

**AGENDA
PULASKI COUNTY
PUBLIC SERVICE AUTHORITY**

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

ACTION ITEM

1. Citizen Comments
(None)

2. Finance

a. Follow-up from July Board Meeting:

1. PSA Loans from the Board of Supervisors

(Peter described – see notes – the BOS would in exchange be waiving interest on a loan that is being paid @ 5% - 204,753 as of August 1 would change a little bit with an extra months payment – Warren two loans – PSA would be free and clear on the books for both the county and PSA side of things – Dean as far as overall revenue, does this \$240,753 make a large dent in it? Diane ok on cash right now – finally got caught up on the Commerce Park project – on a roll get reimbursed when paying out bills on Commerce Park

Motion: to payoff Dean, 2nd – Voting yes: All – Sept. 1st payoff
Loyd can we hold a vote until go through other items on agenda

Loyd against paying off an interest free loan – either money in PSA packet or BOS pocket – keep in PSA – Huber reason is would get 5% wiped out –

Mr. Loyd expressed concern that Mr. Huber set up payment option – Mr. Huber clarified he wasn't here in 1982 only trying to fix problems as come across

Other comment \$22,000 paying each year why isn't that applied to the interest loan instead of the interest free – Huber doesn't know why set up that way, could go back and

Diane advised the Sun Trust checking account has enough to pay that off - earn a little interest but very low rate of interest –

Loyd if pull \$200,000 out of checking account would PSA have to touch CD's – Diane no.

Loyd what happens if pay 5% off \$130,000?- Huber would be left with balance on other loan – Loyd would BOS forgive interest?

2. Update on Skyview Sewer Project

(Huber see notes – doesn't affect PSA bottom line – takes through Commerce Park but does not actually connect Skyview – Dean questioned deadline of February 1st – is this going to be accomplished? Huber yes sir – Loyd how much additional would be needed from the Skyview Project – Loyd of \$427,000 using about \$200,000 – why not use the whole – Jared process for acquiring easements drags out and don't have time to – 2-3 month Notice to Proceed, Substantial Completion – time constraint – Dean how long

Huber guessing about a year before get into construction of remaining portion (at least) and assuming funding comes through Dean Skyview partially completed and then run out of money? This portion of project extends to Rt. 100 – Jared will not be entering that portion of subdivision –

Motion: take all acts necessary to bill and build complete project – over \$800,000, close to \$1 million – gets in direction to connect Skyview and Fairgrounds to Commerce Park –

Loyd since easement should not be a problem – could additional money be used for fairgrounds? Huber easements will probably be a problem to lease involved and property ownership – Huber the holdup isn't just in the easements – Jared would involve crossing Rt. 100 and creates a challenge with VDOT –

Motion: Loyd, 2nd Dean – Voting yes: All
Voting no: none.

3. Update on Sewer Vacuum Truck Purchase

(Jared evaluating having the chassis supplied and then actually go out to bid for the equipment that goes on to the body for the vac truck and its equipment – NJPA is a procurement, similar to EVA, bulk procurement pricing – alternate method other than putting out RFP – speeds up process – Huber asking – Volvo has a significant amount of sewer line that needs cleaned so the thought is they might offer us a better deal if clean sewer lines at Volvo

Loyd is using part of Highland Park sewer money – do we still have the February 1 time constraint – can it be done in time frame – Huber yes we believe so – Loyd concerned takes 6 months to a year – Dean have to have the truck by February 1st and have to spend money by February 1st

Place on Sept agenda once bids received –

Dean concern if close and don't meet deadline then don't have time to use money for something else –

Loyd do we need truck – what are economics –

Dean last time met agreed and use grant money

Loyd what are we going to save and what is it going to do for us – Jared recalled photos of manholes and wet wells significant build up – clean out sediment at WTP – Loyd what is that costing us a year – Huber provided an analogy comparing the truck to

a large shovel which can reach way down and clean out – if not maintained properly more costly in the long run – more of a doing things right as far as maintenance of sewer line – Jared gave examples using block in manhole shown last month – line was already starting to back up into home – back up each day –

Dean recommended by staff to spend money – priority –
Loyd keep looking at to see what cost is to be – Dean coming down to deadline – Add to Sept. agenda – Huber this will allow staff to have proper tools to do job

