

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 26, 2012

At a special meeting of the Public Service Authority Board of Directors held on Tuesday, June 26, 2012, at 9:00 a.m. in the Main Floor 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, Chairman; Pete Crawford, Vice-Chairman; Hollis Loyd, Secretary/Treasurer; Nancy Burchett; and Dave Dean.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; and Gena Hanks, Executive Secretary.

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

1. Citizen Comments

Mr. Huber presented information submitted by Garland Campbell related to Mr. Campbell's request for consideration to purchase/ownership of meters by residents. Mr. Huber noted that there would need to be some type of administrative costs associated with the billing calculations.

2. Finance

a. Follow-up from previous Board Meetings:

1. Proposed Rate Changes: Water, Sewer and Refuse

Mr. Huber and Mr. Linkous presented a recommendation which would allow for funds to be put towards improvements to the drop centers, as well as addressing maintenance issues.

Mr. Dean expressed concern over public perception of the PSA Board, should the Board approve rate increases.

Board members discussed delinquent accounts, the need to analyze and possibly write off accounts with large balances, the potential for advertising the names of delinquent accounts, the potential for including amounts of delinquent accounts onto real estate taxes, the potential use of the amnesty guidelines in collection of delinquent accounts, the potential for stopping the accrual of penalty and interest after six months of non-payment, the low initial cost impacting the perception of the percentage of increase vs. the amount of increase, placing on the county's web site the water and sewer tables describing the proposed increase, and requested a "Question and Answer" fact sheet prior to authorizing the advertisement for a public hearing to consider any proposed rate increases.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 26, 2012

Ms. Burchett requested staff review the James Hardie account to determine profits being made by the PSA resulting from the James Hardie account.

Ms. Burchett reviewed the PSA FY 11 audit, specifically noting the overall net loss to the PSA.

Mr. Dean inquired if the PSA could hold a bond referendum to consider a rate increase. Mr. Huber advised that only the Board of Supervisors were authorized to hold a bond referendum.

Mr. Loyd suggested consideration to doing away with the low volume user fee and implementing one overall rate.

Board members discussed various information to be included on the "Question and Answer" fact sheet including, but not limited to: information re: the PSA paying a tipping fee to the landfill, penalty and interest accrual methods, information related to the Commerce Park water and rate comparisons to other localities.

Ms. Burchett requested consideration to lowering the garbage rate by \$1.00 for full service customers. Mr. Loyd requested staff provide a dollar figure for one overall garbage fee. Mr. Huber advised he did not recommend doing away with the non-user fee.

Board members further discussed the rates presented by staff for water, sewer and garbage, and questioned the net profit or loss.

Mr. Dean suggested the increases be spread out over three years.

Mr. Huber recommended the public hearing to consider rate increases be held in the evening.

b. Approval to Advertise Public Hearing on Revised Rates

By consensus, Board members delayed scheduling a public hearing to consider any rate increases until a "Question and Answer" fact sheet is reviewed by the PSA Board at its July PSA meeting)

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 26, 2012

3. Operations

a. Service to Bopp Store

Mr. Huber advised that the current annexation agreement with the Town of Pulaski prohibits the Town from providing water or sewer service outside the corporate limits without approval from the County. Mr. Huber described Charles Bopp has had problems with the well located at the intersection of Robinson Tract Road and Loving Field Road and is in need of public water service as part of the renovation and reopening of Bopp's store. Mr. Huber advised the Town of Pulaski has water service available across the street from the store and is requesting approval by the PSA allowing the Town of Pulaski to serve this property.

By consensus, the Board approved extending water service to the Bopp property, until such a time as PSA were to extend service.

b. Resolution of Meter Tampering Fee Issue

Mr. Huber advised that Mr. Homiak had agreed to pay \$50 on his account with the PSA waiving the remaining \$50, noting in total Mr. Homiak would have paid \$100 which could be looked at as \$50 for the reconnection and \$50 for half of the meter tampering fee, **or** as the PSA waiving the \$50 reconnection fee, but charging Mr. Homiak \$100 for meter tampering. Mr. Huber advised he had asked the PSA billing staff to implement a \$50 adjustment to his bill and waiving penalty and interest charges on the \$100 remaining charge, and that the customer would have until the end of July to make the payment and he would have been removed from the cut-off listing for June with the \$50 owed being payable with the normal June bill.

4. Current Authorized Projects

a. Action Items

- 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

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 26, 2012

5. Other Matters

Mr. Dean questioned if there were any pending issues related to the Draper Valley Water system. Mr. Huber advised he was not aware of any outstanding issues related to the Draper Valley Water system.

Mr. Loyd requested an update on the status of the radio read meters. Mr. Linkous advised that roughly 22% of the current meters were registering below the industry standard of 95% and that the ones above industry standard were approximately 99% accurate. The meters registering below industry standard have an average accuracy of approximately 70%, nearly 29% below the remaining meters in the PSA system. Based upon an average loss of 29% through 22% of the PSA meters, the anticipated system loss due to inaccurate meters is approximately 6% or approximately \$84,000 per year. Mr. Linkous advised to replace every meter would cost approximately \$450,000 and to add radio read capability to these meters would cost an additional \$550,000.

Staff was requested to invite Attorney Sam Campbell to the July PSA meeting to provide information as to what collection methods are available for collection of delinquent accounts.

6. Adjournment

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board adjourned its special meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, July 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.

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd, Ms. Burchett.  
Voting no: None.

\_\_\_\_\_  
Doug Warren, Chairman

\_\_\_\_\_  
Hollis Loyd, Secretary/Treasurer