

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
MAY 8, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, May 8, 2012 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; Hollis Loyd, Secretary/Treasurer; Nancy Burchett; and Dave Dean.

Staff members present included: Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Jared Linkous, County Engineer; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Transportation and Maintenance; and Gena Hanks, Executive Secretary.

Dr. Warren called the meeting to order and welcomed those in attendance. Dr. Warren also advised a work session may be needed to allow for additional review on the proposed rate structure and FY 13 budget.

1. Citizen Comments

Ms. Brenda Blackburn spoke to and/or requested the following information:

- a. Consideration by the PSA Board to holding monthly meetings in the evenings to allow citizen participation;
- b. Described having been told by an unidentified individual that two PSA Refuse Collection employees were seen driving around in Christiansburg in a PSA truck, expressing concern over the need for two employees to be involved in the trip;
- c. Described having seen a PSA employee driving through the Veteran's Cemetery in route to the PSA shop, expressing concern over the "waste of money" by employees riding around;
- d. Questioned why some PSA trucks have GPS and some do not;
- e. Questioned the last time PSA employees were provided raises; and
- f. Questioned if insurance rates for employees were increased in 2011.

Dr. Warren and Mr. Dean requested Ms. Blackburn provide specific dates and times as to the occurrences referenced above related to employee travels.

Dr. Warren requested feedback as to the day of the week best suited for holding regular PSA meetings.

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Mr. Nichols responded to Ms. Blackburn's statement regarding employees traveling to Christiansburg, advising the PSA supervisor in question travels to Montgomery County at least once a month to pick up work gloves, rain gear, etc.

Mr. Nichols responded to Ms. Blackburn's question related to GPS advising the GPS devices were being moved from truck to truck to allow for mapping, noting the GPS device would eventually be rotated among all trucks.

Ms. Newby responded to Ms. Blackburn's question regarding raises advising PSA employees were provided the same percentage of a raise in 2011 as that of county employees. Ms. Newby also advised insurance rates did increase in 2011; however, the PSA Board funded the additional increase for employees.

2. Finance

a. FY 11 Audit Presentation

Ms. Deanna Cox of Robinson, Farmer, Cox Associates, presented the FY 11 audit for the PSA and provided a detailed overview of the components of the audit. Ms. Cox advised the PSA audit resulted in no compliance issues and no significant changes in its financial position.

Ms. Cox thanked county staff for the efforts in maintaining excellent accounting standards.

Mr. Dean inquired as to whether the PSA's accounting for revenues was the same as that of the county. Mr. Huber advised revenues are counted by the audit when received, rather than when billed and there are no known issues.

Ms. Burchett noted specific sections of the audit as it relates to revenues and operating expenses, confirming a net operating loss to the PSA. Ms. Burchett commended staff on a "good job" in keeping of the PSA records and for no compliance issues.

Mr. Huber thanked PSA billing and administrative staff for their work in managing the PSA billings and accounts payable.

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b. Follow-up from previous Board Meetings:

1. Results of Survey re: Fluoride Infusion

Mr. Huber provided a copy of an article submitted by Garland Campbell related to the affects of providing fluoride in water.

Staff provided survey results which indicated the majority of the responses from local dentists are in favor of the continued infusion of fluoride in public water. The Board took no action regarding this matter.

2. Debt Amortization Schedule

Mr. Linkous and Mr. Huber described a detailed schedule which listed the project for which loans were obtained, as well as information on loan start and end date, amount, interest rate/year, term, Rural Development payment/month, annual debt service and total debt.

Staff responded to questions by the Board related to amortization procedures and policy, payback schedules, rate variations, potential on early payoff of some loans, long term savings for paying off loans and loans having been paid off.

By consensus, the Board requested staff provide at a future meeting information related to long-term savings seen from payoff of loans, as well as list of loans recently paid off.

3. Proposed Rate Changes

Mr. Linkous and Mr. Huber described information provided to the Board including the existing PSA water and sewer rates, calculations of proposed water and sewer rates, revenue projections, and a comparison of water and sewer rates for surrounding counties.

Board members reviewed the proposed rates and expressed support of future development in the county by expanding water and sewer services, as well as funding of Capital Improvement requests.

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Mr. Huber described the timeframe for meeting legal requirements needed to advertise for a rate increase, specifically noting the PSA Board would have to wait at least 60 days following public advertisement to hold a public hearing to consider a rate increase.

By consensus, the Board scheduled a work session for 11:00 a.m. on Wednesday, May 9, 2012 in the basement floor Conference Room of the County Administration Building.

4. Pulaski County Sewerage Authority Agreement

Mr. Huber described proposed revisions to the agreement as being in line with recommendations by the PSA Board at previous meetings.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the proposed agreement, a copy of which is filed with the records of this meeting.

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

Voting no: None.

5. Maps (Major Waterlines), Sizes and Areas where capacity can be increased

Mr. Linkous and Mr. Huber described detailed maps of the PSA water and sewer systems, as well as a hydraulic perspective of the water system.

Board members reviewed the maps, questioning the various locations of current and potential service.

Board members requested staff revise the maps showing the potential areas for growth between Dublin and Pulaski, the area located by 84 Lumber, the south side of Claytor, the Black Hollow Heights area, and the area located on Rt. 99 near Days Inn. Staff was also requested to change the colors of the lines on the map to provide easier identification of the various locations.

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6. Rate History

Mr. Linkous and Mr. Huber described a spreadsheet detailing the history of PSA water, sewer and garbage rates, noting the proposed rate is less than inflation as measured by the Consumer Price Index. Board members agreed to have further discussions at the May 9, 2012 work session.

7. Town Settlements – Year to Year Costs Comparisons

Mr. Huber and Ms. Newby described a spreadsheet detailing the specific water rate settlements for the towns of Dublin and Pulaski from 2006 – 2011.

8. PSA Emblems

Board members reviewed draft versions of the emblems described at previous meetings.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved the emblem with the maroon outside circle.

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

Voting no: None.

9. US Cellular at Dublin Tank (Bagging Plant Road)

Mr. Linkous provided information regarding a request from U. S. Cellular for installation of three additional antennas and 15 square feet of new equipment cabinet space at a total rental cost of \$600 per month, for a total of \$2,757 for all antennas (including three currently in place).

Mr. Loyd inquired regarding revenues from rentals and locations of any other existing agencies with antennas in place. Mr. Linkous advised funds are placed in the PSA General Fund when received along with AT&T rent on an antenna on a different tower.

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Mr. Dean requested consideration by the Board to separating funds received from special circumstances and designating funds for a special project, rather than funds being placed in the General Fund.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved a request by U. S. Cellular for installation of three additional antennas and 15 square feet of new equipment space at a total rental cost of \$600 per month, bringing the total rental costs for all antennas to \$2,757 per month.

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

Voting no: None.

10. Carla Ritter/Robert Kittinger Water Service

Mr. Huber described a meeting with Ms. Ritter and her landlords, the Kittingers, regarding the water leak problems described at a previous PSA Board meeting. It was previously confirmed that the two residences connected to the one water meter which was installed by a previous property owner and that the Kittingers agreed to pay for and install a separate water meter for the other house (which is currently unoccupied). Further, the PSA leak adjustment policies allowed the \$4,626.76 water bill to be reduced by \$1,684.92 to \$2,941.84 and the Kittingers and Ms. Ritter agreed to pay \$100 per month with \$85 per month to be applied to pay off the water bill over the next 35+ months, which was the maximum the property owners could pay.

Board members expressed concern over the potential for the owners being unable to pay for current water usage and therefore being unable to make payments toward the outstanding balance on the account.

11. PSA Budget

Mr. Huber distributed a draft FY 13 budget and described changes in the Virginia Retirement System (VRS).

By consensus, the Board agreed to review the budget at the May 9, 2012 work session.

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a. Review of Financial Report

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved the 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,
Ms. Burchett.

Voting no: None.

b. Balance Due & Lien Reports

Mr. Loyd expressed concern over the continued growth of the "over 90 day" accounts. Mr. Crawford inquired if the auditor had provided any suggestions on writing off of any of the older "over 90 day" accounts. Ms. Newby advised no suggestions have been made by the auditors. Mr. Crawford suggested consideration to hiring of an individual to collect the "over 90 day" accounts.

The Board reviewed and accepted the following report, noting concern over the delinquent accounts "over 90 day" accounts:

Balance Due	2/1/2012	3/2/2012	4/3/2012	5/1/2012
Current Balance	396,502.39	438,734.58	557,190.98	436,065.45
Over 30 Days	78,091.70	38,052.27	29,115.66	50,308.57
Over 60 Days	12,937.71	11,370.25	33,687.04	16,690.29
Over 90 Days	847,544.16	840,928.98	846,945.39	874,892.18
Total	\$ 1,335,075.96	\$ 1,329,086.08	\$ 1,466,939.07	\$ 1,377,956.49
Liens Filed				\$ 372,330.67

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	39,853.66	49,762.42	588,312.75	\$ 677,928.83
Commercial	2,613.02		20,918.60	\$ 23,531.62
Nonuser	173,431.73	see break down below		\$ 173,431.73
Total	\$ 215,898.41	49,762.42	\$ 609,231.35	\$ 874,892.18

Detail by type of customer and active, inactive and non-user accounts

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	Inactive	Non User	Active	Total
Residential Water	36,719.39	138,726.75	3,134.27	178,580.41
Commercial Water	2,433.38		179.64	2,613.02
Residential Garbage	49,465.78		538,846.97	588,312.75
Commercial Garbage	17,391.59		3,527.01	20,918.60
Sewer	5,766.86	34,704.98	43,995.56	84,467.40
Total	\$ 111,777.00	\$ 173,431.73	\$ 589,683.45	874,892.18

c. Budget Adjustments

Staff described an entry in the Board packet that Eden's Distributing was disposing of a number of vehicles with a 2009 Volvo road tractor purchased by the PSA for \$24,000. Staff estimates a maximum of \$3,000 to be needed to install a hydraulic power take off unit needed for the tractor to power the ram used to empty the compactor unit from the large item drop site in Fairlawn. Further that the 2009 Volvo tractor had an original list price of \$121,977 with a current retail value of \$76,288 with the closest similarly priced unit currently on the market being a 2005 model with 748,790 miles offered at \$24,950 from Trucker.com.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved the following adjustment for the sale of the old truck, subject to the placing of a reserve of \$8,000-\$10,000 on the old truck.

PSA FUND #11			
Account Number	Account Title		Amount Increase (Decrease)
REVENUES:			
500-041050-0100	Transfer from Reserve Funds		\$ 27,000.00
		TOTAL	\$ 27,000.00
EXPENDITURES:			
500-094100-8106	Construction Vehicles & Equipment		\$ 27,000.00
		TOTAL	\$ 27,000.00

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

Voting no: None.

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d. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved billing adjustments for April totaling a net credit of \$6,123.57.

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

Voting no: None.

e. Accounts Payable

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved accounts payable for checks numbered 8007045 through 8007151, subject to audit.

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

Voting no: None.

f. Water Treatment Plant Certification Compensation

Mr. Hiss described a report included in the Board packet regarding the current requirements for obtaining licenses for the operation of the Water Treatment Plant (WTP), along with a recommendation related to "standardized" steps as incentives to employees undertaking higher licensing standards.

Board members discussed the various options related to the licensing required, as well as Health Department regulations and overall responsibilities of WTP staff.

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved the following standardized steps as incentives for employees undertaking higher licensing standards:

Trainee to Class IV = \$500 increase
Class IV to Class III = \$750 increase
Class III to Class II = \$1,500 increase
Class II to Class I = \$1,500 increase

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

Voting no: None.

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3. Operations

a. Minutes of Previous Meetings

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the April 10, 2012 Board minutes, with corrections.

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

Voting no: None.

b. Inmate Availability Report

Staff reported use of one inmate per day during the month of April.

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 April

Site	Trips	Tons	Tons per haul
Dora Highway	30	64.56	2.15
Dublin	35	105.59	3.01
Fairlawn	4	26.59	6.64
Totals	69	196.74	2.85

County Landfill Tonnage

(County customers and refuse department haulers for the month of April 2012)

Commercial	Residential	Tires	Brush
412.01	975.11	861	3.61

d. Personnel Changes

The Board members reviewed a listing of recent personnel changes.

e. VDH Drinking Water State Revolving Loan Fund (DWSRF)

Mr. Linkous described planning and design grants available to localities and owners of waterworks to assist in the provision of drinking water, with grants being offered up to \$50,000 per project for community

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waterworks projects and with a deadline for applications of August 27, 2012.

Board members discussed potential projects. By consensus, the Board agreed to provide feedback to staff for any potential projects, as well as allowing the county engineer to research potential projects and make application accordingly.

Mr. Dean requested staff provide an update at the June PSA meeting on the status of the "odor" along the Dublin interceptor.

f. Treatment of Agricultural Uses

Mr. Huber described an inquiry from an individual who was required to pay for the disposal of fencing materials from his farm when taking the material to the New River Resource Authority Landfill. Mr. Huber advised the individual had made a request that agricultural materials taken to the landfill be considered residential in nature and that the PSA accept responsibility for disposal costs.

Mr. Loyd indicated his desire for disposal from farming operations be considered as a "business".

Mr. Dean suggested there should be no charges for disposals resulting from farming operations.

The Board took no action on this request. Staff was directed to place this matter on the June PSA agenda for further discussions.

4. Informational Items

a. USDA Rural Development Security Inspection

Staff described a report in the Board packet of a meeting between the County Engineer, Water Department Supervisor and Robert Hilt of the USDA Rural Development to perform the security inspection of all water and wastewater facilities and Mr. Hilt's comments that the pump stations, tanks, and water treatment plant appeared to be well maintained and was very pleased with the condition of the facilities.

b. Commerce Park Reseeding

Mr. Huber shared a series of e-mails with Donna Akers regarding her concerns with the reseeding of the Commerce Park waterline right-of-way as it crosses the New River along Hazel Hollow Road. Mr. Linkous

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advised after the property had been reseeded, horses were allowed on the property, thereby destroying the reseeded.

By consensus, the Board authorized county staff to determine appropriate response and course of action.

c. VDH Approval of PER for Town of Pulaski Water Filtration Plant

Mr. Huber shared correspondence from the Virginia Department of Health approving a Preliminary Engineering Report (PER) for improvements to the the Town of Pulaski Water Treatment Plant.

d. Kids Fishing Day

As provided in the Board packet, Board members reviewed a Certificate of Appreciation to the PSA in support of the "Kids Fishing Day" being held on May 12, noting the PSA had provided pickup of refuse generated by the event.

5. Current Authorized Projects

a. Action Items:

The following information was presented in the Board packet for review:

- 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

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 described plans by the Fairview Home to put in a community garden at the home and had requested the PSA provide a free connection to allow for the water source.

Dr. Warren inquired regarding the size of the acreage.

Ms. Burchett inquired regarding the anticipated costs for the provision of water service.

Mr. Dean suggested use of a water tank.

Dr. Warren offered use of his personal water tank, indicating however, that the tank may not be feasible for Fairview Home's needs.

By consensus, the Board agreed to allow staff to review the matter further to consider options other than the PSA providing a water source.

7. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board adjourned its regular May meeting. The next meeting of the PSA Board will be a special meeting scheduled for Wednesday, May 9, at 11:00 a.m. in the County Administrator Building for the purpose of further discussions regarding the proposed rate structure and FY 13 PSA budget. The next regular meeting of the PSA Board is scheduled for Tuesday, June 12, 2012 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, Ms. Burchett.
Voting no: None.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer