

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
August 10, 2010

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, August 10, 2010 at 9:00 a.m. in the Middle 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; Hollis Loyd, Secretary/Treasurer; David Dean; and Jerry White. Vice-Chairman Pete Crawford was unable to attend the meeting. Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant 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

Dr. Warren opened the floor for citizen comments. There were no citizen comments.

Dr. Warren welcomed Pulaski Town Mayor Jeff Worrell and Pulaski Town Manager John Hawley to the meeting.

Dr. Warren requested the Board consider allowing for rearranging the current agenda to allow review and discussion of two items involving the Town of Pulaski, specifically the "Dora Highway Drop Site Location" and the "Joint Management of the Water Treatment Plants". By consensus, the Board agreed to discuss these two agenda items at the beginning of the meeting to allow for input by the town representatives.

Dora Highway Drop Center Relocation

Mayor Worrell discussed the high demand for the current Dora Highway drop site, as well as the ongoing issues related to the existing site. Mayor Worrell provided information related to a proposed alternate site at the Honeywell property located south of East Main Street, just behind Wendy's in downtown Pulaski. Mayor Worrell indicated the proposed site was ideal for a drop site and presented a detailed listing of facts about the site, a copy of which is filed with the records of this meeting. Mayor Worrell also indicated Honeywell would likely benefit from use of the site as a drop center, noting that Honeywell planned to market several pieces of property surrounding the proposed site.

Board members commented and posed questions to Mayor Worrell and Mr. Hawley related to the following: flood plain matters; any plans to donate the site by Honeywell; who would own the site if donated; how much of the two acres proposed for donation would be used as a drop site; location of dumpsters if the site is selected; the ability for trucks to turn around at the

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site; design layout; total cost to make the site useable as a drop site; screen requirements; distance from Route 99; requirements for addressing wetlands; issues related to digging into cap of site; Environmental Protection Agency confirmation that site has a "clean bill of health"; potential for runoff into the creek; and deadline for responding to Honeywell.

Mayor Worrell advised the town had sought the assistance of Congressman Boucher in efforts to speed up the process of working with Honeywell on the potential site location.

Mr. White inquired as to the expectations of the town as this time. Mayor Worrell indicated the town was looking to the PSA for assurances that the proposed site would be suitable for a drop site. Mr. White indicated his agreement with the "concept", but noted the Board could not make any decision at this time until all issues related to the property are addressed.

Dr. Warren advised he also agreed with the concept and looked at this as a great opportunity to utilize a larger site; however, all concerns would need to be resolved between the PSA and the Town before moving forward.

Mr. Hawley offered to arrange for a tour of the proposed site, if the PSA Board desired such a tour.

By consensus, the PSA Board agreed with the "concept" of the proposed site and authorized county staff to work with the Town of Pulaski representatives to develop a proposal to be presented to the PSA Board at a future meeting.

Joint Management of Water Treatment Plants

As reported in the Board packet, the Town of Pulaski has mentioned the possibility of joint management of their water treatment plant. Staff recommends consideration to this approach in that this would lay the ground work for shared operation of the PSA, the Town of Pulaski and Radford City water treatment plants. Staff noted the joining of the supervision of two or more plants also allows the PSA to offer higher overall pay while saving money (if each of two entities contributed 75% of the normal pay, the overall rate could be increased from current levels). In addition, the Town of Pulaski faces the need to renovate their plant if it continues to be operated at current levels. Sharing of the PSA water supply would provide the Town with some relief while allowing the PSA to maintain current usage levels after the connection to the City of Radford is put in place.

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Mr. Coake advised the joining of the water treatment plants would allow for the hiring of one person with the capability of providing qualifications and the understanding needed for the operation of the water treatment plants.

Mr. Hawley confirmed the town's plans to significantly renovate the Town of Pulaski Water Treatment Plant and is currently in the process of interviewing for a chief operator.

Mr. Huber advised with vacancies in both the county's Water Treatment Plant and the town's Water Treatment Plant, the timing was conducive to consideration to joining the plants.

Dr. Warren recommended Mayor Worrell and Mr. Hawley share the PSA's interest in joining the water treatment plants with the Town Council. By consensus, the Board authorized county staff to work with the Town of Pulaski and City of Radford officials to develop a proposal, with a report to be presented to the PSA Board at a future meeting.

2. Finance

a. Follow-up from July Board Meeting

1. Use of Water Tanks by Wireless Authority

As a follow-up to the July Board meeting and as reported in the Board packet, staff provided copy of excerpts from previous PSA minutes detailing action by the Board related to use of water tanks for antennas.

2. Summary of PSA Accounts Receivables

Mr. Huber presented and explained in detail a summary of PSA accounts receivables. Mr. Dean requested staff provide the report on a quarterly basis.

Mr. Coake suggested consideration to amending the PSA's current policy, with said amendment allowing staff to address delinquent accounts as they occur through court, particularly accounts incurring excessive "penalty" and "interest charges.

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b. Review of Financial Report

Ms. Newby advised that due to the budget figures having just been updated on the system, a monthly report could not be provided at this time. However, a report would be provided at the September PSA meeting.

c. Balance Due & Lien Report

By consensus, the Board reviewed and accepted the following balance due and lien report:

Balance Due	5/3/2010	6/2/2010	7/2/2010	8/1/2010
Current Balance	377,870.48	369,719.09	554,145.40	381,252.13
Over 30 Days	54,490.39	57,004.22	39,021.82	68,924.82
Over 60 Days	12,197.87	10,810.01	32,657.89	11,745.72
Over 90 Days	632,468.23	631,599.59	634,850.30	660,065.20
Total	\$ 1,077,026.97	\$ 1,069,132.91	\$ 1,260,675.41	\$ 1,121,987.87
Liens	\$ 422,678.24	\$ 421,181.48	\$ 419,531.14	\$ 421,566.85
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	16,021.89	6,446.04	461,912.31	\$ 484,380.24
Commercial	1,771.17		12,781.66	\$ 14,552.83
Nonuser	161,132.13			\$ 161,132.13
Total	\$ 178,925.19	\$ 6,446.04	\$ 474,693.97	\$ 660,065.20
Detail by type of customer and active, inactive and non-user accounts				
	Inactive	Nouser	Active	Total
Residential Water	12,459.93	161,132.13	3,561.96	177,154.02
Commercial Water	1,771.17			1,771.17
Residential Garbage	20,240.15		441,672.16	461,912.31
Commercial Garbage	8,070.05		4,711.61	12,781.66
Sewer	1,747.19		4,698.85	6,446.04
Total	\$ 44,288.49	\$ 161,132.13	\$ 454,644.58	660,065.20

d. Budget Adjustments

There were no budget adjustments to present to the Board.

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e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved billing adjustments credit totaling \$3,294.43.

Voting yes: Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.
Not present: Mr. Crawford.

f. Accounts Payable

On a motion by M. White, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8004044 through 8004166, subject to audit.

Voting yes: Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.
Not present: Mr. Crawford.

g. Pepper's Ferry Adopted Budget

Staff reported less in estimated revenue to Pepper's Ferry than budgeted by the PSA.

h. Dublin Area Sewer Systems

1. Status Report

As reported in the Board packet, Rolling Hills, Vista and most of Orchard Hills subdivisions are now completed and residents are now able to connect. Requirements to connect include completion of a PSA application, payment of a \$500 connection fee, securing a contractor, purchasing a building permit, having private lines installed from the house to the PSA connection and arranging inspection by a building inspector prior to covering up the line. This process provides an assurance to the PSA and the customer that the line is properly installed including appropriate grade, the earth is compacted under the line to prevent future swags and that there are no connections to downspouts, sump pumps or other sources of storm water. It was reported that Highland Park will take considerably longer (late fall) to complete as the contractor is encountering a significant amount of rock.

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2. Implementation of Non-User Fees for Newly Constructed Water & Sewer

As reported in the Board packet, county staff recommends allowing residents a six-month period following the completion of construction in order to connect to newer constructed water and sewer lines prior to billing for non-user fees. This recommendation would apply to water and sewer service installed to various mobile home parks as well as to the sewer systems in the Dublin area subdivisions.

Mr. Loyd inquired as to the total cost for residents to hook-up to the new system. Mr. Huber advised the total was approximately \$2,000, which included the building permit fee, connection fees, etc. Mr. Loyd inquired if residents are notified of the potential of having to pay approximately \$2,000. Mr. Hiss advised residents are notified of the potential to pay anywhere from \$1,000 to \$2,000 in total costs to hook up to the new system.

Mr. Dean expressed concern regarding the amount of the total hook-up costs and suggested consideration to reducing the building permit fee for residents hooking up to the new system. Mr. Dean also suggested consideration by the PSA Board to new fees for any future new water and sewer projects.

Mr. White inquired as to who is responsible for paying fees in a mobile home park. Mr. Huber advised the mobile home park owner is typically the responsible party.

Mr. Huber advised SERCAP was also a source for providing assistance to residents with financial needs and residents were notified of the availability of SERCAP as a means of providing financial assistance.

Mr. Huber also reported a letter is being prepared to send to residents advising of the hook-up procedures and fees.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved allowing residents a six-month period to hookup following completion of the construction prior to billing for non-users, except for owners with multiple connections, who will be allowed three months to connect.

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Voting yes: Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.
Not present: Mr. Crawford.

3. Town of Dublin Sewer Billing

Staff presented in the Board packet a proposal from the Town of Dublin for the billing of the new sewer customers.

Mr. Dean questioned the 4% administrative fees in the proposal. Mr. Huber explained adoption of the agreement will simplify bill collections, eliminate the need to coordinate water meter readings and ensure the disconnection of water service for non-payment of sewer charges. He indicated having the Town of Dublin collection the fees would be beneficial to the PSA.

Mr. Loyd questioned the steps to be taken by the Town of Dublin in collection of delinquent accounts. Mr. Huber advised this matter could be requested from the Town of Dublin.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved a proposal for the Town of Dublin to bill new sewer customers, subject to the Town of Dublin providing specific steps to be taken by the Town in the collection of delinquent accounts.

Voting yes: Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.
Not present: Mr. Crawford.

i. Radford Water Connection

Mr. Huber issued an invitation for PSA Board members to attend an announcement by Congressman Rick Boucher to be held on Thursday, August 12th at 10:00 a.m. at the County Administration Building relative to the issuance of \$3.8 million in funding for the Commerce Park project.

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1. Status Report

Mr. Huber reported the engineering design, environmental assessments, easements, and permitting have all been completed.

2. Water Agreement with City of Radford

Mr. Huber reported that Rural Development (RD) advises the water agreement will only need to be pledged to RD as collateral as follows: "This contract is pledged as security to USDA, Rural Development to secure loan funds advanced for the Commerce Park Water and Sewer Infra-structure Improvements Project".

3. Request to Proceed with Project Improvements

Mr. Huber described a letter to Rural Development requesting approval to proceed with construction of the Commerce Park Utility project prior to Rural Development approval to finance the \$3 million local match being required by the Economic Development Administration.

4. Commitment of Undesignated Balance

As reported in the Board packet, Rural Development has been criticized for funding projects that allow communities to maintain below average utility rates and/or build a reserve of undesignated funds. As a result, the PSA was asked to designate the anticipated expenditure of all current reserve funds. The \$2,223,514 in available PSA funds has been administratively designated by staff.

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board ratified a commitment of fund balances and authorized Chairman Warren and Secretary/Treasurer Loyd to take all acts necessary in the implementation of this project including the acceptance of bids and the execution of construction contracts.

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

Voting no: none.

Not present: Mr. Crawford.

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j. Report on Balance of Sewer Revenues and Expenditures

Staff reported as a follow up to general budgeting concerns about sewer costs, Ron Coake has calculated the cost of sewer treatment to be \$3.06 per thousand gallons. Mr. Loyd requested staff to determine whether or not the current charge to customers of \$4.50, with remaining \$1.44 per thousand gallons, is covering sewer collection and pumping operations and provide an update at a future meeting.

k. Sheetz Water Line Break

Mr. Coake described a water line leak in the area of Sheets in Fairlawn that is coming from one of the older lines in that area. He advised county staff had tried to repair the lines, but is not equipped to do this work. As reported in the Board packet, staff has contacted three contractors in the area and have three prices. Meade Excavating provided the low bid of approximately \$16,000 to do this work and it is staff's recommendation to proceed before cold weather.

Mr. White inquired as to the reason for PSA staff not being adequately equipped to perform the repairs. Mr. Coake advised the line was an old abandoned line, resulting in PSA staff being unable to provide the repairs. Mr. Dean requested confirmation that the work would be overseen by PSA staff. Mr. Coake confirmed a PSA inspector would oversee the work.

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved contracting with Meade Excavating at a cost of \$16,000 to repair the water line leak in the area of Sheetz in Fairlawn.

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

Voting no: none.

Not present: Mr. Crawford

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board approved the July 13, 2010 minutes, with a correction deleting all references to Mr. Conner in the overall roll call vote, due to Mr. Conner's status as an "alternate" Board member.

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Voting yes: Mr. Dean, Mr. Loyd, Mr. White, Dr. Warren
Voting no: none.
Not present: Mr. Crawford.

b. Inmate Availability Report

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

c. Drop Site Total & County Landfill Tonnage Report

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

Drop Site Total – July 2010

Site	Trips	Tons	Tons per haul
Dora Highway	36	70.90	1.97
Dublin	34	119.04	3.51
Fairlawn	7	56.32	8.05
Totals	77	246.26	3.20

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

Commercial	Residential	Tires	Brush
1,432.30	1,121.88	557	34.50

e. Personnel Changes

There were no personnel changes to report at this meeting.

e. Dora Highway Drop Site Relocation

This matter was previously discussed by the Board.

f. Joint Management of Water Treatment Plants

This matter was previously discussed by the Board.

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4. Informational Items

a. Draper Aden Alert – SW Annual Permit Fees Raised

As reported in the Board packet, the county and PSA had received an alert from Draper Aden Associates noting an increase in the NRRA's landfill fees from \$14,000 to \$25,000 per year, with the potential for an increase to \$50,000 which would equate to about \$0.25 increase per ton.

Board members expressed concern over the increase in fees being passed down by the Department of Environmental Quality, with the threat of withholding permits if not paid.

On a motion by Mr. White, seconded by Mr. Dean and carried, the Board approved sending a letter to the Department of Environmental Quality with copies to Governor McDonnell, state legislators and localities participating in the NRRA, requesting DEQ reduce its overall costs and not pass increased costs on to the localities.

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

Voting no: none.

Not present: Mr. Crawford.

b. Sewerage Authority Operation and Maintenance

As reported in the Board packet, a memo had been distributed to customers of the Pulaski County Sewerage Authority describing the recent change in the operation and maintenance of the Sewerage Authority.

c. Cross Connection Control Program

Mr. Coake reported receive of correspondence from the Department of Health regarding a survey to be conducted to evaluate the status of the Cross Connection Control Program.

d. Appalachian Power Rate News

As presented in the Board packet, Board members reviewed a news release from APCo regarding rate changes.

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5. 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

By consensus, the Board scheduled a tour of the proposed drop center site on the Honeywell property for Friday, August 20, 2010 at 9:00 a.m. with Board members to meet at the site.

Dr. Warren requested staff arrange for PSA Board members to receive a reminder call prior to the August 20th tour.

Task Order between Pulaski County PSA and NRVPDC – Skyview Community and Fairgrounds

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved a Task Order between the Pulaski County Public Service Authority and the New River Valley Planning District Commission for the environmental assessment of the Skyview community and the New River Valley Fairgrounds at a total not-to-exceed cost of \$1,500.

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

Voting no: none.

Not present: Mr. Crawford.

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6. Adjournment

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board adjourned its regular August meeting. The next regular meeting of the PSA Board is scheduled for a tour of the proposed drop site at 9:00 a.m. on Friday, August 20, 2010 behind the Wendy's restaurant to be followed by the regularly scheduled meeting on Tuesday, September 14, 2010 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N. W., in the Town of Pulaski.

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

Voting no: none.

Not present: Mr. Crawford.

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer