PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
April 8, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, April 8, 2014, 2014 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Doug Warren, Chairman; Nancy Burchett; Dave Dean; Dennis Setliff; and Fritz Streff.

Staff members present included: Peter Huber, County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Sandra Boyd, PSA Collections; and Gena Hanks, Clerk to the Board.

Dr. Warren called the meeting to order and welcomed those in attendance.

1. Citizen Comments

Brenda Blackburn posed several questions to the Board, including how long the PSA had been in existence. Ms. Burchett responded that the PSA was formed in 1969, with garbage service being provided starting in 1979.

Ms. Blackburn advised that those residents of Little Creek who have not been paying for garbage service are receiving letters from the PSA notifying those residents of the need to complete a service application form. Ms. Blackburn requested the Board "wipe the slate clean" for all customers owing garbage bills that are in arrears. Ms. Blackburn indicated there was an overall lack of fairness by the PSA for those residents who have been paying for garbage service. Ms. Blackburn advised of having $100 taken out of her state income taxes for failure to pay a PSA bill.

Ms. Blackburn advised of knowing a lady who lives in Little Creek who had indicated that a Mr. Woodyard was not paying for garbage service.

Ms. Blackburn referenced the County's personnel policy and specifically referenced a section of the policy related to part-time employees not being eligible for overtime. Ms. Blackburn expressed concern over an unnamed individual working for the PSA who had retired and who she indicated is receiving overtime.

2. Follow-up Items

a. FY 15 Budget Review

Mr. Huber described the draft budget, noting the budget as presented was balanced, did not include a rate increase, included a contingency of $130,621, required the pulling of some capital items and did not include a potential 1% proposed cost of living increase for employees.

Dr. Streff inquired if the budget presented was prepared in a manner to allow for continued maintenance of the PSA at the same budget levels as the current year. Mr. Huber advised the budget had been drafted consistent with Dr. Streff's understanding but did not include long-term improvements needed in the system.

Ms. Burchett requested staff provide revised figures that included a 1% increase in pay and also with a 3% and 5% increase in rates. Ms. Newby advised a 1% salary increase would cost the PSA $20,700.

Ms. Newby described an anticipated 3% increase in health insurance costs for employees. Mr. Dean requested staff provide a comparison of the proposed budget to the current budget.

Mr. Huber advised approval of the budget would be placed on the May PSA agenda, with the June meeting being the last opportunity by the PSA Board to approve the budget.

Mr. Huber provided an update on the Mark III supplemental insurance program.

b. Drop Site Update

Mr. Huber described a letter from Jeff Worrell, Mayor, Town of Pulaski, regarding alternatives included in the expansion of the proposed Honeywell site allowing for the utilization of the Walnut Avenue as a means of getting in and out of the site, and possible alternate locations at the former Gem City Iron and Metal on First Street or the former Nanochemonics property at Magnox. Mr. Huber also advised a meeting had been scheduled for April 18th to meet with the Aust family who own Gem City Iron.

Shawn Utt, Pulaski Town Manager, advised efforts were underway to contact the Honeywell representatives, without success to date. Mr. Utt and Mr. Huber described the three sites in detail using the maps on the County's GIS.

Board members discussed the ongoing negotiations between the Town and Honeywell, concerns by the Sheriff over use of the entry area of the Honeywell site adjacent to the new Sheriff's office and ongoing issues by the EPA with the Magnox site.

Mr. Huber suggested discussing the matter further in the Closed Session portion of the meeting.

c. Dublin Rate Negotiations

Mr. Huber described a meeting held with Chairman Warren, Ms. Burchett, Mr. Linkous, and Dublin Town Manager Bill Parker to discuss the proposed rates and a recommendation to approve the proposed rates as follows: a rate of $2.33 beginning July 2014, which is four cents more than the $2.29 that it will cost the PSA over the next fiscal year, with a projected rate of $2.86 per 1,000 gallons expected in 2015-16, pending revisions of the estimated 2015-16 costs in March 2015.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved rates as follows with the Town of Dublin: a rate of $2.33 beginning July 2014, which is four cents more than the $2.29 that it will cost the PSA over the next fiscal year, with a projected rate of $2.86 per 1,000 gallons expected in 2015-16, pending revisions of the estimated 2015-16 costs in March 2015.

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

d. Update on Water Treatment Plant Well Drilling

Mr. Linkous advised drilling had started with fractures being found, resulting in the drilling being ceased. Mr. Linkous advised in order to accomplish the drilling, a rig would need to be brought in that would cost approximately five times more than the initial cost for the drilling; further, the geotechnical engineer had indicated similar conditions would likely be found at the second site.

Mr. Linkous provided a detailed description of the drilling method used. Mr. Linkous recommended abandoning the testing and documenting the information discovered to date. Mr. Linkous provided an explanation for the recommendation to abandon the testing and lastly to begin evaluating options for dredging and modifications as soon as possible.

Board members discussed the following: expenses on the testing to date; difficulties involved in drilling; potential for finding a well; risk factors; and potential for relocating intake.

Mr. Huber offered for staff to provide Board members an opportunity to look at the site.

By consensus, the PSA Board requested staff to continue to evaluate options related to the testing.

e. Sunday Roll-off Service

Mr. Huber reported a public hearing would be required to implement a surcharge per container, per customer, for Sunday pick-up service of roll-off containers. Holding the public hearing during a day-time meeting of the Board was suggested since the rate change would primarily affect the PSA's business customers.

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board approved scheduling of a public hearing at the May 13, 2014 PSA Board meeting to consider the implementation of a surcharge of $10 per container, per customer, for Sunday pickup service.

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

3. Action Items

a. Additional Heron's Landing Streetlight

Mr. Huber advised the Heron's Landing Homeowners Association is requesting the placement of an additional streetlight in the Heron's Landing development, with a staff recommendation to approve the installation, pending payment of installation costs and monthly maintenance by the Homeowners Association. Mr. Huber explained the purpose of the PSA serving as a "pass-through".

Dr. Streff inquired if a request for replacement of the light on the side of the building that was being considered as potential office space for the PSA would pass through the PSA. Mr. Huber advised that AEP is the only source for replacing/repairing lights.

Ms. Burchett inquired if the PSA would serve as the contact for any requests for streetlights in the County for an area without a homeowners association. Mr. Huber advised the method used for areas without a homeowners association would be the same as that for an area with a homeowners association.

On a motion by Ms. Burchett, seconded by Mr. Setliff and carried, the Board approved the request by the Heron's Landing Homeowners Association for streetlights, as well as approved a policy to cover all requests for streetlights in the County.

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

b. Post Closure Bond Compliance Procedures

Mr. Huber advised that Attorney Webster Day had requested adoption of post closure bond compliance review procedures which would include "providing for due diligence review at regular intervals – recommended annually in conjunction with the audit; and identifying the official or employee responsible for review – recommended to be two of the following: County Finance Director; County Administrator; or Secretary/Treasurer of the PSA Board of Directors."

Dr. Streff inquired if the counsel fees for the post closure procedures was included in the initial retainer fee. Mr. Huber offered to obtain the fees structure to determine if costs are included as a part of counsel's retainer and email PSA Board members.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved post closure procedures, as follows: "providing for due diligence review at regular intervals – recommended annually in conjunction with the audit; that a staff member be designated as being responsible for review; and allowing for counsel fees not to exceed $4,000 if it is determined that costs associated with the post closure procedures are not included in counsel retainer fees."

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

c. Board Appointments

Mr. Huber inquired if Board members had any interest in recommending to the Board of Supervisors the appointment of an "alternate" to fill the position left vacant due to the appointment of Mr. Setliff as a full member.

Dr. Streff advised the purpose of having an alternate had been due to one of the former members having advised of the need to be absent from the PSA Board meetings on a more regular basis. Dr. Streff also expressed concern over how to determine a rotation between districts for such an "alternate" appointee.

Mr. Dean expressed concern over an "alternate" appointee being unable to have the benefit of information needed to make an informed decision, as result of not having attended previous Board meetings.

By consensus, the PSA Board recommended the Board of Supervisors not appoint an "alternate" to the PSA Board.

4. Consent Items

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved the following items of consent:

a. Minutes of Previous Meeting

The Board approved the minutes of the March 11, 2014 Board meeting.

b. Balance Due & Lien Reports

The Board reviewed and accepted the following balance due and lien reports:

Current Balance	$ 792,179.54	$ 534,151.55	$ 543,199.18	648,692.24
Over 30 Days	$ 9,089.98	$ 189,079.95	$ 98,262.14	89,048.58
Over 60 Days	$ 43,718.61	$ 6,380.62	$ 33,734.18	62,094.44
Over 90 Days	$ 1,097,302.17	$ 1,123,242.41	$ 1,117,568.87	1,135,828.85
Total	$ 1,942,290.30	$ 1,852,854.53	$ 1,792,764.37	1,935,664.11
Liens Filed				$ 676,832.74

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	$ 50,112.97	$ 70,327.69	$ 742,646.92	$ 863,087.58
Commercial	$ 1,663.01		$ 62,069.00	$ 63,732.01
Nonuser	$ 209,009.26	see breakdown below		$ 209,009.26
Total	$ 260,785.24	$ 70,327.69	$ 804,715.92	$ 1,135,828.85

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

	Inactive	Non User	Active	Total
Residential Water	$ 43,237.98	$ 35,486.60	$ 6,874.99	$ 85,599.57
Commercial Water	$ 1,653.31	$ -	$ 9.70	$ 1,663.01
Residential Garbage	$ 50,837.85	$ 20,050.64	$ 691,809.07	$ 762,697.56
Commercial Garbage	$ 32,472.17	$ -	$ 29,596.83	$ 62,069.00
Sewer	$ 7,187.00	$ 1,497.72	$ 63,140.69	$ 71,825.41
Penalty	$ -	$ 15,694.21	$ -	$ 15,694.21
Interest	$ -	$ 136,280.09	$ -	$ 136,280.09
Total	$ 135,388.31	$ 209,009.26	$ 791,431.28	$ 1,135,828.85

c. Budget Adjustments

The Board reviewed and accepted the following budget adjustment:

PSA FUND #9

Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-032020-0330	Rural Development Funding Water Meters	$ (730,500.28)
500-016080-3000	Refuse Department Miscellaneous Revenues	15,800.00
	TOTAL	$ (714,700.28)
EXPENDITURES:		
500-045100-8107	Administration Computer Equipment	$ 1,068.83
500-094100-8256	Water Meter Replacement	(743,357.28)
500-094100-8105-008	Refuse Department Garbage Trucks	(85,714.00)
500-042340-8120	RollOff Refuse Other Equipment	85,714.00
500-091100-1100	Miscellaneous Expenses	15,800.00
500-091400-9301	Contingency Funds	11,788.17
	TOTAL	$ (714,700.28)

d. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of $9,487.74.

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e. Accounts Payable

The Board approved accounts payable for checks numbered 8010124 through 8010248, subject to audit.

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

5. Staff Reports

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board reviewed and accepted the following reports as presented:

a. Financial Reports

The Board reviewed and accepted the financial reports as presented by Ms. Newby, a copy of which is filed with the records of this meeting.

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

b. Operational Report

1. Inmate Availability

Staff reported use of three inmates per day for the month of March 2014.

2. Drop Site and County Landfill Tonnage Reports

Drop Site Totals for the Month of March

Site	Trips	Tons	Tons per haul
Dora Highway	9	28.99	3.22
Dublin	21	73.71	3.51
Fairlawn	7	30.21	4.31
Totals	37	132.91	11.04

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Landfill Tonnage Report
(County customers & Refuse Department Haulers
for the Month of March 2014)

Commercial	Residential	Tires	Brush
2357.85	1175.67	1204	.32

3. Cut Off List

Staff reported 36 cutoffs for the month of March.

4. Personnel Changes

The following were reported as PSA personnel changes: Tim Addison returned from workers comp; Larry Vest retired effective March 14, 2014.

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

Dr. Streff described a constituent's concern related to an increase in a monthly bill (estimated) from the previous month, noting the bill for the previous month was low due to the passing of the resident living at the residence. Sandra Boyd described the method used in providing adjustments and in calculating water usage in these types of circumstances.

6. Staff To-Do Listing

Board members reviewed the following items which staff is currently working on but for which there is no additional information to report to the Board at this time.

a. Skyview/NRV Fairgrounds Sewer Funding
b. South Side of Lake and Fairlawn Drop Centers
c. Dublin PSA Office Relocation
d. Covered Water Meter Ordinance
e. Meter Replacement with Radio Read Units
f. Draper Area Wythe County Sewer/PSA Connection
g. Water Meter Replacement
h. Water Master Plan
i. Change Exit at Fairlawn Drop Site

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7. Other Matters

There were no other matters discussed at this time.

8. Closed Session – 2.2-3711 (A)1,3,7

A closed session is requested pursuant to Section 2.2-3711(A)1,3,7 of the 1950 Code of Virginia, as amended, to discuss property disposition or acquisition matters.

It was moved by Ms. Burchett, seconded by Dr. Streff and carried, that the Public Service Authority Board of Directors enter Closed Session for discussion of the following:

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

- Take Home Vehicle

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion for consideration of the disposition or acquisition of publicly held property regarding:

- PSA Billing Office

Legal Matters – Pursuant to Virginia Code Section 2.2-3711(A)7 consultation with legal counsels and briefing by staff for discussion of specific legal matters and matters subject to probable litigation regarding:

- Frasier Suit
- Defense of Franchise Rights

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

Return to Regular Session

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board returned to regular session.

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

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Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, that the PSA Board of Directors adopt the following resolution certifying conformance with the Virginia Freedom of Information Act.

WHEREAS, the Public Service Authority Board of Directors has convened a closed meeting of this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act:

WHEREAS, Section 2.2-3712(D) of the Code of Virginia requires a certification by this Board of Directors that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the PSA Board of Directors hereby certifies to the best of each members' knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority.

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

9. Adjournment

On a motion by Mr. Dean, seconded by Mr. Setliff and carried, the Board adjourned its regular April 2014 meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, May 13, 2014 at 9:00 a.m. in the Board Room of the CAB.

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

Douglas W. Warren
Doug Warren, Chairman

Nancy M. Burchett
Nancy Burchett, Secretary/Treasurer