

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS MEETING MINUTES OF OCTOBER 11, 2016

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, October 11, 2016, at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia, the following Board members were present: Dr. Doug Warren, Chairman; Dave Dean, Vice - Chairman, Dennis Setliff, Dr. Fritz Streff and Nancy Burchett.

Staff members present included: Peter Huber, County Administrator; Karen Thompson, Assistant County Administrator, Management Services; Jared Linkous, County Engineer; Ronnie Nichols, Director of Operations, Maintenance and Transportation; Debra Boyd, Public Service Authority, Accounts Payable/Collections Clerk ; Sandra Boyd, Public Service Authority Account Clerk and Ashley Edmonds, Clerk to the Board.

1. Welcome and Call to Order

Dr. Warren called the meeting to order at 9:08 a.m. and welcomed those present. Mr. Huber discussed computer problems experienced by Board members and suggested replacement of the tablets given to the Board with a basic 11" (eleven inch) two in one laptop at a cost of \$450 each. Additionally, the Board was asked to contact Mr. Huber if interested in trading in previous hardware as he would go to the Board of Supervisors for approval of the equipment purchase. Mr. Dean expressed concern regarding monies spent on the hardware that is no longer working and asked if there was another internet service provider available. Mr. Huber advised of the lack of a Comcast franchise office as agreed upon and felt at the very least; Comcast should provide a modem to allow for internet service/wifi for free. Dr. Warren asked about using other internet providers, such as New River Valley Unwired, who uses the PSA's water tanks. Mr. Huber stated use of another company is an alternative and Mr. Setliff advised New River Valley Unwired had been bought out by All Points Broadband.

A. Confirmation of a Quorum

Dr. Warren confirmed a quorum with 5 members in attendance.

2. Additions to the Agenda

A. Additions or Changes to the Agenda

Mr. Huber reminded the Board of the closed session item at the end of the agenda regarding a lawsuit.

3. Presentations and Citizens Comments

A. Presentations and Citizens Comments

There were no citizen comments.

4. Featured Project

A. Drop Site Center Improvements

Mr. Huber discussed improvements made at the Drop Site Centers: additional millings placed instead of gravel to keep the mud down at the Dora Highway Site and signage at the Fairlawn Drop Site placed at the entrance and exit with both open. Mr. Setliff asked for staff to check with Clark Wallcraft to find out if this new route with both gates open and the signage is presenting any issues for the Peppers Ferry Wastewater Treatment Plant. Mr. Nichols advised the work at Dora Highway was recently completed with great assistance from the Town of Pulaski, who provided the millings and supplied the labor force.

5. Financial Matters

A. Financial Report

Mrs. Newby was with auditors and unable to attend the meeting. Mr. Huber advised 20% in expenditures and 30% in revenue and Mrs. Burchett commented on the financial report being the first to display all major functions in the black, including sewer.

On a motion by Dr. Streff, second by Mrs. Burchett, the Board reviewed and accepted the Financial Report as presented.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Follow Up User Rebate Landfill Revenue

Mr. Huber reminded the Board of this follow up item from the previous month's meeting. The PSA received three user rebate payments from the Landfill through August 31, 2016, which included June, July and August; whereas, normal receipt of the payments for each month are received the following month. Mr. Dean asked about upcoming landfill maintenance costs for the Old Cloy'd Mountain location and Mr. Huber reminded the Board of the Board of Supervisors defer of those costs on the PSA for one year and once payment begins for the PSA, the current maintenance and inspection fees are about \$100,000 annually.

C. Collections Update

Mrs. Boyd provided a comparison of Set Off Debt program amounts from last year with \$21,040.45 collected and \$22,727.60 collected from January - September 2016. In addition, Mrs. Boyd is working with staff on a report regarding write off accounts to be presented at a future meeting. Mr. Huber will provide the Board with options regarding collection efforts (besides liens on property) at the November meeting.

D. Delinquency Report

A delinquency report was not submitted for review, as Mr. Bell was out of the office. Delinquency reports for September and October will be provided in the November 8, 2016, BoardDocs agenda.

E. One Call Report

The September One Call Report was submitted at the September 13, 2016, Public Service Authority meeting. The October report had not been received prior to the October 11, 2016, meeting.

6. Reports from Executive Director and Staff

A. Operational Reports: Drop Site and County Landfill Tonnage, Inmate Availability and Cut - Off List

Mr. Huber presented the Operational Reports and noted the increased amount of waste tonnage at the Dublin Drop Site since improvements were made.

B. Fairlawn Drop Site Improvements

Mr. Nichols described recent improvements at the Fairlawn Drop Site and asked for consideration for two (2) concrete boxes (estimated at \$10,000 each) for metals and tires and two add two more boxes to Dublin. Mr. Nichols reminded the Board that improvements to the Drop Sites were an one time expense. Dr. Warren asked about the status of the Pulaski Drop Site; Mr. Nichols remarked that the next step would be relocation as there is no room to expand the current site.

On a motion by Mr. Setliff, second by Mr. Dean and carried, the Board authorized to spend \$30,000 for three concrete pads as described by staff for the Fairlawn Drop Site.

Mrs. Burchett asked Mr. Nichols for a recommendation on which site needs improvement, Dublin or Fairlawn. Mr. Nichols felt it depending on what was most important to the Board and described the status of the two drop sites, with issues at Fairlawn being its failure to be user friendly and unsightliness and the "growing pains" at Dublin as usage increases. He stated the compactor on order will be a great help at Dublin. Dr. Streff felt uneasy about separating the motions/votes regarding improvements for the two sites as he saw the issue as interlinked. Dr. Streff stated he saw the need for two pads in Fairlawn and the need for the pad for the compactor in Dublin.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren.

Voting No: Dr. Streff, Mr. Burchett.

When asked by Mr. Dean about his thoughts for the Dublin site, Dr. Streff asked to defer the purchase of two pads until a confirmation was received regarding compacting recycleables. If the recycleables can be compacted, Dr. Streff felt the purchase of an additional compactor would be best.

On a motion by Dr. Streff, second by Mrs. Burchett and carried, the Board authorized to spend \$10,000 for one concrete pad as described by staff for the Dublin Drop Site and to explore the addition of a compactor for recycleables if deemed acceptable.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

Mr. Setliff asked Mr. Nichols if an inmate crew could be assigned at Fairlawn to complete some much needed clean - up work and sign replacement. Mr. Nichols explained a design plan for the FairLawn Drop Site and plans to replace site specific signs with common language for each drop site is underway.

C. Refuse Truck Replacement Schedule

Mr. Nichols reviewed the current status and condition of the twenty - six PSA refuse trucks, along with the twenty (20) year replacement cycle. The industry standard for replacement of refuse trucks is seven (7) years and the recommendation would be for replacement every ten (10) - eleven (11) years. An average truck is \$165,000 - \$170,000 for a rear load and roll off truck, which are purchased most often, while a front load truck is \$250,000 and grapple trucks are in the \$120,000 range. If two (2) trucks were replaced a year, the estimated costs would be up to \$340,000. Older model trucks (surplus) that are taken out of rotation are sold on GovDeals at whatever price the market will bear or parts are sold. Mr. Setliff pointed out the high costs of maintenance on duty trucks and asked for confirmation of the number of trucks appropriated for truck replacement. Mr. Nichols advised there was a \$268,000 carryover for this year to replace a front load truck. Mr. Setliff also noted an expected \$10,000 - \$12,000 increase in the price of trucks in 2018, due to emission standards, product lines, engine/transmission changes, which brings increases in maintenance costs. Dr. Streff asked for better planning and budgeting in order to secure a ten (10) year replacement schedule. Mr. Nichols also reminded the Board of the request to purchase Volvo chassis, which have been highly reliable but more expensive than other models. Mr. Setliff suggested working with Volvo on alternatives where Volvo gains data and reduces the PSA's costs or perhaps a turnkey lease agreement could be arranged. Dr. Streff spoke of exploring opportunities for maintenance, perhaps providing certifications, which would enrich the employees' environment. Mr. Huber reviewed the financial aspect, reporting \$97,000 more in revenue than expenditures for refuse in the first quarter of the fiscal year and if projected for the four quarters would be approximately \$400,000 for the year; from that \$200,000 has not been spent for the budgeted refuse truck, which \$200,000. He suggested budgeted another \$150,000 on a routine basis for truck replacement, resulting in two trucks and leaving \$50,000 for drop site improvements. However, this could be readjusted if needed or budgeting at \$300,000, which would fund a truck and a half per year. Mr. Setliff asked if the costs for labor were associated with a specific truck and Mr. Nichols concurred, stating the costs for labor, parts and fuel are all associated with specific vehicles as this had been done for many years. Mr. Setliff asked if the Board could review some of the data from one truck to review the incremental costs over time and asked the Board to consider the safety as well. Mrs. Burchett asked for clarification regarding when this change in the budgeted amount would take place; Mr. Nichols stated the information was provided for informational purposes, as only one truck purchase was planned for FY17 and if a change were to occur, it would begin in FY18.

D. Alternative Fuel Vehicles

Dr. Warren suggested Mr. Huber look at the use/purchase of alternative fuel vehicles for the County fleet (i.e., school buses, Sheriff's vehicles) as concerns regarding lack of power have been resolved. Dr. Streff asked about the costs of a filling station for the vehicles; Mr. Nichols estimated the costs for CNG at \$100,000 with a possible provision for use by the public. Mr. Setliff asked if the Board was interested in exploring alternative fuel vehicles (hydraulic and electric) to a greater depth and if so, keeping in the local truck manufacturer who was interested in building any type of vehicle as a part of employee engagement and asking management to collaborate. The Board agreed with approaching Volvo with this idea.

E. Water Test Results

Mr. Huber introduced the water test results submitted by the Health Department and Extension Office. Specific addresses were not given, however street information was. Mr. Linkous provided an interpretation of the results and will contact the Extension Service for more raw data or mapping information.

F. Staff To Do List

There was no discussion on these items.

7. Items of Consent

A. Minutes of Previous Meeting

On a motion by Mr. Dean, second by Mrs. Burchett and carried, the Board approved the meeting minutes of August 9, and September 13, 2016, by consensus. On a motion by Mr. Setliff, second by Dr. Streff and carried, items of consent

B - F were approved as presented by consensus.

B. Balance Due and Lien Reports

The Board reviewed and accepted the balance due report as presented in the October 11, 2016, BoardDocs agenda.

C. Budget Adjustments

Budget adjustment #2017 - 04 and #2017 - 05 were reviewed and approved by the Board.

D. Billing Adjustments

A billing adjustments report was not submitted for review.

E. Accounts Payable

The Board ratified accounts payable for checks numbered 8014253 - 8014375.

F. Personnel Changes

Board members reviewed a memo describing personnel changes in the month of September 2016, an electronic version of which is filed in the BoardDocs agenda. In addition, Mrs. Thompson reviewed with the Board and the Board accepted the resignation of Ryan Mabry, Customer Service Supervisor, Public Service Authority, Billing Office. Advertisements for the position have been posted in the press, County website and FaceBook page. Dr. Streff inquired about an exit interview and if follow - up remediation was available. Mr. Huber explained the employee's last day was upcoming and the reason for the resignation was family related as a position in the schools where her children attend had been secured.

8. Other Matters from the Directors

A. New River Valley Unwired

New River Valley Unwired has been sold to All Points Broadband. Mr. Setliff question how this transaction may affect their contract to place antennas on PSA water tanks. Mr. Linkous advised the existing contracts will continue to be in effect with the new ownership.

B. Grease Trap Abatement

Mr. Setliff will present administrative and enforcement information on Grease Trap Abatement efforts by the Pulaski County Sewerage Authority at the November PSA meeting with a discussuion on whether the PSA would like to establish enforcement methods for grease traps.

C. Announcement of A Special Called Meeting of the Board of Supervisors

Ms. Edmonds announced to the PSA Board a special called meeting of the Board of Supervisors to introduce the new County Administrator on Friday, October 14, 2016, at 10:30 a.m. at the County Administration Building, Board Room, 143 Third Street N.W., in the Town of Pulaski. Also, the Board was reminded of the Ribbon Cutting Ceremony and Open House of the new Public Service Authority Billing Office, located at 205 Broad Street, in the Town of Dublin, on Friday, October 14, 2016, at 9:00 a.m. Dr. Warren requested a review of the program for the Ribbon Cutting and Open House and Mr. Huber provided information.

Mr. Setliff spoke about his role on the Advisory Board for the County Administrator Search and on behalf of the Board of Supervisors, Ms. Edmonds thanked Mr. Setliff for his diligence and efforts as a member of the Advisory Board. Mrs. Burchett asked how long Mr. Huber will remain as County Administrator and Mr. Huber stated he would remain until the new County Administrator takes office. Mrs. Burchett also asked for a resolution of appreciation for Mr. Huber be prepared for adoption at future meeting. Mrs. Burchett and Dr. Streff offered their assistance to staff in preparation of the resolution.

9. Closed Session

A. Enter into Closed Session

On a motion from Mrs. Burchett, second by Dr. Streff and carried, the Public Service Authority Board of Directors entered into closed session for the discussion of the following:

- 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:

- Summons and Lawsuit Concerning an Auto Accident

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Return to Open Session

On a motion from Dr. Streff, second by Mr. Dean and carried, the Public Service Authority Board of Directors returned to regular session.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

C. Certification of Closed Session

On a motion from Dr. Streff, second by Mrs. Burchett 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 - 3371(A) of the Code of Virginia requires a certification by the 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 flies applies; and (ii) only such business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority Board.

Voting Yes: Dr. Warren, Mr. Dean, Dr. Warren, Dr. Streff and Mrs. Burchett

Voting No: None.

11. Adjournment

A. Adjournment

On a motion from Mr. Dean, second by Dr. Streff and carried, the Board adjourned its regular meeting. The next regular meeting of the PSA Board of Directors is scheduled for Tuesday, November 8, 2016, at 9:00 a.m., in the Board Room of the County Administration Building, in the Town of Pulaski.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.



Doug Warren, Chairman


Nancy Burchett, Secretary