

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS  
SEPTEMBER 13, 2011

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, September 13, 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. Staff members present included: Peter Huber, 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 and declared a quorum present.

1. Citizen Comments

Mr. Garland Campbell requested the PSA Board consider removing fluoride from the PSA water. Mr. Campbell expressed concerns over the potential health hazard posed by fluoride. Mr. Campbell distributed information regarding his findings as it relates to the affects of fluoride in water.

Mr. Linkous advised AECOM is currently evaluating all chemicals being used (including fluoride) and how best to optimize the use of these chemicals, along with the costs and effects of the chemicals.

Linda Tate and Debra Spence described in detail events leading up to the large water and garbage bills incurred by their mother's estate (Oleta Gravley) and requested the Board waive a portion of the water bill, in particular those charges incurred prior to implementation of the non-user fees.

Dr. Warren advised the matter would be referred to staff for review and a staff recommendation to be made at the October PSA meeting.

2. Finance

a. Follow-up from Previous Board Meetings:

1. Sewer Vacuum Truck Bid Results

Mr. Linkous described information provided in the Board packet on the breakdown of the anticipated funding available for the purchase of a sewer jet/vacuum truck is as follows:

Total funds with February 1, 2012 spending deadline \$ 425,259

Skyview – Phase 1 Known Costs

Engineering \$ 25,058

Additional Engineering 1,000

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Skyview – Phase 1 Estimated Costs	Construction	\$ 263,077
	Construction Contingency (10%)	\$ 26,307
Estimated Funds available for equipment purchase		\$ 315,443
Sewer Jet/Vacuum Truck Quote		\$ 280,000
Total Estimated Matching Funds Required from PSA-		\$ 170,184

Mr. Linkous advised an expected delivery date of 60-90 days from initial order.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved the expenditure of up to \$170,184 from reserves towards the purchase of a sewer vac truck.

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

Mr. Dean requested a report back to the Board on the efficiency of the truck, once the truck has been put in to use. Mr. Huber advised viewing of the truck could be arranged for Board members.

2. Skyview Subdivision Phase I

Mr. Linkous reported Rural Development had granted an additional 60 days for construction of the Skyview Subdivision Phase I project, indicating Rural Development requires redoing of the Preliminary Engineering report for the remainder of the Skyview Subdivision. He advised the expected cost of the project to be approximately \$1.5 million.

3. Outside Water Usage Meter Program

Board members reviewed a copy of the draft of the program guidelines.

Mr. Huber recommended the renting of the meter to the customer, rather than being sold to the customer.

Board members expressed concern over the potential for freezing of the meters during the winter and the ability by PSA staff to monitor the meter to determine if the meter is functioning properly.

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Several amendments to the policy were discussed including a revision to allow making the meters available in March of each year and returning on November 15<sup>th</sup> of each year.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved the following policy with amendment allowing for meters to be made available in March of each year with the return of meters in November of each year.

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

**Outside Water Usage Meter Program  
Pulaski County Public Service Authority**

**Purpose**

The purpose of the outside water meter program is to measure the amount of water used outside of the home. Any water used outside and flowing through the outside meter, such as watering of lawns and gardens, filling of swimming pools, washing cars, etc. will be given a credit against sewer volume charges.

**Policies**

1. Meters remain the ownership of the PSA and as such a meter tampering charge of \$100 will be assessed for modification or misuse of the meter.
2. Meters are to be available on the first workday of April each year and returned by the first workday in November of each year for reading and return of the \$70 deposit if undamaged.
3. Customer will be responsible for the proper care and subsequent condition of the meter.
  - a. The meter should be taken inside during cold weather to prevent freezing and breakage.
  - b. The meter is too heavy to hang directly on the outside spigot and a short piece of hose should be used to connect the meter to the spigot.
  - c. Meter should be positioned horizontally in order to read properly.
4. The meter only registers properly in one direction and care should be taken to install the meter correctly. Customer should ensure the meter is registering properly while being used.

**Cost**

The goal of this program is to be financially self-sufficient so as to not transfer any cost to customers choosing not to participate. Thus, the following charges apply:

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1. Deposit \$70 - Charged to pay for replacement of the meter. Deposits will be returned upon return of the meter and subsequent checking by a water technician. Any damage to the meter will result in forfeiture of the deposit.
2. Rental \$3 per month – Charged to pay for overhead required for the administration of the program. The \$3 per month assessment will be deducted from any adjustment.

**Procedures**

1. Meters to be dispensed by PSA office at the Dublin Town Center beginning on the first workday in April of each year.
2. Deposit to be paid by the customer upon receipt of meter.
3. Meter to be brought in by the resident to the Dublin PSA office for reading and subsequent adjustment of sewer billing by November of each year.
4. Adjustments may be brought in no more frequently than once every three months but no less frequently than every six months.
5. Maximum adjustment to be limited to six months of usage.
6. Adjustments for readings of beyond the six-month period will be prorated to six months usage.

I understand and agree to the above cost, procedures and policies.

\_\_\_\_\_  
Customer signature

\_\_\_\_\_  
Customer Number

\_\_\_\_\_  
Date

b. Review of Financial Report

Board members reviewed the financial report in detail.

Mr. Crawford requested a detailed explanation of the change in the cutoff policy. Staff advised the changes to be made are as follows:

- The PSA will no longer be issuing delinquent account letters, which are currently mailed on the 21st day of each month; and
- Bills will continue to be due on or before the 15<sup>th</sup> of each month and include the date of which water cut-offs will begin for that month. Cut-offs will generally begin five business days after the bill is due.

By consensus, the Board accepted the monthly financial report, as presented, a copy of which is filed with the records of this meeting.

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

c. Balance Due & Lien Reports

The following report was provided and reviewed in detail by the Board:

<b>Balance Due</b>	<b>6/3/2011</b>	<b>7/1/2011</b>	<b>8/2/2011</b>	<b>9/1/2011</b>
Current Balance	374,608.01	573,118.99	446,481.59	443,962.88
Over 30 Days	31,822.55	90,828.32	59,388.84	34,850.55
Over 60 Days	38,996.10	14,423.61	9,939.42	35,011.64
Over 90 Days	764,404.63	785,599.10	784,412.06	787,290.25
<b>Total</b>	<b>\$ 1,209,831.29</b>	<b>\$ 1,463,970.02</b>	<b>\$ 1,300,221.91</b>	<b>\$ 1,301,115.32</b>
<b>Liens Filed</b>				<b>\$ 359,566.74</b>

**Detail of accounts delinquent for 90 days or more by type of customer and services billed:**

	<b>Garbage &amp; Water Sewer Only</b>		<b>Garbage Only</b>	<b>Total</b>
<b>Residential</b>	32,401.94	8,745.10	557,217.90	\$ 598,364.94
<b>Commercial</b>	1,444.84	-	19,811.41	\$ 21,256.25
<b>Nonuser</b>	167,669.06	-	-	\$ 167,669.06
<b>Total</b>	<b>\$ 201,515.84</b>	<b>8,745.10</b>	<b>\$ 577,029.31</b>	<b>\$ 787,290.25</b>

Mr. Loyd questioned a report detailing by type of customer and active, inactive and non-user accounts. Mr. Huber offered for staff to provide a report with percentage of collections for each type of customers.

Mr. Dean expressed concern over the lack of a strong effort to collect on delinquent garbage accounts. Mr. Huber advised an increase in PSA staff would be needed to allow for more efforts in collecting delinquent accounts.

Mr. Dean also questioned if the listing of delinquent accounts could be published in the local paper, similar to that published by the county for delinquent real estate taxes. Mr. Huber advised this may be a question better posed to the Attorney Sam Campbell.

d. Budget Adjustments

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

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Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
		\$ -
	TOTAL	\$ -
<u>EXPENDITURES:</u>		
500-094100-8267	Parrott Mountain Water Tank Road Repair	\$ 21,400.00
500-046100-3310	Water Pump Station Electrical Repairs	6,000.00
500-094100-8126	Water & Sewer Modeling Software	22,690.00
500-046200-3310	Water Treatment Plant Sludge Basin Pumps	1,000.00
500-091400-9301	Contingency Funds	(51,090.00)
	TOTAL	\$ -

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

e. Billing Adjustments

Mr. Loyd questioned the net credit of \$359,994.74 reported in the Board packet. Ms. Boyd advised the number was as a result of an issue with the Bright System. She advised the issue had been corrected by Bright System. Mr. Huber explained the issue was restricted to only two accounts.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved a billing adjustment totaling a credit adjustment of \$359,994.74, noting the amount was as a result of an error in the system and the normal billing adjustment is \$2,861.91.

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

f. Accounts Payable

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved accounts payable for checks 8005846 through 8006015.

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

g. Town of Dublin Water Billing

Mr. Huber advised a settlement billing had been provided to the Town of Dublin on August 3, 2011 and a response from Bill Parker dated August 30, 2011. As reported in the packet, staff had not been getting the PSA settlement statements to the Town in a timely manner due to the difficulty of keeping up with once per year duties, as well as longer audit times due to changing requirements.

Mr. Huber shared with the Board the response from Town of Dublin regarding settlement billing and suggested billing one year in arrears as suggested by Dublin Town Manager. By consensus, Board members requested a formal recommendation from staff be placed on the October PSA agenda while working with Town of Dublin staff.

3. Operations

a. Minutes of Previous Meeting

By consensus, the Board approved the August 9, 2011 Board minutes, with a correction to the draft minutes noting the removal of Frank Conner as having been in attendance at the August meeting.

b. Inmate Availability Report

Staff reported use of two inmates per day during the month of August.

c. Drop Site Total & County Landfill Tonnage Reports

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

**Drop Site Total for the  
Month of August 2011**

Site	Trips	Tons	Tons per haul
Dora Highway	20	42.10	2.10
Dublin	35	99.38	2.83
Fairlawn	9	49.80	5.53
<b>Totals</b>	64	191.28	2.98

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

<b>Commercial</b>	<b>Residential</b>	<b>Tires</b>	<b>Brush</b>
474.07	1194.32	1167	24.33

Mr. Huber explained the current practice of grinding mulch at the drop sites, noting the challenge stems from finding individuals to take the mulch. He advised Ronnie Nichols had found a rear-engine loader at state surplus for \$9,000 which would be used to haul mulch from the drop sites. Mr. Nichols is requesting consideration by the Board to approving an expenditure to allow for the purchase of a rear-engine loader from state surplus to allow for removal of mulch at drop sites.

Mr. Loyd questioned if the loader would be limited to use at the drop sites. Mr. Huber advised the loader could be used for other purposes as needed.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved the purchase of a rear-engine loader at a cost of \$9,000.

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

Voting no: none.

d. Personnel Changes

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

e. Agreement with Pulaski County Sewerage Authority

As reported in the Board packet, Pulaski County Sewerage Authority Chairman Dennis Setliff, is agreeable to revising the agreement such that all costs (labor and materials) would be reimbursed to the PSA based on actual costs. To protect all parties, there would also be a per-repair threshold for both materials cost and labor after which the PSA would notify the Sewerage Authority letting them know the extent of needed repairs.

Mr. Lloyd suggested the inclusion of a percentage to cover benefits and possibly administrative costs and suggested 25% would cover benefits and administrative costs. Mr. Huber suggested 15% as a more favorable percentage.

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By consensus, the Board suggested the revisions to the current agreement include: all costs (labor and materials) to be reimbursed to the PSA based on actual costs, a per repair threshold of \$1,000 for both materials cost and labor after which the PSA would notify the PCSA of extent of Repairs, and 15% for benefits. Board members requested the agreement be brought back to the PSA Board at its October meeting in final form for review and approval.

f. Wireless Authority Use of Water Tanks

As reported in the Board packet, the Pulaski County Wireless Authority is considering the sale of internet access equipment currently used to serve area citizens. One of the conditions of the sale is that citizens currently obtaining internet access through this equipment would still be provided with high-speed internet service.

In order to further encourage expansion of internet access in the County, staff recommends allowing use of the PSA water tanks by the Wireless Authority for the purpose of providing citizens with wireless high-speed internet services. The approval by the PSA to allow internet service providers to use PSA water tanks would be conditional on the approval of the specific installation measures by the PSA water distribution department staff.

Mr. Whitelaw of NRV Unwired advised of potential plans for the sale of internet access equipment currently used to serve area citizens, with one of the conditions of the sale being that citizens currently obtaining internet access through the equipment would still be provided with high-speed internet service. Mr. Whitelaw requested the PSA consider allowing use of the PSA water tanks by the Wireless Authority for the purpose of providing citizens with wireless high-speed internet services.

Mr. Dean questioned the contractual time period. Mr. Huber advised the issue had not been discussed with the Wireless Authority, but likely could be for an indefinite time period.

Mr. Loyd questioned the percentage of coverage area. Mr. Whitelaw responded it could be 100% coverage, as it would likely be hard to find a place that service could not be provided.

Mr. Loyd expressed concern over the PSA Board charging others to use the tanks for place of wireless services, but not charging the internet companies.

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On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved use of water tanks for the provision of internet service providers, subject to the Wireless Authority overseeing the efforts and review of final agreement by PSA Board and Wireless Authority.

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

Voting no: none.

g. Town of Pulaski Water Purchase

Mr. Linkous explained the Town of Pulaski is considering approximately \$1 million in upgrades to town water treatment plant and PSA staff's effort in working with the town in the development of a proposal regarding the possible purchase of water from the PSA as an alternative to this proposal.

h. Thomas Branch Account

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board ratified administrative approval of the writing off of the Thomas Branch account in the amount of \$70.80 due to the passing of Mr. Branch with no remaining family members living in the home and no estate.

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

Voting no: none.

i. Johnny Crowder Sewer Service

As reported in the Board packet, Mr. Crowder is requesting exemption from paying non-user sewer charges based on the inability to connect his home to the sewer system. In the past, the PSA Board has exempted residents from water and/or sewer non-user charges where topographic conditions, stream crossings and other barriers made it impractical to connect.

Mr. Loyd questioned the number of other residents who may be in the same situation. Mr. Huber offered to research this matter as time allows and provide an update at a future meeting.

Mr. Huber advised staff would continue to review the request and provide an update at a future meeting.

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j. Garage Consolidation

As reported in the Board packet, staff provided details regarding a plan for combining the School Board and county garages through the expansion of the County Garage. Mr. Huber described potential cost savings.

4. Informational Items

a. PER Guide Wastewater Facilities

This matter was discussed earlier in the meeting.

b. Gary Frazier Account

As reported in the Board packet, Board members were provided information regarding a law suit being filed by Mr. Gary Frazier, as well as a response by Attorney Sam Campbell. Mr. Huber advised no date had been set to hear the case.

5. Current Authorized Projects

a. Action Items

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

Dr. Warren inquired as to the status of the Rt. 114 river crossing and size of line to be used. Mr. Linkous advised the first half of the work was ahead of schedule and a 24" line is expected to be used for the crossing.

b. Pending Items

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

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6. Other Matters

Mr. Huber advised a PSA trash truck had been ticketed for an overweight axle while crossing the Rt. 100 bridge over Rt. 11, with plans to contest the ticket due to having no way of controlling weight of individual axle.

7. Adjournment

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board adjourned its regular September meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, October 11, 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.

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Doug Warren, Chairman

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Hollis Loyd, Secretary/Treasurer