

**AGENDA
PULASKI COUNTY
PUBLIC SERVICE AUTHORITY**

**Regular Meeting
Tuesday, June 14, 2011
9:00 a.m.**

FOLLOW-UP

ACTION ITEM	KEY STAFF
<p>1. <u>Citizen Comments</u> (Brenda Blackburn expressed concerns related several matters involving PSA personnel)</p> <p>(Staff to review personnel issues described by Ms. Blackburn and provide update to PSA Board as appropriate)</p>	<p>Mr. Huber/ Mr. Nichols</p>
<p>2. <u>Finance</u></p> <p>a. <u>Follow-up from May Board Meeting:</u></p> <p>1. <u>Painting of Transfer Trailer</u> (Staff shared before and after pictures of painted trucks – Mr. Loyd requested signage be placed on the trucks identifying the PSA)</p>	<p>Mr. Nichols</p>
<p>2. <u>Water Treatment Plant Maintenance</u></p> <p>a. <u>Valve Replacements</u> (Staff explained the need for the valve replacements and provided details re: the costs associated with the value replacements - Board approved replacing eight valves transferring \$36,000 from funds earmarked for filter replacement)</p>	<p>Mr. Linkous</p>
<p>b. <u>Raw Water Pump Rebuild</u> (Staff explained issues related to the raw water intake pump station and the need to rebuild the pumps – Board approved overhauling both pumps, if needed, within the remaining \$84,000 in the filter budget)</p>	<p>Mr. Linkous</p>

3. Use of Auxiliary Water Only Meters
(Mr. Huber reported five responses received indicating use of meters – Board approved implementing program in order to eliminate garden, pool and car washing as a reason not to connect to the PSA’s sewer collection system)
Mr. Huber/
Ms. D. Boyd/
Mr. Fasnacht
4. Percentage of Water Rate Increase for Town of Pulaski In-Town vs. Out-of-Town
(Mr. Huber reported the Town of Pulaski staff had confirmed that volume charges in and out of Town were increased 20% and fixed monthly costs increased by 15% for both Town and County residents)
5. FY 10 Audit
(Deanna Cox provided an overview of the FY 10 audit; described the county’s implementation of the new accounting standards; and noted the PSA had a clean or “unqualified” (good) opinion) – Further, Mr.Cox described the management discussions and analysis report and indicated the separation of duties in the PSA billing dept. had improved internal controls)
6. Other Matters
(Mr. Huber introduced Larry Vest and Mr. Vest described the operations of the new handheld meters – Mr. Vest expressed thanks and appreciation to the PSA Board for the new handhelds, as well as the new pickup truck recently acquired by the PSA)
7. Baskerville PSA Accounts
(Mr. Huber described a summary of accounts owed on two properties - Board deferred decision regarding the continued applicability of the amnesty program for Ms. Arnold until September, pending the outcome of payments received from her in the next three

months and to allow her to use an 18-month payment plan)

(Provide information on two unidentified accounts referenced in report by Finance Director – Place on July Board agenda)

Ms. Newby
Ms. Hanks

(Provide PSA Board with information on \$129,599 loan the PSA has from the county dating back to 1980 – Place on future agenda)

Ms. Newby
Ms. Hanks

- b. Review of Financial Report
(Approved)

Ms. Newby

- c. Balance Due & Lien Reports
(Debbie Boyd explained efforts made to date on updating lien reports, noting updates through individuals with last names beginning with “L” – Mr. Boyd noted a fluctuation in lien amounts was due to continued updates)

(Remove from reference in minutes the “Lien Amounts Filed” and “Liens Paid/Release due to inaccuracies while catching-up)

Ms. Hanks
Ms. D. Boyd

- d. Budget Adjustments
(Approved)

Ms. Newby

- e. Billing Adjustments
(Approved a new credit of \$5,489.55)

Ms. Newby

- f. Accounts Payable
(Approved)

Ms. Spence

- g. FY 12 Budget Adoption
(Mr. Loyd expressed concern that PSA employees had not had a cost of living increase in four years and recommended consideration to a 2%-3% increase in pay for PSA employees, rather than the 1½% increase recommended by staff – Mr. Huber explained the proposed budget also included implementation of the compensation study, which would result

in an additional overall 1½% increase for some employees, depending upon the results of the study - Mr. Huber advised a 1½% increase had been proposed to the Board of Supervisors for county employees, with that amount anticipated to be approved by the Board of Supervisors – Mr. Crawford suggested communicating to the Board of Supervisors the PSA Board’s desire for a 2% increase – Board adopted budget as presented, with a 2% increase only if also approved by the Board of Supervisors)

Mr. Huber

(Mr. Loyd expressed concern over the sewer departments continued net loss over the past five to six years – Mr. Huber suggested one option is to raise sewer rates – Staff to provide a recommendation by October 31, 2011 on steps to be taken to balance the sewer departments budget – Place update on November agenda)

Mr. Huber
Ms. Hanks

- h. Stone Ridge Master Meter Replacement
(Staff reported the Town of Dublin had not been able to install the Stone Ridge water meter due to a number of leaks)

- i. Town of Dublin Water Leaks
(Staff reported the Town of Dublin had identified a water leak involving direct flow into the sewer system indicating a discrepancy between gallons purchased and gallons billed and is not likely to be a meter reading error, reducing the likelihood of a credit being due from the PSA back to the Town of Dublin)

- j. Skyview Sewer Project
(Staff advised Rural Development had set February as the deadline for the expenditure of approximately \$427,000 in remaining Highland Park funds earmarked toward the cost of providing public sewer service to the Skyview subdivision and further described options for use of available funds – Board members questioned the amount of funds anticipated to complete

the Skyview project, potential use of the money for purchase of a sewer vac truck and expressed concern over the potential for the Skyview Subdivision project to not be completed – Board approved recommendation by staff of allowing the use of funds left over from initial appropriation by Rural Development for Highland Park to be used towards the completion of Skyview Subdivision, further noting the deadline set by Rural Development of February 1, 2011

(Staff to provide recommendation related to purchase of sewer vac with the left over funds to meet the February 1, 2011 deadline set by Rural Development – Place update on July agenda)

Mr. Linkous

Ms. Hanks

k. Meter Replacements

(Mr. Huber described efforts by Mr. Linkous in researching options for the implementation of radio read water meters, allowing for monthly rather than bi-monthly water readings and a likely increase in gallons billed – Board members questioned if the trial run could be accomplished with 100 meters, rather than the 300 meters recommended by staff, the cost of the meters, the route to be used for the trial run, the accuracy rate of the meter readings described by staff and the potential overall savings to the PSA – Staff to provide Board with update at July meeting on potential cost, as well as cost savings – Place update on July agenda)

Mr. Linkous

Ms. Hanks

3. Operations

a. Minutes of Previous Meeting

(Approved with correction to change date referencing end of amnesty program to September 30th – Copy and index minutes into minute book)

Ms. Hanks

Ms. Duncan

- b. Inmate Availability Report
(Reported use of two inmate per day during month of May)
- c. Drop Site Total & County Landfill Tonnage Reports
(Report provided)
- d. Personnel Changes
(Report provided)

4. Informational Items

- a. Recycling Center (Drop Site) Update
 - 1. Potential Use of Grinder at Drop Center
(Mr. Nichols reported the testing of the concept of grinding mulch at the drop centers and giving away, or hauling, mulch rather than un-compacted brush)

(Mr. Huber commended Mr. Nichols for use of the grinder)

(Mr. Loyd requested staff take steps to clean up the Dora Highway site) Mr. Nichols
 - 2. Honeywell Site
(Staff provided an update from the Town of Pulaski – Place any updates on July agenda) Ms. Hanks
- b. Pump Station Rehabilitation Project
(Staff provided correspondence sent to the Town of Pulaski by DEQ regarding the rehabilitation of sewer pump stations 4A and B – Calculate future capacity needs) Mr. Linkous
- c. J. M. Eagle Update
(Staff provided an update from Day Pitney Law firm regarding the court case against JM Eagle)
- d. Montgomery Regional Solid Waste Authority Schedule
(Schedule provided)

e. Picture of Boom Truck
(Staff provided picture of PSA staff using the older boom truck to assist with the placement of a heat pump on top of the Maple Shade bldg.)

f. Hydraulic Grade Map & Water System Schematic
(Staff provided drawings showing locations throughout the county of the PSA water system as prepared by Draper Aden Associates)

g. Waste Industries Proposal
(Staff advised Waste Industries had expressed an interest in contracting with the PSA to provide for the operation of the PSA refuse collection system – Mr. Loyd requested staff poll other localities as to privatization of waste collection services and provide an update at a future meeting)

Mr. Huber

h. Parrott Mountain Tank Access
(Staff reported significant erosion had taken place making the road to the water tank impassable and described options, noting staff is currently in the process of sizing ditching and culverts – Mr. Loyd questioned if assistance could be provided by the NRRRA – Staff to provide update at a future meeting on potential costs and any assistance that could be provided by the NRRRA – Place update on July agenda)

Mr. Linkous

Ms. Hanks

(Mr. Crawford inquired as to the activity taking place in the field just to the side of the Rt. 114 bridge – Staff reported VDOT had indicated the unknown activity was being conducted by Montgomery County)

5. Current Authorized Projects

a. Action Items

- Construction of Highland Park sewer
- Skyview/NRV Fairgrounds sewer funding
- Construction of Commerce Park Utility Project
- Drop Center location South side of Claytor Lake
- Evaluation of "radio read" water meter option

b. Pending Items

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

(Mr. Loyd questioned if the information presented at the May Board meeting related to relieving liens on Town of Pulaski property had been addressed – Mr. Huber advised this matter had been addressed through a report from Sam Campbell and PSA Board action was not to approve releasing of the liens)

(Mr. Loyd inquired as to the status of a new location of the Dora Highway drop site – Mr. Huber reported no additional action beyond that reported in item 4a2 on agenda)

(Dr. Warren expressed appreciation to county staff for the excellent job in managing PSA financial records)

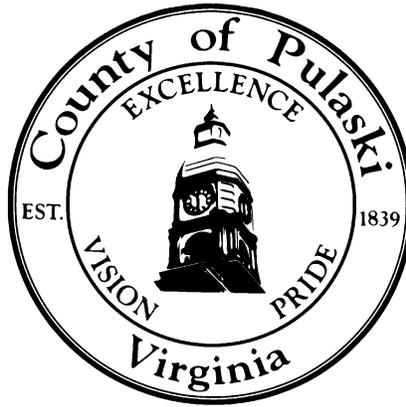
(Mr. Huber expressed appreciation to the PSA crews for the support provided in picking up debris as a result of the damage from the tornadoes without interrupting PSA regular refuse collection services)

6. Closed Session – 2.2-3711.A.3

7. Other Matters

8. Adjournment

Public Service Authority
143 Third Street, NW, Suite 1
Pulaski, Virginia 24301
(540) 980-7705
(540) 980-7717 (fax)
phuber@pulaskicounty.org



June 8, 2011

TO: PSA Board of Directors

FROM: Staff

SUBJECT: Report Regarding Agenda Items

1. Citizen Comments – There are no citizens registered to speak at this time.
2. Finance - (Items having significant financial impact on the Authority)

Please give Diane Newby a call at 540 980-7705 if you have any questions or concerns regarding the financial reports so that further research can be done and clarification provided at the Board meeting.

a. Follow-up from May Board Meeting:

1. Painting of Transfer Trailer – We plan to provide “before” and “after” photos of the painted compactor container at the Board meeting.
2. Water Treatment Plant Maintenance – Operational changes initiated by Senior Operator, Jay Goad have resulted in increased performance of the filter media eliminating the need to replace the filter media for the foreseeable future (10 years). By going to strict use of pressure differentials and backwashing until clear water flowed rather than doing short daily backwashes, backwash cycles have been extended from 25 hours to well over 100 hours. Subsequently, plant operators and health department inspectors confirmed that the filter media is within original specifications from its installation in 1978 other than routine need to add some anthracite coal to the topmost layer. The result is that the PSA will not need to spend \$120,000 allocated to replacing filter media at the plant. Rather, we recommend these funds be used for the following two projects:

- a. Valve Replacements – It was reported at the May meeting that an original valve controlling the flow of water from the clarifying tank into one set of filters had failed in the open position, thereby preventing isolation of the filter for backwashing. Currently, water flow from the clarifying tank to the filter is being blocked by placing a metal plate in front of the opening. This month, a second valve failed in the closed position. Since each of the four filters are served by two valves, one closed valve does not affect the operation of the filter. However, if both valves serving a filter fail in closed positions, the filter can no longer be used and the plant would lose a quarter of its operating capacity. The Water Treatment Plant staff have obtained a quote of \$60,000 for the replacement of all 8 valves. The PSA had previously budgeted \$24,000 for these valve replacements and we are proceeding with taking bids for the replacement of both two and all eight valves. We recommend applying \$36,000 of the \$120,000 in order to replace all valves at this time.
 - b. Raw Water Pump Rebuild – One of two pumps located in the raw water intake pump station is making a significant amount of noise and is only pumping 1,800 of its 2,100 gallons per minute capacity. The noise and reduced pumping capacity are most likely the result of worn bearings and pump impellers, respectively. The pump is original to the 1978 construction of the water treatment plant and currently indicates approximately 75,000 operation hours with no known major repairs. The second pump was rebuilt in 1992 and is currently indicating approximately 53,000 operation hours. Staff recommends that one or both of these pumps be pulled and rebuilt using all or a portion of the remaining \$84,000 in savings from the continued use of the filter media. Due to the location of the pumps 17 feet below the water surface we will not know the extent of needed repairs until the pumps are pulled and inspected.
3. Use of Auxiliary Water Only Meters – As reported at the May meeting, survey results to date indicate five residents would use these meters to separate water used for cars, gardens and swimming pools with the remaining 53 responders indicated they would not be interested. No additional responses have been received since the May meeting. Since this issue seems to be one of principle and implementation would have no substantive affect on PSA operations, I would recommend implementation of the

program in order to eliminate garden, pool and car washing as a reason not to connect to the PSA's sewer collection system.

4. Percentage of Water Rate Increase for Town of Pulaski In-Town vs. Out-of-Town – The Town of Pulaski staff has confirmed that volume charges in and out of Town were increased 20% and fixed monthly costs increased by 15% for both Town and County residents. It was also noted that the water fund does not pay the general fund the full cost allocation dollars so the town general fund bears that cost that County residents don't contribute to. ***Enclosed*** is the advertisement of the rate increase.
 5. FY 10 Audit - As requested at the May meeting, ***enclosed*** are excerpts from the FY 10 audit addressing Board questions related to current loans. Also we have requested a copy of the March 4, 2011 letter from the auditor, which was requested by Mr. Crawford. In addition Deanna Cox, Auditor has been invited to attend the meeting and answer any additional questions the Board may have.
 6. Baskerville PSA Accounts - ***Enclosed*** is an update from Ms. Newby regarding the Marie Arnold and Barbara Hendricks accounts. In addition, Sam Campbell communicated the PSA position that liens be paid off prior to receiving PSA clearance. My recommendation would be to defer a decision regarding the continued applicability of the amnesty program for Ms. Arnold until September pending the outcome of payments received from her in the next three months and to allow her to use an 18-month payment plan.
- b. Review of Financial Report - A copy of the revenues and expenditures summaries are ***enclosed*** for the Board's review.
 - c. Balance Due & Lien Reports – The following report is provided:

Balance Due	3/2/2011	4/1/2011	5/3/2011	6/3/2011
Current Balance	405,974.75	567,066.95	404,557.19	374,608.01
Over 30 Days	35,708.86	27,617.22	60,886.47	31,822.55
Over 60 Days	48,397.89	14,891.12	12,675.96	38,996.10
Over 90 Days	730,231.34	761,058.28	759,778.25	764,404.63
Total	\$ 1,220,312.84	\$ 1,370,633.57	\$ 1,237,897.87	\$ 1,209,831.29
LEIN AMOUNTS FILED	\$ 351,997.49	\$ 149,204.12	\$ 149,204.12	\$ 356,948.88
LEINS PAID/RELEASED		\$ 1,360.45	\$ 4,258.61	\$ 217.36

We are still working to separate the over 90-day accounts into water, sewer, and refuse charges.

- d. Budget Adjustments – Approval of the ***enclosed*** budget adjustment in the amount of \$443,185 is requested.
- e. Billing Adjustments - Adjustments totaling a net credit of \$5,489.55 are submitted as described on the ***enclosed*** report.
- f. Accounts Payable - Review and approval of the ***enclosed*** accounts payable is requested.
- g. FY 12 Budget Adoption – Adoption of the ***enclosed*** FY 12 budget is requested in order to allow a smooth transition into the new fiscal year. Also ***enclosed*** is a comparison of budgeted repair and maintenance costs as requested by Jerry White indicating the total budgeted amount of \$115,000 for FY 2011 is being increased by \$3,000 to \$118,000 in the proposed FY 2012 budget. We appreciate Mr. White’s question and appreciate knowing of any further clarification we can provide prior to consideration by the PSA Board. As stated at the May Board meeting, personnel changes included in the proposed budget are a 1½ pay increase for PSA employees, no increase in health insurance costs and implementation of the compensation study.
- h. Stone Ridge Master Meter Replacement – Due to a number of leaks, the Town of Dublin staff have not been able to install the Stone Ridge Water meter.
- i. Town of Dublin Water Leaks – The Town of Dublin identified a water leak involving direct flow into the sewer system. The discovery of this leak indicates that the discrepancy between gallons purchased and gallons billed is not likely to be a meter reading error reducing the likelihood of a credit being due from the PSA back to the Town of Dublin.
- j. Skyview Sewer Project – Rural Development has set February as the deadline for the expenditure of approximately \$427,000 in remaining Highland Park funds earmarked toward the cost of providing public sewer service to the Skyview subdivision. In updating anticipated costs, we estimate that service to this subdivision, the NRV Fairgrounds and the adjacent mobile home park would cost approximately \$400,000 more. Due to concerns for both the ability to get the project designed, approved and constructed by February and the need for additional funding from the PSA, we question whether these funds would be more efficiently utilized on needed equipment such as a sewer vacuum truck and the replacement of water meters. Budgetary quotes for a sewer truck indicate a cost of approximately \$275,000. Remaining funds could be utilized for the purchase of new water meters as described in the following paragraph.

- k. Meter Replacements – Jared Linkous has been researching options for the implementation of radio read water meters. The radio read system would allow for monthly rather than bi-monthly water readings and would result in a likely increase in gallons billed since older meters tend not to detect low flow rates (approximately 16% of total use unmetered per AWWA sources). Inaccuracies in water meters are compounded when customers are also served by public sewer, due to the fact that sewer billing is based upon water meter records.

Should the Board wish to pursue this approach, we recommend the replacement of 350 of our meters with new units (approximately 10% investment) to perform two system tests. First, the replacement units would be randomly scattered throughout the PSA service area to provide a statistically significant sampling of what billing accountability improvements could be expected from the replacement of the remaining 4,500 meters. Secondly, the meters would be moved to a single area served by both PSA water and sewer systems to also test the radio read capabilities and to gage the level of efficiency obtained by the once a month mobile radio read ad option.

The meter manufacturer's representative has agreed to loan us the computer and software necessary to perform the trial radio read option. If the decision is made not to pursue the radio read option after the trial period, the meter transmitters would be compatible with the optional touch read capabilities of the recently purchased hand held unit as well as the more costly fixed base option. The fixed base option is somewhat more expensive but would provide the ability to instantly read the meter from remote locations and more quickly detect leaks in both the customer and the PSA maintained lines.

3. Operations:

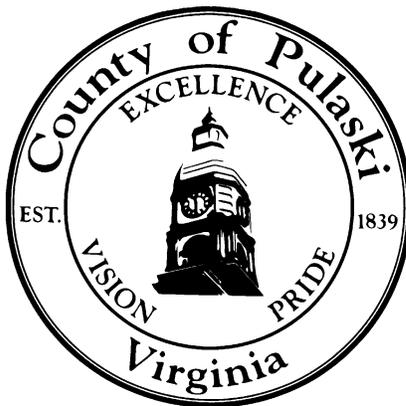
- a. Minutes of Previous Meeting - ***Enclosed*** are the minutes of the May 2011 meeting for review and comment. **Please call Gena prior to the meeting at 980-7705 with any changes so that revised copies of the minutes can be provided at the meeting.**
- b. Inmate Availability Report - Staff reports the PSA generally had use of two inmates per day for the month of May.

- b. Pump Station Rehabilitation Project – ***Enclosed*** is correspondence to DEQ from the Town of Pulaski providing additional information regarding the rehabilitation of sewer pump stations 4A and B. Jared Linkous is developing projected sewer needs in the areas served by these pump stations in order to provide the PSA Board with a recommended level of financial participation in the debt services for this project.
- c. J. M. Eagle Update – Day Pitney Law firm is continuing work on a class action law suit against J.M. Eagle for supplying substandard PVC pipe used by the PSA in the State Park utility project. ***Enclosed*** is an update regarding the court case against JM Eagle.
- d. Montgomery Regional Solid Waste Authority Schedule – ***Enclosed***, in addition to information provided last month, is a copy of the Montgomery Regional Solid Waste Authority Schedule of Rates, Fees and Charges.
- e. Picture of Boom Truck - Mr. Nichols has provided the ***enclosed*** picture of PSA staff using the older boom truck to assist with the placement of a heat pump on top of the Maple Shade building. The purchase of the new boom truck came at a particularly good time as it was used significantly in cleaning up tornado debris.
- f. Hydraulic Grade Map & Water System Schematic – ***Enclosed*** are drawings showing the locations throughout the county of the PSA water system as prepared by Draper Aden Associates. Jared Linkous can provide an explanation should Board members want to know the details.
- g. Waste Industries Proposal – We have been contacted by Waste Industries regarding their interest in contracting with the PSA for the operation of the refuse collection system. Basic information has been provided in response to their inquiry and further details have been requested. I would appreciate knowing any thoughts the PSA Board may have regarding this approach though I would be surprised if the privatized cost would be less than currently in place for PSA customers.
- h. Parrott Mountain Tank Access – Significant erosion has taken place making the road to the water tank impassable. Jared Linkous is working on a plan and obtaining quotes for installing drain pipes such that the water does not run down the roadway itself. We plan to provide an update at the Board meeting.

5. Current Authorized Projects - The staff currently has the following projects on their "to do" list but we do not have any additional information to report regarding these items at this time.
 - a. Action Items:
 - Construction of Highland Park sewer – now substantially complete
 - Skyview/NRV Fairgrounds sewer funding
 - Construction of Commerce Park Utility project
 - Drop Center for the South side of Claytor Lake
 - Evaluation of "radio read" water meter option
 - b. Pending Items:
 - Lakewood Estates emergency response plan
 - Evaluation of joint negotiation of rail crossing fees
6. Closed Session –2.2-3711.A.3
7. Other Matters – Any other matters which may arise following distribution of the agenda packet.
8. Adjournment

/gh

Public Service Authority
143 Third Street, NW, Suite 1
Pulaski, Virginia 24301
(540) 980-7705
(540) 980-7717 (fax)
phuber@pulaskicounty.org



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June 8, 2011

TO: PSA Board of Directors

FROM: Peter Huber, County Administrator

SUBJECT: Closed Meeting – 2.2-3711.A.3

A closed meeting may be held pursuant to Section 2.2-3711.A.3 of the 1950 Code of Virginia, as amended, should Board members wish to discuss the **enclosed** memo from Robert Hiss regarding workman's compensation cases. In addition, the **enclosed** letter was mailed to PSA staff as suggested by the Board at the May PSA meeting and one employee meeting has been scheduled. I hope to provide the Board with an update regarding any unresolved issues.

PMH/gh

CLOSED MEETING RESOLUTION

A closed meeting is requested pursuant to Section 2.2-3711.A.1.3 of the 1950 Code of Virginia, as amended, to discuss a personnel matter:

It was moved by _____, seconded by _____ and carried, that the Pulaski County Public Service Authority Board of Directors enter Closed Session for discussion of a personnel matter.

- PSA employee workers compensation