

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 10, 2016, at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia, the following Board members were present: Dr. Doug Warren, Chairman; Dr. Fritz Streff; Dave Dean, Vice – Chairman and Dennis Setliff. Absent: Nancy Burchett

Staff members present included: Peter Huber, County Administrator; Karen Thompson, Assistant County Administrator, Management Services; Ashley Edmonds, Clerk to the Board; Diane Newby, Finance Director; Ronnie Nichols, Director of Operations, Maintenance and Transportation; Jared Linkous, County Engineer; Debra Boyd, Public Service Authority, Accounts Payable/Collections Clerk.

1. Welcome and Call to Order

Dr. Warren called the meeting to order at 9:00 a.m. and welcomed those present.

A. Confirmation of a Quorum

Dr. Warren confirmed a quorum with 4 members in attendance. Mrs. Nancy Burchett was unable to attend the meeting due to her husband's illness.

2. Citizen Comments

A. Public Comments

Mr. John Turner, 5980 Dudley Farm Road, Fairlawn, discussed with the Board a water leak issue on his property. Mr. Turner requested relocation of his water meter which is a quarter of a mile from his property to allow him to detect and resolve the problem. A consensus of the Board asked staff to further research the issue and bring back options to discuss with the Board and Mr. Turner.

3. Financial Matters

A. Annual Financial Fiscal Year Report/Audit Presentation

Mr. Setliff asked a clarifying question regarding a document listed 2015 – 01 in the audit presentation. Mrs. Newby advised there were no findings in 2015 audit and the question about the notation would have to be answered by the auditors. Agenda item deferred until June 14, 2016, PSA Board of Directors meeting.

B. Financial Report

Mrs. Newby reported PSA on target with the status of operational budget showing 83% on revenue and expenditures and when adding capital items, 55% on revenues and 60% on expenditures.

On a motion from Mr. Streff, second by Dean and carried, the Board received, reviewed and approved the Financial Report ending April 30, 2016.

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

Voting No: None.

Absent: Mrs. Burchett

4. Budget Items

A. Town of Dublin Water Settlement

Mr. Huber advised the Town of Dublin had been paying the PSA on a monthly basis and has caught up on arrears from the previous year. The Town of Dublin is currently paying the same amount as last year with the next opportunity by the PSA to adjust the amount being March 2017.

B. FY 2016 – 2017

Mr. Huber reviewed the budget with the Board. Dr. Warren questioned the \$334,341 net garbage deficit and Mr. Huber explained the impact of estimation of budget items and Mrs. Newby noted there were about \$400,000 in capital improvement items for the refuse department such as the PSA Billing Office relocation, construction of a shed to store refuse equipment, installation of a compactor and a \$200,000 garbage truck. Mr. Dean suggested advance planning to offset expenditures, such as charging more for street lights. Mr. Setliff questioned the large increase (\$168,509) in refuse commercial dumpster to \$884,367. Mrs. Newby pointed out some of the reduction in the expenses comes from the reorganization of the County garage and the way we allocate those expenses. Dr. Streff stated those actions would result in a decrease and not an increase and asked if there was a purchase of a truck, dumpsters or other equipment. Mr. Nichols provided specifics. Mr. Huber reminded the Board of upcoming changes due to the garage allocation and its impact on the budget. Dr. Warren reminded the Board members of the inclusion of the proposed 5% water and sewer increase along with the 2% pay increase for all employees effective October 1, 2016. Mr. Huber advised the proposed budget in review was balanced with no contingency and discussed the following capital improvements in the refuse department: construction of sheds for the garbage trucks at \$100,000; installation of compactor at the Dublin Drop Site; a refuse truck at \$200,000 and relocation of PSA refuse crew; in the sewer department: the purchase of a vehicle at \$38,000; \$250,000 (annualized amount) for water tank painting and maintenance; \$20,000 for water pump station repair; \$300,000 for galvanized water line replacement (could be adjusted for contingency) and \$45,000 for telemetry equipment. Mr. Setliff inquired about including the long – term landfill financial responsibilities to the budget work for planning purposes (\$100,000) and Mr. Huber stated the funds were currently in the Board of Supervisors' (county's) budget as they have ultimate responsibility for it. The problem the Board of Supervisors has is with the PSA receiving the revenue from the landfill through the PDR funds and other revenue streams while the County pays associated costs. Mr. Huber put in a request with Joe Levine at the Resource Authority for consideration of use of the PDR funds for this purpose. If this is allowed, Mr. Huber advised, it would be a pass through on the PSA budget and taken off the County's budget. There will be additional tweaking on the budget prior to the next meeting as Board members requested to see contingency funding or a dedicated amount to be set aside in the budget work.

On a motion by Mr. Setliff, second by Dr. Streff and carried, the Board approved by consensus \$100,000 to be placed in contingency in the FY 2016 – 17 budget.

Mr. Setliff thanked the entire staff and expressed appreciation for all of the work being done on the FY 2016 – 17 budget.

5. Action Items

A. Water Tank Painting

Mr. Huber explained there was a \$98,645 error in the discussion of water tank painting during the April 12, 2016, PSA meeting. Mr. Linkous explained he failed to include an outstanding change order which included engineering and inspection services that was not signed and the funds were not encumbered. Mr. Linkous apologized for the oversight and Mr. Huber recommended proceeding with the funding this amount from the current year budget and to make up the additional cost by delaying the paint work for a year to allow replenishment of the reserves. Mr. Dean asked about the total of painting two tanks and Mr. Linkous advised \$880,000 - \$900,000. Mr. Dean noted the mistake and asked for assurance this would not occur in the future and Mr. Linkous explained it would not reoccur. Mr. Setliff respectfully challenged Mr. Linkous for next year is how to continue to properly maintain the water tanks within the confines of the budget.

On a motion by Dr. Streff, second by Mr. Setliff and carried to accept the proposal as listed.

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

Voting No: None.

Absent: Mrs. Burchett.

Dr. Warren asked about the status of the mega/ground tank and its impact to the system. Mr. Linkous explained there was no current demand to make the tank operational as the tank was built for further growth in the industrial park. Dr. Warren further inquired about the health of the tank as it remained empty and Mr. Linkous advised he was unsure of what the impact would be.

B. Long – Term Landfill Financial Responsibilities

Mr. Huber described the Board of Supervisors' requirement to maintain responsibility for the long – term landfill closure and maintenance responsibilities and the PSA's financial resources through the collection of refuse and disposal fees. As mentioned earlier, staff has asked the Resource Authority for consideration of the use of PDR funds. The Board of Supervisors is asking for continued consideration of the PSA to funding the County's long – term landfill closure and maintenance responsibilities. Of specific concern to the Board of Supervisors is the approximately \$100,000 needed to address settlement and leachate pumping issues at the Old Cloyd's Mountain Landfill. Dr. Streff questioned whether this request was recurring; Mr. Huber stated it was both – the one – time expense of \$100,000 which is being requested through PDR (Pulaski – Dublin – Radford/original users of the landfill through Resource Authority) funding and \$5 a ton goes to long – term maintenance and other items in the future. Mr. Linkous advised the Board of Supervisors currently spends \$55,000 annually in landfill contracted services which includes sampling, monitoring and inspection expenses to meet DEQ regulation. At the time of the meeting, no response has been received by the Resource Authority regarding the request. Dr. Streff asked what projects can PDR funds be used for and Mr. Linkous advised refuse specific only. Dr. Warren expressed the need for the Board of

Supervisors to know PDR funds were used at the County Garage and Mr. Huber reminded the PSA Board of the Board of Supervisors' contribution to the Drop Sites. Dr. Streff expressed hesitation regarding the use of PDR funds annually to pay for landfill maintenance as it eliminates the use of the funds to be used for other refuse projects, i.e., drop site improvements and relocation. Mr. Huber advised that staff would provide a report of remaining PDR funds and estimation of overall revenue.

On a motion by Mr. Setliff, seconded by Mr. Dean and carried, the Board accepted the recommendation by the Board of Supervisors to accept responsibility for on – going management and costs associated with the landfill sites.

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

Voting No: None.

Absent: Mrs. Burchett.

C. BoardDocs Software

Mr. Huber provided a brief BoardDocs overview, explained the current issues surrounding closed session agenda items access and the benefits of upgrading the software to allow each Board/Commission separate access to their own "page". This upgrade would be annual expense of \$6, 000. Mr. Huber also presented the option of sending executive/closed session items to the Board members via email. Mr. Dean asked if the PSA was currently paying for a BoardDocs license and Mr. Huber stated they were not; the Board of Supervisors pays the annual licensing costs. An additional question was asked regarding the transition to the upgrade and Mr. Huber explained there would be no need to change user names or passwords as the upgrade is transparent to the end user.

On a motion from Dr. Streff, seconded by Mr. Setliff and carried, the Board accepted the \$6,000 annual fee to improve BoardDocs security.

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

Voting No: None.

Absent: Mrs. Burchett.

At 10:30 a.m., Dr. Warren called for a five minute recess and the meeting resumed at 10:35 a.m.

6. Follow – Up Matters

A. Collections Update

Dr. Warren asked Mrs. Boyd for an update regarding unbilled customers. Mrs. Boyd reported there is continuing work on this item as she has found inconsistencies in those being referenced as unbilled when billing is occurring. She also updated the Board on receipt of payment in full on accounts and set – off funds along with the placement of 34/35 liens on property with notification of property owners and renters. The Board discussed their notification of a billing issue with Mr. Bunn and Mr. Huber asked Mrs. Boyd to follow – up with Mr. Bunn to ensure his awareness that he is being billed accurately and he would advise the Board of Supervisor member of the measures being taken. Dr. Warren expressed appreciation of the efforts taken by Mrs. Boyd and staff to collect delinquencies and resolve issues.

B. Delinquency Report

The Board acknowledged receipt and review of the delinquency report. There were no questions.

C. County Site 2016

Mr. Huber presented an aerial view of the County Garage and Dublin Drop Site provided by satellite image from the most recent GIS information. Mr. Dean asked how old the image was and was informed by Mr. Linkous that it was taken last fall. The Board requested a more recent photo of the property to be taken by drone. Mr. Dean inquired about the status of the project and Mr. Linkous responded the project is near completion with soft material removed from the brush area and stone replaced. Board members expressed the importance of publicizing information about the project with the public, perhaps by holding a ribbon cutting. Mr. Setliff mentioned his positive response when seeing the refuse truck in Fairlawn area had been cleaned as this not only displays pride in our equipment but also helps reduce future maintenance costs.

D. James Hardie Refuse Hauling

Mr. Huber displayed photos of waste material taken to the landfill from James Hardie on a recent ride along on a Saturday. Board members asked if James Hardie was a busy pick - up on Saturday and Mr. Nichols responded it was typical. Mr. Nichols continued by describing what was being collected and the amount hauled: 13 containers of board, 6 containers of sludge; in addition to dumping 2 containers on Dora Highway, 2 in Dublin and 2 at Red Sun for a total of 25 containers with 5 of the 7 trucks in use. The only issue with Saturday pick - up are the landfill hours (8:00 a.m. - 1 p.m.), which has the crew working on a compressed schedule.

E. Pulaski Brush Site

Mr. Huber presented photos of the brush site prior to mulching/grinding that was to take place on May 2, 2016. All sites were ground prior to the PSA meeting. Mr. Dean asked if the road was now passable at the Pulaski Site, which Mr. Nichols reported, it was and site would be checked more frequently going forward to monitor for issues, Dr. Warren asked about the Sheriff's continued displeasure with the location of the brush site and Mr. Huber reported there has not been any reports from the Sheriff's Office.

F. Water Quality Testing

The Board had previously approved a subsidy to water quality testing participants if the PSA were allowed to share the results. Virginia Tech had issues with the arrangement for fear the participants would be harmed in some way. Staff explained the reasoning behind the request and a compromise was met allowing participants to sign /receive a waiver and receive the discounted rate and the PSA would receive street level information.

G. Virginia Department of Health

The Board was shown a copy of the award granted to the PSA and presented to Jay Goad by the Virginia Department of Health for outstanding water quality and plant efficiency standards. Board members pointed out this was another opportunity to

publicize the excellent work of the PSA through advertisement in local newspapers, the County's Facebook page, County newsletter and website and congratulate employees on a job well done.

7. Items of Consent

A. Minutes of Previous Meeting

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board approved the Minutes of April 12, 2016, and all other items of consent.

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

Voting No: None

Absent: Mrs. Burchett

B. Balance Due and Lien Reports

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

Balance Due	3/1/2016	4/4/2016	5/2/2016	6/2/2016
Current Balance	594,647.01	719,577.52	643,069.71	625,357.41
Over 30 Days	187,322.09	219,454.51	149,661.15	201,883.35
Over 60 Days	60,487.11	71,274.46	29,411.74	60,516.58
Over 90 Days	1,314,598.48	1,335,861.28	1,324,939.41	1,329,411.39
Total	2,157,054.69	2,346,167.77	2,147,082.01	2,217,168.73

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	116,704.60	73,840.98	888,796.70	1,079,342.28
Commercial	2,370.96		53,099.99	55,470.95
Nonuser	194,598.16	See Breakdown Below		194,598.16
Total	313,673.72	73,840.98	941,896.69	1,329,411.39

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

	Inactive	Non User	Active	Total
Residential Water	96,954.59	32,062.19	19,750.01	148,766.79
Commercial Water	2357.24		13.72	2,370.96
Residential Garbage	91,714.81	15,263.72	797,081.89	904,060.42
Commercial Garbage	46,647.74		6,452.25	53,099.99
Sewer	17,334.22	1,661.81	56,506.76	75,502.79
Penalty		14,203.25		14,203.25
Interest		131,407.19		131,407.19
Total	255,008.60	194,598.16	879,804.63	1,329,411.39

C. Budget Adjustments

Budget adjustment #5 was reviewed and accepted by the Board.

D. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$13,864.79.

E. Accounts Payable

The Board approved accounts payable for checks numbered 8013685– 8013825.

F. Personnel Changes

Board members reviewed a memo describing personnel changes in the month of May 2016, an electronic version of which is filed in the BoardDocs agenda.

8. Reports from Staff, Etc.

A. Operational Reports: Inmate Availability; Drop Site and County Landfill Tonnage Reports and Cut Off List

By consensus, the Board reviewed and accepted the operational reports as follows:

Miscellaneous Report
As of June 43 2016
DROP SITE TOTALS
FOR THE MONTH OF MAY 2016

Site	Trips	Tons	Tons per Haul
Dora Hwy	21	52.15	2.48
Fairlawn	20	33.61	6.72
Dublin	8	109.95	5.49
Total	49	220.32	4.49

INMATE COUNT

3 Inmates were used for the month of May 2016
County Landfill Tonnage
(County customers & refuse department haulers
for the month of May 2016)

Commercial	Residential	Tires	Brush
5,224.59	1,054.22	1,262	4.10

63 Cut Offs for the month of May 2016

B. One Call Report

The Board reviewed the One Call Report for May (available in BoardDocs) and Mr. Huber played the recorded message recipients receive.

9. Staff To Do List

The Board reviewed the following staff list of ongoing items:

- A. Skyview Phase 3
- B. Drop Center on the South Side of Claytor Lake
- C. Covered Water Meter Ordinance
- D. Draper Area Wythe County Sewer/PSA Connection
- E. Water Meter Replacement
- F. Water Master Plan
- G. Change Exit at Fairlawn Drop Site

- H. Lakewood Estates
- I. Facilities for Refuse Employees

10. Informational Items

A. Raw Water Pump Station Generator Project

Mr. Huber updated the Board on the continued negotiations with the Schecklers on the use of the well. He also clarified for the Board that the Schecklers allowed the PSA to drill the well for exploratory purposes on their land and the Schecklers' access to the lake is through PSA property.

B. Pulaski Drop Site Relocation

Mr. Huber spoke with Shawn Utt, Town Manager for the Town of Pulaski, regarding sites for the drop site relocation. Two locations have been proposed: the Aust property and property next to the existing drop site. Estimates for the amount to be spent on property is desired to be less than \$99,000; the Aust property is expecting 5 times the amount PSA is willing to pay. The Town of Pulaski owns the property next to the existing drop site and there is a pump station on the location. There exists problems with site distance in the area and a proposed change to the entrance of the property is being reviewed and has not been confirmed. Dr. Streff reported citizens' concerns over blowing trash from drop sites on their property and asked PSA employees monitor and patrol the situation.

C. Time Reporting System

Mrs. Thompson reported the reevaluation to bring up the time clock system and piggyback on the system the Department of Social Services uses. It was a significant cost when first evaluated but company may be more motivated to provide a better deal at this point. The TimeForce system is also being evaluated. Further progress will be reported to the Board as work continues.

D. Unmanned Dumpster Sites

Mr. Huber discussed with the Board the options several surrounding counties are taking to eliminate unmanned dumpster sites. Mr. Setliff provided further information (link in BoardDocs agenda) and Mr. Huber stated two exists in the County at Little Wytheville and at Rock House Marina, which can look unsightly at times.

E. Draper Water Tank

Mr. Linkous advised the Board he had received calls from residents in the Draper Valley Golf Course development regarding the absence of fire hydrants and reduced water pressure. After researching the issue, he found a water tank had been built by the developer to establish adequate fire protection and maintain pressure during a large demand event. There was not a transfer of ownership of the property or the tank to the PSA; therefore the tank was not put into service. The developer has been contacted and advised that until there is a transfer of ownership of the tank, the tank will not be placed into service and they cannot begin to install hydrants. Mr. Dean advised there is a proposed development being planned under Draper Valley Golf Course. Dr. Streff asked about costs to

put tank into service and Mr. Linkous stated he told the developer a third party would need to conduct a inspection and any repairs/maintenance required would have to be completed by the developer before the PSA would take ownership.

F. Fairlawn Drop Site

Mr. Huber displayed the current Fairlawn Drop Site and reviewed the current entrance/exit and procedure for entering, turning around in order for the attendant to keep track of things going in and out and exiting. There was hesitation for opening the lower gate; one, thinking it would be an easy one way in, drop off items and go scenario and two, by opening the lower gate, citizens might use it as an entrance and not as exit. The recommendation would be to apply signage indicating the entrance/exit and opening the lower gate. This would also increase site distance and eliminate the need to turn around. The Board agreed with the recommendation.

G. Sewer for Riverbend Area of Route 114

Mr. Huber advised of a long time request from citizens and an inquiry from a Board of Supervisor regarding for sewer service in the Riverbend area. A preliminary engineering report had been completed by the former County Engineer, Mr. Ron Coake, to see what would be involved in the project. The recommendation from staff would be for the PSA Board to authorize the completion of revisions/updating or doing a new preliminary engineering report (PDR), share data with residents and look for available funding, i.e., grants, loans. Dr. Streff asked about the priority of the project and Mr. Linkous stated it was rather low on the list of sewer projects and offered to pull the sewer master plan to locate its priority. Dr. Streff asked about the cost of the PDR; Mr. Linkous estimated \$25,000 - \$30,000. Dr. Streff respectfully objected to spending such a sum on a project of low priority (not in the top 5) and stated the importance of getting assistance from the Board of Supervisors to update the water and sewer plans in order to properly evaluate the priority of projects as the current sewer master plan is at least 8 years old. Mr. Setliff spoke of the importance of expanding the PSA customer base in a cost effective way. Mr. Huber suggested providing a copy of the sewer master plan to the Board of Supervisors for further information and Mr. Linkous confirmed the project was listed at #13 out of 35 projects with a cost of \$2.9 million as of May, 2009. The Board asked if a rough estimate could be completed versus a PDR and Mr. Linkous stated yes, however it is more likely the estimate is more likely to be significantly less than actual cost due to the lack of thorough study.

H. Ruebush Road

Mr. Setliff informed the Board of a call he received regarding expansion of sewer services to customers north of Ruebush Road. Mr. Linkous provided a detailed review of the area including the route/approach to take in order to serve these customers. Mr. Linkous had spoken to a citizen in the area and is willing to do a general cost estimate and encourage petitioning the larger area. Mr. Huber encouraged the Board members to pass similar requests to the Mr. Linkous (County Engineer). The Board and staff are considering publishing the sewer

master plan on the PSA website.

11. Closed Session – 2.2 – 3711 (A)

A. Enter into Closed Session

On a motion from Mr. Setliff, seconded by Mr. Dean and carried, the Public Service Authority Board of Directors entered into closed session for the 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:

- PSA Pay Increase Information

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

Voting No: None.

Absent: Mrs. Burchett

A. Return to Open Session

On a motion from Dr. Streff, second by Mr. Setliff and carried, the Public Service Authority Board of Directors returned to regular session:

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

Voting No: None

Absent: Mrs. Burchett

C. Certification of Closed Session

On a motion from Dr. Streff, seconded by Mr. Setliff and carried, the PSA Board of Directors adopted 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 – 3371(A) of the Code of Virginia requires a certification by the 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 flies applies; and (ii) only such business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Public Service Authority Board.

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

Voting No: None.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS MEETING MAY 10, 2016

Absent: Mrs. Burchett

12. Adjournment

On a motion from Mr. Dean, seconded by Dr. Streff and carried, the Board adjourned its regular meeting. There will be a Public Hearing on Proposed Increases for Water and Sewer Rates on Tuesday, June 7, 2016, at 6:00 p.m., in the Board Room of the County Administration Building, 143 Third Street, N.W., Pulaski, VA. The next regular meeting of the PSA Board of Directors is scheduled for Tuesday, June 14, 2016, at 9:00 a.m., in the Board Room of the County Administration Building.

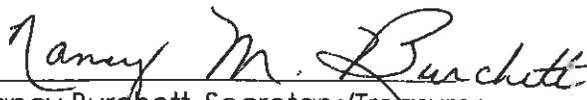
Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff.

Voting No: None.

Absent: Mrs. Burchett.



Doug Warren, Chairman



Nancy Burchett, Secretary/Treasurer

