

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

At a regular meeting of the Pulaski County Public Service Authority Board of Directors held on Monday, August 9, 2004 at 9:00 a.m. in the Conference Room of the County Administration Building, in the Town of Pulaski, the following members were present: H. W. Huff, Jr., Chairman; Winston Snead, Secretary; Carl Mathes and Doug Warren. Not present: Archa Vaughan, Jr. Staff members present were: County Administrator, Peter M. Huber; Assistant County Administrator, Nancy M. Burchett; H. Ronnie Coake, County Engineer; and Executive Secretary, Gena Hanks. Also present was Mr. Shawn Utt of the New River Valley Planning District Commission.

1. Citizen Comments

Mr. Jim Whited requested a progress report on the Polyester Mobile Home Park sewer project.

Mr. Huber provided a detailed report noting that there was an issue with Rural Development regarding the use of PVC piping vs. ductile piping.

2. Reports from the County Administrator & Staff:

a. Collection Staff Activity

1. Adjustments

On the motion of Mr. Mathes, seconded by Mr. Snead and carried, the Board of Directors approved customer credit adjustments in the amount of \$4,063.58cr.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Huff

Voting no: none.

Not present: Mr. Vaughan.

2. Inmate Availability Report

Staff reported the inmate count for July, 2004 provided three inmates per day.

3. Balance Due & Lien Report

The Board reviewed and accepted the balance due report as prepared by staff, a copy of which is filed with the records of this meeting.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

August 9, 2004

4. Work Order Count

The following pickups were reported as pending:
Pickups pending: 26 brush; 37 large; 4 tire(s); 2 refrigerator(s).

5. Drop Site Total & County Landfill Tonnage

There was no report available on the above.

b. Adoption of Budget

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved the FY 05 PSA budget.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.

Voting no: none.

Not present: Mr. Vaughan.

c. NRRA Disposal Fees & Further Clarification on Customer Paying Tipping Fee at NRRA

Staff explained the current disposal fee services. The Board requested staff place an update of this matter on the September agenda with the estimated volume of commercial users charging to the PSA.

d. Limit to Number of Containers Emptied

The Board concurred with the staff recommendation of limiting the number of bags to ten per household, per week, or as suggested by operational staff.

e. Morehead Lane Sewer Service

Staff recommended the Board approve sharing of installation expense through a \$2,000 per unit PSA connection fee surcharge for a five-year period.

The Board requested staff provide a listing of this and other areas where the surcharge would be implemented and to consider limiting the return of surcharges to the cost of the system. Staff was asked to provide an update at the September PSA meeting.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

f. Draper Phase II Project Update

Staff reported no additional homes can be built prior to the construction of the water tank and that a moratorium on additional building permits in this area has been put into place, pending completion of the water tank.

g. Sewage Pump Station Generators

Staff provided a listing of sewage pump stations with the estimated cost of installing generators to the locations listed by the county engineer.

On a motion by Mr. Mathes, seconded by Mr. Snead and carried, the Board approved up to a \$150,000 expenditure on installing new generators to locations prioritized by the county engineer.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.

Voting no: none.

Not present: Mr. Vaughan.

h. Sewer Service to Oakwood Subdivision

By consensus, the Board authorized the county engineer to conduct a preliminary engineering report providing the estimated monthly cost to be used in conducting an official survey of the community.

i. Sewer Service to FairAcres Subdivision

Staff presented a citizen complaint from Patricia Hubbard requesting public sewer service in the portion of the Fair Acres Subdivision located between Wendy's and the Regional Jail.

The Board directed staff to review and revise the previous engineering cost, as well as survey the neighborhood, and provide an update at the September Board meeting.

j. Mobile Home Park Repayment Fees

Staff presented a detailed repayment fee schedule. The Board directed staff to provide an update at the September Board meeting.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

k. Central Water & Sewer Project

This matter was reviewed under item "j".

l. Agreement Between Virginia's First, PSA, Pulaski County, HASH Investments, LLC & DRL Group, LLC

Staff presented an agreement for the installation of sewer service through the Motor Mile Speedway.

By consensus, the Board directed staff to seek a cost estimate on the installation of sewer service and provide the cost estimate at the September Board meeting, at which time the agreement will be reviewed and presented for approval.

m. Roll Off Container Bids

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved the purchase of ten containers from the low bidder, Holtz Industries, at a cost of \$3,383.00 per container.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.
Voting no: none.
Not present: Mr. Vaughan.

n. Highland Park Sewer Service

On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board approved and/or concurred with the following conditions which must be agreed to by the Board of Supervisors to qualify for financial assistance from Rural Development, including the following resolution and agreement:

1. MANAGEMENT AND OPERATION AGREEMENT FOR HIGHLAND PARK SEWER PROJECT

THIS MANAGEMENT AND OPERATION AGREEMENT dated this 10th day of October, 2004, and entered into by and between the COUNTY OF PULASKI, VIRGINIA, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "the County" and the PULASKI COUNTY PUBLIC SERVICE AUTHORITY, a public body politic and corporate created by the County, pursuant to the Virginia Water and Waste

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

August 9, 2004

Authorities Act (§§ 15.2-5200 to 15.2-5158, inclusive, Code of Virginia, 1950, as amended), hereinafter referred to as "the Authority."

W I T N E S S E T H

WHEREAS, the Authority currently operates the County-owned water treatment plant and the sale and distribution of potable water throughout the County; and

WHEREAS, the Authority currently owns and operates transmission and distribution system, including piping, pumping, and water storage, and wastewater transmission system, including piping and pumping operations within the County of Pulaski, Virginia; and

WHEREAS, the County is in the process of designing and constructing an expansion to the System consisting of approximately 25,115 linear feet of new gravity sewer lines; and,

WHEREAS, the County has requested and the Authority has agreed to operate and maintain the Improvements as an extension to and part of the System owned, operated, maintained and managed by the Authority pursuant to the terms of this agreement; and,

WHEREAS, the Board of Supervisors of the County has determined that the public health, safety, and welfare of the residents of Pulaski County can be best protected by entering into this agreement to provide for the operation, maintenance, and management of the Improvements as part of the Authority's System;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the parties hereto, agree as follows:

ARTICLE I. AGREEMENT

Section 1.1. Operation, maintenance and management of system.

On and after the commencement date, the County and the Authority, in combination with each other in the manner herein described, shall operate, maintain and manage the Improvements on the terms and conditions set forth in this agreement.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

ARTICLE II. TERM.

Section 2.1

The commencement date shall be the date the Improvements have been tested, and accepted for operation by the Board of Supervisors of Pulaski County and the Pulaski County Public Service Authority.

Section 2.2. Term

The term of this Agreement shall commence on the commencement date and shall expire on the fortieth anniversary date of the commencement date, subject to such extension as is contemplated in this Article II.

Section 2.3. Extension.

In the absence of an agreement to extend this agreement for a definite term beyond the original term or any extension thereof, upon the end of the Term this Agreement shall continue on the same terms and conditions on a month-to-month basis.

ARTICLE III, OPERATION, MAINTENANCE AND MANAGEMENT

Section 3.1. General

The Authority shall do the following with respect to the Improvements:

- A. The Authority shall manage, operate, maintain, repair and improve the Improvements as part of the System at all times on behalf of the County in compliance with all federal, state, and local laws, regulations and permits, and in accordance with this agreement.
- B. The Authority, at all times shall keep the improvements in good repair and working order and shall manage, operate, maintain, repair and improve the Improvements in an efficient and economical manner, all in accordance with this Agreement, the standard operating and employment procedures of the Authority, and prudent industry and utility practice.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

Section 3.2. Compliance with laws, regulations and permits

Upon completion and acceptance of the Improvements, the Authority shall operate the Improvements as part of the System in compliance with the Safe Drinking Water Act ("SDWA"), the Resource and Conservation Recovery Act, as amended ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, as amended (CERCLA), the Occupational Safety and Health Act ("OSHA"), and any and all other applicable local, state, and federal laws, codes, ordinances, and regulations as they pertain to the Improvements.

Section 3.3. Federal financial assistance

The Authority shall comply will all requirements related to the federal financial assistance granted the County to acquire and construct the Improvements.

ARTICLE IV. FINANCIAL TERMS

Section 4.1. Establishment and collection of rates, fees and charges.

The Authority shall, subject to the approval by the County, fix, charge and collect rates, fees and charges for the use of or for the services furnished by the System, including the Improvements. Such rates, fees, and charges shall be charged to and collected from any person contracting for the services or the lessee or tenant who uses or occupies any real estate which is serviced by or benefits from the System or Improvements.

Section 4.2. Payment of expenses.

The Authority shall provide all related insurance and bond coverage as provided in Article V, labor, materials, machinery, vehicles, equipment (including office equipment), fuel, power, chemicals, supplies, spare parts, testing and laboratory analysis, and all else necessary for or incidental to the management, operation, maintenance, repair and improvement of the Improvements in accordance with this Agreement and in accordance with applicable laws, ordinances, and regulations. These items mentioned and all other costs and expenses related to the Improvements and the System incurred by the Authority

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

August 9, 2004

to operate and maintain such Improvement and System, shall be paid monthly by the Authority. The Authority will reimburse the County on a monthly basis, the monthly debt service amount, in order for the County to make the debt service payment to U.S. Department of Agriculture's Rural Utility Service in a timely manner.

Section 4.3. Accounting.

The Authority will provide the County an annual (on the fiscal year) detailed accounting of expenses incurred and fees collected. Fees, rates and charges collected from customers will as nearly as possible be sufficient to meet all expenses of operation and maintenance, of the Improvements and the System.

Section 4.4. Surplus funds.

The Authority will forward surplus funds, when available, to the County to be placed in a reserve fund for future operation and maintenance needs of the System and the Improvements.

Section 4.5. Operational shortfall of funds.

When operational, if the maintenance expenses (as described in Section 4.2) including insurance and related expenses exceed the available funds received from fees, rates, and charges, the County will make available funds from the reserve fund to pay for the Authority's actual expenses in excess of such collections as evidenced by the annual detailed accounting report. Should the Authority still have unpaid expenses once the surplus has been used then the County and Authority, together, shall adjust its fees, rates and charges to cover its actual expenses.

ARTICLE V. INSURANCE.

Section 5.1. Insurance required.

The Authority shall not commence the performance of the services under this Agreement until it has provided insurance of the types and in such amounts as set forth herein and such insurance has been approved by the County. The Authority shall maintain such insurance in full force and effect for the duration of this Agreement.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

Section 5.2. County as additional insured.

The insurance policies maintained by the Authority and more particularly described hereafter shall specifically designate the County as an additional insured.

Section 5.3. Worker's Compensation.

The Authority shall maintain during the term of this Agreement worker's compensation and employer's liability insurance in accordance with the requirements of the general laws of the Commonwealth of Virginia and all other applicable laws and regulations.

Section 5.4. Public liability insurance.

The Authority shall maintain during the term of this Agreement such public liability insurance as shall protect it against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damages, which may arise from the performance of services hereunder regardless of by whom performed (including any subcontractors). The minimum acceptable limits of liability to be provided by such public liability insurance shall be \$5,000,000 for each occurrence/annual aggregate by the Authority (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

Section 5.5. Motor vehicle liability and property damage insurance

The Authority shall maintain, or cause any subcontractor to maintain, during the term of this Agreement such motor vehicle liability insurance as shall protect it against claims for damages resulting from bodily injury, wrongful death, and property damage, which may arise from the operations of any owned, hired or non-owned motor vehicles used by or for it (or subcontractors) in connection with the performance of services hereinafter. The minimum acceptable limits of liability to be provided by such motor vehicle liability insurance shall be \$5,000,000 for each occurrence/annual aggregate by the Authority (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

Section 5.6. Fidelity Bond Coverage.

The Authority shall maintain during the terms of this Agreement blanket fidelity bond coverage protecting the Authority from all losses through any act of fraud, larceny, forgery, theft, embezzlement, wrongful abstraction, willful misapplication or willful misappropriation, or other fraudulent or dishonest acts committed by its officers or employees. The minimum acceptable limits shall be \$100,000 each occurrence/annual aggregate.

Section 5.7. Property Insurance.

The Authority shall maintain during the term of this Agreement such hazard insurance policy covering the fair market value of all insurable interests of the County and Authority in and to the real estate and personal property constituting elements of the System and Improvements.

ARTICLE VI. ENFORCEMENT

Section 6.1. Dispute resolution.

Any disputes arising under this Agreement shall be referred to the County Administrator and the Executive Director of the Authority for resolution. If the dispute cannot be resolved between them to the satisfaction of both the County and the Authority, either party shall be entitled to institute such proceedings at law or in equity may be necessary or desirable in its sole discretion.

Section 6.2. Binding effect.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and except as to such successors and assigns, it is not intended to and shall not confer upon any other person, firm or corporation, public or private, other than the holder or holders from time to time of any revenue bonds of the Board, any rights hereunder.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed in duplicate on its behalf by its proper official hereunto duly authorized the day and year first above written.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

2. ENVIRONMENTAL MITIGATION RESOLUTION

WHEREAS, the Pulaski County Public Service Authority was formed as a political subdivision to exercise public and essential governmental functions to provide for the public health and welfare of the citizens of Pulaski County; AND

WHEREAS, it has operated and maintained water systems, sewer systems and refuse and disposal systems within Pulaski County; AND

WHEREAS, the County has been awarded funding from the USDA Rural Development Agency for the construction of the *Highland Park Sewer Project* that includes the extension of sewer collection facilities throughout the Highland Park subdivision;

NOW BE IT RESOLVED, the Pulaski County Board of Supervisors and the Pulaski County Public Service Authority have agreed to abide by the following environmental mitigation criteria in regards to the construction of the above-mentioned project.

- a) While none are anticipated, should the proposal require unavoidable crossings of streams and/or wetlands, the following practices will be used:
 1. Operation of machinery and construction vehicles outside the stream-beds or wetlands;
 2. Use of directional drilling from upland locations for the installation of utilities;
 3. The preservation and redistribution of the top twelve inches of trench material removed from a wetland for use as a wetland seed bank and root stock in the excavated area; and
 4. The use of synthetic mats when in-stream work is unavoidable.
- b) Construction impacts will be minimized through adequate and thorough construction planning and employment of the best management practices.
- c) The contractor will strictly adhere to the requirements outlined in the regulations for the Control and Abatement of Air Pollution as noted in Virginia Administrative Code (VAC) 9 VAC 5-50-80 and 9 VAC 5-50-90, governing abatement of visible emission and fugitive dust emissions; 9 VAC 5-40-5620 and 9

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

August 9, 2004

VAC 5-40-5630, which address open burning, and will use sound construction practices during construction.

- d) Should it be deemed necessary, tracer testing will be accomplished to identify groundwater flow paths to streams and springs to ensure more efficient emergency responses to chemical spills.
- e) Strict adherence to an approved Erosion and Sediment Control Plan is required.
- f) Vegetation disturbance and mechanical disturbance of the soil, maintaining suitable vegetation on erodible surfaces, with the least possible change in slope, is required.
- g) Drainage patterns and stream channel sizes in the right-of-way will be kept as natural as possible during construction activities.
- h) Use of design and construction practices proven safe for karst must be applied during the construction period.
- i) Should the extent of the project locations change, the County must contact USDA Rural Development for further information and coordination.
- j) Construction activities in the project corridor must have the following accomplished:
 - 1. Be evaluated for the presence of other karst features prior to the start of construction activities.
 - 2. Crossing of sinkholes will be avoided.
 - 3. Blasting will be avoided as will construction of any hydrologic modifications in the project area. If blasting cannot be avoided, contact will be made with the Department of Mines, Minerals, and Energy for coordination prior to the activities taking place.
 - 4. The filling of sinkholes will be minimized but, when necessary, will be carefully planned to avoid blocking the natural recharge and flow patterns of karst aquifers. If it is necessary to fill a sinkhole or an area that has subsided during construction, graded rock will be used rather than soil fill or grout. Prior to filling sinkholes, the Virginia Cave Board will be contacted to obtain compliance with the Cave

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

August 9, 2004

Protection Act (which prohibits the destruction or alteration of cave surfaces and cave biota).

5. The project will not have a permanent impact on the patterns of any stormwater channels.

WITNESS the following signatures and seals to the parties hereto the day and year first above written.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.

Voting no: none.

Not present: Mr. Vaughan.

o. Informational Items - Personnel Changes

The Board reviewed in detail recent personnel changes in the Public Service Authority.

p. Current Authorized Projects & Items Under Review

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

3. Approval of Minutes of July 12, 2004

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved the minutes of July 12, 2004, with a correction to the minutes to add the word "tentatively" under item "c – Adoption of Budget".

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,

Voting no: none.

Not present: Mr. Vaughan.

4. Accounts Payable

On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board approved the accounts payable as presented on checks numbered 2398 through 2453, subject to audit.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren,

Voting no: none

Not present: Mr. Vaughan.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 9, 2004

5. Other Matters

a. Purchase of Front Loader Truck and Dumpsters

Staff presented a detailed report, a copy of which is filed with the records of this meeting, regarding alternatives for a Front Load program.

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved a one year trial period, "Purchase Buy-Back Option", on a front load truck and containers and further directed staff to determine the number and size of containers needed.

Voting yes: Mr. Huff, Mr. Snead, Mr. Mathes, Dr. Warren.

Voting no: none.

Not present: Mr. Vaughan.

b. Mechanical Trash Can Loader

The Board directed staff to set up a trial of the mechanical loading device for large cans and provide an update on the September agenda.

c. Safety of Public Worker Publicity

Staff presented a public service video regarding service worker safety. The Board directed staff to place the video on Channel 2 and the web site, as well as extend an invitation to the two towns to participate by providing the town logos, along with county & PSA logos.

6. Adjournment

The Board, by consensus, adjourned its meeting. The next regular meeting of the Pulaski County Public Service Authority Board of Directors was scheduled for Monday, September 13, 2004 at 9:00 a.m. at the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia.

H. W. Huff, Jr., Chairman

Winston Snead, Secretary