

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES  
January 12, 2010

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, January 12, 2010 at 9:00 a.m. in the Central Conference Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Doug Warren, Vice-Chairman; Hollis Loyd, Secretary/Treasurer; Pete Crawford; David Dean; and Jerry White. Alternate Board member Frank Conner was unable to attend the meeting. Staff members present included: Ronnie Coake, County Engineer; Diane Newby, Finance Director; and Gena Hanks, Executive Secretary. Robert Hiss, Assistant County Administrator, joined late in the meeting.

Dr. Warren called the meeting to order and welcomed new Board member Jerry White. Dr. Warren described changes to the format of the PSA agenda. He also advised that Peter Huber would not be at the meeting due to his attendance at a hearing on the state budget in Richmond.

Election of Chairman and Vice Chairman

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board elected Doug Warren as Chairman of the Public Service Authority Board of Directors.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren.

Voting no: none.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board elected Pete Crawford as Vice Chairman of the Public Service Authority Board of Directors.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren.

Voting no: none

1. Citizen Comments

There were no citizen comments.

2. Finance

a. Review of Financial Report

Ms. Newby provided an updated expenditure report, noting an error in the report provided in the initial Board packet. Ms. Newby inquired if the Board would prefer to keep a 5% spread in the figures reported monthly. By consensus, the PSA Board expressed its desire to maintain a 5% spread in reporting of the monthly expenditures.

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Ms. Newby provided an explanation as to the reporting of the revenues for the selling of scrap metal.

b. Balance Due & Lien Report

The following balance due and lien reports were provided:

<b>Balance Due</b>	<b>10/1/2009</b>	<b>11/1/2009</b>	<b>12/1/2009</b>	<b>1/1/2010</b>
Current Balance	919,068.47	354,130.47	358,852.30	486,142.22
Over 30 Days	32,903.40	54,040.41	34,624.42	13,886.45
Over 60 Days	14,116.30	12,623.89	29,289.62	10,619.37
Over 90 Days	606,096.40	613,364.25	617,590.49	641,670.55
<b>Total</b>	<b>\$ 1,572,184.57</b>	<b>\$1,034,159.02</b>	<b>\$ 1,040,356.83</b>	<b>\$ 1,152,318.59</b>
Liens	\$ 425,219.65	\$ 425,219.65	\$ 424,436.69	\$ 424,436.69
<b>Details of Accounts Delinquent for 90 days or more</b>				
<b>Detail by type of customer and level of service billed for</b>				
	<b>Garbage &amp; Water</b>	<b>Sewer Only</b>	<b>Garbage Only</b>	<b>Total</b>
<b>Residential</b>	8,652.03	5,106.79	426,648.43	\$ 440,407.25
<b>Commerical</b>	561.99		9,610.09	\$ 10,172.08
<b>Nonuser</b>	191,091.22	-	-	\$ 191,091.22
<b>Total</b>	<b>\$ 200,305.24</b>	<b>\$ 5,106.79</b>	<b>\$ 436,258.52</b>	<b>\$ 641,670.55</b>
<b>Detail by type of customer and active, inactive and non-user accounts</b>				
	<b>Inactive</b>	<b>Nouser</b>	<b>Active</b>	<b>Total</b>
<b>Residential Water</b>	7,215.03	191,091.22	1,437.00	199,743.25
<b>Commerical Water</b>	561.99	-	-	561.99
<b>Residential Garbage</b>	9,494.61	-	417,153.82	426,648.43
<b>Commerical Garbage</b>	6,340.04	-	3,270.05	9,610.09
<b>Sewer</b>	1,163.07	-	3,943.72	5,106.79
<b>Total</b>	<b>\$ 24,774.74</b>	<b>\$ 191,091.22</b>	<b>\$ 425,804.59</b>	<b>\$ 641,670.55</b>

Mr. Loyd questioned the "over 90 days" report continuing to increase when disconnections should occur at 30 days. Mr. Coake advised the timing of the disconnecting of meters could possibly affect the disconnection process.

Staff offered to provide an explanation as to the increase in the "over 90 days" reporting at the February Board meeting.

c. Budget Adjustments

There were no budget adjustments presented at this meeting.

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d. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board of Directors approved customer adjustments in the credited amount of \$4,400.38.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

e. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the accounts payable for checks numbered 8003066 through 8003178, subject to audit.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

f. Rebate of Connection Fee

Mr. Coake offered to answer additional questions by Board members on the following report which was included in the initial Board packet:

Brenda Sayers researched the PSA connection fee records prior to her retirement and found that Teresa Wilburn, 5444 Lovell Drive, Ronald Sheffey, Mary Hayton and Paris Caldwell, Jr. paid \$4,308 each for connections along Lovell Drive in 2002. It is recommended that \$3,808 be rebated to each of the current residents of these structures (\$4,308 less the standard \$500 connection fee). Thus, rebated connection fees in Orchard Hills would be \$15,232.

In the case of Austin Hall, the \$6,000 in connection fees he paid in 2004 is recommended to be rebated to him (\$7,000 paid less the \$500 for each house) upon receipt of an affidavit indicating that he had not included anything more than the \$500 connection fee when pricing the construction of the house. One additional house in the Rolling Hills was connected and a \$5,000 amount paid for a total in connection fee rebates of \$10,500 for the Rolling Hills subdivision.

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Persons receiving rebates would then be charged the higher minimum fees charged in the remainder of each subdivision. Rebating these fees would be a fair way of treating residents of the subdivision while eliminating the difficulty of accounting for differing monthly rates within specific subdivisions. The recommended rebated fees would total \$25,732.

Mr. Dean requested the Board consider approving the rebates.

Mr. Loyd questioned if the individuals for which rebates are being requested would be required to pay the difference between the lower rates having been paid since the sewer was initially installed and the higher rates to be paid in the future. He also questioned if the billings occur by individual or subdivision.

Mr. Crawford questioned if the various subdivisions pay different rates from other subdivisions.

Mr. White questioned the possibility of other potential similar situations whereby rebates may be expected by the PSA Board to customers. He inquired if there was a written agreement between the PSA and the customers. Mr. Coake advised it was his understanding the agreement was a "verbal" agreement.

Mr. Coake provided details describing a previous review by staff of all subdivisions in the county served by the PSA. It suggested the PSA consider an updated review of the subdivisions in an effort to make sure all users are included in the system. He also advised that if the individuals for which rebates had been requested had not installed the water system, the PSA would have had to install the system. He indicated the PSA was benefiting from the installation of the system by the customers.

Mr. Dean offered a motion to approve proceeding with the rebate to Austin Hall, based on the verbal agreement. This motion was later withdrawn by Mr. Dean, pending receipt of additional information relative to a third house owned by Mr. Hall.

On a motion by Mr. Crawford, seconded by Mr. Loyd and carried, the Board approved deferring action on this matter to the Board's February meeting, pending receipt of the following information from staff:

- are bills by individual or subdivision;
- why do different subdivisions pay different rates;

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- will individuals be required to pay difference between lower rate paid since sewer installed and higher rate to be paid;
- could there be other similar situations;
- provide explanation regarding reference to third house owned by Austin Hall;
- additional history and information related to the requested rebate for four individuals on Lovell Drive;

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

g. Purchase of New Truck Chassis and Packer Body

As reported in the Board packet, quotes were received on the replacement of a new chassis and rear load packer body. Staff requested approval to proceed with the low bid purchases (\$96,188 for a 2009 Volvo chassis and \$50,000 for a packer body from Mid-State) in order to maintain the current replacement cycle for trash trucks.

Mr. Dean expressed concern over the delay by the Board in making a decision regarding this matter, noting the request had been placed before the Board at several previous meetings. He indicated a desire to see action taken on this item.

Mr. Loyd questioned the status of the packer body that was not being utilized and currently being housed at the County Garage. Mr. Loyd suggested consideration to swapping the bodies of the truck, rather than an expenditure of \$50,000 for replacement of a new chassis and rear loader packer body.

By consensus, the Board deferred action on this matter to the January 2010 Board meeting, pending receipt of additional information on the status of the packer body and the potential for swapping bodies of the truck rather than the \$50,000 expense for replacement of a new chassis and rear load packer body.

h. Request for Street Light Along Route 99 Near the Entrance to the Moose Lodge

As reported in the Board packet, the PSA had received a request from Bob Merritt representing the Moose Lodge for a street light at the intersection of Route 99 and McAdam Crossing. Staff noted this request has been passed on to Appalachian Power Company for

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calculation of installation and monthly costs and it was anticipated that costs would be passed through to the Moose Lodge through their quarterly garbage billing.

Mr. Dean questioned the need for the light.

Mr. White questioned the reasoning for the request coming to the PSA and not to Appalachian Power Company. Mr. Coake advised the request was before the PSA due to right-of-way issues.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved a request from Bob Merritt representing the Moose Lodge for a streetlight at the intersection of Route 99 and McAdam Crossing, noting the request has been passed on to Appalachian Power Company for calculation of installation and monthly costs, with staff anticipating passing those costs through to the Moose Lodge through their quarterly garbage billing.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

3. Operations

a. Minutes of Previous Meetings

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved the minutes of the December 8, 2009 Board meeting.

Voting yes: Mr. Crawford, Mr. Dean, Mr. White, Dr. Warren.

Voting no: none

Not present for the roll call: Mr. Loyd.

b. Inmate Availability Report

Staff reported the PSA generally had use of two inmates per day for the month of December, 2009.

c. Refuse Department Report

By consensus, the Board commended the PSA utility and refuse collection workers for their work outdoors during the recent inclement weather. Dr. Warren suggested a commendation be sent to the PSA utility workers following a break in the inclement weather.

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Staff reported the following pickups pending: 4 brush; 2 large items; 0 tires; 0 refrigerators.

d. Drop Site Total & County Landfill Tonnage Report

Mr. Loyd noted the drop site totals were down by 50%. Mr. Coake advised the drop in totals was likely due to the recent inclement weather.

e. Personnel Changes

The Board reviewed an update report on recent personnel changes, as prepared by Norma Spence.

Mr. Loyd requested a copy of the organizational chart for the PSA.

f. Recycling at County Drop Centers

Mr. Loyd questioned how to properly dispose of shingles and expressed concern over the testing being required by the landfill. By consensus, the Board requested staff provide information on the proper means of disposing of shingles.

g. Commerce Park Utility Project

As reported in the Board packet, Board members reviewed a summary from the Commerce Park Infrastructure Improvements Project Team of the December 3, 2009 project meeting.

h. Report of Fraud

As reported in the Board packet, the Sheriff's Office addressed recent activities where individuals posing as PSA Water Department employees were going door to door and checking water pressure and replacing water pressure valves for a fee of \$650.00. Staff advised action was taken by the PSA alerting citizens on the county's web site, as well as through the Southwest Times.

i. Sewer Overflows

As reported in the Board packet, a report was provided which had been made by the Town of Pulaski to the Virginia Department of Environmental Quality (DEQ) describing sewer overflows from the

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Critzer and Pulaski sewer pump stations. Sewage collected by the PSA in the Corporate Center would have drained to these pump stations. Mr. Coake advised DEQ is notified within 48 hours and they notify downstream waterworks.

### j. Radio Upgrades

As reported in the Board packet, the radio upgrades approved by the PSA Board at the December meeting were implemented over the Christmas break

### k. Staffing Update

As reported in the Board packet, PSA Board members have voiced concerns regarding collections efforts and the hiring of a part-time person to assist with bill paying and other accounting functions. As a result, Debbie Boyd of the PSA billing staff has been requested to focus on placement of liens and use of the state debt set off program. Staff further reported the delay in hiring any additional staff in order to see how the integration of PSA accounting functions can be accomplished by the existing County staff.

### l. Weather Conditions

As reported in the Board packet, Mr. Coake reported snow and cold temperatures have affected some PSA operations in the water and refuse departments as follows:

Water Department - Changing water temperatures cause water pipes to shift and break. Small lines in the telemetry equipment are the first to freeze forcing employees to travel to the tanks to determine water levels. Dale Hoffman and Larry Vest decided that they preferred to read each PSA water meter than to estimate bills for two months in a row. This required finding and digging out each PSA water meter immediately after the December snowfall and continuing through the cold weather.

Refuse Department – Trash pick up was delayed due to snow and holiday schedules. It was particularly difficult to collect two days of trash following both Christmas and the New Year holidays. On the “double days” (Friday and Monday routes) the department supervisors and roll-off truck drivers teamed up to pick-up the normal Friday routes on Monday so as to reduce the additional workload on the remainder of the employees.

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4. Current Authorized Projects (*Staff "to do" list*)

As reported in the Board packet, staff currently has the following projects on their "to do" list:

- a. Construction of water and sewer service to mobile home parks
- b. Construction of Rolling Hills, Orchard Hills, Vista, and Highland Park sewer
- c. Skyview/NRV Fairgrounds sewer engineering and environmental reports
- d. Commerce Park Utility engineering, easement acquisition and construction
- e. Evaluation of "radio read" water meter option
- f. Lakewood Estates emergency management plan
- g. Drop Center location serving South side of Claytor Lake

Mr. Coake provided an update on a recent 4" waterline break due to recent weather conditions.

Mr. Coake reported the filing of bankruptcy by contractor Dewey Lusk of Structures and Utilities, and requested Board adopt a resolution recognizing and commending Mr. Lusk for his outstanding work for the PSA over his many years as a contractor.

Mr. Crawford inquired as to any obligation by the PSA for projects contracted to Structures and Utilities. Mr. Coake advised the PSA was under no obligation for which Mr. Lusk was contracted due to Mr. Lusk obtaining a performance and payment bond.

Resolution of Commendation – Structures and Utilities

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board adopted the following resolution recognizing and commending Dewey Lusk for his outstanding work for the PSA:

**RESOLUTION OF APPRECIATION  
DEWEY LUSK  
STRUCTURES AND UTILITIES Co INC**

**WHEREAS**, Structures and Utilities has provided faithful and dedicated service to the Pulaski County Public Service Authority since 1984 as a contractor; and

**WHEREAS**, Dewey Lusk owner of Structures and Utilities has always been available to assist the Pulaski County Public Service

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Authority during emergencies and has been the turn to man when there was a difficult or unusual problem to be solved; and

**WHEREAS**, Dewey Lusk was a leader in demonstrating good work ethics, honesty and fairness to all that he worked with; and

**WHEREAS**, Dewey Lusk earnestly sought to serve the Public Service Authority to the best of his ability; and

**WHEREAS**, Dewey Lusk's positive outlook is an example to all who know him; and

**NOW, THEREFORE BE IT RESOLVED**, that the Pulaski County Public Service Authority Board or Directors does commend the contributions made by Dewey Lusk to his community, and the Pulaski County Public Service Authority; and

**BE IT FURTHER RESOLVED**, that the Pulaski County Public Service Authority Board of Directors does extend to Dewey Lusk its appreciation for the work performed in the past by Structures and Utilities Co Inc.; and

**BE IT FURTHER RESOLVED**, that the text of this resolution be spread upon the minutes of the Pulaski County Public Service Authority this 11<sup>th</sup> day of August, 2010 in permanent testimony to the service of Dewey Lusk, and Structures and Utilities Co. Inc. to Pulaski County.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

5. Other Matters

Mr. Hiss reported the recent community meeting on the Dublin area sewer was productive with several residents in attendance.

6. Closed Session -2.2-3711(A)3

A closed meeting is requested pursuant to Section 2.2-3711.A.3 of the 1950 Code of Virginia, as amended, to discuss legal matters.

It was moved by Mr. Loyd, seconded by Mr. Crawford and carried, that the Public Service Authority Board of Directors enter Closed Session for discussion of the following:

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- Allegation of Financial Impropriety

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren.  
Voting no: none

Return to Regular Session

It was moved by Mr. Crawford, seconded by Mr. Loyd and carried, that the Board return to regular session.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren.  
Voting no: none

Certification of Conformance with Virginia Freedom of Information Act

It was moved by Mr. Crawford, seconded by Mr. White and carried, that the PSA Board of Directors adopt 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 Board of Supervisors.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,  
Dr. Warren.

Voting no: none

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7. Adjournment

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board adjourned its regular January meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, February 9, 2010 at 9:00 a.m. in the Central Conference Room of the County Administration Building, 143 Third Street, N. W., in the Town of Pulaski.

Voting yes: Dr. Warren, Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White.  
Voting no: none.

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Douglas Warren, Chairman

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Hollis Loyd, Secretary/Treasurer