

At a regular meeting of the Public Service Authority Board of Directors held on Monday, May 11, 1992, at 9:00 a.m. in the First Floor Conference Room of the County Administration Building, 143 Third Street, N. W. in the Town of Pulaski, the following members were present: H. W. Huff, Jr., Chairman; J. Mack Baker, Secretary; Carlos Morris; Archa Vaughan, Jr.; and David L. Merrill.

Also present were Joseph N. Morgan, County Administrator; H. Ronald Coake, County Engineer; Nancy M. Burchett, Director, Management Services; Peter M. Huber, Assistant County Administrator; Peggy Morris, Secretary for Peak Shores, Charles Roaten also representing Peak Shores, and Mr. Awad E. Kawa.

## 1. Citizen Comments

### Water Billing Protests - Peak Shores, Inc.

Ms. Peggy Morris, Secretary of Peak Shores, Inc., appeared before the Board of Directors and expressed concerns regarding the multiple dwelling on one meter billing policy. Ms. Morris state the homes at Peak Shores were mostly weekend homes and very little water was used. Ms. Morris referenced a letter from Ronnie Coake, County Engineer, which advised of the change in billing for Peak Shores. Mr. Roaten also appealed to the Board for an adjustment or a waiver. Dr. Merrill advised that the county had to pay the debt on the waterlines and a minimum charge had to be charged in order to pay this debt. Mr. Morgan state the cost of debt service alone is \$8.00 per month per dwelling. Mr. Huff suggested cutting water off during the winter months. This would eliminate the additional minimum charges. Ms. Morris and Mr. Roaten stated they would ask other stockholders on possibly having the water cut off in the winter and get back with Ronnie Coake.

Mr. Awad E. Kawa also appeared before the Board of Directors to protest the multiple dwelling billing policy. Mr. Kawa state he owns a small business in the Fairlawn area. The multiple dwelling billing policy puts too much of a load on the small individual business. Mr. Kawa further stated he would sell the property if he could without any regrets due to increased costs in water, garbage and taxes. Mr. Huff advised Mr. Kawa that he understood how hard it was for a small business to succeed; however, the PSA had to pay costs of operating the water system by fees collected. In addition, with costs increasing, these costs had to be passed along to the customer.

## 2. Reports from the County Administrator and Staff

### a. Delinquent Letter Register

The Board of Directors reviewed and discussed listings of delinquent accounts. The Board expressed much concern regarding these delinquencies and the need for collection. The Board recommended several options for staff to possibly consider including turning delinquent names into the Retail Credit Association, placing liens on garbage accounts and publishing lists of delinquent accounts in the newspaper. The Board also inquired as to the cost of adding the garbage to the real estate tax rate. Mr. Morgan advised this would mean adding fifteen cents to twenty cents to the real estate tax rate. The Board requested a follow-up report on these accounts next month and that monthly reports be provided to the Board on delinquent accounts in the future.

### b. Purchasing Policy Revisions

On the motion of Mr. Vaughan, seconded by Mr. Morris and carried, the Board of

Directors approved the purchasing policy revisions to increase to \$200 the limit for supervisory staff single signature purchase order issuance; authorize the assistant county administrator to act for county administrator on emergency purchases; add refuse collection supervisor, executive secretary and emergency services coordinator to employees authorized to initiate purchase orders; and create 1% county business preference on purchases of \$7,500.

Voting yes: Mr. Vaughan, Mr. Morris, Mr. Baker, Dr. Merrill, Mr. Huff.

Voting no: no.

c. Gallimore Subdivision Lot Purchase

On the motion of Mr. Vaughan, seconded by Mr. Baker and carried, the Board of Directors approved selling the lot at Gallimore Subdivision with staff to determine best route for the sale of the lot.

Voting yes: Mr. Baker, Mr. Morris, Mr. Vaughan, Dr. Merrill, Mr. Huff.

Voting no: none.

d. Water Purchase Contract

The Board of Directors reviewed an interim water purchase contract with the Town of Pulaski for the Brookmont area water.

On the motion of Mr. Baker, seconded by Mr. Morris and carried, the Board of Directors approved the following contract with the Town of Pulaski for water:

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 3rd day of March 1992, between the Town of Pulaski, Virginia, P. O. Box 660, Pulaski, Virginia 24301, hereinafter referred to as the "Seller" and the Pulaski County Public Service Authority, 143 Third Street, NW, Pulaski, Virginia 24301, hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the Pulaski County Public Service Authority is organized and established under the provisions of Virginia Water and Sewer Authorities Act of the Code of Virginia 1950 as amended, and plans to construct and operate a water supply distribution system serving water users in the Brookmont section of Pulaski County, Virginia described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of Brookmont water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. 92-4 enacted on the 17th day of March, 1992, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said resolution was approved, and the execution of this contract carrying out the said resolution by the Town Manager and attested by the Secretary, was duly authorized, and

Whereas, by resolution of the Pulaski County Public Service Authority created by the Purchaser, enacted on the 13th day of April, 1992, the purchase of water from the Seller in accordance with the terms set forth in the said resolution were approved, and the execution of this contract by its Chairman, and attested by its Secretary was duly authorized;

Now, therefore, in consideration of the mutual covenants and agreements contained herein:

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Virginia Department of Health in such quantity as may be required by the Purchaser not to exceed 600,000 gallons per month.

2. (Point of Delivery and Pressure) Purchased water will be furnished at a reasonably constant pressure calculated at 82 p.s.i. from an existing 8 inch main supply at a point located at the end of the existing town waterline 1 mile from the corporate limits on Route 640. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Purchaser at the above address not later than the first (1st) day of each month, an itemized statement of the amount of water furnished the Purchaser during the monthly period ending on the 10th day of the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 15th day of each month after receipt of statement called for in A.3 above, for water delivered in accordance with the following schedule of rates:

a. \$1.43 per 1,000 gallons.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of zero (0) dollars which shall cover any and all costs of the Seller for installation of the metering equipment.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered by the Seller and to calibrate such metering equipment whenever requested by the Seller but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such

period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read by the 10th of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) This contract shall extend for a term of forth (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) Seven (7) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing of the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$1.43/1,000 gallons which will be paid by the contractor or, on his failure to so pay, by the Purchaser.

4. (Failure to Deliver) The Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or if the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's direct consumers is reduced or diminished.

5. (Modification of Contract) The provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase in rates shall be based on a demonstrable increase in costs of performance hereunder. The other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) This contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in the Commonwealth of Virginia and the Seller and Purchaser will cooperate in obtaining such permits, certificates, or other requests, as may be necessary to comply therewith.

7. (Miscellaneous) The construction of the Brookmont water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) In the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether as the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. The parties agree that if a new or amended Master Water Agreement is reached by the parties subsequent to this agreement, such Master Water Agreement will supersede this agreement whether or not specifically referenced therein, and any water furnished in accordance with this agreement shall thereafter be furnished in accordance with the terms of such new or amended Master Water Agreement.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two counterparts, each of which shall constitute an original.

Voting yes: Mr. Baker, Mr. Morris, Mr. Vaughan, Dr. Merrill, Mr. Huff.

Voting no: none.

e. Year to Date Revenue and Expenditure Summaries

The Board of Directors were provided with year to date revenue and expenditure summaries for FY 91-92.

f. FY 93 Budget

The Board of Directors reviewed the proposed budget for FY 92-93. A shortfall in the budget of \$104,801 was noted due primarily to increased garbage expenses. The Board deferred action on the proposed budget until the June 8, 1992, meeting.

g. Rate Increase Hearing

On the motion of Mr. Morris, seconded by Dr. Merrill and carried, the Board of Directors approved the following advertisement for a public hearing on revised garbage rates:

**NOTICE TO ALL OWNERS, TENANTS AND OCCUPANTS OF PROPERTY TO BE SERVED  
OR SERVED BY PULASKI COUNTY PUBLIC SERVICE AUTHORITY, AND TO ALL OTHERS INTERESTED**

Notice is hereby given that the Pulaski County Public Service Authority will hold a public hearing on Monday, July 20, 1992 at 7:00 p.m. in the Pulaski County Administration Building, 143 Third Street, N. W. in the Town of Pulaski, Virginia, on the revision of a schedule of rates, fees and charges for garbage collection services at which hearing owners, tenants and occupants of property to be served or served by the Authority and all others interested will have an opportunity to be heard.

The proposed changes in rates, fees and charges to be approved by the Authority at its meeting following the public hearing on July 20, 1992, for garbage collection services are as follows:

REFUSE - RESIDENTIAL CUSTOMERS - \$11.00 per month or \$33.00 quarter for full

- service
- \$ 8.25 per month or \$24.75 quarter for non-users
- \$ 5.50 per month or \$16.50 quarter for low volume users

REFUSE - COMMERCIAL CUSTOMERS - \$24.00 per month for two containers (\$2.00 additional charge per empty for additional containers)

DUMPSTERS - COMMERCIAL CUSTOMERS - \$15.00 per month rental  
\$33.00 charge each pickup

ROLL OFF CONTAINERS - \$60.00 per haul, plus container rental and New River Resource Authority tipping fee

SPECIAL PICKUPS

RESIDENTIAL - NO EXTRA CHARGE, EXCEPT:

- BRUSH - 1 pickup truck load size per year - no charge
- ALL OTHER - \$15 per pickup truck load size

WOOD AND YARD WASTE FOR RECYCLING AS MULCH AND COMPOST:

- ROLL OFF CONTAINERS - \$50 per haul plus New River Resource Authority tipping fee
- PICKUP SIZE LOADS - \$10 per haul plus New River Resource Authority tipping fee

Additional related information, if any, is available for public inspection from and questions may be directed to, the Pulaski County Administrator's Office from 8:00 a.m. to 5:00 p.m., weekdays, 143 Third Street, N. W., Pulaski Virginia or by calling 980-7705.

Voting yes: Mr. Morris, Dr. Merrill, Mr. Baker, Mr. Vaughan, Mr. Huff.  
Voting no: none.

h. Brookmont Waterline Extension Closing

Mr. Huber reported the closing on the Brookmont waterline extension had been scheduled for May 18, 1992, at 1:00 p.m.

i. PCSA Report

Mr. Morgan reported he had personally attended the last meeting of the Pulaski County Sewerage Authority. He reported the members of the Sewerage Authority did a good job and he was able to answer questions they had.

j. Acceptance of Parkview Subdivision Water and Sewer

Mr. Coake reported that water and sewer lines had been installed for the first three lots in Parkview Subdivision and acceptance of these lines were recommended.

On the motion of Mr. Baker, seconded by Mr. Vaughan and carried, the Board of Directors accepted the water and sewer lines of Parkview Subdivision, subject to

meeting PSA specifications.

Voting yes: Mr. Baker, Mr. Vaughan, Mr. Morris, Dr. Merrill, Mr. Huff.

Voting no: none.

k. Current Authorized Projects:

The following projects were discussed:

- Banking Services RFP
- New River Sewer Extension
- Negotiation of Renewal of Agreement with Towns for Water and/or Sewer Service
- Backflow Prevention Policy and Ordinance
- Brookmont Waterline Extension
- Claytor Lake State Park Waterline Extension Design and Bidding
- Service Agreement Revision

l. Matters Under Review:

The following matters were discussed:

- Vehicle Accident Claim by Attorney Eley
- AT&T Request to Waive Debt Service Charge
- Montgomery County PSA Sewer Capacity Lease or Purchase
- Feasibility of Water Service to Riverbend Subdivision

3. Approval of Minutes of April 13, 1992

On the motion of Mr. Baker, seconded by Mr. Vaughan and carried, the Board of Directors approved the minutes of April 13, 1992.

Voting yes: Mr. Baker, Mr. Vaughan, Mr. Morris, Dr. Merrill, Mr. Huff.

Voting no: none.

4. Acceptance of Accounts Payable

On the motion of Mr. Morris, seconded by Mr. Vaughan and carried, the Board of Directors approved accounts payable as presented on checks numbered 5804 through 5847, subject to audit.

Voting yes: Mr. Baker, Mr. Morris, Mr. Vaughan, Dr. Merrill, Mr. Huff.

Voting no: none.

5. Adjournment

On the motion of Mr. Vaughan, seconded by Mr. Morris and carried, the Board of Directors adjourned. The next regularly scheduled meeting of the Pulaski County Public Service Authority will be held on Monday, June 8, 1992, at 9:00 a.m. in the County Administration Building, 143 Third Street, N. W. in the Town of Pulaski.

Voting yes: Mr. Vaughan, Mr. Baker, Mr. Morris, Dr. Merrill, Mr. Huff.

Voting no: none.

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H. W. Huff, Jr., Chairman

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J. Mack Baker, Secretary