

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, October 14, 2014 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; Dave Dean; Dennis Setliff; and Fritz Streff. Board member Nancy Burchett was unable to attend the meeting.

Staff members present included: Peter Huber, County Administrator; Anthony Akers, Interim Assistant County Administrator; Jared Linkous, County Engineer, Diane Newby, Finance Director; Ronnie Nichols, Director of Operations, Maintenance and Transportation; Debra Boyd, PSA Collections; Sandra Boyd, PSA Billing; and Gena Hanks, Clerk to the Board.

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

1. Moment of Silence and Adoption of Memorial Resolution – Titus Arnold

Ronnie Nichols summarized Titus Arnold's service to the PSA, speaking to Mr. Arnold's great attitude and strong work ethic.

Dr. Warren described the PSA's sadness over the passing of another PSA employee.

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the Board adopted the following memorial resolution honoring Mr. Arnold:

**MEMORIAL RESOLUTION
TITUS LEE ARNOLD**

WHEREAS, Titus Arnold worked with the Pulaski County Public Service Authority since his hiring on October 2, 2006 until September 20, 2014; and

WHEREAS, Titus Arnold enjoyed tinkering with his old truck; and

WHEREAS, Titus Arnold was a great co-worker to those fortunate enough to work alongside him; and

WHEREAS, Titus Arnold demonstrated a high degree of professionalism in dealing with all citizens and employees of Pulaski County;

WHEREAS, Titus Arnold was dedicated to his job and worked tirelessly, often working when not well; and

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

NOW, THEREFORE BE IT RESOLVED, that the Pulaski County Public Service Authority Board of Directors does commend the contributions made by Titus Arnold to his family, community, and Pulaski County; and

BE IT FURTHER RESOLVED, that the Pulaski County Public Service Authority Board of Directors does extend to the family of Titus Arnold its sympathy and condolences in his passing; and

BE IT FURTHER RESOLVED, that the text of this resolution be spread upon the minutes of the Pulaski County Public Service Authority Board of Directors this 14th of October, 2014 in permanent testimony to the service of Titus Arnold to the County of Pulaski.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not present: Ms. Burchett

Staff was requested to invite Mr. Arnold's family to either the November or December Board meeting to accept the resolution, or arrange for an appropriate presentation of the resolution and memorial tokens to Mr. Arnold's family.

2. Citizen Comments

Richard Chumbley inquired as to the status of a previous request for sewer extension to the former Red Carpet Inn property and described an interest in his property by the owners of the former Red Carpet Inn property.

Mr. Linkous advised previous studies had indicated the cost to extend sewer to exceed well over \$2 million, with few potential existing connections. Mr. Linkous also described the issues related to "gravity flow", as well as the project being a major investment by the PSA.

Board members discussed the potential for future development along the Rt. 100 corridor.

Staff to contact Mr. Chumbley to discuss potential marketing of property.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

3. Follow-up Items

A. Virginia Tech Meter Study

Mr. Linkous summarized a report previously provided to the Board related to the study. Mr. Linkous also provided an update that due to lack of participation from other potential funding sources, the scope of the meter study previously approved had changed in that fewer meters will be tested and the \$30,000 cost would remain the same. Mr. Linkous recommended proceeding with the study, noting the study will show if existing meters are reading accurately enough to keep in service.

Mr. Dean expressed concern over the revised scope, specifically with the cost remaining the same, with fewer meters being tested and suggested the \$30,000 could be used for other purposes.

Dr. Streff suggested consideration to conducting a paper study of the meters.

Mr. Setliff expressed concern over spending of the \$30,000, with the scope of the project having been revised and suggested a deployment strategy be put in place and relying upon the manufacturer of the meters.

Board members discussed the following: the rate at which meters can be replaced and the number that can be deferred for replacement; the potential for the County Engineer to conduct a meter study; investment in the meter replacements; and the potential for asking Virginia Tech (VT) to provide a two phase proposal on what is being proposed and the cost of an economic study.

By consensus, the PSA Board approved requesting VT modify its reduced scope.

4. Action Items

A. Grant Funding to Address Bear Issues

Mr. Huber shared a request by Board of Supervisor member Ranny O'Dell asking staff to contact the Department of Game and Inland Fisheries (DGIF) regarding possible grant funding to address bear problems. Mr. Huber also shared follow-up with staff by the DGIF in

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

which "sample program" information was provided by DGIF describing the potential for purchasing bear-proof garbage cans using a combination of grant and PSA funding with the PSA, then selling the cans at a discounted rate to affected property owners.

Board members discussed the following: concern over the PSA assuming responsibility for providing trash cans; the additional workload by the PSA in serving as the "pass-through" for grant funding; and the potential for the customer to buy the bear proof cans directly from a company selling the cans.

Mr. Huber advised that the PSA would serve as the conduit between DGIF and the customer and would not be providing any matching funds.

Dr. Streff provided a motion to approve applying to DGIF for funds, subject to matching funds being refunded to the PSA. Mr. Huber clarified that no matching funds would be required by the PSA and further described the process would include the PSA purchasing the bear proof cans in bulk and then selling the cans to the PSA customer at a prorated amount.

Dr. Streff withdrew his original motion and offered a second motion, which was seconded by Mr. Setliff and carried, to apply for the \$10,000 grant from DGIF, with the PSA providing a sufficient match that the PSA purchase as many bear proof cans as is feasible, with an assessment to be conducted by staff to determine the approximate number of cans that would be needed.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None.

Not present: Ms. Burchett

B. Penalty and Interest Cap

Mr. Huber described a recommendation to the placement of a \$500 cap for penalty fees only, without change to the current 10% annual interest charges for delinquent account. Mr. Huber advised that penalty charges are assessed on a one-time basis for specific charge for month in which they are incurred. Thus, the \$500 limit would only affect customers having monthly service charges of more than \$5,000. Mr. Huber further described a glitch in the James Hardie payment system which resulted in a penalty charge of \$64,468.19, noting that while the company paid this fee

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS

October 14, 2014

(and is now overpaid by \$21,160.38) staff did not believe this charge to be reasonable and therefore recommends the retroactive placement of the \$500 cap. Mr. Huber also shared comments sent via email by Ms. Burchett.

Board members discussed the issue related to the James Hardie account, specifically noting the billing issues were related to internal changes within the James Hardie organization and not related to PSA billing methods. Board members also discussed issues related to burdening PSA customers with unnecessary high penalties.

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board approved placing a \$500 cap for penalty fees only retroactively applied to the recent James Hardie charges, without any change to the current 10% annual interest charges for delinquent accounts.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not present: Ms. Burchett

C. Revision to Date on Which Penalty and Interest Charges are Assessed

Mr. Huber described the current method of assessing penalty and interest charges on the 25th of the month prior to sending out the bills for the next month, noting that as a result of making sure that all payments have been received prior to the assessment of penalty and interest, the bills are not getting mailed as promptly as staff would like. Mr. Huber provided a staff suggestion to send the bills to the printing company on the 26th of each month based on payments received on the 25th, but to give the public an additional two weeks grace period prior to assessing penalty and interest fees on or about the 8th of each month.

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board approved sending the bills to the printing company on the 26th of each month based on payments received on the 25th, but to give the public an additional two-week grace period prior to assessing penalty and interest fees on or about the 8th of each month, with said approval subject to the software operating to accommodate the change.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not present: Ms. Burchett

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

D. Rescheduling of November PSA meeting

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the Board approved rescheduling the November 2014 Board meeting to Wednesday, November 12th due to Veteran's Day holiday falling on the regular November meeting date. Further, moving any future PSA regular monthly meeting date to the following Wednesday, when a holiday falls on a regular monthly meeting date.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff
Voting no: None
Not present: Ms. Burchett

E. Fairlawn Drop Site Changes

Mr. Huber shared a copy of an August 25, 1986 lease agreement with the Pepper's Ferry Authority whereby the Board of Supervisors- had agreed to pay the Pepper's Ferry Authority (PF) \$700 per year since 1986, noting the payments were never made, nor was there any billing of this amount by Pepper's Ferry. Mr. Huber also shared that the County Attorney had reviewed the agreement and noted that there is a five-year statute of limitations on back billing. Further, the Pepper's Ferry Board has asked Clarke Wallcraft, Executive Director, to negotiate a fair settlement of this matter and a meeting has been scheduled to work out a solution. It was also noted that the agreement may be more appropriately between the Pepper's Ferry Authority and the PSA, rather than the Board of Supervisors.

By consensus, the PSA Board requested staff to continue to work with the PF staff/board in moving forward with the rewriting of the agreement, with a draft revised agreement to be presented to the PSA Board once prepared.

Mr. Huber reported a request for cutting down of vegetation at the Fairlawn Drop Site. Mr. Setliff also reported a portion of the fence is down at the drop site.

5. Consent Items

A. Minutes of Previous Meeting

The Board approved the minutes of the September 9, 2014 meeting, as presented.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

B. Balance Due and Lien Reports

The Board reviewed and accepted the following balance due and lien reports:

Balance Due	7/1/2014	8/4/2014	9/2/2014	10/2/2014
Current Balance	657,929.11	724,218.18	641,451.25	651,649.46
Over 30 Days	208,803.57	293,895.59	263,485.98	82,086.74
Over 60 Days	19,779.87	161,482.92	237,075.00	41,937.57
Over 90 Days	1,130,438.59	1,126,018.06	1,140,815.33	1,122,805.85
Total	2,016,951.14	2,305,614.75	2,282,827.56	1,898,479.62
Liens Filed	1,346,855.59			

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	\$ 59,742.98	\$ 68,964.98	\$ 761,257.54	\$ 889,965.50
Commercial	\$ 1,791.62		\$ 56,466.68	\$ 58,258.30
Nonuser	\$ 174,582.05	See Breakdown Below		\$ 174,582.05
Total	\$ 236,116.65	\$ 68,964.98	\$ 817,724.22	\$ 1,122,805.85

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

	Inactive	Non User	Active	Total
Residential Water	\$ 52,196.80	\$ 31,766.60	\$ 7,546.18	\$ 91,509.58
Commercial Water	\$ 1,713.09		\$ 78.53	\$ 1,791.62
Residential Garbage	\$ 59,473.74	\$ 15,582.07	\$ 701,783.80	\$ 776,839.61
Commercial Garbage	\$ 36,814.64		\$ 19,652.04	\$ 56,466.68
Sewer	\$ 7,954.98	\$ 1,522.08	\$ 61,010.00	\$ 68,964.98
Penalty		\$ 12,828.07		\$ 12,828.07
Interest		\$ 112,883.23		\$ 112,883.23
Total	\$ 158,153.25	\$ 174,582.05	\$ 790,070.55	\$ 1,122,805.85

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

C. Budget Adjustments

The Board approved the following budget adjustments:

PSA FUND #3

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
		TOTAL \$ -
<u>EXPENDITURES:</u>		
500-094100-8112-000	Water Treatment Plant Improvements	\$ (48,285.00)
500-094100-8112-009	Water Treatment Plant Emergency Electrical	48,285.00
500-094100-8105-010	Refuse Department Truck	8,807.00
500-094100-8160	Refuse Department Containers	(7,600.00)
500-091400-9301	Contingency Funds	(1,207.00)
		TOTAL \$ -

D. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$15,169.48.

E. Accounts Payable

The Board approved accounts payable for checks numbered 8010920 through 8011046, subject to audit.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not Present: Nancy Burchett

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

6. Staff Reports

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the Board reviewed and accepted the following reports from staff:

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff
Voting no: None
Not present: Ms. Burchett

A. Financial Report

The Board reviewed the financial report provided by Ms. Newby.

Dr. Streff commented regarding several line items, specifically related to where expenditures reflected spending at 30%. Mr. Huber and Ms. Newby advised the 30% is due to one time, yearly expenditures being processed, including property, auto and worker comp insurance.

B. Operational Reports

1. Inmate Availability

Staff reported use of three inmates per day for the month of September 2014.

2. Drop Site and County Landfill Tonnage Reports for September 2014

Drop Site Totals
for the Month of September 2014

Site	Trips	Tons	Tons per haul
Dora Highway	11	32.11	2.92
Dublin	28	109.29	3.91
Fairlawn	5	13.96	2.80
Totals	44	155.36	3.53

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

County Landfill Tonnage
(County customers & refuse department haulers
for the month of September 2014)

Commercial	Residential	Tires	Brush
2925.84	1185.39	922	172

3. Cut Off List

Staff reported there were 49 cutoffs for the month of September.

4. Personnel Changes

Staff reported the following change in personnel:
Titus Arnold, Death.

C. Collections Report

Ms. Boyd reports the following progress has been made in PSA Collections:

1. There have been no additional claims submitted by the State. \$24,969.56 has been received and applied to the delinquent accounts.
2. Addition of 130 new refuse customers added since January 2014.
3. There have been 158 additional new accounts set up for the billing at the end of September for garbage only. Out of those 158 new accounts there have been several corrections that had to be made due to incorrect E911 addresses.

D. Raw Water Intake Preliminary Engineering Report

Staff shared a letter from the Virginia Department of Health related to the report.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

E. IRS – Bond Registration

Staff shared correspondence to the IRS responding to the September 5, 2014 letter from the IRS regarding filing of Form 8038-G.

F. Minnow Branch Water

Mr. Linkous shared a series of emails between Mr. Sheckler and Mr. Linkous related to an issue of report of mud being dumped into Minnow Branch, along with photos provided by Mr. Sheckler. Mr. Linkous reported the following via the BoardDocs report: "muddy water was a result of a failed seal on a telescoping valve at the sludge basins, with staff working with the original manufacturer to determine the valve model and provide a price for the new seals. If that can be determined, we then need to order and replace the seal. Replacement of the seal will require dewatering of the basin to lower the water level to a point below the seal. In the worst case scenario, the repair would require completely dewatering the basin and replacing the telescoping valve at a cost of \$15,000 to \$20,000. We plan to implement a repair at least cost to the PSA".

G. Fairlawn Transfer Station

This matter was previously reviewed by the Board.

7. Closed Session – 2.2-3711.A.1

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, that the Public Service Authority Board of Directors entered into Closed Session for discussion of the following:

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 consultation with legal counsels and briefing by staff for discussion of specific property disposition or acquisition matters:

- PSA Water Treatment Plant Raw Water Intake

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

Legal Matters – Pursuant to Virginia Code Section 2.2-3711(A)7 consultation with legal counsels and briefing by staff for discussion of specific legal matters and matters subject to probable litigation regarding:

- JM Eagle PVC Pipe Litigation

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not present: Ms. Burchett

Return to Regular Session

On a motion by Dr. Streff, seconded by Mr. Dean and carried, that the Board return to regular session.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting no: None

Not present: Ms. Burchett

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Dr. Streff, seconded by Mr. Setliff 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 Public Service Authority.

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,
Ms. Burchett

Voting no: None

Action Items following Closed Session

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board requested staff place the following items on future agendas of the PSA Board:

- Long term planning on volume of water usage to be used by Red Sun; and
- Solid waste hauling and disposal by outside companies.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff

Voting No: None

Not Present: Nancy Burchett

Staff was requested to contact the appropriate source to obtain the price for the property for the lot next to the car wash at the Dublin Town Center and provide an update at the November PSA meeting.

8. Staff To-Do Listing

The Board reviewed the following staff listing of ongoing items:

- a. Skyview/NRV Fairgrounds Sewer Funding
- b. Drop Center on the South Side of Claytor Lake
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Draper Area Wythe County Sewer/PSA Connection
- f. Water Meter Replacement
- g. Water Master Plan
- h. Change Exist at Fairlawn Drop Site

9. Other Matters

There were no other matters discussed by the Board.


PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 14, 2014

10. Adjournment

By consensus, the Board adjourned its regular October 2014 meeting. The next regular meeting of the PSA Board is scheduled for Wednesday, November 12, 2014 at 9:00 a.m. in the Board Room of the CAB.



Doug Warren, Chairman



Nancy Burchett, Secretary/Treasurer