

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

April 10, 2006

At a regular meeting of the Public Service Authority Board of Directors held on Monday, April 10, 2006 at 9:00 a.m. in the Middle Conference Room of the County Administration Building Board Room, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: H. W. Huff, Jr., Chairman; Winston Snead, Secretary; Carl Mathes; Douglas Warren; and Hollis Loyd, Alternate. Board member Archa Vaughan was unable to attend the meeting. Staff members present included: Peter M. Huber, County Administrator; Nancy M. Burchett, Assistant County Administrator; H. R. Coake, County Engineer, Ron Nichols, PSA Refuse Supervisor and Tammy Safewright, Secretary. Also present was Patrick Hughes of the New River Valley Planning District Commission and Deanna Cox of Robinson, Farmer, Cox & Associates.

1. Presentation of FY 05 Audit

Ms. Deanna Cox of Robinson, Farmer, Cox & Associates reviewed the FY 05 PSA Audit report. Ms. Cox noted that areas of concern related mainly to bookkeeping issues including the issuance of purchase orders after the invoice date, posting issues with manual checks, and Rural Development debt payments. She stated that these matters had been discussed with the PSA bookkeeper and steps had already been implemented to resolve these problems. Ms. Cox also noted that for the past three years the PSA had been operating at a net loss of about \$300,000 per year. Mr. Huff explained that the PSA had always operated at a net loss and questioned the depreciation method used in calculating the figures along with net assets. It was the consensus of the committee and the auditor that these factors definitely play a role in the appearance of the net loss figure.

On a motion by Mr. Loyd, seconded by Mr. Mathes and carried, the Board of Directors approved the FY 05 PSA Audit report as presented.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren, Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan.

At this time, Mr. Huber distributed a copy of the 2006-07 proposed budget for review, noting a proposed 3.5% salary increase for all employees, how turnover in personnel was affecting overall budget costs in various departments and noted the major changes from this year's operating budget. Mr. Huber also advised that \$259,000 in additional revenue would be received this year as a result in the increased residential garbage rate from \$13 to \$15. Mr. Huber also recommended part-time staff be requested to assist with drop sites allowing the sites to be operated 8 hours per day, six days per week.

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Discussions continued regarding sewage costs and a proposed \$1 rate increase netting an approximate \$50,000 in additional revenue per year. Mr. Loyd questioned the current hauling fees being assessed on the James Hardie site. The Board also questioned the amount from roll off containers increasing from \$420,000 to \$800,000. Mr. Nichols reported that both were related to the increasing revenues and expenditures from the James Hardie disposal needs which currently resulted in 4-5 loads per day of sludge averaging between 20,000-24,000 pounds per load. It was reported that there was \$60,275 in the contingency amount and that the apportionment of revenues on page three was based on general assumptions.

Mr. Huber thanked Ms. Burchett and Bryan Cox for their assistance with the preparation of the budget and reported that he would re-work the figures to include the proposed rate increase and report back to the Board at the next meeting. The Board was asked to further review the proposed budget and report any concerns prior to the May meeting.

2. Citizen Comments

No citizen comments were heard.

3. Reports from the County Administrator & Staff:

a. Collection Staff Activity

1. Adjustments

On the motion of Mr. Mathes, seconded by Dr. Warren and carried, the Board of Directors approved customer credit adjustments in the amount of \$4,229.66cr.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

2. Inmate Availability Report

Staff reported the inmate count for March 2006 averaged two inmates per day.

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3. Balance Due & Lien Report

The Board reviewed the balance due and lien report as prepared by staff, a copy of which is filed with the records of this meeting

4. Work Order Count

The following pickups were reported as pending: Pickups pending: 19 brush; 12 large; 0 tire(s); 3 refrigerator(s).

5. Drop Site and County Landfill Totals

The following drop site total report was presented:

**DROP SITE TOTAL
FOR THE MONTH OF MARCH**

Site	Trips	Tonnage
Dora Highway	56	144.17
Dublin	44	119.76
Fairlawn	6	58.72
Total	106	322.65

**County Landfill Tonnage
(county customers & Refuse Department Haulers)
(for the Month of March)**

Misc Debris(tons)	Appliances	Tires	Brush(tons)
3075.10	68	953	128.42

b. Action Items:

1. Compactor Unit for Goodwill Industries

As described in the board packet, Goodwill Industries has requested the PSA purchase an \$11,500 compactor unit to be amortized over 46 months through payments of \$250 per month. Mr. Huff questioned how normal pick-up would be charged. Mr. Nichols reported that they are currently charging \$85 per container as compared to Waste Management charging \$100. Mr. Loyd questioned if all costs were inclusive of operation to which Mr. Nichols replied that Goodwill would be responsible for the electrical bills associated with the compactor. The question was also posed as to the life expectancy of the container to which it was reported that most

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will last approximately 15 years. Mr. Huber also stated that if for some reason Goodwill was to renege on their request, it could be used at the drop sites, PCHS and other requested areas. Mr. Nichols stated that this type of equipment would reduce the number of trips to the landfill by PSA trucks.

On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board of Directors approved the staff recommendation of the purchase of the Compactor Unit.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

The Board requested that other localities be polled to see what they handled the rental of compactors. It was noted that parameters needed to be set on financing for future purchases of this nature.

2. Drop Site Equipment

As noted in the board packet, Mr. Taylor and Mr. Nichols discovered an efficient means of removing brush from large item drop sites using a backhoe to load and compact roll-off containers. The method allowed the transport of approximately 14 tons per load from the Dora Highway Site over one weekend in March. In order to further improve this approach, the PSA requested the purchase of a clamshell attachment which could be used on either the PSA or School Board backhoes and the purchase of two 40-yard roll-off containers at a total cost of \$15,000. Mr. Nichols stated that using this approach would reduce staff time and transport costs. Mr. Nichols stated that current loading procedures allowed approximately 7,000 pounds of brush to be loaded; however, with the use of a backhoe, the capacity could be doubled to 14,000 pounds with a goal of 20,000 pounds.

On a motion by Mr. Mathes, seconded by Mr. Snead and carried, the Board of Directors approved the purchase of a clam shell attachment and the purchase of two 40-yard roll-off containers at a total cost of \$15,000.

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Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

3. Purchase of Additional Roll-Off Truck

Two of the current roll-off trucks have over 300,000 miles on them and the PSA was experiencing significant increases in business due to the opening of Lowe's and James Hardie which accounts for 5-8 containers being emptied daily. The refuse management staff requested the purchase of an additional truck in order to meet increased demand, pending confirmation from James Hardie regarding long-term projections for the volume of material they anticipate disposing of. Mr. Nichols reported that staff was looking into the possibility of purchasing a used vehicle as it would take at least six months for a new one to be built. Mr. Huff recommended staff not do anything until additional information was available from James Hardie on their proposed volume. Mr. Huber requested the Board pre-approve the purchase of a roll-off truck if a unit in good condition could be found with a price not to exceed \$120,000 due to the current hauling of 16-18 containers.

Mr. Nichols suggested the purchase of a demo unit by Mack/Volvo which would fall within the costs discussed.

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board of Directors approved the purchase of a demo truck if one could be found not to exceed \$120,000.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.

Voting no: Mr. Loyd

Absent: Mr. Vaughan

4. Agreements:

a. Engineering Agreement – Draper Aden Associates

As noted in the board packet, approval was requested for a proposal for engineering services related to verifying the water supply and sewer service currently

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available for the New River Valley Commerce Park. Questions from Board members ensued regarding the fruition of the Commerce Park and Pulaski County's costs associated with it. Mr. Huber reported that sharing of costs would require sharing revenues. At this point the County had been responsible for all water costs; but that sewer costs had been shared. Mr. Huber stated that the purpose of the study was to show what utilities can be provided and further stated that the study would work together with all needs to provide back-up to our existing system that would include a pump station and parallel lines between Dublin and Fairlawn and also assist our water treatment plant.

On a motion by Mr. Mathes, seconded by Mr. Loyd and carried, the Board of Directors ratified the engineering study.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes,
Dr. Warren, Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

b. PSA & James S. & Elaine J. Whited Agreement

As reported in the board packet, approval of the agreement between the PSA and James S. & Elaine J. Whited was requested making Mr. Whited responsible for clean-out and laterals from his line to the PSA main line noting that the PSA was not responsible for unclogging any of the sewer lines and any damage to the lines was Mr. Whited's responsibility.

On a motion by Mr. Loyd, seconded by Dr. Warren and carried, the Board of Directors approved the agreement between the PSA and James S. & Elaine J. Whited pending any concerns from the County Attorney.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes,
Dr. Warren, Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

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c. Valley Propane Service Agreement

As reported in the board packet, approval of a service agreement with Valley Propane was requested. Mr. Huff questioned the warranty and asked Mr. Coake to check the length of the warranty to be sure it was extended as long as possible.

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board of Directors approved the service agreement with Valley Propane.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes,
Dr. Warren, Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

5. Request for Replacement of Garbage Cans

As reported in the board packet, a citizen complaint had been taken from Mr. Howard Leonard requesting replacement of garbage cans allegedly destroyed by Refuse Department workers. The Board concurred that no action be taken in replacing garbage cans so not to set precedence in future occurrences.

6. River Course of Virginia Tech – Water and Sewer Connection

As reported in the board packet, the Virginia Tech Foundation requested water and sewer connections to the Turf Maintenance Building and to the restrooms which have been constructed adjacent to the River Course Golf Course sewage pump station be reduced.

The Board recommended that the rates be cut in half from \$7,500 to \$3,750 since the initial commercial fees had already been paid and stated that wording be put in place as follows for future commercial reductions: *For uses considered as successory connections to primary connections and not for private industry a half of the commercial connection fees would apply to separate water and sewer connections after payment of the full fee on the first connection.*

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On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board of Directors approved the reduction in sewer fees by half from \$7,500 to \$3,750 after payment of the full fee on the first connection.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

7. Collection of Delinquent Utility Service Accounts

As reported in the board packet, an update on the collection of delinquent utility service accounts was provided and it was reported that the PSA billing staff was implementing Mr. Campbell's recommendations.

8. Tree Removal Policy when Installing Water and Sewer Lines

As reported in the board packet, Mr. Coake and Mr. Huber recommended the adoption of a policy for removal of trees damaged by the installation by water and sewer lines with the exception of the Hidden Valley Campground and other heavily wooded areas.

The following wording was recommended for placement on future easements to include the Orchard Hills, Rolling Hills, Vista and Highland Park Subdivisions only:

Trees will be left where possible during the construction of water/sewer lines. If the tree dies within the contract period or in the opinion of the Extension Agent will not survive, the PSA will be responsible the removal of the tree, shrub, etc. Where trees are left longer than the period of the contract and within one year from the completion of the contract (this does not include the warranty period), and if the tree dies or in the opinion of the Extension Agent will not survive, the PSA will reimburse the property owner \$200 for mature trees that are within the easement and at least 20 feet tall. The Owner must have the tree removed and obtain approval from the PSA prior to removal to receive reimbursement.

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On a motion by Dr. Warren, seconded by Mr. Loyd and carried, the Board of Directors approved the preceding wording regarding the replacement of trees/shrubs related to easement issues with water/sewer lines.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

9. Berkley Tool Fire Line

As reported in the board packet, Jeff Berkley of Berkley Tool is in the process of selling his building located in the Pulaski County Corporate Center and requested the installation of a separate 6" fire line at an approximate cost of \$10,000. Since the facility is located within an Enterprise Zone the PSA Board agreed to waive the water connection fees and only charge the actual cost of making the requested connection as agreed to in the incentives offered by the PSA for the Virginia Enterprise Zone program.

10. Banking Services

As reported in the board packet, staff solicited proposals for banking services for all local banks. It was recommended that NBB be awarded the contract for a 3-5 year period based on the quality of service delivered by the bank over the past five years and the lower cost of NBB's proposal as compared with others.

On a motion by Mr. Mathes, seconded by Mr. Loyd and carried, the Board of Directors approved the banking services agreement.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

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11. Audit Services Agreement

As reported in the board packet, the county solicited proposals for auditing services for the next three fiscal years. The only proposal received was from the current auditor, Robinson, Farmer, Cox & Associates.

On a motion by Mr. Mathes, seconded by Dr. Warren, and carried the Board of Directors approved the auditing agreement as recommended.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Loyd.

Voting no: None.

Absent: Mr. Vaughan

c. Informational Items:

1. Personnel Changes

As reported in the board packet, an update of recent personnel changes and information reporting that Ronnie Joe Rodgers had been offered the position of Chief Water Treatment Plant Operator was provided to the Board.

2. Progress Report-Water Treatment Plant Sed Basin Dispersion Wall Design

As reported in the board packet, an update from Draper Aden Associates was provided on this project.

3. NRRA Collection and Transportation Study

As reported in the board packet, Mr. Nichols and Mr. Huber attended a meeting as part of the Authority's analysis of possible regional operations of waste collection services in member jurisdictions and information was provided to the Board.

4. Orchard Hills/Vista/Rolling Hills/Highland Park Sewer Project

As reported in the board packet, an update on the project was provided to SERCAP by the New River Valley Planning District.

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5. Department of Health Update

As reported in the board packet, an update from the Department of Health was provided on the Water Treatment Plant Operations.

6. NRRA Rate Hearing

As reported in the board packet, the NRRA plans to hold a public hearing on May 24th, Noon at the Solid Waste Management Area to consider revisions to the disposal rates effective July 1, 2006.

7. Sewage Disposal Fees on Local Rates

As reported in the board packet, based of a deficit of \$591,335 in the sewer cost center last year, an increase in sewer fees was recommended.

8. DRAFT PSA Budget

As stated earlier in the minutes, the draft PSA budget was distributed and comments were requested prior to the May meeting.

9. Commerce Park System Analysis

As reported in the board packet, a report describing system improvements required to provide the Commerce Park with one millions gallons per day of water was provided to the Board.

10. Pepper's Ferry Executive Director's Report

As reported in the board packet, Clarke Wallcraft provided the Board with a copy of the Executive Director's Report.

4. Approval of Minutes of February 13, 2006

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved the minutes of March 13, 2006.

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Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren, Mr. Loyd.
Voting no: none.
Not present: Mr. Vaughan.

5. Accounts Payable

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved the accounts payable as presented on checks numbered 4927 through 4994, subject to audit.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren, Mr. Loyd.
Voting no: none.
Not present: Mr. Vaughan.

As a follow-up to last months question by Mr. Loyd pertaining to the difference in charges by Pulaski Occupational Health, Ms. Burchett advised that that the higher costs were for pre-employment drug and alcohol testing and the lower costs were for post accident drug testing only.

6. Other Matters

Ms. Burchett reported that the draft of the drug testing policy for workman's comp and vehicle accidents for employees would be sent to Diane Casola, personnel attorney, for her review.

Mr. Loyd questioned the balance due report and the significant difference in the figures. Ms. Burchett explained that it will vary depending upon when bills are processed, if any large payments are received or if any one customer will be delinquent. One example noted was AEP being billed a large amount that was not paid for approximately 90 days and was now showing in this report as paid. Mr. Loyd requested a footnote be added to the balance due report on unusual bills.

Concern from staff was reported regarding vacancies in the Water Treatment Plant and the Refuse Department. Mr. Huber suggested the alternative of a four-day work week allowing employees to take one day to work in other departments.

Ms. Burchett reported that a grievance hearing was scheduled for May 8, 2006 for Mr. Cory Resnick

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6. Adjournment

By consensus, the Board adjourned the meeting. The next regular meeting of the Pulaski County Public Service Authority Board of Directors is scheduled for Monday, May 8, 2006 at 9:00 a.m. at the County Administration Building, 143 Third Street, N. W. in the Town of Pulaski, Virginia.

H. W. Huff, Jr., Chairman

Winston Snead, Secretary