

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

May 12, 2009

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 12, 2009 at 9:00 a.m. in the Middle Conference Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Maynard Sayers, Chairman; Doug Warren, Vice-Chairman; Hollis Loyd, Secretary/Treasurer; David Dean; and Frank Conner, Alternate. Board member Pete Crawford was unable to attend the meeting. Staff members present included: Diane Newby, Finance Director; Ron Coake, County Engineer; and Gena Hanks, Executive Secretary.

Chairman Sayers welcomed Board members and called the meeting to order.

1. Citizen Comments

Mr. Morgan Morris, Clean Community Council Chairman, and Ms. Joanie Smith were in attendance at the meeting and advised they were at the meeting to observe the order in which the meeting was conducted.

2. Reports from the County Administrator & Staff:

a. Collection Staff Activity

1. Adjustments

On a motion by Mr. Loyd, seconded by Dr. Warren and carried, the Board of Directors approved customer adjustments in the credited amount of \$5,976.99.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd,
Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford.

Mr. Dean requested an explanation as to the reason for the substantial increase in this month's adjustments from the previous month. Staff offered to provide an explanation at the June 2009 meeting.

2. Inmate Availability Report

Staff reported the PSA generally had use of two inmates per day for the month of April.

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3. Balance Due & Lien Report

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

Mr. Loyd requested an explanation as to the steps being taken to collect on delinquent accounts. Mr. Loyd also questioned if steps have been put in place to cut off water on delinquent accounts before the 90-day period. Staff offered to provide an explanation at the June 2009 meeting on both of these matters.

4. Work Order Count

Pickups pending: 2 brush; 0 large items; 0 tire; 0 refrigerators.

5. Drop Site and Landfill Totals

The drop site totals and county landfill tonnage reports for the month of April were reported as follows:

**DROP SITE TOTAL
FOR THE MONTH OF APRIL 2009**

Site	Trips	Tons	Tons per haul
Dora Highway	40	98.03	2.45
Dublin	49	149.09	3.05
Fairlawn	6	33.49	5.59
Totals	95	280.61	2.96

**COUNTY LANDFILL TONNAGE
(COUNTY CUSTOMERS & REFUSE DEPARTMENT HAULERS)
(FOR THE MONTH OF APRIL 2009)**

Commercial	Residential	Tires	Brush
1,073.83	1,022.18	845	80.55

Mr. Loyd questioned the increase in drop center trips from March to April. Staff offered to provide an update at the June PSA meeting.

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b. Action Items:

1. Minutes of Previous Meetings

Mr. Loyd requested clarification on action taken by the Board at its April meeting, specifically if the PSA is purchasing a new truck as a result of the burning of a front-load garbage truck. Mr. Sayers advised authorization was provided by the PSA Board for PSA staff to purchase from the insurance company the damaged truck at a cost of \$2,500. He further explained that the PSA staff were looking for a replacement cab in hopes of being able to put the truck back on the road with minimal additional costs.

On a motion by Mr. Conner, seconded by Dr. Warren and carried, the Board approved the minutes of the April 14, 2009 Board meeting.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd,
Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford.

2. Accounts Payable

On a motion by Dr. Warren, seconded by Mr. Dean and carried, the Board approved the accounts payable for checks numbered 8002152 through 8002228, subject to audit.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd,
Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford

3. FY 10 Budget

As reported in the Board packet, staff had received no comments or suggestions regarding the proposed budget. An updated draft of the proposed budget was presented to Board members.

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Mr. Loyd requested an explanation on the budgeted amount for streetlights, noting it was his understanding streetlight costs were a "pass through" expense. Staff offered to provide an explanation at the June PSA meeting.

Mr. Loyd questioned the spending beyond that budgeted in the Sewer Department, noting it appeared the Sewer Department consistently lost money. Ms. Newby commented the Sewer Department should not be losing money if the costs were passed through to the customers. Staff offered to research the matter and provide an explanation as to consistent deficits in the Sewer Department from the funds budgeted at the June meeting.

Mr. Loyd questioned the approximately 50% increase in salaries in the Sewer Department budget. Mr. Coake suggested the salaries may have been charged to the incorrect line item in the budget. Staff offered to provide an explanation at the June meeting on the line items for salaries, particularly part-time and overtime line items and confirm appropriate line item is being charged for salaries, as well as provide an explanation as to the overspending in salary line items from the budgeted amount.

Mr. Loyd questioned the accuracy of the amounts budgeted and spent to date in the insurance line items in the budget. Staff offered to provide an explanation at the June meeting.

Staff advised approval of the final budget will be placed on the June Board agenda.

4. Bad Debt Write-off

As provided in the Board packet, Board members reviewed a listing of accounts which staff did not expect to be able to collect. Staff recommended these accounts be written off as uncollectible, with the understanding this listing of accounts would continue to be maintained and collection sought, should a delinquent customer seek PSA services in the future.

Board members questioned if the entire list were inactive accounts, how many accounts had liens on the property, as well as how many accounts were as result of non-user fees. Mr. Loyd expressed concern that a precedent was being set by

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writing off accounts and recommended the list be reviewed by staff and a list of true write-offs be presented to the Board for review.

Mr. Dean questioned the high amount of the C. G. Slaughter account. Staff summarized the history of the account. Board members expressed concern that this account should be reviewed further, before the account is written off. By consensus, the Board requested staff provide an update on the C. G. Slaughter account, specifically an explanation as to the reason for the requested write-off.

On a motion by Mr. Loyd, seconded by Dr. Warren and carried, the Board requested staff provide a listing of true write offs for those accounts that are inactive due to moving, but do not include those accounts that are inactive due to former non-user status.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd,
Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford

c. Informational Items:

1. Personnel Changes

There were no personnel changes to report for the month of April.

2. Financial Report

As presented in the Board packet, Board members were provided a financial report as prepared by Ms. Newby.

Mr. Loyd questioned the lack of charges for workman's compensation. Ms. Newby advised the charges for workman's comp are typically received at the first of the year and would not necessarily be shown in the monthly expenditures.

Mr. Loyd questioned the Central Garage gasoline expenses, noting the budgeted amounts were less than previous years. Ms. Newby advised recent problems with the pumps at the Garage may have contributed to this issue.

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Mr. Sayers noted the percentage of salaries left in the budget was lower than it should be at this time of the budget year. Ms. Newby advised it was possible that staff had not been using the appropriate line items when charging salaries. Staff offered to provide an explanation at the June meeting as to the salaries for the PSA employees possibly being charged to the incorrect line item.

Mr. Loyd questioned the higher amount of charges from previous months to the data processing and postage line items. Staff offered to provide an explanation as to the increase in line item charges under data processing and postage charges at the June meeting.

Mr. Loyd questioned the user rebate from the landfill. Ms. Newby advised this was most likely a timing issue.

Ms. Newby provided a detailed report on the status of the current overall budget and expenditures to date. Ms. Newby recommended moving the contingency to the capital improvements fund.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved moving the contingency to capital improvements.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd,
Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford

3. Utility Projects

There were no reports provided.

4. State Code Allowing for Local Franchise

As provided in the Board packet, Board members reviewed a copy of the State Code allowing for and encouraging restriction on competition for garbage collection services.

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5. Infrastructure Corporation of America v. The County of Pulaski and Samuel Ryan

As provided in the Board packet, Board members reviewed documents related to a potential suit involving PSA employee Samuel Ryan, as a result of the damage to the I-81 bridge. Staff reported the insurance company (VACorp) is questioning the billings by VDOT and Infrastructure Corporation of America. Staff advised VACorp had been kept apprised of the situation since they would also be responsible for defending the PSA in this likely suit.

Mr. Sayers questioned the reasoning for VACo's questioning of the billings. Ms. Newby advised it may be a question to as to whether or not the employee in question was within the duties of the PSA at the time of the accident.

Mr. Dean questioned potential costs to the PSA resulting from the suit. By consensus, the Board requested staff to determine what costs could potentially be incurred by the PSA. Staff offered to provide an update to the Board at its June meeting.

6. Commerce Park – Preliminary Engineering Report

As provided in the Board packet, Board members reviewed a copy of the Table of Contents and Executive Summary from the Preliminary Engineering Report for the New River Valley Commerce Park, as prepared by Draper Aden Associates. He advised the Planning District Commission was working to obtain easements.

Dr. Warren inquired as to the status of the Commerce Park agreement. By consensus, the Board requested an update be provided at the June meeting as to the status of agreement.

7. Central Utilities Loan Closing

As reported in the Board packet, a loan closing for the Central Utilities project providing water and sewer service to the Lee Highway, Mabry, Tiny Town, Hidden Valley and Polyester mobile home parks was held on Monday, May 11, 2009. Mr. Coake advised contracts were awarded for the projects.

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Mr. Dean questioned if staff could develop a timeline for the funding status for the various projects. By consensus, the Board requested staff to determine a means of providing monthly updates showing the status of funds spent/received, etc. for the water/sewer projects.

8. Stroop Water Damage

Mr. Loyd requested an update on the Stroop matter. Mr. Coake summarized events to date, including a report to the Board at the April meeting advising that notice was received from VACo, the PSA's insurance carrier, denying the claim of responsibility by the PSA for the Stroop water damage.

Staff was requested to confirm steps are in place for better accountability by the PSA billing staff in documenting requests for turning off water.

9. Additional Drop Sites

As reported in the Board packet, the Forest Service is having a difficult time with dumping in the area between Wythe and Pulaski counties. The Forest Service is offering property on which to locate additional sites. Staff recommended increasing the hours of operation at existing sites, but did not recommend placement of drop centers in the National Forest.

The Board took no action on the Forest Service request, or the staff recommendation for an increase in hours of operation at the drop sites.

Morgan Morris commented that while traveling throughout the county, he had viewed many areas where dumping is occurring. He noted one of the most visible areas was on Bloomers Mountain. He also noted that the placement of dumpsters in the county would not work everywhere, but could be beneficial in some areas.

Mr. Dean asked if Mr. Morris could provide a recommendation as to the need for dumpsters in the area suggested by the Forest Service. Mr. Morris indicated it would not be his recommendation for a dumpster to be placed in the Case Knife area of the county, assuming this was the location being proposed by the Forest Service.

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Mr. Sayers requested staff provide feedback on areas in the county where dumpsters could potentially be beneficial.

Mr. Loyd indicated that increasing the hours of operation at the drop sites would not remedy the problem related to the Forest Service issue.

Dr. Warren suggested the placement of a dumpster at Little River. He noted the long distance traveled by residents on the south side of the county to access a drop site.

Mr. Morris referenced work previously initiated by the NRRRA in efforts to coordinate a system where local governments could share drop sites. However, no action had been taken on this matter. Mr. Sayers suggested this method should be reviewed by staff. Mr. Coake recommended the PSA pursue an agreement with the City of Radford allowing for use of drop sites.

By consensus, the Board requested staff to determine if an agreement with the City of Radford would be feasible allowing for city residents to use the Fairlawn Drop site in exchange for the county residents using the city site between the Memorial Day and Labor Day timeframe.

10. Brush Pickups

As reported in the Board packet, Alfred Woodyard and the Refuse Department staff have successfully taken up the challenge of getting all special pick-ups done within the week. The Board commended staff for the special effort being made by the department this year.

11. Swine Flu Response

As reported in the Board packet, Bobby Clark, Emergency Management Coordinator and the Leadership Team are putting a plan in place for structural adjustments should the flu or other emergency conditions (such as flooding) affect operations. It was further reported that while staff do not believe the swine flu will become a significant event, staff is using this opportunity to ensure property preparations are in place to provide for continuity of operations.

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d. Current Authorized Projects & Items Under Review:

Staff reported the completion of items 1, 2, & 4. The Board authorized removal of these items from the projects listing.

1. Public Water & Sewer Service to Mobile Home Parks
2. Sewer Service to Rolling Hills, Vista, Orchard Hills, and Highland Park Subdivisions
3. Water Treatment Plant Dispersion Wall construction
4. Water Treatment Plant Raw Water Intake Access Road

3. Other Matters

Rt. 114 Bridge Crossing Agreement

Mr. Coake provided an update on the Route 114 Bridge Crossing Agreement noting revisions to the Planning District Commission (PDC) agreement with VDOT and the agreement between the PDC and investors.

Mr. Coake advised the original agreement called for the PSA to pay \$25,000 to secure access to the Facilities for future utility placement; however, the agreement had been revised to reflect payment of \$27,500 by the PSA. Mr. Coake recommended approval of the revised agreement, to include the following revisions:

- Added Section 2.2. RE: Construction contingent on bid costs below \$75,000.
- Additional cost- VDOT charges a 10% engineering and administrative fee, in addition to the estimated \$75,000 construction costs, which has been added proportionally to each Investor's amount.
- Added Section 2.4. RE: VDOT requires an inspection by the Investors upon completion of construction to ensure satisfaction with facilities.

On a motion by Mr. Conner, seconded by Mr. Loyd and carried, the Board approved the revised agreement to include the following changes:

- Adding Section 2.2. RE: Construction contingent on bid costs below \$75,000.
- Additional cost - VDOT charges a 10% engineering and administrative fee, in addition to the estimated \$75,000 construction costs, which has been added proportionally to each Investor's amount.
- Adding Section 2.4. RE: VDOT requires an inspection by the Investors upon completion of construction to ensure satisfaction with facilities.

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In addition, the Board authorized execution of the final agreement.

Voting yes: Mr. Dean, Dr. Warren, Mr. Conner, Mr. Loyd, Mr. Sayers.

Voting no: none.

Not present: Mr. Crawford

4. Tour of Facilities

As a continuation of the tour of PSA facilities, Board members toured the PSA Board toured the Fairlawn Drop Center, the Route 114 bridges and the Pepper's Ferry Regional Wastewater Treatment Plant. Plans for the June meeting would include the touring the Commerce Park, Cloyd's Mountain landfill and the NRRRA landfill.

5. Adjournment

By consensus, Board adjourned its regular May meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, June 9, 2009 at 9:00 a.m. in the Middle Conference Room of the County Administration Building, 143 Third Street, N. W., in the Town of Pulaski.

Maynard H. Sayers, Chairman

Hollis Loyd, Secretary/Treasurer