

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
MAY 10, 2011

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 10, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford, Vice-Chairman; David Dean; Hollis Loyd, Secretary/Treasurer; and Jerry White. Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Diane Newby, Finance Director; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order.

1. Citizen Comments

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

• Recognition of PSA Staff

Mr. Huber welcomed new county engineer Jared Linkous and provided a brief summary of Mr. Linkous's work history, as well as advised that Mr. Linkous is actively rebidding the county's engineering services contract. Mr. Huber asked for PSA Board member involvement in the selection process due to the potential for one of Mr. Linkous's previous employers potentially bidding on the contract.

Mr. Huber explained the recent involvement by the PSA Refuse Collection staff in the operation of the boom truck almost every day since the tornado event, noting a significant amount of gathering and hauling had been accomplished without affecting PSA routine operations. Board members commended Mr. Nichols and all of the PSA refuse collection crew for the extra efforts to address the cleanup from the recent tornadoes, as well as continuing with the PSA refuse collection service. Dr. Warren expressed, on behalf of the entire Board, appreciation to staff for a "job well done", noting the demands on staff were extraordinary.

2. Finance

a. Follow-up from April Board Meeting

1. Amnesty Program

Mr. Huber explained the draft proposal as follows and which was included in the Board packet:

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"For a period beginning July 1, 2011 and ending September 30, 2011, PSA customers may apply for a one-time waiver of penalty and 50% waiver of interest charges with the condition that the remaining account balance is paid in full and that the customer utilizes the automatic bank draft debit program. Residents qualifying for the Tax Relief for the Elderly would continue to be granted full waiver of both penalty and interest charges when paying their delinquent account in full."

The PSA charges a 10% penalty on the original bill plus 10% annual interest charge for bills not paid within the first 30 days. The 50% waiver is based on approximately what the resident would have been earning and what the PSA would have been losing in interest costs while the use of automatic debit will make it easier to collect future payments on a timely basis. It is recommended that the proposed three-month amnesty program be publicized in the County newsletter, cable TV announcements, on the County web site and in the PSA bills. It is also recommended that the one-time revenue from any amnesty program be applied to equipment purchases. It is also recommended that the publicity for the amnesty program be accompanied by the publication and implementation of stepped up collection efforts to include set-off debt interception of state income tax refunds, and court judgments where high bills are still owed following the conclusion of the amnesty program.

Mr. Huber advised the amnesty program proposal called for the program to be in affect from July 1, 2011 through September 30, 2011.

Board members questioned eligibility requirements by residents, the longevity of the program, incentives for citizens to pay, the steps for notifying citizens of the implementation of the program and collection of funds from residents.

Mr. Huber suggested requesting the assistance of Attorney Sam Campbell. He also suggested sending of a registered letter to residents with higher than normal bills before the end of the amnesty program to make residents fully aware of ramifications should residents not participate.

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Board members requested a listing at the end of the amnesty program of the status of collections, as well as staff stepping up collection efforts and fully implementing the placing of liens.

Board members expressed concern that the recommendation was being made for funds recovered through the amnesty program to be earmarked solely for equipment purchases. Mr. Huber advised the funds are "one-time" revenues and should be recognized as such. Board members suggested rewording the policy to determine use of funds collected, at a future meeting, once funds are collected.

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved moving forward with advertising the plans to implement the Amnesty Program and notifying the public, as recommended by staff, with use of the funds collected to be determined at a future meeting.

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

Voting no: none.

Mr. Huber also offered to have the information placed on the county's web site, in the quarterly county newsletter and at the PSA payment center in the Town of Dublin.

2. Cost Comparison of Montgomery County and PSA Recycling Rates

As reported in the Board packet, Dr. Warren had requested the Board be provided a cost comparison of the PSA and Montgomery County recycling rates, noting the PSA service is very comparable to Montgomery County's service. Mr. Huber advised Waste Management provides recycling collection services to Montgomery County.

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3. Painting of Transfer Trailer

Board members reviewed information provided in the Board packet regarding the painting of transfer trailers, noting the \$4,500 price was the least expensive option and further that the combination of environmental requirements and the size of the container are factors in the cost of this work. Mr. Nichols advised one unit had already been painted and painting the second trailer had been held off on pending approval by the PSA Board.

Board members inquired as to the cost of a new trailer and the expected life of the trailers being painted. Mr. Huber and Mr. Nichols advised the cost of a new trailer could be as much as \$40,000 and the expected life of the trailers being painted was estimated to be another 15 years, barring any unexpected structural issues. Mr. White requested the Board be provided pictures of the trailers following the final painting.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried the Board approved award to the lowest bidder for the painting of the trailers.

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

Voting no: none.

4. PSA Budget

Mr. Huber and Ms. Newby advised the budget presented was unchanged from previous versions submitted to the PSA Board.

Ms. Newby provided a three-page summary of questions posed by Mr. Loyd, along with responses and described each in detail. A copy of the summary is filed with the records of this meeting.

Board members questioned the need for staff to review paying on current loans, or writing off of loans, and requested staff to research the length of the PSA's current loans and provide an update at a future meeting.

Board members questioned the amount of the proposed raises for PSA employees. Mr. Huber advised a 1½% increase was

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being proposed, as well as the implementation of the compensation study.

Closed Session – Legal Matters 2.2-3711(A)7

A closed meeting is requested pursuant to Section 2.2-3711.A.7 of the 1950 Code of Virginia, as amended, to discuss legal matters.

It was moved by Mr. Dean, seconded by Mr. Crawford and carried, that the Public Service Authority Board of Directors enter Closed Session for discussion of the following:

- Lien Discussions

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

Voting no: none

Return to Regular Session

It was moved by Mr. Crawford, seconded by Mr. Loyd and carried, that the Board return to regular session.

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

Voting no: none

Certification of Conformance with Virginia Freedom of Information Act

It was moved by Mr. White, seconded by Mr. Loyd and carried, that the PSA Board of Directors adopt the following resolution certifying conformance with the Virginia Freedom of Information Act.

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

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

NOW, THEREFORE, BE IT RESOLVED, that the PSA Board of Directors hereby certifies to the best of each members' knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to

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which this certification resolution applies; and (ii) only such public business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Board of Supervisors.

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

Voting no: none

Baskerville Rehab Project Liens

Board members discussed the options available to the PSA Board related to the liens, in conjunction with the implementation of the Amnesty Program.

On a motion by Mr. Crawford, seconded by Mr. White and carried, the Board approved allowing seven properties with liens to fall under the amnesty program, with staff to meet with each lien holder to explain the program and allow amnesty to begin prior to July 1, 2011.

Voting yes: Mr. Crawford, Mr. White, Dr. Warren.
Voting no: Mr. Dean, Mr. Loyd.

Board members directed staff to take out liens after three billing cycles following the initial filings.

b. Review of Financial Report

By consensus, Board members accepted the FY 10 audit report, noting discussions regarding audit findings may be held at the June meeting with an invitation to be extended to the auditors to attend the June PSA meeting, if desired by the PSA Board.

By consensus, the Board accepted the monthly financial report.

c. Balance Due & Lien Reports

Mr. Huber advised a 90-day report would be provided at the June meeting. Mr. Loyd requested the May minutes of the PSA meeting not reflect the lien figures, due to the figures not being updated.

d. Budget Adjustments

There were no budget adjustments at this meeting.

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e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved a billing adjustment totaling a credit adjustment of \$7,406.86.

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

Voting no: none.

f. Accounts Payable

On a motion by Mr. White, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8005299 through 8005430.

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

Voting no: none.

g. Baskerville Rehab Project Liens

Action on this matter was taken earlier in the meeting.

h. Stone Ridge Master Meter Replacement

Mr. Huber described information in the Board packet which included a history from Gary McCollum with Draper Aden Associates regarding the Stone Ridge meter issue. Mr. Huber indicated the report estimates the cost of extending a PSA water line across the railroad and Route 11 to be approximately \$125,000. Mr. Huber advised, based on the significant difference between the cost of the proposed meter (\$6,757.71) and the extension of the line under Route 11, authorization had been given to purchase the meter with a recommendation that the PSA request payment of this amount from the developer.

On a motion by Mr. Loyd, seconded by Mr. White and carried, the Board approved staff recommendation to purchase the meter, further with the developer to be requested to reimburse the PSA for payment of the cost of the meter.

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

Voting no: none.

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i. NRRA Tipping Fee

Mr. Huber described a recommendation included in the packet for consideration by the Board to the elimination of the \$10 surcharge for tornado related debris. He further described the current tipping fee costs, noting the reduced \$22 per ton fee will allow the County to accomplish 1/3 more in addressing storm damage with the \$468,545 allocated by the Governor.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved the elimination of the \$10 surcharge by the New River Resource Authority.

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

Voting no: none.

Dr. Warren inquired if there would be a point in time where the \$10 would be reinstated. Mr. Huber advised the fee would be reinstated in the future, likely when all storm debris has been cleared.

3. Operations

a. Minutes of Previous Meeting

By consensus, the Board approved the April 12, 2011 minutes as presented.

b. Inmate Availability Report

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

c. Drop Site Total & County Landfill Tonnage Report

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

Drop Site Total
For the Month of April 2011

Site	Trips	Tons	Tons per haul
Dora Highway	25	63.09	2.53
Dublin	20	73.83	3.70
Fairlawn	6	44.08	7.35
Totals	51	181.00	3.55

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County Landfill Tonnage
(County Customers & Refuse Department Haulers)
(for the Month of April 2011)

Commercial	Residential	Tires	Brush
507.34	1617.25	1697	2.09

d. Personnel Changes

There were no personnel changes to report.

4. Informational Items

a. Recycling Center (Drop Site) Update

Board members inquired as to the progress being made with the Town of Pulaski on the proposed former Honeywell site to replace the existing Dora Highway site. Mr. Huber advised he had no additional information to report other than that reported at the previous meeting where the town had indicated it was unwilling to pay for renovations to the site. Mr. Huber suggested a potential site could be the Renfro parking lot across from the former Jefferson School, but noting he had concerns over the location and noting the town's desire to have the location at the former Honeywell site.

Mr. Dean expressed continued concerns over the existing Dora Highway drop site location. Mr. White suggested keeping the drop site at the current location on Dora Highway, unless the town agrees to pay for upgrades to the proposed Honeywell site behind Wendy's.

Mr. Loyd inquired regarding the potential for obtaining a grinder for the drop site. Mr. Huber and Mr. Nichols described the potential uses for mulch that would be ground at the site. Staff was directed to review the matter further and provide an update at a future Board meeting.

Mr. Crawford requested staff research what actions, if any, can be taken to clean up the site on the old Pulaski Furniture property, which had recently been used by Martin's Tree Service. Staff was requested to provide an update at a future meeting following research on what action may be taken to force cleanup of the property.

b. Rescheduling of Public Hearing to July Meeting

Mr. Huber explained staff failed to place the advertised hearing on the April PSA agenda resulting in the hearing being rescheduled to the July meeting.

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c. Use of Auxiliary Water Only Meters

Mr. Huber reported survey results to date indicated five residents would use these meters to separate water used for cars, gardens and swimming pools with the remaining 53 responders indicated they would not be interested. Mr. Huber suggested waiting until the June meeting to see if additional responses are received. The Board concurred with Mr. Huber's recommendation.

d. Commerce Park Impact on Town of Dublin Water System

Board members were provided information from Draper Aden Associates on a recent analysis of the 12-inch waterline that will serve the Commerce Park from Ruebush Road, near Dalton Drive, noting the letter was provided in response to concerns the Town of Dublin had regarding the impact of the proposed project on the Town water system.

e. Employee Use of Mailbox

Board members were provided a note having been left in a residents mailbox by the driver of the weekly pick-up route, noting the driver has been advised that the placement of an item in the mail box breaks a federal law.

f. Meeting Time

Mr. Huber described efforts to determine specific concerns voiced by Brenda Blackburn at the March meeting related to the PSA meeting times being at 9:00 a.m. Mr. Huber advised no response had been received from Ms. Blackburn to provide names of individuals expressing concern regarding the regular monthly meeting time.

g. Water Treatment Plant Valve Replacements

Board members were provided information describing failure of the original valve controlling the flow of clear water into one set of filters and that Water Treatment Plant staff are reviewing options for the replacement of this and similar valves at the other filters, indicating it is anticipated that replacement will be expensive due to the location and configuration of the valves. Mr. Huber advised an update would be provided at the June meeting.

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5. Current Authorized Projects

Board members reviewed the following "Action" and "Pending" items.

a. Action Items:

- Construction of Highland Park sewer
- Skyview/NRV Fairgrounds sewer funding
- Commerce Park Utility closing and construction
- Drop Center location South side of Claytor Lake
- Evaluation of "radio read" water meter option

b. Pending Items:

- Lakewood Estates emergency response plan
- Evaluation of joint negotiation of rail crossing fees

Mr. Huber advised he had recently seen a notice where the town is advertising a rate increase and indicated he plans to compare the percentage of the increase for in-town vs. out-of-town customers and will provide a report at the June meeting.

Mr. Crawford requested a copy of the March 4th letter referenced in the audit report.

6. Closed Session – 2.2-3711.A.3

A closed meeting is requested pursuant to Section 2.2-3711.A.3 of the 1950 Code of Virginia, as amended, to discuss personnel matters.

It was moved by Mr. Crawford, seconded by Mr. Dean and carried, that the Public Service Authority Board of Directors enter Closed Session for discussion of the following:

- PSA employee/citizen concerns

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

Voting no: none

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Return to Regular Session

It was moved by Mr. Loyd, seconded by Mr. Crawford and carried, that the Board return to regular session.

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

Certification of Conformance with Virginia Freedom of Information Act

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

Voting no: none

7. Other Matters

There were no other matters discussed by the Board.

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8. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adjourned its regular May meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, June 14, 2011 at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski.

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

Douglas Warren, Chairman

Hollis Loyd, Secretary/Treasurer