

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
APRIL 10, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, April 10, 2012 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford, Vice-Chairman; Hollis Loyd, Secretary/Treasurer; Nancy Burchett; and Dave Dean.

Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Transportation and Maintenance; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order and welcomed those in attendance.

1. Citizen Comments

Ms. Brenda Blackburn inquired as to the terms of existing PSA Board members and questioned if Board members were appointed by district. Each Board member described their terms, if known. Mr. Huber described the process for appointments to the PSA Board by the Board of Supervisors.

Ms. Blackburn questioned if county water had been provided to Heron's Landing. Mr. Huber responded that the PSA did provide water and sewer in parts of Heron's Landing; however, a good part of the water and sewer was provided by the developer.

Ms. Blackburn inquired as to who would be responsible for paying for the proposed joining of the county and school garages. Mr. Huber advised the expenses would be borne by the county.

Mr. Carl Lambert expressed concern over any proposed rate increases in water and/or sewer and questioned the water connectivity to Commerce Park.

Dr. Warren provided details regarding the PSA Board's consideration of a proposed rate increase, noting no rate had been established due to many factors to be considered by the PSA Board. Dr. Warren also advised there had not been a rate increase in many years and noted the system had reached a point where an increase in rates was needed.

Mr. Lambert expressed concern over the PSA installation of a 24-inch line across the river, rather than a 10-inch line, indicating concerns over the county's citizens having to pay for the 24-inch line. Dr. Warren explained county citizens as a whole are not responsible for paying for the line, but rather only those residents receiving the service.

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Dr. Warren and Mr. Huber described the circumstances surrounding the decision to install a 24-inch line, including the age of the PSA Water Treatment Plant and the need by the PSA to submit a plan for increasing water to allow for future development.

Dr. Warren reiterated that only those citizens who are served with water and sewer actually pay for the service.

Dr. Warren and Mr. Huber further advised one purpose of potential rate increase is to provide for future funding to allow for expanding water and sewer services to areas in the county.

Ms. Blackburn expressed concern over the PSA Board's lack of consideration to providing water services to the residents of the Ruebush Road area. Mr. Huber described the route of the water line serving Commerce Park, noting the Town of Dublin provides water through the Commerce Park lines.

Mr. Huber introduced Sarah Wright of the Governor's School, and advised Ms. Wright is working with Jared Linkous as a student intern.

Mr. Dean explained the PSA Board's position on the decision to install a 24-inch line and indicated the PSA Board takes every citizen concern into consideration when making decisions affecting county residents.

Dr. Warren stressed the PSA Board's purpose for considering a rate increase was to allow for uniform rates throughout the PSA service area in the county.

2. Finance

a. FY 11 Audit Presentation

The audit presentation was rescheduled to the May PSA meeting.

b. Follow-up from previous Board Meetings:

1. Results of Survey re: Fluoride Infusion

Mr. Dean advised only one person had come before the Board asking about the fluoride infusion in PSA water. Mr. Dean also advised that the PSA is within the required standards for fluoride infusion.

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Mr. Huber advised staff would provide an update on the survey results regarding infusion of fluoride into the PSA water at a future meeting.

2. Highland Park Easement

Mr. Huber reported three property owners were never compensated for easements granted to the PSA and that checks had been issued to the three property owners. Mr. Loyd clarified the purpose of reimbursing some property owners was due to property owners having granted an easement on property.

3. Rate Structure

Mr. Huber described the previously submitted various rate structures. Mr. Huber advised staff would determine the debt service and the amount needing to be borrowed and would provide the PSA with suggested rates.

Mr. Dean recommended submitting a proposed rate structure to the Board of Supervisors to show a unified effort between the two Boards.

Mr. Loyd requested a map showing the current major water lines in the county.

Mr. Loyd requested information be provided as to what areas of the county are being considered for water and sewer as a part of the comprehensive plan.

Mr. Huber provided details regarding the specifics as it relates to the PSA budget and advertising for a rate increase.

Mr. Crawford suggested a special meeting may be needed to review rate options.

Mr. Loyd and Mr. Dean requested a listing of all water, sewer and garbage rates.

Mr. Huber advised the new accounting standards would require designation of reserves.

Mr. Loyd inquired if the increasing of rates would allow funds for future expansions. Mr. Huber advised funds generated from rate increases would allow future water line expansion in the

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county. Mr. Loyd requested a map showing the sizes of the water lines and areas where capacity can be increased, including areas at maximum capacity.

Ms. Burchett requested a spreadsheet detailing the PSA's rate history.

4. Lee Highway Court/Cooks Crossing Odor Complaints

As reported in the Board packet, Jared Linkous has tracked the source of odor problems in the Cooks Crossing area to hydrogen sulfide production coming from the Town of Pulaski pump station. Citizens were asked to log dates and times that they noticed odor problems and these citizen reports were then compared with a log of pump run times at both the Lee Highway (PSA) and Wurno (Town of Pulaski) pump stations. The run times ruled out the Lee Highway system since pumps were turning on after, rather than before, complaints. There is a correlation between Wurno pump and odor issues with run times exceeding complaint times. We also found that Pepper's Ferry maintains a continuous hydrogen sulfide monitoring at the Wurno pump station which indicated high levels for 3.5 hours prior to Cooks Lane complaint logs. Travel time for sewage to move from Wurno to Cooks Lane is between 2.8 and 3.8 hours depending on the pumping rate for the Wurno variable speed pumps.

5. Skyview Subdivision Sewer Project Phase II

As provided in the Board packet, staff reported following authorization by the Board of Supervisors, the Phase II application for \$575,405 in Community Development Block Grant funds was submitted on March 28th to the Virginia Department of Housing and Community Development.

Mr. Dean inquired as to what percentage is put up by the county and if match is included and is it the responsibility of the PSA. Mr. Huber advised the county is not required to match the funds but generally pledged connection fees.

6. Route 99 Sanitary Sewer PER

As provided in the Board packet, staff described information regarding the Route 99 Sanitary Sewer Preliminary Engineering Report and advised the Town was being asked for a calculation of available capacity at both the Dora Highway and Wurno pump

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stations prior to making a recommendation to the PSA Board regarding the purchase of pumping capacity.

7. Pulaski County Sewerage Authority Agreement

Mr. Huber advised no formal agreement had been prepared incorporating the previously approved terms by the PSA and Sewerage Authority and request the Board review and plan to approve the agreement at the May Board meeting.

Dr. Warren inquired regarding how to address a matter involving maintenance of existing lines and installation of new lines. Mr. Huber advised the agreement could be revised to specify the PSA would provide work only on maintaining existing lines, with work for new lines to be contracted out.

c. Review of Financial Report

Ms. Newby advised the Refuse Department is making money; however, the water and sewer departments are losing money.

Mr. Huber advised the debt service for the Commerce Park had not been seen yet, nor any water purchase from the City of Radford. Ms. Newby also advised of the closing out of commonwealth cash reserves and the paying off of two bond issues (Steger Hill and New River Sewer). Mr. Dean inquired as to the amount of savings by paying off of two loans. Ms. Newby advised after paying off loans the PSA had approximately \$3,000 left in this account.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved the financial report as presented, a copy of which is filed with the records of this meeting.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

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d. Balance Due & Lien Reports

The following report was provided and reviewed in detail by the Board:

Balance Due	1/3/2012	2/1/2012	3/2/2012	4/3/2012
Current Balance	671,432.82	396,502.39	438,734.58	557,190.98
Over 30 Days	113,228.21	78,091.70	38,052.27	29,115.66
Over 60 Days	12,748.14	12,937.71	11,370.25	33,687.04
Over 90 Days	841,197.38	847,544.16	840,928.98	846,945.39
Total	\$ 1,638,606.55	\$ 1,335,075.96	\$ 1,329,086.08	\$ 1,466,939.07
Liens Filed				\$ 372,330.67

Details of Accounts Delinquent for 90 days or more

Detail by type of customer and level of service billed for

	Garbage & Water	Sewer Only	Garbage Only	Total
Residential	38,720.43	48,574.11	564,341.78	\$ 651,636.32
Commercial	2,809.09	-	20,594.75	\$ 23,403.84
Nonuser	171,905.23 see break down below			\$ 171,905.23
Total		48,574.11	\$ 584,936.53	\$ 846,945.39

Detail by type of customer and active, inactive and non-user accounts

	Inactive	Non User	Active	Total
Residential Water	35,914.43	137,544.26	2,806.00	176,264.69
Commercial Water	2,654.74		154.35	2,809.09
Residential Garbage	48,710.32		515,631.46	564,341.78
Commercial Garbage	17,311.22		3,283.53	20,594.75
Sewer	5,769.74	34,360.97	42,804.37	82,935.08
Total	\$ 110,360.45	\$ 171,905.23	\$ 564,679.71	846,945.39

Mr. Loyd inquired as to the status of the over 90-day report. Mr. Huber advised staff had been focusing on the budget and was unable to work on the over 90-day report.

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e. Budget Adjustments

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the following budget adjustments:

PSA FUND #10				
Account Number	Account Title			Amount Increase (Decrease)
REVENUES:				
500-041050-0100	Transfer from Reserve Funds			\$ 228,731.00
	TOTAL			\$ 228,731.00
EXPENDITURES:				
500-094100-8235	Drop Center Improvements (Master Plan)			\$ 5,000.00
500-094100-8105-005	Water Department Vehicle			4,250.00
500-095100-9148	Stigger Hill Rural Development Loan #6			72,275.00
500-095100-9158	New River Sewer Rural Development Loan #2			147,206.00
			TOTAL	\$ 228,731.00

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

f. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved adjustments for March totaling a net credit of \$1,210.88.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

g. Accounts Payable

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8006893 through 8007044, subject to audit.

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Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

Mr. Dean inquired if the listing provided were "outstanding parties" that owe the PSA. Ms. Newby advised the listing was an accounting of invoices paid by the PSA.

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the March 13, 2012 minutes, with correction to a motion.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

b. Inmate Availability Report

Staff reported use of two inmates per day during the month of March.

c. Drop Site Total & County Landfill Tonnage Reports

Staff reported the following drop site total and county landfill tonnage:

Drop Site Total
for the Month of March 2012

Site	Trips	Tons	Tons per haul
Dora Highway	37	90.71	2.45
Dublin	43	174.37	4.05
Fairlawn	9	50.28	5.58
Totals	89	315.36	3.54

County Landfill Tonnage
(County customers & Refuse Department Haulers)
(for the Month of March 2012)

Commercial	Residential	Tires	Brush
359.81	1027.89	1033	6.64

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Board members inquired as to when a report on the Pulaski drop site is expected. Mr. Huber advised the Preliminary Engineering Report (PER) for the Dublin site is completed, with the Pulaski PER expected in a month.

Dr. Warren suggested that the Dublin site be a single location for brush collection.

Mr. Loyd inquired as to the increase in the number of trips to the drop sites. Mr. Nichols advised the increase in trips is typical in March and April due to citizens cleaning of properties.

Mr. Huber requested the Board provide feedback on the concept for going to a single place for collection of brush or continuing with three locations. Mr. Dean expressed concern over citizens being limited to drop sites.

d. Personnel Changes

The Board members reviewed a listing of recent personnel changes.

4. Informational Items

a. Town of Dublin and Pulaski Water Settlement

Mr. Huber described the two FY 11 water settlement billings sent to the two towns. Mr. Loyd inquired as to the how the agreements came about. Mr. Huber responded the agreement was a long-standing agreement between the PSA and two towns where the towns pay the true cost of water and the amount is unknown until the end of the fiscal year.

Mr. Dean questioned the different charges. Mr. Huber advised the towns are charged different rates based on actual costs. Mr. Crawford questioned if the two towns agreed to these terms. Mr. Huber advised the terms were agreed to by the towns.

Mr. Loyd inquired as to the significant drop in charges to the Town of Pulaski. Ms. Newby advised the charges are based on the volume of water usage by the two towns.

Board members requested a "side-by-side" comparison of costs from last year to the current year.

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b. Pulaski County Sewerage Authority Survey

Mr. Huber advised the Sewerage Authority is surveying customers along Route 11 between Memorial Bridge and the Cookout restaurant as to the potential for replacing the existing sewer line serving these locations with relocated lines which would not be as deep as the existing sewer.

Mr. Huber advised efforts would be made to have the sewer vac truck on display at the next Pulaski County Sewerage Authority meeting.

c. Use of Meter Readings for Motor Mile Connection

Mr. Huber shared a letter from the Pepper's Ferry Regional Wastewater Treatment Plant authorizing a five-year extension to the continued use of water meter readings for sewer billing purposes, noting while the PSA has metering equipment in place, the use of water meters is preferred in low-flow situations such as is the case with the Motor Mile entry point.

5. Current Authorized Projects

a. Action Items:

The following information was presented in the Board packet for review:

- Skyview/NRV Fairgrounds sewer funding
- Construction of Commerce Park Utility Project
- Drop Center location South side of Claytor Lake
- Evaluation of "radio-read" water meter option

b. Pending Items:

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

6. Other Matters

Mr. Huber presented a draft of the seal that had been developed which is intended to be placed on the side of PSA vehicles and advised the cost for 100 decals was approximately \$350. Mr. Dean suggested modifications to the seal to include the words "PSA" on the seal since the Public Service Authority is better known by the PSA acronym than by its full title.

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Mr. Huber presented a draft budget and described in detail the information submitted.

Board members inquired regarding how the proposed rate increase would affect the budget and discussed the draft budget in detail.

Mr. Huber requested the Board provide questions, comments or suggestions prior to the May PSA meeting to allow staff an opportunity to provide responses at the May meeting.

Dr. Warren requested a "shirt pocket guide" that includes the water, sewer and garbage fees being charged, which would allow for readily accessible information when PSA Board members are questioned by citizens.

Mr. Loyd requested an additional column be added to the budget spreadsheet that does not reflect the rate increases.

Mr. Loyd requested staff verify information related to the inclusion of grant money as a pass through and the inclusion of such grant money in the budget.

Mr. Loyd requested information that separates out the capital (grants, loans) and show the revenue and operational expenses).

Ms. Blackburn inquired regarding PSA workers' salaries and wages, the work hours of employees, and overtime wages reported on the budget. Mr. Huber advised the overtime wages was due to PSA staff working on holidays and the tornado cleanups.

7. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adjourned its regular April meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, May 8, 2012 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd,
Ms. Burchett.

Voting no: none.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer