

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
June 8, 2010

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, June 8, 2010 at 9:00 a.m. in the Central Conference 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; Pete Crawford, Vice Chairman; Hollis Loyd, Secretary/Treasurer; David Dean; and Jerry White. Alternate Board member Frank Conner was unable to attend. Staff members present included: Peter Huber, County Administrator; Ronnie Coake, County Engineer; Ron Nichols, Director of Fleet Maintenance; Diane Newby, Finance Director; and Gena Hanks, Executive Secretary.

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

1. Citizen Comments

There were no citizen comments at this time.

2. Finance

a. Follow-up from May Board Meeting

1. Update on Payment of Streetlights in Industrial Park

As reported in the Board packet, staff reviewed with Board members the listing of streetlights in the Industrial Park, noting the PSA office has verified the Industrial Development Authority is being charged the appropriate streetlight fees.

2. Report on Drop Site Tonnage

Ronnie Nichols described a detailed report on the drop sites costs which included a description of the truck type, account information, weight, cost, etc. A copy of the full report is filed with the records of this meeting.

3. Agreement for Operation and Maintenance of PC Sewerage Authority

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the proposed lease agreement between the PSA and the Pulaski County Sewerage Authority, with the PSA Board to review and discuss continuation of the operation and maintenance agreement following one year from the date of approval of the agreement.

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Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd,
Mr. White, Dr. Warren

Voting no: none.

4. Report on Large Account Balances – User and Non User Accounts

Mr. Huber described efforts in working with the county's Information Technology Department to prepare a complete report which would show all information related to large account balances. The Board requested a complete report be provided at the July Board meeting.

b. Review of Financial Report

Ms. Newby reviewed in detail the revenues and expenditures summaries, copies of which are filed with the records of this meeting.

Mr. Loyd questioned the increase in expenses at the Water Treatment Plant. Ms. Newby advised much of the extra costs were due to additional expenses from the recent inclement winter weather which resulted in the need for purchase of additional chemicals, as well as an increase in electricity costs. Mr. Huber advised the sewer costs are typically driven by inflow and infiltration during wet weather.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board accepted the financial report as presented, subject to review by the PSA's auditors.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

c. Balance Due & Lien Report

Mr. Loyd noted an error in the report submitted in the Board packet. Staff advised corrections would be made to the report as appropriate.

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On a motion by Mr. White, seconded by Mr. Loyd and carried,
the Board accepted the following balance due and lien report:

Balance Due	3/1/2010	4/1/2010	5/3/2010	6/2/2010
Current Balance	322,436.04	486,596.73	377,870.48	369,719.09
Over 30 Days	52,258.89	26,335.50	54,490.39	57,004.22
Over 60 Days	6,109.24	34,664.74	12,197.87	10,810.01
Over 90 Days	641,679.99	604,980.98	632,468.23	631,599.59
Total	\$ 1,022,484.16	\$ 1,152,577.95	\$ 1,077,026.97	\$ 1,069,132.91
Liens	\$ 422,678.24	\$ 422,678.24	\$ 422,678.24	\$ 421,181.48
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	14,091.37	6,114.67	439,189.68	\$ 459,395.72
Commercial	1,695.24		12,054.97	\$ 13,750.21
Nonuser	158,453.66			\$ 158,453.66
Total	\$ 174,240.27	\$ 6,114.67	\$ 451,244.65	\$ 631,599.59
Detail by type of customer and active, inactive and non-user accounts				
	Inactive	Nonuser	Active	Total
Residential Water	10,827.78	158,453.66	3,263.59	172,545.03
Commercial Water	1,695.24			1,695.24
Residential Garbage	15,346.22		423,843.46	439,189.68
Commercial Garbage	8,477.86		3,577.11	12,054.97
Sewer	1,628.96		4,485.71	6,114.67
Total	\$ 37,976.06	\$ 158,453.66	\$ 435,169.87	631,599.59

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

d. Budget Adjustments

On a motion by Mr. Crawford, seconded by Mr. White and
carried, the Board approved the following budget adjustments:

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PSA FUND #7		
Account Number (Decrease)	Account Title	Amount Increase
<u>REVENUES:</u>		
3-500-016080-3000	Miscellaneous Refuse Revenues	\$12,000.00
3-500-016190-1000	Water Reconnections Charges	1,000.00
3-500-016190-1200	Water Meter Tampering	600.00
3-500-016200-0100	Sewer Disposal Commercial Fees	20,000.00
3-500-016200-0200	Sewer Disposal Residential Fees	5,000.00
3-500-016250-0100	Late Charges/Penalties	15,000.00
3-500-030100-1000	Water Connection Fees	26,357.00
3-500-030100-1100	Sewer Connection Fees	14,500.00
3-500-041010-0200	Miscellaneous Refunds	11,200.00
3-500-041010-0300	Cell Tower Rent	12,737.00
3-500-041010-0400	Miscellaneous Revenues	350.00
3-500-016080-0300	Dumpster Revenues	25,000.00
3-500-016080-0600	Residential Refuse	15,000.00
3-500-016190-0500	Dublin Water Sales	25,000.00
3-500-041050-0100	Transfer from Reserves	<u>295,355.53</u>
	TOTAL	\$479,099.53
<u>EXPENDITURES:</u>		
4-500-042310-3800-005	Residential Refuse Collection NRRRA charges	\$25,000.00
4-500-042330-3800-005	Dumpsters/Commercial Refuse NRRRA charges	10,000.00
4-500-042340-3800-005	Roll Off Refuse Collection NRRRA charges	(160,000.00)
4-500-042340-1370	Roll Off Refuse Collection Part-Time Salaries	(18,093.00)
4-500-042340-4601	Roll Off Refuse Collection Central Garage Labor	(5,000.00)
4-500-042340-4602	Roll Off Refuse Collection Central Garage Parts	(20,000.00)
4-500-042340-4603	Roll Off Refuse Collection Central Garage Gasoline	(30,000.00)
4-500-042350-3800-005	Direct Landfill Use NRRRA charges	(170,000.00)
4-500-045100-1110	PSA Administration Salaries	13,066.00
4-500-045100-3100	PSA Administration Other Contracted Professional Svcs	2,641.00
4-500-045100-5307	PSA Administration Public Officials Liability Insurance	2,500.00
4-500-045100-5840	PSA Administration Other/Miscellaneous	3,000.00
4-500-045200-4100	PSA Billing Data Processing Charges	7,500.00
4-500-046200-1170	Water Treatment Plant Salaries	23,000.00
4-500-046200-5110	Water Treatment Plant Electrical Services	25,000.00
4-500-046200-6004	Water Treatment Plant Medical & Lab Supplies	16,000.00
4-500-046200-6014	Water Treatment Plant Other Operating Supplies	10,000.00
4-500-047100-6004	Sewer Collection Medical & Lab Supplies	1,500.00
4-500-047100-6007	Sewer Collection Repair & Maintenance Supplies	3,000.00
4-500-047200-3800-001	Sewer Treatment Town of Pulaski	3,000.00
4-500-047200-3800-002	Sewer Treatment Peppers Ferry	191,000.00
4-500-091400-9301	Contingency Funds	(52,912.47)
4-500-092110-5870	Utility Connection Fee Refunds	7,000.00
4-500-094100-8245	Commerce Park Water Project	550,000.00
4-500-094100-8225	Central Utilities Design/Administration Fees	(21,121.00)
4-500-094100-8232	Tiny Town/Mabry Water & Sewer Project	21,121.00
4-500-094100-8112-000	Water Treatment Plant Improvements	30,730.00
4-500-094100-8112-004	Plug Valve Replacement	8,400.00
4-500-094100-8105-007	Sewer Dept Vehicle	<u>2,768.00</u>
	TOTAL	\$479,099.53

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Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

f. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved a billing adjustments credit totaling \$6,974.39.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved accounts payable for checks numbered 8003762 through 8003882, subject to audit.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

g. 2010-2011 Budget

Board members discussed the proposed FY 11 budget, including the Water Department's recent loss of \$171,000, review of capital expenditures, the Commerce Park's affect on the budget, the potential for a rate increase in sewer and Rural Development projects.

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board approved the FY 11 budget, as presented. A copy of the budget is filed with the records of this meeting and in the office of the Finance Director.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

h. OSHA Review

Board members reviewed a report included in the packet describing citations received by the county over the past month in a department unrelated to the PSA. While both have been easily corrected and did not involve any financial penalties, staff suggested

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undertaking a comprehensive OSHA review of both County and PSA employment and operational practices. One of the terms of participating in an OSHA review is that recommended findings must mandatorily be implemented.

Board members discussed the various options available to the PSA including the Virginia Association of Counties insurance conducting a review.

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board approved contacting VACo to request VACO conducting an inspection of PSA departments.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

i. Pepper's Ferry Rebate for April Billing

As reported in the Board packet, discounted sewer charges from the Pepper's Ferry Authority total \$49,953.89 as of April 30, 2010.

j. New Holston River Quarry Entrance

As reported in the Board packet, Holston River Quarry is building a new entrance near Exit 101 on Interstate 81 (Claytor Lake Exit) beside the Citgo Gas Station. Staff has determined the PSA water line in this area was not installed at the required depth and needs to be lowered to accommodate the new entrance. The cost to lower this water line is \$28,675 for a length of 216 feet. The Holston River Quarry has been asked to contribute to this cost but we have not received a response. Lowering the line at the PSA's expense less any contribution from Holston Stone is recommended.

Board members expressed concern over the improper installation by the PSA when the line was originally installed, specifically questioning the inspection by the PSA, contractor responsibility, the costs for re-installation of a new line, and any legal ramifications. Board members also requested PSA staff take all acts necessary to insure that water and sewer lines are properly inspected to prevent similar occurrences in the future.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved the expenditure of approximately \$28,000, minus deduction of the amount for the stone to be donated

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by Holston River Quarry, for the re-installation of the water line at the new entrance near Exit 101 on I-81, as a result of improper installation and subsequent inspection of water line approximately 15 years ago.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

Mr. Coake advised the contractor responsible for installing the original water line continued to be in operation; however, it is likely the statute of limitations has expired for the original waterline installation.

k. Reimbursement to the Town of Dublin for Customer Notices

As reported in the Board packet, a request had been received from Dublin Town Manager Bill Parker requesting reimbursement of \$1,333.09 for issuance of boil water notices from the April water supply issues.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved reimbursement of \$1,333.09 for issuance of boil water notices from the April water supply issues.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

l. Refund to Calfee, Inc.

As reported in the Board packet, Calfee, Inc., a small mobile home park on Viscoe Road began to experience much higher than normal water bills last year. Upon their request and our follow-up, relief was granted for the November and December bills; however, the monthly bills continued to be much greater than average. After further investigation, it was determined that in August, 2009, the meter register had been replaced and that the new register was faulty as it was reading amount much greater than the amount of water being utilized. Based on the total amount billed from August 2009 to the present, less the relief credit received, there remains a credit balance of \$2,064.87. Calfee, Inc. has requested this credit be issued as a refund and approval of such is recommended.

Mr. Huber advised no action was needed by the Board since the Board had approved the refund as a part of the billing adjustments.

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3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Crawford, seconded by Mr. Loyd and carried, the Board approved the May 11, 2010 minutes.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White,
Dr. Warren

Voting no: none.

b. Inmate Availability Report

Staff reported the PSA generally had use of two inmates per day for the month of May.

c. Refuse Department Report

Staff reported pickups pending as follows: 3 brush; 0 large items; 0 tires; 0 refrigerator.

d. Drop Site Total & County Landfill Tonnage Report

Staff reported the following drop site total and county landfill tonnage:

Drop Site Total - May 2010

Site	Trips	Tons	Tons per haul
Dora Highway	45	99.36	2.21
Dublin	37	122.10	3.30
Fairlawn	4	42.07	10.52
Totals	86	263.53	3.07

***County Landfill Tonnage – May 2010
(County customers & Refuse Department Haulers)***

Commercial	Residential	Tires	Brush
1709.29	1064.21	1125	123.20

Board members discussed the possibility of matching the real estate listing to the listing of PSA customers as a means of determining if garbage service is provided. Mr. Huber explained the draft comprehensive collection services being considered by the county.

