for commercials was due to James Hardie pickups and recommended the PSA revisit the need for additional staffing, pending a commitment by James Hardie to continued pickups.

By consensus, the Board reviewed and accepted the operational reports as follows:

1. Inmate Availability

ZStaff reported use of three inmates per day for the month of February 2015.



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2. Drop Site and County Landfill Tonnage Reports for November 2014

Drop Site Totals  
for the Month of January 2015

Site	Trips	Tons	Tons per haul
Dora Highway	7	18.74	2.68
Dublin	10	51.81	5.19
Fairlawn	4	23.13	5.79
Totals	21	93.68	4.46

County Landfill Tonnage  
(County customers & refuse department haulers  
for the Month of January 2015)

Commercial	Residential	Tires	Brush
3585.27	723.66	25	1.60

3. Cut Off List

Staff reported there were no cutoffs for the month of February due to the inclement weather.

4. Personnel Changes

Board members reviewed a memo describing personnel changes in the month of February, 2015, an electronic version of which is filed in the BoardDocs agenda.

B. Hydrogen Sulfide at PS4B Manhole

Mr. Huber shared a report from John Macpherson, Technical Sales representative with Evoqua Water Technologies, related to bioxide fee at the Lee Highway pump station.

C. Pretreatment Program – EPA’s Proposed Dental Amalgam Rule

Mr. Huber and Mr. Linkous summarized a report from Pepper’s Ferry related to disposal of material from dental offices. Mr. Linkous advised Pepper’s Ferry believed the proposed rule to be unnecessary and did not expect favorable responses from most localities.

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D. National Geographic Article

Staff provided a recent article from *National Geographic* related to fluoride.

E. Sewer Main in Dublin

Mr. Linkous described an email received from Pulaski Town Manager Shawn Utt related to materials for a sewer break, with the PSA's portion anticipated to be 19.1%, or \$6,800. Mr. Linkous advised a formal invoice had not been received.

F. Algae in Dan River

Mr. Huber advised a link to a story by WDBJ related to the Dan River had been shared by Mr. Setliff and could be accessed via the BoardDocs meeting agenda.

G. Franklin County Trash Collection

Mr. Huber advised a link to a story by WDBJ related to Franklin County's consolidation of green box sites had been shared by Mr. Setliff and could be accessed via the BoardDocs meeting agenda.

7. Staff To-Do Listing

The Board reviewed the following staff listing of ongoing items:

- a. Skyview/NRV Fairgrounds Sewer Funding
- b. Drop Center on the South Side of Claytor Lake
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Draper Area Wythe County Sewer/PSA Connection
- f. Water Meter Replacement (Mr. Linkous provided an update, noting data was being gathered and processed and he was fielding requests for data)
- g. Water Master Plan (Mr. Setliff requested costs associated with the plan)
- h. Change Exist at Fairlawn Drop Site
- i. Pulaski Drop Site

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8. Other Matters

Mr. Setliff inquired as to the method used notifying the public of changes in refuse pickup due to inclement weather. Mr. Setliff also requested procedures be put in place to notify PSA Board members when changes occur. Mr. Nichols advised that decisions regarding changes in refuse collection pickup are usually made on the morning of the inclement weather and offered to notify PSA Board members of any changes in refuse collection pickup due to inclement weather.

Mr. Linkous advised that Wise County had been severely affected by approximately three feet of snow fall and broken water lines and that heavy snowfall collapsed the roof of Wise County's Emergency Operations Center and several commercial buildings. In addition, difficulties in finding and fixing water leaks resulted in their system running dry. Mr. Linkous noted that in response to a request for assistance through the Virginia Department of Emergency Management, Brad Wright, a Deputy Emergency Management Coordinator and PSA water crew staff, along with two persons from the Town of Pulaski's water department, had assisted Wise County to repair broken water lines.

Board members expressed appreciation to the PSA employees for their service and requested staff prepare letters of commendation to be sent to each employee.

Ms. Burchett requested the PSA water crew who remained in Pulaski also be commended for keeping operations running in the absence of those employees assisting in Wise County.

Several Board members inquired as to an odor on Bob White Boulevard specifically on the previous weekend. Mr. Linkous advised the odor was from James Hardie and James Hardie continued to address the issue through a combination of chemicals.

9. Adjournment

By consensus, the Board adjourned its regular meeting with the next regular meeting of the PSA Board scheduled for Tuesday, April 14, 2015 at 9:00 a.m. in the Board Room of the CAB.

  
Doug Warren, Chairman

  
Nancy Burchett, Secretary/Treasurer