

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

At a regular meeting of the Public Service Authority Board of Directors held on 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, Virginia, the following Board members were present: Doug Warren, Chairman; Pete Crawford, Vice-Chairman; David Dean; and Hollis Loyd, Secretary/Treasurer. Board member Jerry White was unable to attend the meeting. Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Debra Boyd, PSA Billing; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order.

1. Citizen Comments

Dr. Warren opened the meeting for citizen comments.

Ms. Brenda Blackburn expressed concerns related to several matters involving PSA personnel, alleging retribution took place as a follow-up to a recent meeting with several Board members through poor service provided by the PSA Refuse Collection staff to her son's residence.

Mr. Blackburn expressed further concerns over the time allowed for PSA Refuse Collection workers to take breaks throughout the day.

Dr. Warren requested county staff review the personnel issues described by Ms. Blackburn and provide an update to the PSA Board as appropriate.

2. Finance

a. Follow-up from May Board Meeting

1. Painting of Transfer Trailer

Mr. Huber and Mr. Nichols shared "before" and "after" pictures of the painted trucks.

Mr. Loyd requested signage be placed on the trucks identifying the Public Service Authority.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

2. Water Treatment Plant Maintenance

a. Valve Replacements

Mr. Linkous explained the need for the valve replacements and provided details regarding associated costs, specifically that the Water Treatment Plant staff have obtained a quote of \$60,000 for the replacement of all eight valves. Mr. Linkous advised the PSA had previously budgeted \$24,000 for these valve replacements and are proceeding with taking bids for the replacement of both two and all eight valves.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved replacing eight valves by transferring \$36,000 from funds earmarked for filter replacement.

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

Voting no: none.

Not present: Mr. White.

b. Raw Water Pump Rebuild

Mr. Linkous described information contained in the Board packet, specifically that one of the two pumps located in the raw water intake pump station is making a significant amount of noise and is only pumping 1,800 of its 2,100 gallons per minute capacity. The noise and reduced pumping capacity are most likely the result of worn bearings and pump impellers, respectively. The pump is original to the 1978 construction of the water treatment plant and currently indicates approximately 75,000 operation hours with no known repairs. The second pump was rebuilt in 1992 and is currently indicating approximately 53,000 operation hours. Staff recommended that one or both of these pumps be pulled and rebuilt using all or a portion of the remaining \$84,000 in savings from the continued use of the filter media since the pumps are 17 feet underwater.

Board members posed questions related to the overall pump operations, the potential for obtaining an

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

JUNE 14, 2011

exact cost to rebuild the pumps, concerns related to the uncertainty of the costs, the bid process, the timeframe for rebuilding the pumps and the worst case scenario should both pumps not be rebuilt.

Mr. Huber offered to call a special meeting of the PSA Board once the costs are determined to rebuild both pumps.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved overhauling both pumps, if needed, with the remaining \$84,000 in the filter budget.

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

Voting no: none.

Not present: Mr. White.

3. Use of Auxiliary Water Only Meters

Mr. Huber reported five responses had been received from residents in favor of using the auxiliary water only meters, with 53 responders indicating no interest in the use of the water only meters.

Board members questioned the costs associated with the meters, as well as the costs associated with the labor to install the meters.

Mr. Huber advised the costs would be minimal, especially since the meter would only need to be brought in to the PSA office by the residents once a year.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved implementing the use of auxiliary water only meters in order to eliminate garden, pool and car washing as a reason not to connect to the PSA's sewer collection system.

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

Voting no: none.

Not present: Mr. White.

4. Percentage of Water Rate Increase for Town of Pulaski In-Town vs. Out-of-Town

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

Mr. Huber reported the Town of Pulaski staff had confirmed that volume charges in and out of Town were increased 20% and fixed monthly costs increased by 15% for both in-town and out-of-town residents.

Ms. Deanna Cox of Robinson, Farmer, Cox Associates provided an overview of the FY 10 audit. Ms. Cox also described the county's implementation of the new accounting standards and noted the PSA had a clean or "unqualified" (good) opinion). Further, Ms. Cox described the management discussions and analysis report and indicated the separation of duties in the PSA billing department had improved internal controls.

5. Other Matters

Mr. Huber introduced Larry Vest, Meter Reader for the PSA. Mr. Vest described the operations of the new handheld meters and expressed his appreciation to the PSA Board for the new handhelds, as well as the recently acquired pickup truck.

6. Baskerville PSA Accounts

Mr. Huber described a summary of accounts owed by Marie Arnold and Barbara Hendricks. As reported in the Board packet, Sam Campbell had communicated the PSA position that liens be paid off prior to receiving PSA clearance. The recommendation by staff was to defer a decision regarding the continuing applicability of the amnesty program for Ms. Arnold until September 2011, pending the outcome of payments received from her in the next three months and to allow her to use an 18-month payment plan. Mr. Dean questioned the status of each account balance. Ms. Newby provided a summary of the account balances.

Mr. Loyd requested a monthly report on the progress of the amnesty program.

Mr. Loyd also questioned the status of the Slaughter account. Ms. Boyd advised the account showed a \$0 balance owed.

By consensus, the Board accepted the staff recommendation and deferred a decision regarding the continued applicability of the amnesty program for Ms. Arnold until September 2011, pending the outcome of payments received from her in the next three months and to allow her to use an 18-month payment plan.

Staff was requested to provide information at the July Board meeting on the two unidentified accounts referenced in the report by Ms. Newby.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

Staff was also requested to provide the PSA Board with information on the \$129,599 loan the PSA has from the county dating back to 1980.

a. Review of Financial Report

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the monthly financial report, as presented, a copy of which is filed with the records of this meeting.

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

b. Balance Due & Lien Reports

Ms. Boyd explained efforts made to date on updating the lien reports. Ms. Boyd advised updates were being made alphabetically and had been made through those individuals whose last names begin with the letter "L". Ms. Boyd noted a fluctuation in the lien amounts was due to continued updates.

Mr. Loyd requested removing from the following report the reference to the "Lien Amounts Filed" and "Liens Paid/Release" due to inaccuracies while catching-up:

<b>Balance Due</b>	<b>3/2/2011</b>	<b>4/1/2011</b>	<b>5/3/2011</b>	<b>6/3/2011</b>
Current Balance	405,974.75	567,066.95	404,557.19	374,608.01
Over 30 Days	35,708.86	27,617.22	60,886.47	31,822.55
Over 60 Days	48,397.89	14,891.12	12,675.96	38,996.10
Over 90 Days	730,231.34	761,058.28	759,778.25	764,404.63
<b>Total</b>	<b>\$ 1,220,312.84</b>	<b>\$ 1,370,633.57</b>	<b>\$ 1,237,897.87</b>	<b>\$ 1,209,831.29</b>

c. Budget Adjustments

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

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

Account Number	Account Title	Amount Increase (Decrease)
<b>REVENUES:</b>		
3-500-015010-0100	Interest Income	\$ 2,500.00
3-500-016080-0900	Roll Off Container Service	160,000.00
3-500-016080-1000	User Rebate Landfill	15,000.00
3-500-016190-0500	Dublin Water Sales	170,000.00
3-500-016190-0900	Misc Water Sales	3,645.00
3-500-016250-0100	Late Fees/Penalties	25,000.00
3-500-030100-1000	Water Connection Fees	13,690.00
3-500-030100-1100	Sewer Connection Fees	53,350.00
	<b>TOTAL</b>	<b>\$ 443,185.00</b>
<b>EXPENDITURES:</b>		
4-500-041320-5110	Road/Street Lighting Electrical Services	\$ 2,000.00
4-500-042310-1270	Residential Refuse Part Time Salaries	53,000.00
4-500-042310-1370	Residential Refuse Over Time Salaries	15,000.00
4-500-042310-4603	Residential Refuse Parts Charges	34,000.00
4-500-042310-4603	Residential Refuse Gasoline Charges	20,000.00
4-500-042310-3800-005	Residential Refuse NRRA User Charges	30,000.00
4-500-042340-3800-005	Roll Off Refuse NRRA User Charges	100,000.00
4-500-045200-4100	PSA Billing Data Processing Charges	15,000.00
4-500-045200-6100	PSA Billing Office Supplies	1,200.00
4-500-046100-3310	Water Distribution Repair & Maintenance Services	10,000.00
4-500-046100-6007	Water Distribution Repair & Maintenance Supplies	15,000.00
4-500-046200-1270	Water Treatment Plant Overtime	27,000.00
4-500-046200-5110	Water Treatment Plant Electrical Services	10,000.00
4-500-046200-5190	Water Treatment Plant System Permits	3,200.00
4-500-046200-6004	Water Treatment Plant Medical & Lab Supplies	(65,000.00)
4-500-046200-6006	Water Treatment Plant Chemicals	109,261.00
4-500-046200-3000-005	Water Treatment Plant Water Testing Analysis	12,000.00
4-500-047200-3800-002	Sewer Treatment	50,000.00
4-500-091400-9301	Contingency Funds	(1,006.00)
4-500-094100-8241	Skyview/Fairgrounds Sewer Project	730.00
4-500-094100-8261	Hubbard Way Waterline Project	800.00
4-500-094100-8112-004	Plug Valve Replacement	1,000.00
	<b>TOTAL</b>	<b>\$ 443,185.00</b>

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

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

d. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved a billing adjustment totaling a credit adjustment of \$5,489.55.

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

e. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved accounts payable for checks numbered 8005431 through 8005528.

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

f. FY 12 Budget Adoption

Mr. Loyd expressed concern that PSA employees had not had a cost of living increase in four years. He recommended consideration to a 2%-3% increase in pay for PSA employees, rather than the 1½% increase recommended by staff.

Mr. Huber explained the proposed budget also included implementation of the compensation study, which would result in an additional overall 1½% increase, depending upon the results of the study. He advised a 1½% increase had been proposed to the Board of Supervisors for county employees, with that amount anticipated to be approved by the Board of Supervisors.

Mr. Crawford suggested communicating to the Board of Supervisors the PSA Board's desire for a 2% increase.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board adopted the FY 12 budget as presented, with a 2% increase only if also approved by the Board of Supervisors.

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

Voting no: none.

Not present: Mr. White.

Mr. Loyd expressed concern over the sewer departments continued net loss over the past five to six years. Mr. Huber noted that costs had been cut and that rates would need to be increased.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board was directed to provide a recommendation by October 31, 2011 on steps to be taken to balance the sewer department budget.

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

Voting no: none.

Not present: Mr. White.

g. Stone Ridge Master Meter Replacement

Mr. Huber reported the Town of Dublin had not been able to install the Stone Ridge water meter due to a number of leaks.

h. Town of Dublin Water Leaks

Mr. Huber reported the Town of Dublin had identified a water leak involving direct flow into the sewer system indicating a discrepancy between gallons purchased and gallons billed is not likely to be a meter reading error, reducing the likelihood of a credit being due from the PSA back to the Town of Dublin.

i. Skyview Sewer Project

Mr. Huber advised Rural Development had set February as the deadline for the expenditure of approximately \$427,000 in remaining Highland Park funds earmarked toward the cost of providing public sewer service to the Skyview subdivision. Mr. Linkous described options for use of available funds.

Mr. Loyd questioned the amount of funds anticipated to complete the Skyview project and the potential use of the money for purchase of a sewer vac truck.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

Mr. Dean expressed concern over the potential for the Skyview Subdivision project to not be completed.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved the recommendation by staff of allowing the use of funds left over from initial appropriation by Rural Development for Highland Park to be used towards the completion of Skyview Subdivision, further noting the deadline set by Rural Development of February 1, 2011.

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

Voting no: none.

Not present: Mr. White.

Board members requested staff provide a recommendation related to the purchase of a sewer vac using the left over funds in order to meet the February 1, 2011 Rural Development deadline.

j. Meter Replacements

Mr. Huber described efforts by Mr. Linkous in researching options for the implementation of radio read water meters, allowing for monthly, rather than bi-monthly, water readings and a likely increase in gallons billed.

Board members questioned if the trial run could be accomplished with 100 meters, rather than the 300 meters recommended by staff, the cost of the meters, the route to be used for the trial run, the accuracy rate of the meter readings described by staff and the potential overall savings to the PSA.

Staff was requested to provide the Board with update at the July Board meeting on the potential cost, accuracy level and cost savings for a trial using the 100 meters.

7. Operations

a. Minutes of Previous Meeting

By consensus, the Board approved the May 10, 2011 minutes, with a correction to change the date referencing the end of amnesty program to September 30, 2011.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

b. Inmate Availability Report

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

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 May 2011**

Site	Trips	Tons	Tons per haul
Dora Highway	29	57.26	1.98
Dublin	22	83.04	3.78
Fairlawn	5	41.07	8.22
Totals	56	181.37	3.24

**County Landfill Tonnage  
(County customers & Refuse Department Haulers  
for the Month of May 2011)**

Commercial	Residential	Tires	Brush
465.37	858.75	555	7.75

d. Personnel Changes

Board members reviewed recent personnel changes as reported by Norma Spence.

8. Informational Items

a. Recycling Center (Drop Site) Update

1. Potential Use of Grinder at Drop Center

Mr. Nichols reported the testing of the concept of grinding mulch at the drop centers and giving away, or hauling, mulch rather than un-compacted brush.

Mr. Huber commended Mr. Nichols for use of the grinder.

Mr. Loyd requested staff take steps to clean up the Dora Highway site.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

2. Honeywell Site

Staff provided an update from the Town of Pulaski describing efforts by the Town to address the cost of making Drop Center improvements to the old Honeywell site.

b. Pump Station Rehabilitation Project

Board members were provided correspondence sent to the Town of Pulaski by DEQ regarding the rehabilitation of sewer pump stations 4A and B. Staff was directed to calculate future capacity needs.

c. J. M. Eagle Update

Board members were provided an update from the Day Pitney Law firm regarding the court case against JM Eagle.

d. Montgomery Regional Solid Waste Authority Schedule

Board members were provided a copy of the Montgomery Regional Solid Waste Authority schedule of rates, fees and charges.

e. Picture of Boom Truck

Board members were provided a picture of PSA staff using the older boom truck to assist with the placement of a heat pump on top of the Maple Shade building.

f. Hydraulic Grade Map & Water System Schematic

Board members were provided drawings showing locations throughout the county of the PSA water system as prepared by Draper Aden Associates.

g. Waste Industries Proposal

Mr. Huber reported Waste Industries had expressed an interest in contracting with the PSA to provide for the operation of the PSA refuse collection system.

Mr. Loyd requested staff poll other localities as to privatization of waste collection services and provide an update at a future meeting.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

h. Parrott Mountain Tank Access

Mr. Linkous reported significant erosion had taken place making the road to the water tank impassable. He indicated staff is currently in the process of sizing ditching and culverts.

Mr. Loyd questioned if assistance could be provided by the New River Resource Authority (NRRRA).

Staff was requested to provide an update at a future meeting on the potential costs and any assistance that could be provided by the NRRRA.

Mr. Crawford inquired as to the activity taking place in the field just to the side of the Rt. 114 bridge. Ms. Hanks advised VDOT had reported to the Board of Supervisors the activity was unknown, but was being conducted by Montgomery County.

9. 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. Loyd questioned if the information presented at the May Board meeting related to relieving liens on Town of Pulaski property had been addressed. Mr. Huber advised this matter had been addressed through a report from Sam Campbell and PSA Board action was not to approve releasing of the liens.

Mr. Loyd inquired as to the status of a new location of the Dora Highway drop site. Mr. Huber reported no additional action beyond that reported in item 4a2 on agenda.

Dr. Warren expressed appreciation to county staff for the excellent job in managing the PSA financial records.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

Mr. Huber expressed appreciation to the PSA crews for the support provided in picking up debris as a result of the damage from the tornadoes and without interrupting PSA regular refuse collection services.

10. 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. Dean, seconded by Mr. Crawford and carried, that the Public Service Authority Board of Directors enter Closed Session for 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 employee workers compensation
- Employee personnel matters

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

Voting no: none.

Not present: Mr. White.

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, Dr. Warren, Mr. Loyd.

Voting no: none.

Not present: Mr. White.

Certification of Conformance with Virginia Freedom of Information Act

It was moved by Mr. Loyd, seconded by Mr. Crawford 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:

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
JUNE 14, 2011

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 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, Dr. Warren, Mr. Loyd.

Voting no: none.

Not present: Mr. White.

11. Other Matters

There were no other matters discussed by the Board.

12. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adjourned its regular June meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, July 12, 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.

Voting no: none.

Not present: Mr. White.

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Douglas Warren, Chairman

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Hollis Loyd, Secretary/Treasurer