

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

January 8, 2013

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, January 8, 2013 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; David Dean; Hollis Loyd, Secretary/Treasurer; and Nancy Burchett. Board member Pete Crawford was unable to attend the meeting.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

Dr. Warren advised the Capital Improvements Plan (CIP) listing included in the Board packet was the CIP for the county and not the Public Service Authority. Staff advised copies of the Capital Improvements listing for the PSA would be provided prior to review of the CIP by the Board.

1. Citizen Comments

There were no citizen comments.

2. Follow-up Items

a. Drop Site Update

Mr. Huber described a letter sent to Brenda Blackburn responding to a Freedom of Information Act (FOIA) request related to allegations of missing gates from the Dublin Drop center.

Mr. Huber advised staff continued to review options for providing video cameras, as approved by the Board at a previous meeting. Dr. Warren advised video cameras are in high demand and the PSA Board may need to be flexible in the costs associated with the cameras, specifically consideration to costs which may exceed the \$2,000 previously approved by the PSA Board.

b. PSA Office Study

Mr. Huber advised staff continued to seek cost estimates from architectural firms for alternative locations for the PSA office. Mr. Huber advised staff was awaiting a response from Dublin Town Manager Bill Parker regarding previous discussions related to better utilization of, or expanding existing space in the Town of Dublin building, as well as potential for improving collections by PSA billing staff.

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Mr. Loyd inquired if discussions would include the potential for using staff from the Town of Dublin for collections. Mr. Huber responded discussions with the Town of Dublin could include the potential for use of Town of Dublin staff for collections.

Mr. Dean expressed concern over the delay in moving forward with new or expanded office space. Mr. Loyd inquired as to a timeframe for receiving preliminary quotes on a new building. Mr. Linkous explained the process and suggested a realistic timeframe for presenting quotes would likely be at the March PSA Board meeting.

c. Recycling Containers for Drop Sites

Mr. Huber reported a staff recommendation for installation of signage on all containers and rain covers on cardboard recycling containers.

Mr. Loyd expressed concerns over the size of the slots on the containers. Mr. Nichols indicated the design of the containers was to encourage citizens to flatten the boxes to allow for easy insertion in the slots. Mr. Nichols also advised that the PSA had seen increased recycling efforts since EcoSmart had gone out of business. Mr. Loyd inquired if the containers would be labeled for "plastic", "glass", etc. Mr. Nichols responded there would be proper labeling.

Dr. Warren indicated his desire to have a separation of recycling containers from the remainder of the drop site. Mr. Huber suggested reviewing the budget to determine available funding to allow for expanding the hours at the drop site to further allow for a supervised site.

d. Route 99/I-81 Sewer Service

Mr. Huber reported that Mr. Patel had dropped interest in acquiring the former Red Carpet Inn due to Department of Environmental Quality (DEQ) issues with the sewer system and BB&T Bank placing the property up for absolute auction. Mr. Dean expressed concern over the eyesore posed at this location and requested staff relay to the Board of Supervisors the concerns by the PSA Board.

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Mr. Huber advised the bank and the auction company had been notified of the potential for the county to secure the restaurant portion of the old facility. Mr. Huber advised staff would work to clean up the property.

Mr. Loyd inquired if there were other interchanges in the county, other than the I81/Rt. 100 interchange, without water and sewer. Mr. Huber described other areas of the county without water and sewer. Dr. Warren expressed concern over the current appearance of the property.

e. Motor at Raw Water Station

Mr. Linkous described the potential savings by the PSA for the new motor, which would be approximately \$4,500 per year, with the potential for the surplus of existing pumps for \$400-\$500.

Mr. Loyd inquired regarding the possibility for rebuilding one of the pumps to use as a spare. Mr. Linkous described plans to keep one of the pumps as a backup, since the shafts were left intact and are interchangeable with the new pumps.

Mr. Huber advised the Water Treatment Plant has been operational for 40 years, without a backup spare motor.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the surplus of the electric motor from the raw water pump station.

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

Voting no: None.

Not present: Mr. Crawford.

3. Action Items

a. Capital Improvements Listing

Mr. Huber thanked Jared Linkous for preparing the majority of the PSA's CIP listing and indicated the PSA would need to review the list. Mr. Huber suggested the PSA select the top four to five items that need to be accomplished from the list.

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Mr. Linkous described the overall history of the list and the method for developing the list, noting only those items anticipated to cost over \$5,000 are placed on the list. Mr. Linkous also advised the stretching out of the CIP to 25 years, allowing for consistency, will help with the rate structure as well as helping with the audit in determining whether or not current inventory is being maintained.

