

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
September 8, 2015

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At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, September 8, 2015 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; Nancy Burchett; Fritz Streff; and Dennis Setliff. Dave Dean was absent from the meeting.

Staff members present included: Peter Huber, County Administrator; Diane Newby, Finance Director; Gena Hanks, Clerk to the Board; Debra Boyd, PSA Collections Clerk; and Jared Linkous, County Engineer.

Dr. Warren called the meeting to order and welcomed those present.

1. Board Member Attendance

Mr. Huber advised the Board that Mr. Dean would be absent from the meeting due to being out of town.

Additional Agenda Items

Mr. Huber advised that the preliminary plan for new PSA office had been added as an attachment in the BoardDocs agenda and Jared planned to explain the proposal.

2. Citizen Comments

A. Public Comments

Ms. Brenda Blackburn expressed concern over the lack of answers to questions previously posed to the PSA Board and inquired if the PSA continued to provide garbage services to resident who are not being billed. Ms. Burchett advised that Debbie Boyd is currently working to identify situations where residents are not currently receiving a bill for garbage services being provided. Ms. Blackburn expressed concern that the number of households was approximately 6,000. Mr. Huber described the process for identifying non-paying residents and advised the number was estimated to be approximately 600 households. Ms. Blackburn expressed concern over non-paying garbage customers being penalized through the set-off debt collection process.

Ms. Blackburn advised of having been contacted by several PSA employees expressing concern over the lack of a "reprimand" to employees accused of "embezzlement of time". Dr. Warren suggested Ms. Blackburn advise the employees to contact Karen Thompson in the

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County's Human Resources department to discuss the matter. Ms. Blackburn advised that it was her understanding that the employees in question had expressed concern over fear of retribution if reports are filed. Mr. Huber advised employees had no reason to be concerned about coming forward with concerns related to work issues. Mr. Setliff inquired if the issue described by Ms. Blackburn was the same issue discussed by the Board previously in Closed Session. Mr. Setliff requested the matter be placed on the October PSA agenda to allow for a report to be provided on the findings and to bring closure to the matter.

B. Fluoridation

Dr. Warren referenced information provided by Garland Campbell and included in the BoardDocs agenda, as well as a link to information provided by Mr. Setliff to a WDBJ7 report related to fluoride in Martinsville water. Dr. Warren also described a statement received from Dr. Molly O'Dell, Director, New River Health District, supporting continued use of fluoridation of public water supplies.

3. Financial Matters

A. Financial Report

Ms. Newby advised the reports are in line for the typical August figures, with revenues being down due to the property insurance and workman's comp fees being paid in July 2015.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board reviewed and accepted the financial report, as presented.

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

Voting no: None.

Not present: Mr. Dean.

Mr. Huber advised that Ronnie Nichols would be unable to attend the meeting due to a family health issue. Mr. Huber also advised that Mr. Nichols had reported that staff had been putting in many hours hauling from James Hardie due to contractor related issues, noting, however, the James Hardie volumes are back to normal at this time.

4. Follow-up Items

A. Collections Update

Ms. Boyd reported money received from the State Set Off Debt Program stands at \$0 for August; there had been 37 new customers to sign up for service in the month of August; staff continues to set up billing for those not signed up for garbage service; and the process is ongoing for collection of delinquent accounts. Ms. Boyd also advised staff focus had been on Heron's Landing and Beach Drive at DeHaven Park.

B. PSA Delinquencies

Mr. Huber described the top ten delinquent accounts, noting that due to the high amount of previous delinquencies, approximately \$10,000 per month is being added to the delinquent balances in interest charges alone. Thus, the delinquent balance will naturally increase over time even if some customers are paying their bills.

Mr. Huber advised that on a month-to-month basis, approximately 775 accounts out of 12,393, or 6.3%, are delinquent after 60 days with \$641,691 collected of the \$649,979 billed which represents a 98.7% collections rate within 60 days.

Board members discussed the following: the need for staff to continue to focus on delinquent collections; the frequency by PSA staff in sending delinquent notices to customers; the potential for Sam Campbell, Attorney, to send collection letter(s) to delinquent accounts; potential use of New River Valley Regional Commission maps for assistance in identifying garbage routes; and patterns in situations where delinquencies occur.

Staff was directed to contact PSA Collections Attorney, Sam Campbell and request guidelines and recommended collection policies.

C. Update on PCSA Reconstruction Project

Mr. Setliff advised contractors were moving equipment on site and also advised that paving had been done at Wendy's. Mr. Setliff indicated he anticipates seeing digging activity in the near future.

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D. Community Recycling Center

Mr. Setliff summarized discussions with Volvo representatives as follows: PSA to charge Volvo \$45 per load to take recycled materials to Montgomery County plus \$32 per ton tipping fee at the Montgomery Regional Recycling Center for non-cardboard materials; and PSA to provide two containers to Volvo for personalizing. Mr. Setliff advised Volvo is considering the offer and will contact Mr. Setliff once a decision is made.

E. Water Intake Dredging

Mr. Linkous advised bids would be received on Wednesday, September 9th at 2:00 and would be reported to the PSA Board at the October PSA meeting.

F. Refurbished Grinders

Mr. Huber shared information provided by Mr. Nichols related to refurbished grinders.

G. Wireless Broadband Service

Mr. Huber advised that Mr. Edwin Whitelaw, NRV Unwired, reports that they are actively using the Corporate Center water tank in our system and are looking to expand service to downtown Pulaski with their summer plans to include the Airport Tank, Camrette Logistics in Dublin and several Pulaski Town tanks. Mr. Huber noted NRV Unwired now serves over 300 Pulaski county/town residents – Dr. Warren reminded the Board that Mr. Whitelaw's previous agreement was customer based.

5. Action Items

A. Hicks Account

Mr. Huber described a spreadsheet related to the Irene Hicks account and advised that Ms. Dresser, Ms. Hick's daughter, has offered to pay \$2,400 on the account. Mr. Huber advised the current water non-user charges are \$12,313 not counting any penalty or interest & the tax assessment on the four parcels owned by either Ms. Hicks or her daughter Sharon Dressel total \$116,000. Mr. Huber recommended that the PSA offer to settle for \$24,706 which would waive all penalty fees, and half of

the interest charges, which would be consistent with what has been offered for other delinquent customers willing to pay off prior PSA debt. Mr. Huber also noted that the PSA continues to hold a lien against the property for \$29,737.90.

Board members discussed the following related to Ms. Hicks' account, as well as other large delinquent accounts: setting of precedent if fees are waived for Hicks account; consideration to sending letter to other large delinquent accounts advising of payment options and future placement of lien on the property; the value to the PSA of writing off large delinquent accounts; potential for establishing a contract with Ms. Dresser for payment on Hicks account; value of Hicks property; and a request for staff to determine if Ms. Hicks is deceased.

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board authorized staff to discuss the matter with Ms. Dresser, specifically an offer of a reduced amount to settle the Hicks account in a manner that is consistent with the PSA's present policies, and consistent upon Ms. Dresser's agreement to pay future non-user fees.

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

The Board took a five minute recess.

B. Airport Tank Lease Agreement

Mr. Linkous described the proposal by Verizon Wireless for the Airport tank. Mr. Linkous advised staff continues to work with Verizon Wireless on areas of concern related to the terms of the proposed lease and that no action was needed at this time.

6. Consent Items

A. Minutes of Previous Meeting

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the Board approved the minutes of the August 11, 2015 PSA Board meeting.

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

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B. Balance Due and Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	6/1/2015	7/1/2015	8/4/2015	9/1/2015
Current Balance	596,914.28	762,957.12	655,820.58	653,186.83
Over 30 Days	94,451.28	47,577.05	31,035.31	109,659.23
Over 60 Days	27,074.11	62,853.64	48,559.19	22,209.53
Over 90 Days	1,144,166.23	1,150,965.86	1,142,748.30	1,180,230.11
Total	1,862,605.90	2,024,353.67	1,878,163.38	1,965,285.70
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	\$ 79,507.15	\$ 58,957.42	\$ 805,609.70	\$ 944,074.27
Commercial	\$ 1,886.01		\$ 51,307.46	\$ 53,193.97
Nonuser	\$ 182,961.87			\$ 182,961.87
Total	\$ 264,355.03	\$ 58,957.42	\$ 856,917.66	\$ 1,180,230.11

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

	Inactive	Non User	Active	Total
Residential Water	\$ 71,963.23	\$ 31,592.26	\$ 7,543.92	\$ 111,099.41
Commercial Water	\$ 1,886.01			\$ 1,886.01
Residential Garbage	\$ 71,617.43	\$ 14,690.94	\$ 733,992.27	\$ 820,300.64
Commercial Garbage	\$ 43,669.49		\$ 7,638.47	\$ 51,307.96
Sewer	\$ 15,097.98	\$ 1,605.88	\$ 43,859.44	\$ 60,563.30
Penalty		\$ 13,512.12		\$ 13,512.12
Interest		\$ 121,560.67		\$ 121,560.67
Total	\$ 204,234.14	\$ 182,961.87	\$ 793,034.10	\$ 1,180,230.11

C. Budget Adjustments

There were no budget adjustments.

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D. Billing Adjustments

Billing adjustments for July and August were approved as follows: July – 204.59 net credit; and August 8,038.72 net credit.

E. Accounts Payable

The Board approved accounts payable for checks numbered 8012577 through 8012741, subject to audit.

F. Personnel Changes

The Board reviewed and accepted the personnel changes as presented.

7. Staff Reports

A. Operational Reports

By consensus, the Board reviewed and accepted the operational reports as follows:

1. Inmate Availability

Staff reported use of three inmates per day for the month of August 2015.

2. Drop Site and County Landfill Tonnage Reports for August 2015

Drop Site Totals
for the Month of August 2015

Site	Trips	Tons	Tons per haul
Dora Highway	9	44.44	4.93
Dublin	23	89.98	3.91
Fairlawn	9	47.44	5.27
TOTAL	41	181.86	4.43

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County Landfill Tonnage
(County customers & refuse department haulers
for the Month of August

Commercial 4330.98	Residential 1134.76	Tires 506	Brush 2.75
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3. Cut Off List

Staff reported there were 17 cutoffs for the month of August. It was noted this number was low due to an error in the aging process when the billing was done.

B. PSA Billing Office:

Mr. Linkous described in detail a preliminary floor plan of work to be done to the building.

Board members and staff discussed the following: replacement of tile/carpeting as needed; security features; plans to meet with PSA billing staff to review floor plans; Ethernet availability; bringing code compliance issues up-to-date; signage installation; and timeline for bidding.

C. One Call Now Report

Mr. Huber described the One Call Now report which notifies customers where water service is going to be terminated for non-payment.

D. Annual Water Settlement Calculation

Mr. Huber described the annual water settlement calculation for the Town of Pulaski for the fiscal year ended June 30, 2014, with said rate to change to \$3.19 per 1,000 gallons with the next billing cycle.

E. PSA – Delinquent Accounts

Mr. Huber described a series of emails related to questions as to how the \$500 cap on penalty charges are applied, as well as summarized minutes of the PSA's Boards October 14, 2014 meeting at which this item was discussed and the \$500 cap approved by the PSA Board. Mr. Huber advised staff recommended to leave the current procedures in place and

then look at the write-off process as a way of reducing that amount and using this waiving of the 100% of penalties and 50% of interest due as a motivator to encourage residents to settle their delinquent accounts.

8. Staff To Do Listing

- A. Skyview/NRV Fairgrounds Sewer Funding
- B. Drop Center on the South Side of Claytor Lake
- C. Covered Water Meter Ordinance
- D. Draper Area Wythe County Sewer/PSA Connection
- E. Water Meter Replacement
- F. Water Master Plan
(Discussions were held related to the costs associated with an overall master plan, which is expected to cost approximately \$100,000)
- G. Change Exit at Fairlawn Drop Site

9. Other Matters

Mr. Huber advised that staff would contact the NRV Regional Commission on the efficiency study mentioned by Dr. Warren.

Dr. Warren advised of a conversation with Paul Phillips related to the lack of public water on the south side of Claytor Lake. Dr. Warren also described Mr. Phillips' concerns related to muddy well water and problems with feeding cattle. Dr. Warren referenced a study conducted by the NRV Regional Commission which provided statistics related to the number of homes to be served by public water between the county line down to Lowman's Ferry Bridge and over as far to the road by Snowville. Dr. Warren also spoke to the recent community meetings dealing with modifications of zoning ordinance, which had proved successful in obtaining citizen input and in which he suggested could be a method used to obtain citizen comments on potential water. Dr. Warren suggested reviewing grant opportunities, etc. as a means of funding water source to the south side of the lake.

Staff was requested to obtain water testing results that were conducted several years ago and also contact the Health Department on well failures and provide an update at a future PSA meeting.

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Mr. Setliff suggested the following topics as future agenda items:

- Quotation for addition of surveillance cameras at drop sites (pieces of furniture left on access roads after closed);
- General status on where we stand on whole subject of time reporting systems (do in future timeline);
- Status of purchase of small compactor for New River folks (did that happen and how commercial agreement was constructed?);
- Drilling of wells (current status, building at the lake – where are we with that? Is our customer happy? - will we look at other test wells); and
- Follow-up with Ronnie re: studying the cost of repair/maintenance of county vehicles – collectively avoid some costs there – ask to look at what were top ten items in volume or replacement and what were top ten items from cost expenditure standpoint putting out in the county – has a contact in Volvo organization if buying from Volvo

Dr. Warren described concerns over the Fairlawn Drop Site not being large enough to accommodate the items being dropped off and requested staff review potential options for expanding the current drop site, which may include lease of additional acreage around the property.

10. Adjournment

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board adjourned its regular meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, October 13, 2015 at 9:00 a.m. in the Board Room of the CAB.

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

Voting no: None.

Not present: Mr. Dean.



Doug Warren, Chairman



Nancy Burchett, Secretary/Treasurer