

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS MEETING  
May 14, 2019

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 14, 2019, at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia, the following Board members were present: Dr. Doug Warren, Chair; Mr. Dave Dean, Vice Chair; Mr. Dennis Setliff; Dr. Fritz Streff and Nancy Burchett.

Staff members present included: Jared Linkous, Executive Director; Ronnie Nichols, Deputy Director; Jonathan Sweet, County Administrator; Diane Newby, Finance Director; Debra Boyd, Accounts Payable and Collections Clerk and Natasha Grubb, Clerk to Board.

1. Welcome and Call to Order

Dr. Warren called the meeting to order at 9:00 a.m.

A. Confirmation of A Quorum

5 (five) Board members were present.

2. Approval of the Agenda

A. Additions or Changes to the Agenda

- 10. Informational Items A. America's Water Infrastructure Act of 2018

On a motion by Mr. Dean, second by Dr. Streff and carried, the Board accepted by consensus in the affirmative the addition of 10. Informational Items A. America's Water Infrastructure Act of 2018.

3. Presentations and Citizens Comments

A. Presentations and Citizens Comments

There were no citizens comments.

4. Financial Matters

A. Financial Report

The Board reviewed the financial report as presented. Mrs. Newby reported the Public Service Authority finances are in good standing with only one (1) transfer of \$400,000.00 from the money market account with the remainder funded from operations for the purchase of two (2) garbage trucks.

Mr. Linkous remarked he believed the community sewers project will be closed by the end of the fiscal year. The Public Service Authority (PSA) will receive approximately \$1.6 million from Rural Development and were fortunate to have the money available to complete the project.

B. Collections Update

Mrs. Boyd provided the collections update. Mr. Setliff expressed his appreciation to Mrs. Boyd for her continuous efforts with the set off debt program.

C. One Call Report

Mr. Linkous reviewed the One Call Report. There were no questions.

5. Action Items (New Business)

A. Adoption of Fiscal Year 2020 Budget, Capital Plan and Water, Sewer and Refuse Rates

Mr. Linkous introduced the resolution adopting the establishment of rates, fees and all other charges for the fiscal year of July 1, 2019 - June 30, 2020.

On a motion by Mr. Setliff, second by Mrs. Burchett and carried, the Board approved the resolution adopting the establishment of the rates, fees and all other charges for the fiscal year July 1, 2019 - June 30, 2020.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

Mr. Linkous reviewed the Public Service Authority (PSA) 2019-2020 budget. Mr. Linkous noted the budget reflects a 3% salary increase subject to approval by the Board of Supervisors at their June 24, 2019, meeting and an adjustment from a Water Treatment Plant Operator Trainee to a Class II Operator position. In addition, funds in the amount of \$155,500 were remaining for paving of the Dublin Convenience Center; the projected amount of the project is \$175,000 and the Board of Supervisors are looking at options to assist with funding.

On a motion by Dr. Streff, second by Mr. Dean and carried, the Board approved the adoption of the Public Service Authority (PSA) 2019-2020 budget.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

Mr. Linkous reviewed the Public Service Authority (PSA) 2019-2020 Capital Improvement Plan

On a motion by Dr. Streff, second by Mr. Setliff and carried, the Board approved the 2019-2020 Capital Improvement Plan.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. Revised Draft Virginia Water Protection Permit, Public Notice for PSA Intake and Water Withdrawals

Mr. Linkous provided the Board with the revised draft Virginia Water Protection (VWP) individual permit to be issued for the Claytor Lake withdrawal. Acceptance of the permit is demonstrated by publishing the public notice in a newspaper of general circulation and is stated on the public notice is for a full 30-calendar day period. The first day of the comment period begins the following day of the publication. Virginia Department of Environmental Quality (DEQ) requires proof of publication of the public notice and requires the publisher to complete a verification statement. Mr. Linkous noted a Drought Management Plan will be required within a year and any changes with the intake will require DEQ involvement.

Staff recommends authorization to advertise the public notice for the Claytor Lake withdrawal.

On a motion by Mr. Dean, second by Dr. Streff and carried, the Board authorized to advertise the public notice for the Claytor Lake withdrawal.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

C. Skyview Request

Mr. Linkous remarked Ms. Mary Britt, Skyview resident, contacted Mr. Joseph Guthrie, Cloyd Supervisor, to request the four households in the Community Sewers Phase III project be exempt from paying the \$700 connection fee. Mr. Guthrie contacted Mr. Setliff regarding the request.

The PSA did not choose to remove the homes from Phase II. Due to the existing terrain, PSA could not serve the (4) four households by the gravity lines installed as part of Phase II, and a pump station was required, which contributed to the additional cost per connection for Phase III. The funding used for Phase II required income surveys that determined the percentage of residents in the project area that are considered Low to Moderate Income (LMI) households. To be eligible for the funding, at least 51% of the residents must be considered LMI. The Phase II project was funded through the Department of Housing and Community Development (DHCD) Community Development Block Grant (CDBG) program and the Phase III project was funded by the US Department of Agriculture (USDA) Rural Development (RD) program.

The CDBG program provided \$575,405 of grant funds, approximately 72% of the project cost, which required PSA to waive connection fees for LMI households, and the PSA Board decided to waive the connection fees for all

households served by Phase II. The RD funding is all loan, with no grant funding, and requires the PSA to submit a business plan as part of the PER (Preliminary Engineering Report). The business plan requirements include the revenues from connection fees, which offset the overall project cost, and as such reduces the total loan amount.

Agreements were signed with Rural Development for Phase III, as part of the Community Sewers project, which states the PSA will charge connection fees and non-user fees to generate enough revenue to cover the debt. The PSA had to include the Phase III area with two other gravity only projects (Hubbard Way and Fair Acres) to get the cost per connection into a reasonable range, because of the cost of the pump station (i.e., over \$500,000) and the limited number of connections on Phase III.

Staff does not recommend waiving the connections fees.

On a motion by Mr. Setliff, second by Dr. Streff and carried, for the Board to waive the payment of \$700 per connection fee by the (4) four specific households located within the Skyview Subdivision and for the connection fees be administered by the Public Service Authority for the balance of the (4) four households within the Community Sewer Phase III project.

Voting Yes: Mr. Setliff.

Voting No: Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Mr. Setliff advised he would contact Mrs. Britt and inform her of the Board's decision.

## 6. Action Items (Old Business)

### A. Brenda Blackburn

Mrs. Blackburn approached the Board to dispute the delinquent amount of \$2,854.24 which was stated in the certified letter mailed to her from the PSA. Mrs. Blackburn requested an itemized statement and noted she occupied the building located at 4697 Cleburne Boulevard in Dublin for nine months and the PSA continued to receive billing statements after she vacated the premises. Mrs. Blackburn stated she plans to pay her delinquent account; however, she would like to confirm the amount owed is correct.

Mr. Linkous remarked staff will provide Mrs. Blackburn with a statement establishing the charges occurred with interest and penalty during the time when service was requested and terminated. Mr. Linkous advised the amnesty program ended in 2011 and the program was available during the time the account was delinquent.

Mr. Sweet inquired how long the account was delinquent. Mrs. Burchett remarked approximately 10 years.

Mr. Linkous advised Mrs. Blackburn if she would like to request amnesty, she would need to appear before the Board and discuss arrangement for repayment of the delinquent account.

## 7. Reports from Executive Director and Staff

### A. Operational Reports: Convenience Centers and County Landfill Tonnage, Inmate Availability and Cut-Off List

The Board reviewed the Operational Reports: Convenience Centers and County Landfill Tonnage, Inmate Availability and Cut-Off list as presented in the May 14, 2019, BoardDocs agenda.

### B. Activity Report

Mr. Linkous provided the Activity report. There were no questions.

### C. Pulaski County Middle School Sewer Extension

Mr. Linkous reviewed the updates on the Pulaski County Middle School sewer extension. Mr. Linkous asked Mr. Sweet to express to the Board of Supervisors and County Emergency Services his appreciation for allowing PSA to utilize equipment along the shoulder of Route 11 at no charge.

Mr. Setliff requested Mr. Linkous provide a short written summary at the June 11, 2019, meeting regarding what the PSA is specifically responsible for and whether PSA has over performed or under performed on this

project.

#### D. New Resource Authority - PDR (Pulaski, Dublin, Radford) Funding

Mr. Linkous provided a letter to the Board from the New River Resource Authority (NRRA) stating at their Board meeting on April 24, 2019, the "Authority Board did not take any action on declaring any "surplus" funds from the PDR members of the Authority or approved any payouts not currently included in the NRRA previously approved budgets". Mr. Linkous explained he was not at the meeting however he understood the PDR funds are collected by the tonnage that crosses the scale. The decrease in tonnage affected the PSA budget which caused the increase in refuse rates. The decrease also affected the NRRA budget and the PDR funds this year. The amount collected over time has not changed, however the funds collected this year was less than what was expected. Mr. Linkous remarked it was explained to him if there is not an excess of PDR funds generated for the fiscal year, no funds are given.

#### E. Staff to Do List

The following updates were provided on the following staff to do list items:

##### A. Skyview Phase 3 (Community Sewers Project)

Mr. Linkous provided updates for the Community Sewers project.

##### B. Drop Site on the South Side of Claytor Lake

No report given.

##### C. Covered Water Meter Ordinance

No report given.

##### D. Draper Area Wythe County Sewer/PSA Connection

No report given.

##### E. Water Meter Replacement

No report given.

##### F. Water Master Plan

No report given.

##### G. Facilities for Refuse Employees

No report given.

##### H. Pulaski Convenience Center Relocation

No report given.

##### I. Brookmont Water System Disinfection By-Products

No report given.

##### K. Improvements to Fairlawn Convenience Center

No report given.

##### L. Write off Accounts Consideration

No report given.

#### 8. Other Matters from the Directors

A. First Bank

Mr. Setliff updated the Board on the Pulaski County Sewerage Authority's (PCSA) exploration of use of First Bank & Trust for collection of PCSA payments. Mr. Setliff requested consideration of the PSA Board to use First Bank & Trust as well as an option of payment for PSA customers. No action was made at this time and the item will be placed on a future meeting agenda for further discussion.

9. Items of Consent

On a motion by Dr. Streff, second by Mrs. Burchett and carried, the Board reviewed and approved by consensus in the affirmative the following items of consent:

A. Minutes of Previous Meeting

The minutes of April 9, 2019, regular meeting, were approved by the Board at the May 14, 2019, meeting.

B. Balance Due Report

The balance due report was approved as presented in the May 14, 2019, meeting agenda in BoardDocs.

C. Budget Adjustments

Budget adjustment PSA Fund #2019-07 was approved.

D. Billing Adjustments

The billing adjustments were approved as listed in the May 14, 2019, meeting agenda in BoardDocs.

E. Accounts Payable

The Board ratified accounts payable for checks numbered #8018332-8018464.

F. Personnel Changes

Board members reviewed and approved a memo describing personnel changes in the month of April 2019, an electronic version of which is filed in the May 14, 2019, BoardDocs agenda.

10. Informational Items

A. America's Water Infrastructure Act of 2018

Mr. Linkous reviewed America's Water Infrastructure Act of 2018. No action was needed by the Board.

B. Kathy Webb

Mr. Linkous presented an e-mail from Mrs. Kathy Webb commending two (2) refuse workers for their job well done. Mr. Nichols will provide the respective staff members with the compliment.

A. Adjournment

On a motion by Mr. Dean, second by Mrs. Burchett and carried, the Board adjourned their May 14, 2019, regular meeting. The Board voted by consensus in the affirmative to conclude the meeting.

The June meeting of the Public Service Authority will be held on Tuesday, June 11, 2019, at 9 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia.

  
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Douglas D. Warren, DED, Chairman

  
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Nancy Burchett, Secretary/Treasurer