

Follow-up Agenda

ITEM	KEY STAFF
1. <u>Citizen Comments</u>	
a. <u>Public Hearing on Sewer Rate Increase</u> (Sewer rate increased from \$3.50 to \$4.50 per thousand gallons effective January 1, 2006 to compensate for a \$105,850 shortfall in sewer operations - Place notice in next billing cycle as a notice to customers – Include in weekly update)	Ms. Sayers Ms. Hanks
b. <u>Other comments</u> (Mr. Dan Sumner expressed concern over the mobile home park agreements as prepared; advised he felt the PSA should have already installed the waterline from Belspring Rd. to Gate 10 Road; expressed concern over having to pay more for water than some who are paying for both water and sewer; concern that fire flow will not be enough to address needs in area; concern that waterline from RAAP is not potable; and concern over inability to pay \$13,125 connection fee – PSA Board directed staff to meet with Mr. Sumner to discuss issues and provide update at December or January PSA meeting – Develop cost sharing plan - Place update on appropriate agenda)	Mr. Coake/Mr. Huber Mr. Huber Ms. Hanks
2. <u>Reports from the County Administrator & Staff:</u>	
a. <u>Collection Staff Activity:</u>	
1. <u>Adjustments</u> (Approved)	Ms. Sayers
2. <u>Inmate Availability Report</u>	
3. <u>Balance Due & Lien Report</u>	
4. <u>Work Order Count</u>	
5. <u>Drop Site Total & County Landfill Tonnage</u> (Reviewed)	

b. Action Items:

1. Thornspring Road Subdivision

(Mr. Webb described lack of available water pressure to serve a proposed 12 lot subdivision on Thornspring Road - PSA Board reviewed a staff recommendation to increase connection fees allowing in areas where fire flow was not available as a way of providing funding for system-wide improvements in low pressure/volume areas - Mr. Webb asked to let staff know the outcome of sewer and other issues which may affect the viability of the proposed subdivision - Develop possible action plan for use of funds) Mr. Coake

2. Jones Drive Sewer Reimbursement

(Board considered Staff recommendation to set up a cost sharing system applicable to this and other locations where lines are installed to the possible benefit of adjacent property owners – Develop draft policy – Place on agenda) Mr. Coake
Ms. Hanks

3. Beatrice Eanes Non User Fees

(Approved freezing penalty and interest charges on delinquent balance, with a lien to continue to be held on property – Provide policy for Board review at December Board meeting) Ms. Sayers
Mr. Huber/
Mr. Jones

4. Policy on Addressing Large Balances

(Provide list of active and inactive accounts – Staff to update list to sort by active and inactive accounts, provide recommendation for accounts to be written off and also sort list by type of service – Provide update at December Board meeting - Place on December PSA agenda) Mr. Huber/Mr. Jones
Ms. Hanks

5. Front Load Containers

(Reviewed request for 100 front load containers to serve the Pulaski area following the purchase of the new truck - Board requested an accounting of the PSA balance and previous commitments for use of that balance - Place on December agenda) Ms. Jones
Ms. Hanks

6. Pulaski Central – Overall Debt Service vs. Aggregate Debt Service
(Provided summary of estimated ongoing revenues and expenditures related to the installation of water and sewer service to various mobile home parks – Staff to review proposal with mobile home park owners and provide update at December or January PSA meeting – Place on appropriate agenda)

Mr. Huber/Hughes

Ms. Hanks

c. Informational Items:

1. Personnel Changes
(Reviewed)
2. Projects Reports
(Reviewed)
3. Statewide Comparison of Water & Sewer Rates
(Reviewed comparison and noted PSA ranks 83rd in the cost of 5,000 gallons of water for in-locality service of the 151 authorities providing water service and 64th in the cost of 5,000 gallons of sewer for in-locality service of the 139 localities providing sewer service in the State)
4. Lift System for Residential and Commercial Trash Collections
(Provided detailed information re: lift and container – Board approved purchasing one lift on a trial basis)
6. Financial Reports
(Staff provided detailed revenue and expenditure summary – Staff requested to provide details on how much funding had been committed to capital items and adjust summary accordingly – Provide update at December Board meeting - Place update on December agenda)

Mr. Nichols

Mr. Jones
Ms. Hanks

d. Current Authorized Projects & Items Under Review:

1. Public Water & Sewer Service to Mobile Home Parks (engineering underway)
2. Sewer Service to Rolling Hills, Vista, Orchard Hills, and Highland Park Subdivisions (engineering underway)
(Reviewed)

3. Approval of Minutes of October 16, 2006
(Approved)

Ms. Hanks

4. Accounts Payable
(Approved)

Ms. Sayers

5. Other Matters
(Board members invited to employee Christmas breakfast to be held December 1 at 7:15 a.m.)

6. Adjournment

November 20, 2006

TO: PSA Board of Directors

FROM: Staff

SUBJECT: Reports from County Administrator and Staff:

- 1a. Public Hearing on Sewer Rate Increase - The PSA sewer operations budget is \$105,850 in the negative. No change in the current \$6.50 monthly minimum & non-user fees are recommended since the increase is due to operational increases rather than an increase in debt service. Thus, based on 121,455,762 gallons billed last year, rates would have to increase by \$0.87 per thousand gallons from \$3.00 per 1,000 gallons to \$3.87 per 1,000 gallons to make up the current shortfall. Anticipating that sewer treatment costs will continue to increase, staff recommends setting the rate for sewer service at \$4.00 per 1,000 gallons. This rate would result in the cost of PSA sewer service being \$26.50 for an estimated usage of 5,000 gallons per month. These recommended changes would move the PSA from 64th to 76th in the statewide ranking of 139 utility service companies providing sewer service. The PSA has advertised a maximum rate increase to \$4.50 per 1,000 gallons. ***Enclosed*** is a copy of the public hearing notice.

- 2a. Collection Staff Activity:
 1. Adjustments - Adjustments totaling \$656.02 are submitted. A copy of the spreadsheet is ***enclosed***.
 2. Inmate Availability Report - Staff reports the inmate count for October provided three inmates per day.
 3. Balance Due & Lien Report - ***Enclosed*** are the balance due and lien reports.
 4. Work Order Count - Pickups pending: 4 brush; 6 large; 0 tire(s); 1 refrigerator(s).
 5. Drop Site Total & County Landfill Tonnage Report – Drop site totals for the month of October are as follows.

**DROP SITE TOTAL
FOR THE MONTH OF OCTOBER**

Site	Trips	Tonnage
Dora Highway	53	111.16
Dublin	41	84.72
Fairlawn	10	40.25
Total	104	236.13

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

Misc Debris(tons)	Appliances	Tires	Brush(tons)
3,215.49	63	607	68.86

b. Action Items:

1. Thornspring Road Subdivision - Mr. Bob Webb is proposing to develop a 12 lot subdivision on Thornspring Road approximately ½ mile from Rt. 11 (Lee Highway). He is proposing to extend the water line through the subdivision that would require fire flow. The preliminary calculations indicate the system does not have the capacity to provide fire flow. Mr. Webb is requesting that this item be placed on the PSA agenda to determine the options for the requirement to provide fire flow. Based a previous discussion of this issue and consistency with the improvements being made in the Draper Golf Course area in order to provide fire flow, I recommend consideration to a \$2,000 per unit connection fee to be applied to future improvements to the existing overall county-wide system. In addition, the development would have the option of making the improvements needed to provide fire flow; however, it is unlikely that this approach would be economical for a 12 lot subdivision.

2. Jones Driver Sewer Reimbursement - Interested residents of Jones Drive have asked if the PSA would enter into an agreement whereby they would have the potential for being compensated for future connections by adjacent property owners. Staff suggests a cost sharing agreement based on the number of connections using the line within a five year period.

3. Beatrice Eanes Non User Fees – ***Enclosed*** is Ms. Eanes application for SERCAP funding of her waterline which has now been put in place. The application describes her financial condition. Currently, Ms. Eanes owes the PSA \$12,962.74 of which \$1,513.95 is non-user water fees, \$1,092.42 is garbage service, \$8,781.16 is interest, \$1,571.83 is penalty and \$3.38 is taxed. The application of interest is adding \$105 per month to her bill.

Her property is assessed at approximately \$40,000 and she is eligible for relief from paying real estate taxes. I recommend freezing penalty and interest charges on her delinquent balance based on her financial inability to make these payments, her actions in approaching the Board about the matter and the impact it is having on her mental health (she is currently hospitalized). Based on this recommendation, the PSA would continue to hold a lien on her property in the amount of the total \$12,962.74 bill however interest would no longer accrue. I also recommend continued consideration of establishing a procedure for handling large balances as noted in the following item.

4. Policy on Addressing Large Balances - ***Enclosed*** is a listing of active and inactive accounts indicating which accounts have social security numbers on record as needed for the PSA to use the debt set off program and which accounts have recorded real estate liens in place, as well as which accounts are eligible for relief under the tax relief for the elderly. Based on the above information, consideration to the following policies is recommended:

- a. Motivate delinquent customers to address the problem through a 180-day grace period. During this period, the listing of persons eligible for tax relief for the elderly would be used to ability to pay in one of the following options. The waiver of any charges under either of the following two situations would require the specific approval of the PSA Board of Directors as recorded in the minutes of their monthly meetings.

1. Those who can't pay the total debt as defined by their being on the tax relief for the elderly listing **and** make arrangements to pay off the debt for actual services rendered (with payment over maximum of 24 months) are eligible to have the PSA Board freeze all future interest charges. Any remaining charges such as non-users fees would be secured by a lien on the property.
2. Those who can pay would be eligible for waiver of penalty and interest charges assuming their remaining bill is paid in full.

- b. At the same time, the PSA staff would:

1. Utilize debt set off (which intercepts state tax refunds owed to the individual) where the required social security numbers are on file;
2. Continue placement of liens for all customers owing the PSA; and

3. Continue to require social security numbers for all new customers
 4. Requesting the assistance of the Town of Pulaski in cutting off water service to delinquent commercial refuse customers served by the Town water system.
5. Front Load Containers – The refuse department supervisory staff recommends the purchase of 100 additional front load containers at an estimated cost of \$600 each complimenting the recent delivery of the second one-person, front-load truck. This will allow for front-load service throughout the County and should eliminate one existing 2-person route which primarily services dumpsters in the Town of Pulaski.
6. Pulaski Central – Overall Debt Service vs. Aggregate Debt Service – Enclosed is a summary of estimated ongoing revenues and expenditures related to the installation of water and sewer service in various mobile home parks. Staff is working with Rural Development to determine how to best charge each mobile home park owner should revenues from their facility fall below the minimum PSA debt service and how to credit some of the excess revenue in the water to offset losses in sewer service. Approval of the following concepts by the PSA in working out these details is recommended as follows:
- a. Mobile Home Park Owners would be responsible for protecting the PSA for any losses in the debt service portion of the total monthly billing for the park.
 - b. Should revenue from the debt service portion of utility billings in each park be more than actual debt service related to the services provided to that particular park, the excess revenue would be applied to the early repayment of the RD debt.
 - c. Utility rates will be the greater of:
 1. The minimum required by Rural Development for the utilities in the Park to remain eligible for federal funding;
 2. The actual debt service payable by the PSA for service to that park; or
 3. The normal system-wide rate.
- c. Informational Items:
1. Personnel Changes - Enclosed is a listing of recent personnel changes as prepared by Ms. Spence.

2. Projects Reports – ***Enclosed*** are meeting notes, a progress report and timelines on the various water and sewer projects.
3. State-wide Comparison of Water and Sewer Rates – ***Enclosed*** is the annual statewide comparison of water and sewer rates. The Pulaski County Public Service Authority ranks 83rd in the cost of 5,000 gallons of water for in-locality service of the 151 authorities providing water service and 64th in the cost of 5,000 gallons of sewer for in-locality service of the 139 authorities providing sewer service in the State. However, this may not be a fair comparison since many towns subsidize their utility rates with tax revenues.
4. Lift System for Residential and Commercial Trash Collections – As previously approved by the PSA Board, staff is implementing a trial program of installing lifts on the rear of a few garbage trucks combined with the sale of 64 gallon trash bins as a way to reduce workmen's compensation claims related to straining backs from lifting 55 gallon barrels. Following the installation of the lift units on those trucks whose routes include a large number of barrel customers, we would promote the purchase of new containers by customers still using barrels. If the new system works well, I plan to recommend conversion of barrels to this type of can and the installation of on lifters on several additional trucks. Each can costs approximately \$40 and the lifters cost approximately \$3,500. ***Enclosed*** is information describing both the container and the lifter. A local company, Appalachian Machine Rebuild builds and installs the lifters and serves as a handler for the Toter containers.
5. Financial Reports – Gordon Jones is developing a monthly financial report which we hope to have a draft of at the meeting. With the PSA Board meeting relatively early in the month, revenues and expenditures for the previous month would not be verified prior to the normal meeting date leaving the Board with the option of using untested data, looking at data from two months prior to the meeting or both.

d. Current Authorized Projects & Items Under Review:

1. Public Water & Sewer Service to Mobile Home Parks (engineering underway)
2. Sewer Service to Rolling Hills, Vista, Orchard Hills, and Highland Park Subdivisions (engineering underway)
3. Water Treatment Plant Dispersion Wall Design
4. Installation of back-up generators at sewer pump station
5. Replacement of Texaco sewer pump station

PMH/gh