4. Update on PSA Truck Purchase
(See notes – Warren informational item)
5. Update on Elimination of 2,000 gallons minimum
(informational item)
6. Update on Findings related to Treasurer Serving as Collection Agency
(informational item)
7. Update on Raw Water Pump Rebuild
(See notes – Dean anything need to be done – Huber no had already approved \$84,000 - \$24,000 total cost for both pumps – remaining \$60,000 no plans for spending money – go back into reserves – Huber vehicle needs to be replaced – replacing with a used vehicle and giving another dept. a new vehicle – Loyd several things for WTP could some of \$60,000 be used down in there rather than additional money being allocated – Huber probably can so all goes back to same pot – this is PSA money -
8. Update on Parrott Mountain Tank Road
(See notes –
Loyd is that PSA road? Huber private road – Dean any completion date – Jared and have notified HT. Bowling to begin work – probably a couple of months – intent is before winter
9. Update on Draper West Pump Station
(Dean \$3,000 per station – Jared explained - being hit with lightening on a regular basis – made Draper West priority due to being damaged every time lightening hit – the next storm that ran through hit controls internally – no lightening protection or surge protectors – this would help protect controls inside of buildings - \$3,000 per station – (2 now) due to issues with lightening – Loyd how many stations with single phase power? Jared at least one more on Thornspring Road –

Motion: Dean, 2nd Loyd \$3,000 per station -

10. Update on Water and Sewer Modeling Software

(See notes)

11. Update on Water Treatment Plant Valve Actuator Replacement
(See notes)
12. Update on Water Treatment Plant Dechlorination Building
(See notes)
13. Update on Water Treatment Plant Sludge Basin Pumps
(See notes – pumps had stopped working – there is a new old pump that has been there since the construction of plant, but never been used – given the time sat there would like to be able to have it sent off and the seals and bearings replaced – cost of repairing pump and motor is \$1,000
Dean how long before in service – Jared gave notification immediately a couple of weeks to get fixed and return – probably within 2 months –

Motion: Dean, 2nd Loyd - \$1,000

14. Update on Water Treatment Plant Chemical Optimization/Efficiency Study
(Money be carried forward to current fiscal year – monies can also be expanded to include overall evaluation –

Motion: Dean, 2nd Loyd –

15. Update on Pay Change
(Huber reported –
Dean understand approved for all county employees –

Motion: Dean, 2nd Loyd - to approve another ½ percent – \$8,500 annual
Loyd would it be inappropriate to request a full 1% resulting in 2 ½ percent –
Huber 2% would be consistent with what School Board has done and with what BOS have done – BOS expected to do the same at August Board meeting

16. Housing Rehabilitation
(Listing is not comprehensive – have not done a title search in all neighborhoods – Dora Highway and Baskerville communities – substantial – unlikely to be paid off by end of September 2011 – some have been paid off or addressed otherwise – these are the ones are pretty sure not going to get paid off-
Where the PSA would be the hold up in getting house rehabilitated – Huber question whether reason to have house rebuilt
Has asked Sam Campbell to draft an agreement between the PSA Board and the home ownership re: the payment legally enforceable – and then allowing subordinating and loan to be take palce –

Dean these individuals claim they never received a bill – Huber take same position – hope the PSA can show bill was sent –
Loyd going on for 10 years – in 10 years if mailed a bill couldn't have all gotten lost in the mail – either they dropped off our records or not paying bill – Huber not dropped off records - if haven't made an attempt to pay in 10 years, why think they may do that now – Huber maybe think differently if sign legally binding agreement – Dean clarified staff suggesting set up agreement with individuals for payments which will open door for construction of homes – Huber not minimizing seriousness of not paying PSA bill, but does not think not paying bill should knock someone out of getting house rebuilt –
Loyd concerned setting precedent for other property issues
Huber set some sort of guidelines in agreement –
Dean expressed concern that money would not be collected back from property owner – Huber explained regional administrative group –
Diane had at least one property owner to discuss payment plan –
Huber
Dean benefit of community
Huber consideration to a side agreement for PSA property owners to work out payment plan – approve concept of using an agreement – would like general consensus that an agreement of this type would be something to look at
Diane if property owners can provide documentation or proof that they lived elsewhere, written off
Loyd is there a timeframe for them getting money if liens are not released –
Diane have gotten back bids on at least 4-5 houses –
Loyd have any of the folks made any effort to make payments – Debbie a few have come in and made a small payment - \$20 or less
Huber by the time you add P and I is adding up quicker than \$20 –
Dean serious decision because have impact for months and years to come in regards to legal binding agreement –
Dean would like to know significant impact on failure to meet obligations, the enforcement procedures –
Diane part of program is to provide counseling including how to pay bills to avoid liens –

Huber – approval of concept of a side agreement with individuals that have a bill is a workable approach – realizing Board may not agree with draft agreement –

***Motion by Dean based on recommendation – motion to approve Mr. Campbell preparing an agreement for review and PSA Board can consider whether or not to proceed or not – 2nd Loyd - - Voting
yes: All

Warren universal problem – how stop cycle –

b. Review of Financial Report

(Diane net loss of \$30,000 – sanitation lost money and water and sewer made money – reasoning paid annual VACo bills for workmans comp – Dean what is position of staff re: loss – Diane catching up on bills – explained recent bills for workers comp and property insurance – also make semi annual payments on health insurance for employee that take HAS – Dean motion, 2nd Loyd – voting yes: All

c. Balance Due & Lien Reports

(Loyd same amount for couple of months – Debbie not right now – with new stipulations must notify person 30 days in advance – have not had time to go through the ones that are left –

Dean define what liens mean – Debbie paperwork to go to court if person refinances or sells property this lien has to be paid to sell property

Dean can see change by next month – Debbie will try

Loyd – next page Active Customers – Residential Water – keeps growing – why not cut off? Commercial Garbage over 90 days – can we not control Commercial Garbage on collections – Debbie have been placing phone calls to Commercial Garbage – Loyd are we not still servicing? Debbie hard to up and stop with it being commercial – Debbie is making calls to Commercial – Debbie water gets cut off for both residential and commercial water – Huber amount can increase because someone leaving town and doesn't care if gets paid or not –

Dean when letters are sent are commercial customers concerned?

Debbie Joe's Pizzeria – when they were at shopping center at Magic Mart – had an outstanding bill – made phone calls no payment – made payment check did not clear – right now have not container – they are hiring folks to come in and take trash to drop sites – Dean are there any more options? Huber option to contact Health Dept to go and check situation where no longer providing service due to non payment – ###Dean are they paying town bills? Debbie can find out – concerned about commercial individuals not paying

Loyd – Residential Garbage is there any way that if part of these people are water customers, can we cut water off? Huber sewer is paid first, garbage paid second and water is last to be satisfied – do cut water off for lack of payment for other two - Debbie also do cutoff in Fairlawn for non payment of sewer

d. Budget Adjustments

(Diane carryovers for June – prepared before go final numbers from Jared – number will be smaller – Dean catching up have any grants for any money to be allocated –

Motion to Aprrove Dean – 2nd Loyd

e. Billing Adjustments

(Loyd motion, 2nd Dean)

f. Accounts Payable
(Lloyd motion, 2nd Dean)

g. PSA Disposal Policy for Shingles and Building Debris
(see notes on revised policy adopted by the landfill – making it easier to take shingles to landfill – more costly – easier to take things to landfill
Lloyd what does this mean for people –
Huber the landfill has a hard time separately out the four tons – the question is 4 tons per year and that is what the PSA will pay – effectively treating first load is free – initial concept if paid regular garbage fee

Landfill change is just for shingles –

Ronnie Nichols explained what is being taken at the drop centers

Huber advised Joe Levine considering a \$25 minimum – may want to figure out some what to put back towards a reduced rate towards citizen – if landfill puts a \$25 minimum on there is going to force everything to go to drop center –

Dean \$25? –

Huber advised understand some minimum but a lot less than \$25 –

Wanted Board to be informed of NRRRA changes to policy

Dean concerned someone go to landfill and be charged \$25.00 with just trash – disagree with that to be placed upon someone trying to bring trash to location to keep county cleaner –

No such thing as a free ton at landfill – if we offer 4 tons for free PSA is going to pay – the \$27,000 is to allow the residents to take 4 ton free per year –

h. Garbage Truck Purchase

Ronnie replacing a 15 year old truck – routine replacement

Dean old truck - Ronnie keep as a backup truck for a couple of years – could sell or sell for scrap – if in running, might get \$6,000 or \$7,000

Lloyd thought we had put one back recently as a backup

Ronnie Nichols have five backup trucks – two stay in drop centers

The other three are backups for trucks getting serviced

Ronnie every time buy a truck get rid of one

Lloyd couple years back look at compactors at Dora Highway

Ronnie can still do that – know price of compactors \$15,000 - \$16,000 – have to have three phase power and concrete pad – a viable option

Motion Dean to buy truck, 2nd Lloyd

i. Prior Orchard Hills Sewer Customer

(See Peter's notes –

Lloyd if they elect to pay the \$6.50

Dean assume most will want to stay on \$6.50 will take 12 years to make right and pay off amount being offered –

Motion: Dean recommendations with two options for residents – 2nd Loyd

j. PSA Billing to Towns of Dublin and Pulaski

Dean any problems with Town of Dublin –

Huber says work something out –

Loyd what does that mean –

Huber when put sewer system through Commerce park busted a lot of water lines, contractor fixed lines back – Huber needs to be some review of overall situation as Town of Dublin wouldn't have lost all that water if water lines hadn't been put in.

Information only

3. Operations

a. Minutes of Previous Meeting

Motion: Dean, 2nd Loyd

b. Inmate Availability Report

c. Drop Site Total & County Landfill Tonnage Reports

Motion: Dean, 2nd Loyd

d. Personnel Changes

e. Agreement with Pulaski County Sewerage Authority

(Loyd still keeping \$12,000 per year –

How do we get paid that? Diane \$3,000 a quarter

Dean money goes where? Diane back into PSA budget

Huber questions and issues resolved regarding this

Will come back with more specific recommendation at next meeting

Loyd on the rate of pay, isn't that actual payroll hour or hourly rate – Diane that was understanding when made agreement – should that not include some benefits? Diane had questions on current agreement – Huber true on one hand and other costs are fixed costs – employees are going to work 40 hours – the only additional costs would be incurring is overtime – before agreement came along we weren't maintaining system and haven't hired additional folks – Diane we billed them for straight time – Diane it is there understanding that amount only covers labor and not materials – will be talking with Chairman -

f. Update on PSA Water and Sewer Billing Procedures

Huber had 100 folks that had water cut off – we had been allowing it to slip an extra week and that was changed back to what it was originally set up – normally at least 50 – 100 – Jared explained problem with overlapping billing – See notes – 1st three weeks of every other month read meters – take first three weeks of month to read meters and last week of month is reserved for mailing bills out – generally mail out a late notice on 21st of each month –

See Jared's notes

Town of Pulaski similar process

State code requires give notice of when cut off is to begin

Huber time saved in not sending second letter could be spent towards liens

Motion: Dean, 2nd Loyd – notice on bill

4. Informational Items

a. Past Due Notice by Town of Pulaski

Dean read letter and would like to confirm county waived option on tornado effected areas (were any special arrangements made) – Debbie there were only one or two people affected – towns policy was a little more strict

b. PSA Safety Meeting Update

c. PSA Notice of Lien Forms

d. Brookmont Water

Addition to Agenda: Huber public safety payout of \$100 and \$50 for helpers that has been done in the past couple of years - \$1,700 this year –

Motion: Dean, 2nd Loyd

5. Current Authorized Projects

a. Action Items

- 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

6. Other Matters

Dean expressed concern over getting weekend phone calls and folks have advised they got number from web page – Dean would like to have web page updated to include phone numbers for offices as appropriate – (billing, payment, work crews, landfill, drop sites).

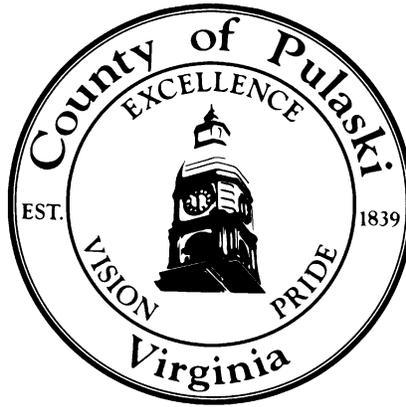
Peter submitted Jerry White's resignation due to the health situation with his wife –

Loyd – Amnesty program – where does it stand? Debbie the only one that comes to mind is Barbara Hendricks – at this point only one person has taken advantage of it -

Dean, Loyd

7. Adjournment

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



August 4, 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 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 prior to, or at the Board meeting.
 - a. Follow-up from July Board Meeting:
 1. PSA Loans from the Board of Supervisors – The Board of Supervisors approved waiving the five percent interest if all amounts owed were paid by the PSA. ***Enclosed*** is a spreadsheet accounting for both loans. If the payoff of the interest free loan in exchange for waiver of interest on the interest bearing loan is still acceptable to the PSA, I would like to suggest September 1st as a payoff date.
 2. Update on Skyview Sewer Project – The PSA Board approved the use of funds remaining from the Highland Park Sewer Project (Approximately \$427,000) to be utilized for a portion of the Skyview Sewer Project. A combination of insufficient funds and time constraints associated with the funding source would not allow construction of the entire Skyview Sewer Project as originally planned. The design contract for extending gravity sewer to Route 100 was awarded to Anderson & Associates and is currently ahead of schedule. The plans have been approved by Rural Development and will be advertised for construction contracts by August 21, 2011. Authorization to take all acts necessary to complete this project in time for the February 1st completion deadline is recommended.

3. Update on Sewer Vacuum Truck Purchase – Staff recommended that the remaining portion of the Highland Park Sewer Project funds be utilized toward the purchase of a sewer jet/vac truck. The PSA Board authorized staff to proceed with preparation of a Request for Proposal (RFP) for a sewer jet/vac truck. Staff is currently in discussions with Volvo regarding the availability of a chassis. The RFP can be finalized once the chassis availability is determined. Another option for procurement would be the National Joint Powers Alliance (NJPA). This method of procurement is currently being evaluated by staff and auditors to determine if a significant cost savings would be possible by utilizing the bulk pricing available to the NJPA.
4. Update on PSA Truck Purchase – As part of the budget, the PSA Board approved \$25,000 for the purchase of a Water Treatment Plant (WTP) vehicle. The vehicle has been purchased and is being equipped. Since the water treatment plant has one relatively new vehicle, we would like to transfer the use of this new truck to the water/sewer distribution department rather than at the water treatment plant. We would then transfer an existing used vehicle from the water department to replace the water treatment plant vehicle needing to be replaced. This exchange of trucks between the water treatment plant and the water/sewer departments would result in the better utilization of new vehicles within the PSA. The heavy duty suspension of the used $\frac{3}{4}$ -ton truck from the water department will be helpful to the water treatment plant when having to haul chemicals down to the raw water intake.
5. Update on Elimination of 2,000 gallons minimum – ***Enclosed*** are the minutes of the November 17, 2003 PSA Board minutes at which the 2,000 gallon minimum monthly billing was eliminated by the PSA Board.
6. Update on Findings related to Treasurer Serving as Collection Agency – Staff is still working on this item.
7. Update on Raw Water Pump Rebuild – The PSA Board approved the use of \$84,000, remaining from the funds not utilized for filter media replacement, to rebuild the raw water pumps. Three bids were solicited for this project. The low bid was Tencarva Machinery at \$13,000 per pump. Staff contacted Tencarva to provide notice of award, however, the original 4-6 week delivery time had increased to 8-12 weeks, due to shop backlog. An additional charge of \$1,000 would have been applied for increased shipping and delivery charges to move the work to another shop. The second low bid was F&R Electric at \$14,000 with a delivery time of 3-4 weeks. The contract was awarded to F&R Electric and

the first pump has been removed and is currently being rebuilt. It should be noted, the second pump has been operating approximately 18 hrs/day for several months to compensate for the first pump being out of service. Based upon this information and the rebuild cost, it is recommended that we allow F&R Electric to rebuild the second pump after the first pump is back in service. The total cost for rebuilding both pumps is anticipated to be a maximum of \$24,000.

8. Update on Parrott Mtn. Tank Road – The PSA Board approved repairs to the Parrott Mtn. Tank Road at an estimated cost of \$25,000. Three bids were solicited, two were received. A low bid contract of \$21,400 has been awarded to HT Bowling.
9. Update on Draper West Pump Station – The Draper West booster pump station does not have three-phase power available from AEP. The pump motor required is 25 HP, which requires three phase power. At the time of construction, a secondary system to convert single-phase power to three-phase power was installed. These units are highly susceptible to damage during power outages. On average this unit has been damaged, due to power failures, at least once per year. The average cost to repair, including generator rental, has been approximately \$3,000. Staff evaluated the cost to provide three-phase power and AEP provided an estimate of \$100,000 to \$150,000. Earlier this month, a manual restart switch was added to the phase changing unit to protect it during power failures. The manual restart protected the unit during the last power failure. However, several other electrical components were damaged (at no fault to the manual restart switch) from power surges. Staff has evaluated the addition of surge protection for this and other stations that seem to be susceptible to power surges. The cost of this protection is estimated to be \$3,000 per station and is recommended for consideration by the PSA Board.
10. Update on Water and Sewer Modeling Software – The PSA Board approved the purchase of water and sewer modeling software at a cost of approximately \$24,000. The software has been purchased at a cost of \$22,690. The first area to be modeled will be the PSA owned portion of the sanitary sewer system feeding the Wurno Road sewer lift station.
11. Update on Water Treatment Plant Valve Actuator Replacement – The PSA Board approved the use of \$36,000 from the filter media replacement budget to be used with \$24,000 previously allocated for filter valve actuator replacement (Total estimated cost \$60,000). Three vendors were considered and budgetary pricing was provided. The contract was awarded to the Perkinson

Company at cost of \$54,600. Approximately 60% of the valve actuators at the WTP had previously been replaced and the contract was awarded based upon maintaining consistency throughout the plant. The eight actuators being replaced are the last original actuators at the WTP.

12. Update on Water Treatment Plant Dechlorination Building – WTP staff are currently working on construction of the de-chlorination building utilizing materials purchased under a previous budget. The building is required to meet Virginia Department of Health regulations.
13. Update on Water Treatment Plant Sludge Basin Pumps – The WTP sludge basins have historically been drained and cleaned and land applied at the NRV airport on average once every five years at a cost of approximately \$60,000. The infrequency of cleaning was in part due to the significant cost incurred and led to short circuiting of the sediment during sedimentation basin cleaning. WTP staff noted that the process would be more efficient and reduce the potential of short circuiting if the sludge basins could be drained prior to cleaning the sedimentation basins. A significant portion of the cost of sludge basin cleaning is related to the cranes and pumps that must be provided by the contractor to drain the sludge basins in lieu of the inoperable sludge basin pump. WTP staff identified an unused sludge basin pump originally provided as spare parts at the time of WTP construction. The pump has been in storage for approximately 35 years, but could be brought into service at an estimated cost of \$1,000 (Not including removal of packed out sludge in the piping network). These improvements are being completed as part of the WTP maintenance budget. In addition to these improvements, several options are currently being evaluated to dispose of the sludge in a more economical manner to allow for more frequent cleaning.
14. Update on Water Treatment Plant Chemical Optimization /Efficiency Study - The PSA Board funded an Alternate Disinfection/Treatability Study in the amount of \$25,000 last fiscal year. The study was not awarded. Staff requests that the funds be transferred to the current fiscal year to award a WTP Chemical Optimization/Efficiency Study, which would include evaluation of other chemicals used at the WTP beyond the chlorine gas for disinfection.
15. Update on Pay Change – The Board of Supervisors has tentatively concurred with the recommendation of the PSA Board to grant employees an additional one-half percent pay increase and the matter will be placed on the August Board agenda for approval at the August Board of Supervisors meeting. Concurrence by the

Board of Supervisors clears the way for the PSA Board to implement a similar increase at the August 9th meeting. The cost to the PSA of a one-half percent increase would be approximately \$8,500. Approval is recommended.

16. Housing Rehabilitation – The following is a listing of PSA liens related to the first ten homes planned for rehabilitation as part of grants awarded to address housing conditions in the Baskerville community and along Dora Highway in the Town of Pulaski.
 - a. 5163 Baskerville – Marie Arnold – \$2,164.80 (this also affects Frances and Charles Lewis as the Arnold property has to be subdivided to provide housing for both sisters)
 - b. 5151 Arnold Ln. – Andrew and Patricia C. Arnold - \$2,104.53 (claimed they never received a bill and has made no payment since service began)
 - c. 5149 Baskerville – Patricia A. Arnold - \$4,526.78 (claimed she never received a bill until July and did make the first payment in July 2011)
 - d. 5158 Baskerville – Mary Marguerite Williams – 2 accounts for one person – “Mary” Account (correct account) is \$734.65 and “Marguerite” Account is \$1,391.03. The “Marguerite” account needs to be discontinued and any payments moved to the “Mary” account. Also, the liens for the “Marguerite” account need to be removed.

SERCAP representatives have confirmed they cannot make loans for liens that have been attached to homes due to the homeowners not paying their bills. Thus, we are not aware of any outside help available to address this matter and I have asked Sam Campbell to draft payment agreement between PSA and these individuals for consideration by the Board at the September meeting.

- 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	5/3/2011	6/3/2011	7/1/2011	8/2/2011
Current Balance	404,557.19	374,608.01	573,118.99	446,481.59
Over 30 Days	60,886.47	31,822.55	90,828.32	59,388.84
Over 60 Days	12,675.96	38,996.10	14,423.61	9,939.42
Over 90 Days	759,778.25	764,404.63	785,599.10	784,412.06
Total	\$ 1,237,897.87	\$ 1,209,831.29	\$ 1,463,970.02	\$ 1,300,221.91
Liens Filed				\$ 359,566.74

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	32,684.84	8,608.93	556,018.46	\$ 597,312.23
Commercial	1,431.59	-	19,416.47	\$ 20,848.06
Nonuser	166,251.77	-	-	\$ 166,251.77
Total	\$ 200,368.20	8,608.93	\$ 575,434.93	\$ 784,412.06

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

	Inactive	Non User	Active	Total
Residential Water	27,382.13	166,251.77	5,302.71	198,936.61
Commercial Water	1,431.59	-	-	1,431.59
Residential Garbage	45,324.34	-	510,694.12	556,018.46
Commercial Garbage	15,417.48	-	3,998.99	19,416.47
Sewer	2,108.34	-	6,500.59	8,608.93
Total	\$ 91,663.88	\$ 166,251.77	\$ 526,496.41	784,412.06

	Nonuser Breakdown
Resi Water/Garbage	\$ 166,251.77
Sewer	\$ 145.50
Grand Total	\$ 166,397.27

Enclosed are the figures for the breakdown for non user charges.

- d. Budget Adjustments – Approval of the **enclosed** budget adjustment is requested.
- e. Billing Adjustments - Adjustments totaling a net credit of \$3,055.12 are submitted as described on the **enclosed** report.
- f. Accounts Payable - Review and approval of the **enclosed** accounts payable is requested.
- g. PSA Disposal Policy for Shingles and Building Debris - **Enclosed** is a revised policy adopted by the New River Resource Authority by which the landfill will accept shingles at a rate of \$54 per ton based on the assumption that they contain non-friable asbestos. This change will make it easier for residents to dispose of shingles only. Building materials will still need to be checked to see if they contain any asbestos and whether or not the asbestos is friable or non-friable.

In reviewing this policy, the staffs of the New River Resource Authority and the PSA recommend discontinuing the PSA's current assumption of the "4-tons free" policy by which non-user and full service PSA customers can

dispose of up to 4 tons annually paid for by the PSA. In addition to the financial cost to the PSA, the concern is with tracking of which customers have used or not used this policy over the past year. The PSA Board may want to consider implementation of a slight rate decrease in the non-user and full-service customers as compensation for the reduction in PSA cost.

- h. Garbage Truck Purchase – Ronnie Nichols has obtained bids from three companies for the chassis and solicited bids from three companies but only received two bids for the body. His recommendation is to accept the bid from Truck Enterprise for \$111,679.64 for the 2012 chassis since it is only \$424.64 more than the next lowest bid of \$111,255 for a 2010 chassis. With regards to the packer body, his recommendation is to accept a bid of \$50,500 from Mid-State since it matches our specifications. Two other units were priced as much as \$5,651 less but do not have the same compaction rate nor do they have the heavier gage steel that the PackMor body does. These recommendations would keep a standard body with the rest of the fleet and would cost the PSA a total of \$162,279.64 with \$180,000 having been budget for this purchase.

- i. Prior Orchard Hills Sewer Customer – Over the past month, I have met with two of the six households in the Orchard Hills subdivision who had been connected to the PSA sewer system approximately ten years prior to the recent sewer installation. As a result of this meeting, I was made aware of the ***enclosed*** letter giving these residents the option of being billed at a rate of \$6.50 per month since they paid \$3,800 each toward the cost of extending sewer service to their homes rather than the \$25.13 minimum bill being charged for debt service for the newly installed lines. While converting them to the lower rate would be simple from an administrative perspective, I believe it would be fairer and more consistent to reimburse their original investment and bill them for the higher rate. The PSA board had discussed this previously and had recommended that the original amount be depreciated. However, in light of the stated commitment in the enclosed April 1999 letter, depreciating the original amount is unlikely to result in an amount sufficient to cause residents to voluntarily pay the overall \$25.13 per month minimum bill.

Compounding this situation is the fact that these residents were never added to the either the PSA or Town billing systems. Assuming an average usage of 4,000 gallons per month, a 10-year billing period and a sewer rate of \$4.50 per 1,000 gallons, residents received the benefit of \$2,940 in unbilled services.

Considering the overall balance, I recommend offering a reimbursement of \$3,800 less half the estimated \$2,940 in sewer usage (\$3,800-\$1,470) or \$2,330 as an incentive to increase their minimum monthly bill from \$6.50 to \$25.13.

- j. PSA Billing to Towns of Dublin and Pulaski – ***Enclosed*** is a billing for water service to the towns of Dublin and Pulaski. I expect the PSA may need to work with the Town of Dublin on the \$350,677.42 due from the Town to the PSA.

3. Operations:

- a. Minutes of Previous Meeting - ***Enclosed*** are the minutes of the July 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 July.
- c. Drop Site Total & County Landfill Tonnage Reports – The following are updated drop site and landfill tonnage reports:

**Drop Site Total for the
Month of July 2011**

Site	Trips	Tons	Tons per haul
Dora Highway	27	83.72	3.10
Dublin	35	112.32	3.21
Fairlawn	5	46.78	9.36
Totals	67	242.82	3.63

**County Landfill Tonnage
(County customers & Refuse Department Haulers
for the Month of July 2011)**

Commercial	Residential	Tires	Brush
431.06	1136.99	530	7.81

- d. Personnel Changes – The ***enclosed*** personnel changes as prepared by Norma Spence are presented for the Board’s review.
- e. Agreement with Pulaski County Sewerage Authority - Dennis Setliff, Vice Chair of the Pulaski County Sewerage Authority, requests consideration by the PSA Board to the continuation of the ***enclosed*** maintenance agreement by which the PSA staff provides maintenance services to the Sewer Authority. ***Enclosed*** is an accounting of the PSA staff costs for doing this work. Based on the costs to the PSA being somewhat less than the \$12,000 paid by the Sewer Authority, renewal of the agreement is

recommended. Also **enclosed** is a copy of the invoice to the Pulaski County Sewerage Authority.

f. Update on PSA Water and Sewer Billing Procedures – Current PSA billing procedures are as follows:

- Read Meters First 3 Weeks of Month (Bi-Monthly)
- Mail Bills Last Week of Month
- Bills Due 15th of each Month
- Mail Late Notice 21st of each Month
- Absolute Due Date Last Day of Month
- Water Shut-Offs First Tuesday and Wednesday

of the following month

Once the water has been shut-off a reconnection fee of \$50 is enforced and a tampering fee of \$100 can be applied if the customer attempts to reconnect service themselves. Absolute due dates, reconnection fees, and tampering fees are documented in the late notice (See **enclosed** example).

The current procedure has the potential to create customer confusion, due to shut-offs occurring just prior to receipt of the next months bill. Over the past six months, staff workload has pushed water shut-offs to the second week of the following month, which only worsens the potential for this confusion.

Staff recommends cutting water off five days after the bill is due and replacing the second cut-off mailing with a notification on the bill as is being done by the towns of Pulaski and Dublin.

Currently, the PSA staff is sending out between 3,000 and 4,000 delinquent letters each month at a cost of over \$1,000 per month in postage alone. We also recommend scheduling an individual to turn water back on the same day the individuals pay reconnection fees as long as payment is done by 4:00 p.m.

4. Informational Items:

- a. Past Due Notice by Town of Pulaski – **Enclosed** is the notice being issued by the Town of Pulaski to residents in the tornado stricken area of the town who may have a past due account.
- b. PSA Safety Meeting Update – **Enclosed** are notes from the recent safety meeting which included the PSA Refuse Collection crew.

- c. PSA Notice of Lien Forms – The General Assembly modified the state code last year to require additional notices be given to property owners prior notice to the filing of liens. ***Enclosed*** is an e-mail from Sam Campbell regarding the matter as well as copies of the various recommended notices.
 - d. Brookmont Water - ***Enclosed*** is correspondence from the Health Department providing comments related to the Brookmont water system noting that the system is operating within Health Department parameters.
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:
 - 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. Other Matters – Any other matters which may arise following distribution of the agenda packet.

/gh