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Board members requested staff determine if real estate tax tickets can include itemization of the various delinquencies and provide an update a future meeting.

e. Personnel Changes

The Board reviewed an updated report on recent personnel changes, as prepared by Norma Spence.

f. Progress Reports – Water and Sewer Utilities

Staff reported efforts were underway to obtain the last two easements and working out issues between the Economic Development Administration and Rural Development regarding the financial structure of the Commerce Park project in preparation for bidding the project within the month.

g. Meeting Time

By consensus, the Board made no changes to the current meeting date or time.

h. Leak Adjustment Policy - Larry Dowdy Account

The Board a policy drafted and presented by staff. Discussions were held regarding the draft policy.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved the following policy, which includes changes as follows: removal of numbers 6 & 8 from draft policy, change wording in item 10 from "date of the leak" to "discovery or notification", and add language as follows: Guidelines to be given to the customer along with any leak notification:

PSA LEAK ADJUSTMENT POLICY

It is the policy of the PSA to make the following billing adjustments for water leaks on the customer's side of the water meter (applies to residential, commercial and industrial customer:

1. Each leak will be treated as individual incidents with the likelihood that leaks generally span two or more billing periods since meters are generally read every other month.

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2. To qualify for consideration of an adjustment, a customer's water bill must be two times the most recent 12 month average (or the average since the customer connected if for less than a year).
3. 75% of an initial leak will be adjusted upon request of the customer following the customer's confirmation that a leak was found and has been repaired.
4. If within a year, a second leak develops and is subsequently fixed, the adjustment will be limited to 50% of the leak amount.
5. Leak amounts will be determined by taking the average monthly billings over the past 12 months (or since the customer connected if for less than a year) and subtracting the average from the monthly usage at the time of the leak.
6. Occasional unexplained "leaks" as often caused by an intermittent problem from a commode hanging, would be adjusted in the above manner upon confirmation that the owner has double checked tank levels and leakage in their commodes.
7. If the customer is also connected to the PSA sewer system, a similar adjustment will be made to the sewer billings.
8. If requesting an adjustment, the customer must submit a written request to the PSA billing office within 60 days of the date of discovery or notification. The request will be investigated by the appropriate PSA staff and will be forwarded to the PSA Board of Directors for its consideration
9. Guidelines to be given to the customer along with any leak notification.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd,
Mr. White, Dr. Warren

Voting no: none.

i. Town of Dublin Water Usage

As reported in the Board packet, the recent fire at the Farris Dairy in Newbern complicated the reconciliation of water billing between the PSA and the Town of Dublin since the fire resulted in the transfer of a significant but unknown volume of water transfer of water out of the Dublin system back into to PSA. Based on the calculations, the Town has paid \$38,673.36 or approximately half the estimated amount owed with plans to pay the full amount by June 30th so as to avoid budget complications with the July 1 start of the new fiscal year.

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4. Current Authorized Projects (*Staff "to do" list*)

The Board noted the following current authorized projects:

- a. Construction of water and sewer service to mobile home parks
- b. Construction of Rolling Hills, Orchard Hills, Vista, and Highland Park sewer
- c. Skyview/NRV Fairgrounds sewer engineering and environmental reports
- d. Commerce Park Utility engineering, easement acquisition and construction
- e. Evaluation of "radio read" water meter option
- f. Lakewood Estates emergency management plan
- g. Drop Center location serving South side of Claytor Lake
- h. Evaluation of joint negotiation of rail crossing fees

5. Other Matters

Staff presented a news release on recent "scams" related to the installation of sewer lines in the Orchard Hills Subdivision.

Staff provided details related to request by Jim Gilbert of Lee Highway Mobile Home Park for paving of the mobile home park as a result of the sewer line installation. Staff offered to provide additional information at the July PSA meeting.

6. Adjournment

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board adjourned its regular June meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, July 13, 2010 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N. W., in the own of Pulaski.

Voting yes: Mr. Crawford, Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer