

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
October 13, 2015

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, October 13, 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; Dave Dean; Fritz Streff; and Dennis Setliff.

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

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

1. Board Member Attendance

All Board members were present.

2. Citizen Comments

Brenda Blackburn inquired as to the PSA's involvement in regulating spring water in the county. Dr. Warren and Mr. Huber advised the PSA does not regulate the quality of spring water and suggested Ms. Blackburn contact the Health Department. Ms. Blackburn advised concerns stemmed from the potential for contamination of spring water on family owned property due to horses grazing near the spring. Dr. Warren suggested Ms. Blackburn contact the local Virginia Cooperative Extension Office to obtain additional information regarding the matter.

3. Financial Matters

A. Financial Report

Ms. Newby offered to describe the report in detail. Mr. Huber advised the 22% of expenditures included front loaded expenses on insurance payments.

Mr. Nichols described in detail an annual report for services provided to James Hardie for FY 2014-2015.

Board members discussed the following: the need for a formal agreement between James Hardie and the PSA; the PSA's exclusive franchise in the county for hauling of trash; and the procedure for retiring old roll-offs.

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Board members requested staff provide an update on the following at a future meeting/work session: discussions on the potential for a formal agreement with James Hardie; and a summary of the net income from the PSA's largest commercial accounts.

4. Follow-up Items

A. Collections Update

Ms. Boyd reported the following progress has been made in the PSA Collections: money received from the State Set-Off Debt Program stands at \$0.00 for September; there have been no new customers to sign up for service in the month of September; staff is continuing to update billing for those not signed up for garbage service; and the process is continuing on collection of delinquent accounts.

Board members discussed the potential for auditing the PSA's accounts to validate staff findings as it relates to customer collections, as well as the potential for placing GPS services in garbage trucks to allow for monitoring of customer accounts, specifically those residences where services are provided, but not billed.

Ms. Boyd advised staff efforts were concentrated on the customer base around Claytor Lake.

B. PSA Delinquencies

Mr. Huber described a letter from Attorney Sam Campbell to Mildred Mitchell related to liability for unpaid PSA water and garbage service charges to tenants of Ms. Mitchell. Mr. Huber advised the referenced letter was in conformity with State Code.

C. Update on Sewerage Authority Reconstruction Project

Mr. Setliff advised the project was ongoing, with preparations being made to go under Rt. 11 at The Cookout Restaurant. Mr. Setliff also advised work is being done in the evening to avoid disturbing daytime traffic.

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D. Community Recycling Center at Volvo

Mr. Huber advised the current offer by the PSA is to provide surplus dumpsters and to transport recyclables to the Christiansburg recycling center at a cost of \$45 per load, with Volvo providing the recycling location and any necessary staff and pay hauling and tipping fees. Mr. Setliff advised of having met with Volvo representatives with the Volvo team indicating a desire to have a more "cost sharing" mode for the recycling center. Mr. Setliff described having notified Volvo representatives that the PSA is not prepared to go into a cost-loss position. Mr. Setliff indicated if the PSA did move forward under the terms set by the PSA, an agreement would need to be drafted.

E. Pulaski Well-Water Program

Mr. Huber shared a summary of the results of the Pulaski well-water program, including that the Extension Agent advises that due to the mission of the program and the confidentiality agreement, they were unable to break results down by specific areas, but they could possibly do a summary of zip-codes or jointed zip-code areas, if there were enough samples in those zip codes.

Board members discussed follow-up action in place to residents upon receipt of results of sampling, as well as concerns relative to the percentage of wells testing positive for coliform.

Mr. Linkous described efforts to submit an application for funding using the study as a demonstration to health concerns, noting the study was not strong enough to warrant approval by the Health Department.

Mr. Setliff referenced an article in the Roanoke Times related to excess funding that has been earmarked for water projects and suggested the potential for submitting two applications, with one for establishing an overall protocol on who is being served and a second to assist the PSA with funding of wells.

Mr. Linkous described the funding of the generators through the Health Department application process and continued efforts to identify opportunities to seek funding for water projects.

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Staff was requested to follow-up with the Extension Office to determine if specific results of the study can be shared, as well as seek foundations that may be willing to fund local studies.

F. Mount Olivet – DBP Results

Mr. Huber shared correspondence from the Health Department related to water sample results from the Mount Olivet water system.

Mr. Linkous described the process for issuing letters to the residents in follow-up to the receipt of sample results, noting only about 1% of residents received letters.

Board members discussed the method for notifying residents of results, potential for modifying letter to provide the date samples are taken, as well as providing a good understanding to the residents of the overall sampling process.

Staff was requested to review said letter for potential modifications to reflect new sample results, specifying results are applicable to Brookmont only, as well as provide information related to blow off valve installation.

5. Action Items

A. Dredging Bid Update, Etc

Mr. Linkous provided a summary to date of the bid process, as well as the results of second round of solicitation of bids. Mr. Linkous described in detail the one bid received of \$428,000 for dredging of the PSA water intake and also shared a letter from the Virginia Marine Resources Commission authorizing the dredging.

Mr. Huber described a recent emergency declaration by the Board of Supervisors allowing for an emergency drawdown of the lake. Mr. Huber also advised staff recommended award of the bid to AECOM in the amount of \$428,000 allowing for proceeding with the dredging of the intake on Claytor Lake.

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the Board approved award of bid to AECOM in the amount of \$428,000 for the dredging of the intake on Claytor Lake.

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

Voting no: None

B. PSA Billing Office Changes

Mr. Linkous described a revised floor plan for the renovation of the building, noting the changes made since the last presentation were minor.

Board members discussed the need to provide sufficient lighting at the back of the building, as well as consideration to installation of cameras.

Mr. Linkous advised that the Board was being requested to provide approval of the final changes which would allow for the architect to move from a conceptual plan to a final plan, followed by putting the project out to bid.

Board members also discussed the potential for the work to be done in-house. Mr. Linkous and Mr. Huber advised the current workload of the General Properties department, as well as the limited staff, prevented the work from being done by in-house staff.

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board approved an additional \$150,000, to the \$150,000 budgeted and previously approved, for the purchase of the PSA building.

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

Voting no: None

C. Airport Tank Lease Agreement

Mr. Linkous presented the latest draft Lease Agreement from Verizon Wireless for the Airport Tank and described concerns from Tim Kirtner, County Attorney, regarding the terms of the proposed lease being overly favorable to Verizon, as well as the extent to which the proposed antennas would cover the top of the water tank possibly precluding other leasers.

Board requested information be presented at future meeting prior to the Board providing authorization for leasing of the tank.

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D. Loving Field Water

Mr. Linkous described being contacted by several residents recently regarding water service to several lots along Loving Field Drive. Mr. Linkous advised the lots were recently purchased at auction and the new owners wish to construct single family dwellings on the property. Mr. Linkous recommended extension of the existing 8-inch waterline eastward along Loving Field Road, approximately 250 linear ft. to a point where the land owners could connect to the water line, noting the cost for the PSA to extend the existing 8-inch water line would be approximately \$15,000, with the land owners being responsible for extending a 2-inch or 4-inch service to their properties at a cost of approximately \$25,000 to \$45,000, which would be similar to the cost to drill three to four wells.

Ms. Burchett spoke to a similar request being made previously by Jennifer Viars for water service, with the request being denied due to a desire by the Board for the water master plan to be completed prior to any decision regarding future water service extensions. Mr. Linkous described the differences in the two projects, noting the Hilton Village Loop is known to have water quality issues that need to be addressed, specifically noting the proximity of an existing water line and known e-coli hit in the area.

Staff was requested to determine if properties along Loving Field Drive were purchased by one or multiple persons.

Board members discussed the following: the need to insure that a situation is not created that would suggest one constituent was receiving favoritism over another; the need for a community meeting to allow citizen input; the need to continue discussions with the 8" line being part of future discussions; and the need for the costs to be such that the customer is not forced to drill a well.

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board authorized staff continuing discussions related to the Hilton Village Loop request for water line extension, with said approval including an appropriation of \$15,000, which is a prelude to, or part of, the ultimate plan for extension of water service) that would include an estimate and plans for extending 8" waterline.

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Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,
 Ms. Burchett.
 Voting no: None

The Board took a five minute recess.

6. Consent Items

A. Minutes of Previous Meeting

By consensus, the Board approved the minutes of the September 8, 2015 PSA Board meeting, with corrections.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,
 Ms. Burchett.
 Voting no: None.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved the following remaining Items of Consent, with the following roll call vote:

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
 Voting no: None

B. Balance Due and Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	7/1/2015	8/4/2015	9/1/2015	10/2/2015
Current Balance	762,957.12	655,820.58	653,186.83	802,110.29
Over 30 Days	47,577.05	31,035.31	109,659.23	59,093.51
Over 60 Days	62,853.64	48,559.19	22,209.53	74,642.73
Over 90 Days	1,150,965.86	1,142,748.30	1,180,230.11	1,194,253.14
Total	2,024,353.67	1,878,163.38	1,965,285.70	2,130,099.67
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

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	Garbage & Water	Sewer Only	Garbage Only	Total
Residential	\$ 83,687.74	\$ 60,298.85	\$ 811,654.07	\$ 955,640.66
Commercial	\$ 1,907.76		\$ 52,217.12	\$ 54,124.88
Nonuser	\$ 184,487.60			\$ 184,487.60
Total	\$ 270,083.10	\$ 60,298.85	\$ 863,871.19	\$ 1,194,253.14

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

	Inactive	Non User	Active	Total
Residential Water	\$ 74,047.28	\$ 31,660.96	\$ 9,640.46	\$ 115,348.70
Commercial Water	\$ 1,907.76			\$ 1,907.76
Residential Garbage	\$ 71,947.42	\$ 14,784.35	\$ 739,706.65	\$ 826,438.42
Commercial Garbage	\$ 44,079.37		\$ 8,137.75	\$ 52,217.12
Sewer	\$ 15,092.18	\$ 1,616.38	\$ 45,206.67	\$ 61,915.23
Penalty		\$ 13,656.56		\$ 13,656.56
Interest		\$ 122,769.35		\$ 122,769.35
Total	\$ 207,074.01	\$ 184,487.60	\$ 802,691.53	\$ 1,194,253.14

C. Budget Adjustments

There Board approved Budget Adjustment – PSA Fund #1 - \$2,715,554.00.

D. Billing Adjustments

The Board approved billing adjustments for September as follows: \$7,897.30 net credit.

E. Accounts Payable

The Board approved the following accounts payable for checks:

- September 2, 2015 – 8012577 through 8012594
- September 10, 2015 – 8012613 through 8012633
- September 11, 2015 – 8012663 through 8012681
- September 17, 2015 – 8012682 through 8012707
- September 24, 2015 – 8012726 through 8012741

F. Personnel Changes

The Board reviewed and accepted the personnel changes as presented.

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Mr. Setliff suggested the PSA Board schedule a work session to discuss the establishment of a process for addressing delinquent accounts.

Mr. Huber described the components of the PSA billing process and suggested any changes to the current billing procedures would be a topic for a work session.

Ms. Boyd advised of receipt of a delinquent payment in the amount of \$1,700 as a result of Attorney Sam Campbell's efforts to reach an agreement with customer.

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 September 2015.

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

Drop Site Totals
for the Month of September 2015

Site	Trips	Tons	Tons per haul
Dora Highway	8	19.47	2.43
Dublin	19	80.04	4.21
Fairlawn	7	55.67	7.95
TOTAL	34	155.18	4.56

County Landfill Tonnage
County customers & refuse department haulers
for the Month of September 2015

Commercial 4,415.12	Residential 1042.14	Tires 785	Brush 1.03
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3. Cut Off List

Staff reported there were 33 cutoffs for the month of September.

B. One Call Report

The Board reviewed latest One Call Now report.

C. Article from Roanoke Times

The Board reviewed article related to unspent federal dollars in federal water-system loan program.

D. DEQ Warning Letter

The Board reviewed letter related to the sewer overflow resulting from excess flow of water through the Regional Jail plumbing system.

E. Heron's Landing Lighting

The Board reviewed a letter to Jeff Worrell with AEP confirming a request for installation of two additional streetlights in Heron's Landing which has been administratively approved.

F. Insurance Coverage

The Board reviewed the Insurance Reference Manual for 2015-16 for all county entities prepared by McNeary Insurance Consultants.

8. Staff To Do Listing

The Board reviewed the following listing of ongoing tasks:

- 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
- G. Change Exit at Fairlawn Drop Site

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9. Other Matters

The Board scheduled a work session for Monday, November 16, 2015 at 5:15 p.m. in IT Training Facility, with the following items to be added to that agenda:

- Commercial industrial franchise rights
- Assistance to Pulaski County Sewerage Authority
- Payment on Delinquent Accounts)

10. Closed Session - 2.2-3711(A1, 3, 7)

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Public Service Authority Board of Directors entered into Closed Session for discussion of the following:

Personnel – Pursuant to Virginia Code Section 2.2-3711(A)1 discussion for consideration of employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of public officers, appointees or employees, regarding:

- Follow-up on Personnel Matters

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion of:

- Collier Street Sewer Service

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:

- Update on Hicks Account

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

Voting no: None.

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Return to Regular Session

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

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
Voting no: None.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Setliff, seconded by Dr. Streff and carried, the PSA Board of Directors adopted 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.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff,
Ms. Burchett.
Voting no: None.

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11. Adjournment

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board adjourned its regular meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, November 10, 2015 at 9:00 a.m. in the Board Room of the CAB.

Voting yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
Voting no: None.


Doug Warren, Chairman


Nancy Burchett, Secretary/Treasurer