

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

099

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, July 14, 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; Fritz Streff; and Dennis Setliff.

Staff members present included: Peter Huber, County Administrator; Karen Thompson, Assistant County Administrator; Diane Newby, Finance Director; Gena Hanks, Clerk to the Board; Debra Boyd, PSA Collections Clerk; Ronnie Nichols, Director of Operations, Maintenance and Transportation; and Jared Linkous, County Engineer.

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

1. Citizen Comments

A. Public Comments

Mr. Garland Campbell submitted a summary entitled "Fluoridated Water is Poisoned Water!" and expressed concerns over the potential harmful effects of fluoride in the PSA water system. Mr. Campbell requested the PSA Board authorize removal of the fluoride from the PSA water system.

Dr. Warren thanked Mr. Campbell for his comments and assured Mr. Campbell that all documentation submitted was reviewed by the PSA Board.

Mr. Huber advised the level of fluoride in PSA water had been reduced fairly significantly due to Mr. Campbell's efforts, noting that the levels of fluoride are generally at the minimum allowed by Health Department regulations.

B. Commendation from Citizen

Mr. Huber shared several positive citizen comments related to the attendants at the Dora Highway and Dublin drop site centers, as well as an expression of appreciation for a timely response by the PSA staff to a request for brush pickup.

Mr. Dean requested Mr. Nichols share the positive comments with the employees.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

C. Litter Around Trash Cans

Mr. Huber summarized a citizen concern that the PSA refuse employees are not raking and cleaning up litter around trash cans. Mr. Huber advised that it was the PSA's practice that customers be held responsible for securing garbage in a can, or bag, to prevent blowing or strewing and it was not the responsibility of the PSA staff to pick up trash left around a can. Mr. Huber also shared the citizen's suggestion that the PSA implement a surcharge, or consider citing homeowners, for trash left around the homeowners' trash cans.

Board members expressed concern over enforcement of such a policy and/or expecting the PSA staff to "police" in such circumstances, as well as the added burden to the PSA staff of being responsible for picking up trash.

Dr. Warren requested staff review the issue with PSA refuse collection staff to determine the frequency of such occurrences and provide an update to the PSA Board at a future meeting.

2. Presentations

A. Meter Replacement Project – Progress Report #1

Mr. Linkous described in detail a progress report on the "Water Meter Study Technical Assistance Project" by the Virginia Tech Department of Civil and Environmental Engineering.

Board members discussed the timeframe for completion of the work, specifics related to the number of meters tested, and the overall costs associated with meter replacement.

3. Financial Matters

A. Financial Report

Ms. Newby presented the monthly financial report. Ms. Newby described the net income of the PSA, as well as other areas of the overall budget.

Board members thanked staff for the budget projections.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

Mr. Setliff described a recent announcement from the Governor related to surplus funds going to the Virginia Water Quality Fund. Mr. Setliff inquired as to the potential for application to use said funds toward projects under consideration by the PSA. Mr. Linkous described projects where funds from the Virginia Water Quality Fund could potentially be used which included failed septic systems that are damaging groundwater, pollution of water source, construction projects, etc.

Mr. Dean inquired as to potential use of funds towards the dredging project.

Mr. Setliff requested staff review guidelines for receiving funds from the Virginia Water Quality Fund and provide an update at a future meeting.

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

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

Voting no: None.

B. Radio Shack's Corporate National Bankruptcy

Mr. Huber described a letter from Tim Kirtner, County Attorney, providing details regarding Radio Shack's bankruptcy, including that there is no viable reason for the PSA to be involved in the bankruptcy.

By consensus, the PSA Board concurred with the County Attorney's recommendation.

4. Follow-up Items

A. Collections Update

The PSA Board reviewed an update provided by Ms. Boyd as follows: money received from the State Set Off Debt Program stands at \$21,023.75; two new garbage customers signed up with one of those serving a 26-site campground; and staff continues to set up new accounts daily with about 3/4 of County completed. Ms. Boyd also advised that staff continues to take calls from current billing with some of the accounts being deleted due to vacant property, no structures, etc. Ms. Boyd noted

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

that Attorney Sam Campbell was working on accounts where liens have been placed on properties.

B. Update on Sewerage Authority Reconstruction Project

Mr. Setliff summarized work to date on the sewer line reconstruction project along Rt. 11, noting the contractor plans to repave the area disturbed at Wendy's, as soon as weather permits.

C. Community Recycling Center

Mr. Setliff provided a summary of a meeting held on June 18th with Volvo representatives in which discussions were held regarding a community recycling center that would primarily be for use by employees at Volvo. Mr. Setliff described plans by Volvo that would include the building and staffing of said facility, as well as discussions related to costs associated with the provision and transporting of containers.

Board members discussed specifics related to staffing of such a facility and related costs associated with said staffing. Mr. Setliff advised Volvo intended to review the matter and provide an update.

Board members and staff discussed the potential for the PSA to move to a single stream operation for recyclables.

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the PSA Board approved moving to a single stream operation at the drop sites, including staff arranging for appropriate signage at the sites, and also including notification to citizens in the next billing cycle.

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

Voting no: None.

D. Claytor Lake Siltation

Staff shared an article that had appeared in the July 12th edition of The Roanoke Times regarding siltation issues affecting Claytor Lake.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

5. Action Items

A. PSA Tank Painting

Mr. Linkous reported receiving the inspection results from the recent pre-construction inspection of the Airport and Lyons Road water storage tanks, with the cost estimates for the repairs needed to the Airport tank to be \$435,000 and \$135,000 for the Lyons Road tank. Further, that as of July 1, 2015, the tank repair and maintenance budget consisted of \$566,920, leaving a shortfall of \$3,080 on the tank maintenance cost estimates. Mr. Linkous advised this also does not allow for the estimated \$110,000 in engineering and inspection services, which has increased due to the poor condition of the Airport tank and the additional time it will take to repair and paint the structure.

Board members discussed the ramifications of waiting to make repairs, costs for a new tank, and the life expectancy of water tanks. Mr. Linkous recommended moving forward with bidding the project, with a decision to be made on the Lyons Road tank once bids are received.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved moving forward with bidding the water tank repairs project, with a decision to be made on the Lyons Road tank, once bids are received and reviewed accordingly.

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

Voting no: None.

B. VACoRP Renewal Offer

Mr. Huber described a review of the VACoRP renewal offer for 2015/16 by Kimberly Lohman, Vice President of McNeary, Inc. insurance consultants, which includes a premium comparison and review of the VACoRP proposal. Mr. Huber advised confirmation by the PSA Board to the selection of VACoRP as the PSA's insurance carrier effective July 1, 2015 is recommended.

Dr. Streff questioned the amount of coverage for cyber security. Mr. Huber advised the coverage was previously \$500,000; however, this amount had been increased to \$1 million at a cost of \$3,500. Dr. Streff expressed concern that the coverage for cyber security was insufficient

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

and would place the PSA in a critical state if there was a security breach. Dr. Streff requested staff explore in greater detail the true costs associated with cyber security, which would assist the PSA Board in its decision making for the next fiscal year.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved using VACoRP as the PSA's insurance carrier effective July 1, 2015.

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

Voting no: None.

The Board took a five-minute recess

6. Consent Items

A. Minutes of Previous Meeting

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the Board approved the minutes of the June 9, 2015 PSA Board meeting.

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

Voting no: None.

B. Balance Due and Lien Reports

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board accepted the following balance due and lien reports:

Balance Due	4/1/2015	5/1/2015	6/1/2015	7/1/2015
Current Balance	725,732.35	670,461.12	596,914.28	762,957.12
Over 30 Days	55,713.03	48,099.45	94,451.28	47,577.05
Over 60 Days	67,796.22	63,719.75	27,074.11	62,853.64
Over 90 Days	1,122,840.47	1,112,396.80	1,144,166.23	1,150,965.86
Total	1,972,082.07	1,894,677.12	1,862,605.90	2,024,353.67
Liens Filed	1,346,855.59			

Details of Accounts Delinquent for 90 days or more

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

Detail by type of customer and level of service billed for

	Garbage & Water	Sewer Only	Garbage Only	Total
Residential	\$ 75,205.85	\$ 58,705.48	\$ 780,766.09	\$ 914,677.42
Commercial	\$ 1,911.58		\$ 54,304.98	\$ 56,216.56
Nonuser	\$ 130,071.88	See Breakdown below		\$ 180,071.88
Total	\$ 257,189.31	\$ 58,705.48	\$ 835,071.07	\$ 1,150,965.86

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

	Inactive	Non User	Active	Total
Residential Water	\$ 66,816.20	\$ 31,485.10	\$ 8,344.65	\$ 106,645.95
Commercial Water	\$ 1,911.58			\$ 1,911.58
Residential Garbage	\$ 66,879.64	\$ 14,564.94	\$ 713,931.45	\$ 795,366.03
Commercial Garbage	\$ 42,997.82		\$ 11,307.16	\$ 54,304.98
Sewer	\$ 14,983.94	\$ 1,584.83	\$ 43,721.54	\$ 60,290.36
Penalty		\$ 13,236.01		\$ 13,236.01
Interest		\$ 119,210.95		\$ 119,210.95
Total	\$ 193,589.18	\$ 180,071.88	\$ 777,304.80	\$ 1,150,965.86

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

Voting no: None.

C. Budget Adjustments

Dr. Warren requested an explanation on Budget Adjustment #12, specifically details related to the "Construction Administration" adjustments. Ms. Newby and Mr. Linkous advised that full and part-time PSA positions that were transitioning into County construction administration and the budget adjustment method was the most reasonable way to address these costs.

Dr. Streff inquired if time sheets/cards were kept by the employees to allow for keeping up with the time spent on County and PSA work. Mr. Linkous advised that since the current time keeping system does not track the employees time, budget adjustments at the end of the fiscal year was the best method to address this matter.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board approved Budget Adjustment #11 and Budget Adjustment #12, a full copy of which is filed with the BoardDocs agenda, as well as in the office of the County Finance Director.

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

Voting no: None.

D. Billing Adjustments

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board reviewed and accepted billing adjustments totaling a net credit of \$7,800.06.

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

Voting no: None.

E. Accounts Payable

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved accounts payable for checks numbered 8012156 through 8012291, subject to audit.

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

Voting no: None.

7. Staff Reports

A. Operational Reports

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

1. Inmate Availability

Staff reported use of three inmates per day for the month of June 2015.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
 July 14, 2015

2. Drop Site and County Landfill Tonnage Reports for June 2015

Drop Site Totals
 for the Month of June 2015

Site	Trips	Tons	Tons per haul
Dora Highway	10	24.56	2.45
Dublin	80	956.62	11.95
Fairlawn	10	32.99	3.29
TOTAL	100	1014.17	10.14

County Landfill Tonnage
 (County customers & refuse department haulers
 for the Month of June

Commercial 3,262.39	Residential 1,164.09	Tires 313	Brush 18.03
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Ronnie Nichols advised the increase in tons per haul at the Dublin site was as a result of some unsuitable material being under a brush pile and the obligation by the PSA to remove said material.

By consensus, the Board reviewed and accepted the drop site and landfill tonnage reports

3. Cut Off List

Staff reported there were 58 cutoffs for the month of June.

4. Personnel Changes

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

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

B. PSA Billing Office:

1. Proposal for Professional and Architectural and Engineering Services for PSA Office Up-fit

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board accepted a design proposal submitted by Thompson and Litton in the amount of \$26,750 for the new PSA office up-fit.

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

Voting no: None.

2. PSA Sign

Mr. Huber advised the old New River Community College (NRCC) signage, which was currently in state surplus, was being offered for sale to the PSA for \$600 and that preliminary approval had been received from the Town of Dublin for the electronic signage with a maximum height of 18". Mr. Huber also described several options for placement of the signage.

Ms. Burchett requested consideration to using brick when mounting the sign, similar to that on the PSA office building.

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the Board approved purchase of the surplus sign at a cost of \$600.00.

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

Voting no: None.

C. Sewer Study – Newbern Heights

Staff reported that Board of Supervisor member, Andy McCready had requested the PSA Board move forward with authorizing study for providing sewer service to Newbern Heights. *(It was noted that the BoardDocs agenda was in error in its reference to Ranny O'Dell making the request).*

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

109

Mr. Huber suggested the Board of Supervisors be provided with a listing of the top five PSA projects listed in the study. Mr. Linkous provided a summary of the method used to score PSA projects, as well as noted the estimated cost for the Newbern Heights project was \$3.7 million in the 2009 study.

Staff was requested to provide the PSA Board and Mr. McCreedy with an electronic version of 2009 study as it relates to the Newbern Heights project.

Board and staff discussed the current method for provision of water to the Newbern Heights Subdivision. Mr. Linkous also provided information from the 2014 Draper Aden Rate Study, specifically describing the rates listed for the Town of Pulaski and PSA.

Mr. Huber offered to initiate conversation with the Town of Pulaski regarding the Newbern Heights water.

Mr. Linkous advised the Newbern Heights system is aging and expressed concern over the potential for the PSA acquiring a system that would likely require replacement.

D. Brookmont Water

Mr. Linkous described correspondence to the Virginia Department of Health (VDH) in response to correspondence of April 30, 2015 from the VDH regarding violation of the Total Haloacetic Acids (HAA5) Primary Maximum Contaminant Level. Mr. Linkous described the sampling process by the VDH and the follow-up action in response to the VDH notification.

E. Collection Calls

Mr. Huber and Mr. Linkous described a "One Call Now" report detailing the result of calls made to delinquent customers this past month. Mr. Linkous described the previous method used in notifying delinquent customers and also described the overall costs and savings associated with the call service.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

8. 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
- g. Water Master Plan
- h. Change Exist at Fairlawn Drop Site
- i. Pulaski Drop Site

9. Other Matters

There were no other matters discussed at this time.

10. Closed Session – 2.2-3711(A)1

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Public Service Authority Board of Directors entered into 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:

- Follow-up on Personnel Matters

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 Dr. Streff and carried, that the Board return to regular session.

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

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

111

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the PSA Board of Directors adopted 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 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.

Surveillance Cameras

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the Board approved Board approved investigating the purchase of surveillance cameras for placement at the drop sites and other areas of concern.


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

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
July 14, 2015

11. Adjournment

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board adjourned its regular meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, August 11, 2015 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.



Doug Warren, Chairman



Nancy Burchett, Secretary/Treasurer