Mr. Dean reinforced the need for the PSA Board to place a stronger emphasis for planning for future distribution of water and sewer lines throughout the county.

Board members discussed the need for a "master plan". Mr. Linkous suggested meeting with each Board member individually to determine Board members' individual desires for future water/sewer projects which would provide staff with direction related to prioritizing funding needs.

Mr. Linkous advised staff looked at the CIP for "big ticket" items which require funding every year, noting funding set aside for future projects must be used to address those items.

Mr. Dean inquired if a monetary value could be placed on future water/sewer projects. Mr. Huber responded this could be done and staff would come up with a list of potential projects, including the south side of Claytor Lake.

Dr. Warren expressed concern over the continuing lack of water on the south side of the lake, specifically noting the need for water to serve Snowville Elementary School.

Dr. Warren suggested staff talk with former Chairman of the School Board, Paul Phillips, who is also a resident of the south side of the lake, regarding the difficulties related to lack of water to serve Snowville Elementary and the need for such service.

Mr. Huber advised of a significant change in the CIP for the cost of painting the water tanks, noting the costs had increased from \$50,000 to \$190,000 per year.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved the following: acceptance of the current CIP, with the option to revise the CIP to include costs associated with future development of water and sewer projects; cover all interstate exchanges; provide service to south side of Claytor Lake, focusing on Snowville Elementary School; and develop a water master plan as follows:

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1. Overall listing by PSA and Planning Commission;
2. Establishment of ranking criteria by Board;
3. Application of criteria by staff; and
4. Seek funding for top priorities.

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

Voting no: None.

Not present: Mr. Crawford.

b. Meeting Schedule

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved continuing with the current meeting schedule by the PSA Board of the second Tuesday of each month at 9:00 a.m. in the Board Room of the County Administration Building.

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

Voting no: None.

Not present: Mr. Crawford.

c. Large Volume Meter Replacement

Mr. Linkous described a staff recommendation for replacement of three of the four meters tested, at an estimated cost of approximately \$15,000.

Board members discussed service to Pepper's Ferry, failing meters, meter performance reports, the significance of the meters to the county and the potential for salvaging old meters.

Mr. Loyd inquired if the meters could be rebuilt to restore accuracy. Mr. Linkous advised the only meter that had the potential for rebuilding was at the State Police Headquarters. Mr. Linkous also reported the accuracy rate of new meter is approximately 95-98%.

Mr. Loyd inquired regarding large industrial customers. Mr. Linkous advised a meter was recently replaced at Volvo and other large customers including the two towns and Pepper's Ferry.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved the replacement of three of the four meters tested at an estimated cost of approximately \$15,000.

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

Voting no: None.

Not present: Mr. Crawford

4. Consent Items

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

a. Minutes of Previous Meetings

The Board approved the minutes of the December 11, 2012 PSA Board meeting.

b. Balance Due & Lien Reports

By consensus, the Board approved the following balance due and lien reports

Balance Due	10/1/2012	11/1/2012	12/3/2012	12/28/2012
Current Balance	755,737.81	505,062.48	546,674.25	740,126.33
Over 30 Days	41,999.21	63,617.61	43,561.80	25,853.34
Over 60 Days	18,533.03	15,362.77	47,284.32	41,803.31
Over 90 Days	979,652.38	982,669.33	990,800.75	987,377.74
Total	\$1,795,922.4 3	\$1,566,712.1 9	\$1,628,321.1 2	\$1,795,160.7 2
Liens Filed				\$ 387,847.81

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	45,499.71	63,636.12	657,393.93	\$ 766,529.76
Commercial	2,605.16		33,314.02	\$ 35,919.18
Nonuser	184,928.80	see break down below		\$ 184,928.80
Total		63,636.12	\$ 690,707.95	\$ 987,377.74

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

	Inactive	Non User	Active	Total
Residential Water	42,279.68		3,220.03	45,499.71
Commercial Water	2,485.91		119.25	2,605.16
Residential Garbage	53,930.91		603,463.02	657,393.93
Commercial Garbage	28,980.43		4,333.59	33,314.02
Sewer	6,099.89		57,536.23	63,636.12
Total	\$ 133,776.82	\$ 184,928.80	\$ 668,672.12	987,377.74

c. Budget Adjustments

The Board approved the following budget adjustment:

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d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$1,012.85.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8008155 through 8008252, subject to audit.

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

Voting no: None.

Not present: Mr. Crawford

5. Staff Reports

a. Financial Reports

Ms. Newby described the PSA summary of reserve funds for fiscal year 2012-13. The Board also reviewed and accepted the financial report in detail.

b. Operational Report

1. Inmate Availability

Staff reported use of three inmates per day for the month of December.

Mr. Loyd described witnessing a garbage truck coming through his subdivision with two inmates on the back of the truck, which was being followed by a police car. Mr. Loyd inquired as to the circumstances that would require policing of a trash truck. Mr. Nichols advised that during the holidays the PSA will often use two inmates on the back of the truck which would require supervision by a police officer.

Mr. Loyd requested an explanation as to the extra run of a route by trash trucks. Mr. Nichols advised trash trucks often backtrack on Fridays when there is a holiday to make sure trash is not overlooked. Mr. Nichols also advised the trash collected over the holidays is typically of much larger volume.

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Mr. Dean inquired as to how the public is notified of changes in schedules. Mr. Nichols responded the public is noticed through PSA billings, newspapers and the NRCC cable channel.

Ms. Burchett inquired if there was a cost to the PSA for use of a deputy to follow trash truck. Mr. Huber advised an off duty deputy is likely used and would have to be paid; noting the situation described by Mr. Loyd was used very infrequently.

Mr. Dean and Mr. Loyd expressed concerns over public perception in having a trash truck being followed by a police car. Ms. Burchett advised it was likely that the trash truck was being followed due to having two inmates on the back of a truck, rather than the standard one inmate and one PSA worker. Mr. Huber advised this was more than likely the first time the PSA had two inmates on the back of a truck. Mr. Huber also described the difficulties by the PSA in fully staffing the trucks during the holidays.

By consensus, the Board accepted the operational report and comments regarding holiday coverage.

2. Drop Site and County Landfill Tonnage Reports

The Board reviewed the following drop site and county landfill tonnage reports:

**Drop Site Total
For the Month of December 2012**

Site	Trips	Tons	Tons per haul
Dora Highway	13	16.46	1.26
Dublin	24	67.94	2.83
Fairlawn	5	22.07	4.41
Totals	42	106.47	2.53

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

Commercial	Residential	Tires	Brush
2265.37	911.38	359	1.93

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3. Cut Off List

Staff reported due to a combination of the holidays and limited staffing, there were no cutoffs in December.

4. Personnel Changes

The Board reviewed the recent personnel changes report.

c. Fluoride Article

Mr. Huber presented a recent article regarding fluoride.

d. Towns of Dublin and Pulaski Billing Reconciliations

Mr. Huber advised preliminary calculations had been provided to both the towns and a request for confirmation as to whether the Town of Dublin would prefer a fixed rate billing.

Mr. Dean inquired as to any deadline for the towns responding. Mr. Huber advised the agreement between the towns and PSA set the terms and that previously, the Town of Dublin had indicated significant interest in moving toward a fixed rate.

Ms. Newby advised the town had until the end of December 2013 to pay, noting receipt of six equal payments to pay off 2011 settlement.

6. Staff To-Do Listing

Board members reviewed the following Items which staff is currently working on but for which there is no additional information to report to the Board at this time.

- a. Skyview/NRV Fairgrounds sewer funding
- b. South Side of Lake and Fairlawn Drop Centers
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Lakewood Estates emergency response plan

Mr. Loyd requested the following items be added back to "Staff To-Do Listing", assuming staff determines no additional information to report: radio read; Wythe County sewer/PSA tie in; and water intake for main meter.

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7. Other Matters

Ms. Hanks reminded Board members of the need to file disclosure statements by January 15, 2013.

Ms. Boyd described the listing of accounts to be written off which amounts to \$40,000-\$60,000.

Mr. Huber advised staff recommendation would be to write off 106 water accounts totaling \$30,438.90. Ms. Burchett inquired if accounts were property owners or renters. Ms. Boyd advised the majority are renters and that all means had been exhausted to contact customers.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved writing off 40 garbage customer accounts totaling \$28,466.46.

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

Voting no: None.

Not present: Mr. Crawford.

Ms. Boyd provided details regarding accounts where liens had been filed and property transferred to other owners, without property search.

Mr. Loyd questioned the significant amount of liens. Ms. Boyd advised the figure was likely inaccurate due to some liens not being taken off.

Mr. Loyd questioned the "30 Days Over" listing. Mr. Huber advised staff continued to work on this list and would require additional review.

Mr. Dean expressed concern over the inaccuracies and the increasing numbers from month to month.

Dr. Warren suggested the Board consider scheduling a work session to review the report. Dr. Warren expressed a desire for the PSA Board to work on resolving issues with accounts so that future boards will not have to address the same issues.

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8. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adjourned its regular January meeting. The next meeting of the PSA Board is scheduled for Tuesday, February 12, 2013 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. Dean, Dr. Warren, Mr. Loyd, Ms. Burchett.

Voting no: None.

Not present: Mr. Crawford.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer