

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 10, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, July 10, 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; Jared Linkous, County Engineer; Diane Newby, Finance Director; Ron Nichols, Director of Operations, Transportation and Maintenance; Debra Boyd, PSA Billing; and Barbara Duncan, Receptionist.

Dr. Warren called the meeting to order and welcomed those in attendance.

1. Citizen Comments

Mr. Garland Campbell presented information related to his request for purchase/ownership of meters by residents. Mr. Campbell presented an actual meter for viewing and discussion by the Board. He further stated his preference to monitoring his own water usage.

Mr. Dean inquired if Mr. Campbell was suggesting citizens buy their own meters.

Mr. Huber noted that there would be administrative costs associated with either options and that the cost of purchasing the meters would be an impediment to participation by the public.

Mr. Linkous explained the pros and cons of private meter ownership. He further advised a standard meter for use would be required.

Dr. Warren inquired if the PSA can sell meters or require citizens to purchase meters. Dr. Warren requested this matter be placed on a future agenda for further discussion.

Mr. Garland Campbell expressed concern over the fluoride being a toxin in the PSA water system and requested the Board make a motion to remove it from the water system.

Dr. Warren stated that Mr. Campbell's concern is still being reviewed and advised the Health Department and that those in the medical field need to be involved in any decision making related to removal of fluoride from the PSA water system. Dr. Warren advised Mr. Campbell that the PSA is very sensitive to the information presented and will continue to study/monitor the situation.

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2. Finance

a. Follow-up from previous Board Meetings:

1. Proposed Rate Changes, Question & Answer Fact Sheet & Scheduling of Public Hearing

Mr. Huber advised all questions/answers on the fact sheet have been addressed except those highlighted in the handout, a copy of which is filed with the records of this meeting. Mr. Dean asked if the question/answer fact sheet is going to be presented to the public. Mr. Huber advised this was a "test" version and the finished version will be on the County website and would be easy to access and understand. Mr. Huber advised there will be links available to view tables that came out of the study and also comparisons to other communities. He further stated the major changes in the county's water system related to the Commerce Park Utilities project are in the Fairlawn area and that these changes are not for the sole benefit of the Commerce Park.

Mr. Dean inquired if the PSA handles all expenses including all Commerce Park expenses. Mr. Huber responded that different localities share Commerce Park expenses with the Commerce Park payments and annual debt payments by the PSA being proportional to benefits each gets from the project.

Dr. Warren stated the Commerce Park title leaves an impression to the public that is very misleading.

Mr. Crawford asked for an explanation of the benefits of Commerce Park to the county. Mr. Huber advised the Commerce Park project provides the PSA with a secondary source of water while providing Fairlawn with additional water.

Dr. Warren asked for a public hearing to be advertised on proposed rate increases and to call a special meeting of the PSA Board in sixty days.

Mr. Loyd inquired as to how much the average water bill will be affected. Mr. Linkous advised an average increase of \$5.23.

Mr. Huber advised some customers will see increases while others will see a decrease.

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By consensus, the Board scheduled October 1, 2012 at 7:00 p.m. as a public hearing date and to advertise the rate increase hearing, as appropriate, on consolidating the water, sewer and garbage rates.

2. Maps Showing Potential Growth

As noted in the Board packet, the county staff continues to work on revising the maps showing the potential areas for growth between Dublin and Pulaski, as well as changing the color of the lines on the spreadsheets.

3. Status of Irene Hicks' Account

Mr. Huber reviewed the account information on the Irene Hicks' account. No action was taken by the Board at this time.

4. Health Department Water Quality Planning Grants

Mr. Linkous reviewed information on the grant and advised the grant provides 100% of the cost of planning for water supply projects.

On a motion by Mr. Loyd, seconded by Ms. Burchett, the Board approved applying for the Health Department Water Quality Planning Grants as described in the Board packet.

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

Voting no: None

5. Savings from Negotiations with APCo

By consensus, the Board requested this matter be placed on the August agenda.

6. Draft Letter responding to Dublin Water Settlement Concerns

Mr. Huber described a request by the Town of Dublin for renegotiation of the water supply agreement between the Town of Dublin and the PSA.

Mr. Dean inquired as to the timeline for determining the rate. Mr. Huber advised the effective date depends on the budget.

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Mr. Dean advised a meeting was needed with the Town of Dublin to discuss the next step and Dr. Warren, Jared Linkous and Nancy Burchett were selected to serve on a committee to work with the Town of Dublin.

Mr. Huber advised that the Town of Dublin is having difficulty with the current agreement and that it may be best to set a fixed rate. He further explained costs are driven by volume and that a fixed rate would be based on projected cost and usage. Mr. Huber further stated the Town of Dublin was having difficulty in accounting for a large portion of the water they purchase but are still responsible for the cost of water passing through the master meters. Mr. Huber advised that a change in volume usage could result in an increase in the rates but this consideration should be a secondary matter. Mr. Huber advised the Town of Dublin has agreed to pay the settlement in December, with a new rate being effective July 1, 2012 through January 1, 2013.

Mr. Dean stated the article featured in the Southwest Times was embarrassing to the PSA and suggested a private meeting should have been held with the Town of Dublin prior to the media addressing the matter.

By consensus, the Board approved the sending of a letter to the Town of Dublin addressing the annual water settlement matter, with said letter to be signed by Chairman Warren.

7. Fluoride Infusion

This matter was previously discussed.

b. Review of Financial Report

Ms. Newby reviewed the financial report and explained the net loss of \$375,775 with \$669,000 taken out of reserves and that operations broke even had there been no capital improvements. Ms. Newby further stated the cash flow has been running steady for several months not counting the cost of equipment and improvements made to the system.

Mr. Dean also stated this loss needs to be explained to the public.

Staff noted the Refuse Department was profitable because of industries and not because of rates.

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On a motion by Dr. Warren, seconded by Mr. Loyd 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

c. Balance Due & Lien Reports

Mr. Loyd inquired as to the current balance.

Mr. Huber stated it was probably due to a timing issue but would discuss with Ms. Boyd and the matter will be reviewed further at the August meeting.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the following balance due and lien reports:

<b>Balance Due</b>	<b>4/3/2012</b>	<b>5/1/2012</b>	<b>6/1/2012</b>	<b>7/3/2012</b>
Current Balance	557,190.98	436,065.45	462,394.03	227,792.34
Over 30 Days	29,115.66	50,308.57	40,208.06	43,393.47
Over 60 Days	33,687.04	16,690.29	15,412.07	37,215.17
Over 90 Days	846,945.39	874,892.18	871,510.67	882,966.66
<b>Total</b>	<b>\$ 1,466,939.07</b>	<b>\$ 1,377,956.49</b>	<b>\$ 1,389,524.83</b>	<b>\$ 1,191,367.64</b>
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**

	<b>Garbage &amp; Water</b>	<b>Sewer Only</b>	<b>Garbage Only</b>	<b>Total</b>
<b>Residential</b>	39,083.68	51,743.45	591,766.08	\$ 682,593.21
<b>Commercial</b>	2,330.45		21,222.77	\$ 23,553.22
<b>Nonuser</b>	176,820.23 see break down below			\$ 176,820.23
<b>Total</b>		51,743.45	\$ 612,988.85	\$ 882,966.66

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

	<b>Inactive</b>	<b>Non User</b>	<b>Active</b>	<b>Total</b>
<b>Residential Water</b>	37,021.52	141,394.39	2,062.16	180,478.07
<b>Commercial Water</b>	2,330.45			2,330.45
<b>Residential Garbage</b>	50,631.56		541,134.52	591,766.08
<b>Commercial Garbage</b>	17,712.90		3,509.87	21,222.77
<b>Sewer</b>	5,849.59	35,425.84	45,893.86	87,169.29
<b>Total</b>	\$ 113,546.02	\$ 176,820.23	\$ 592,600.41	882,966.66

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

Voting no: None

d. Budget Adjustments

Mr. Loyd inquired as to the amount of the total adjustment. Ms. Newby responded the total adjustment is \$280,210 as necessary in order to balance the July 1, 2011 to June 30, 2012 budget year.

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

PSA FUND #14		
Account Number	Account Title	Amount Increase (Decrease)
<b>REVENUES:</b>		
500-015010-0100	Interest	\$ 5,800.00
500-016080-0100	Residential Refuse	2,900.00
500-016080-0900	Roll Off Container Refuse	19,510.00
	<b>TOTAL</b>	<b>\$ 28,210.00</b>
<b>EXPENDITURES:</b>		
500-042310-4603	Residential Refuse Central Garage Gasoline	\$ 3,000.00
500-042340-4603	Roll Off Refuse Central Garage Gasoline	15,500.00
500-042340-4602	Roll Off Refuse Central Garage Parts	3,500.00
500-045100-4100	PSA Administration Data Processing Charges	1,000.00
500-045200-6001	PSA Billing Office Supplies	5,000.00
500-095100-9162	VRA Revenue Bond 2004	210.00
	<b>TOTAL</b>	<b>\$ 28,210.00</b>

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

Voting no: None

e. Billing Adjustments

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved billing adjustments for June totaling a net credit of \$628.52.

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

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 numbered 8007322 through 8007460, subject to audit.

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

Voting no: None

3. Operations

a. Minutes of Previous Meeting

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved the June 12, 2012 Board minutes.

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

Voting no: None

b. Inmate Availability Report

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

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c. Drop Site Total & County Landfill Tonnage Reports

Mr. Nichols reported the large increase at all drop sites due to the recent storm. He further stated roadside debris pickups are being done as the schedule allows.

Mr. Crawford inquired as to any county property damage due to the recent storms.

Mr. Nichols stated there was little damage to county property resulting from the recent wind storm event. In response to a prior inquiry from Mr. Crawford, Mr. Nichols was asked to take a look at the County property across from the NRV Business Center where trees were downed.

d. Personnel Changes

The Board members reviewed a listing of recent personnel changes.

e. Commerce Park Utility Project Amendment to Contract

Staff reported the proposed amendment involved an increase of \$22,000 in engineering costs to be funded from contingency with the increase due to the number of contracts and delays in Contract 1. Mr. Linkous stated the contract closed out July 9, 2012 and advised no penalties were imposed.

Mr. Dean inquired as to who oversees contractors if they go over costs. Mr. Dean suggested when funds are paid out, this needs to be justified.

Mr. Linkous advised inspections are monitored by county staff and a contractor can claim reasonable delays due to weather, etc. Mr. Linkous further stated there had been some discussion with Draper-Aden. The project however has contingency funds left over and overall the project progressed fairly smoothly.

On a motion by Dr. Warren, seconded by Mr. Loyd and carried, the Board approved the Commerce Park Utility Project Amendment to Contract, 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

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f. Commerce Park/Radford Water System Valve Turning Ceremony

The Board agreed to meet at the old K-Mart shopping center at 8:05 a.m. to travel to the valve turning ceremony on July 24<sup>th</sup>. Dr. Warren suggested having a PSA banner for display at the event.

g. Landfill Billing Rates

This matter was tabled to the August meeting.

h. Radford University Request for Waste Haulers

As reported in the Board packet, Radford University has requested the assistance of the PSA in transporting roll-off containers from the University to the NRRRA landfill should the RU roll-off truck have a breakdown or need repair. The University has a volume of two to three containers per day which is within the capability of the PSA operations.

Mr. Loyd inquired as to increasing the rates for Radford University.

Mr. Huber reviewed the chart and explained the charges. He further stated that overall rates may need to be reviewed.

On a motion by Mr. Dean, seconded by Mr. Loyd, the Board approved Radford University's request for waste haulers.

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

Voting no: None

i. Recycling Containers

Mr. Nichols requested authorization to bid the purchase of nine recycling containers for (paper, plastic/glass, and cardboard) for each of the three drop sites at an approximate cost of \$50,000 as the first step in upgrading the large item drop-off/recycling centers. This would also add cardboard recycling to services currently offered by the PSA. Funding for this purchase would be provided by the NRRRA from unused funds set aside for the closing of the Ingles Mountain landfill.

Mr. Loyd stated this would be the first step in upgrading the drop sites and asked if the containers could be moved from drop site to drop site. He also inquired if any money was to be made on these containers. Mr. Loyd inquired as to signage on the containers and to the life span of the containers. He further inquired if the PSA would be hauling loose

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cardboard or bailed cardboard. Mr. Nichols responded only loose cardboard would be hauled.

Mr. Dean inquired as to how the need for nine containers was determined. Mr. Nichols responded six were for replacement of old containers and one each would be placed at the three drop sites. He further stated they could be moved from site to site. He also discussed the height and size of the containers and indicated they would be easily assessable to the citizens. Mr. Huber stated this would be an improvement for the citizens of the county and no money would be made; however, the county would benefit by having less loads being taken into the landfill with more loads being recycled. Staff reported the recycling loads will be taken to the Montgomery County Recycling Center. Mr. Nichols advised Pulaski County does not make money on recycling.

On a motion by Mr. Dean, seconded by Mr. Loyd, the Board approved the purchase of nine recycling containers.

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

Voting no: None

j. Echo-Smart Request for Containers

As reported in the Board packet, Echo-Smart is requesting assistance of the PSA in renting recycling containers and also transporting cardboard recycling containers from their customers to the Echo-Smart facility in Pulaski. These containers would be the existing recycling containers to be replaced as described in Item 3i (above) with the used containers being rented at a standard rate of \$80.00 per month. The PSA currently has four spare covered containers in addition to the six to be replaced at the drop sites.

Mr. Dean inquired if this allowed for competition to take advantage of the operations of the PSA and if the PSA can offer this service.

By consensus, the Board agreed to take no action on this matter.

k. Storm Debris

Mr. Huber summarized the activities of the drop sites reporting the hours of the centers were changed to open at 1:00 p.m. to 6:00 p.m. on Sunday and 8:00 a.m. to 7:00 p.m. Tuesday through Saturday, noting the change was implemented in response to the declared emergency. Mr. Huber stated there is a possibility the PSA could receive reimbursement of

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an estimated cost of \$3,284.82 for these extended hours. The PSA staff is also providing free curb-size pickup for trees and brush only.

I. Billing Procedure Revision

Mr. Huber summarized the revised billing procedure which has been in place for approximately six months without significant reduction in cut-off notices.

Mr. Linkous explained the change being made to cut-off notices which allows customers an additional 30 days to pay overdue bills before service was terminated with two phone calls and a second bill serving as notice.

On a motion by Mr. Dean, seconded by Ms. Burchett, the Board approved billing modifications with a review by the Board in six months.

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

Voting no: None

4. Informational Items

Mr. Huber advised of a recent sewer spill at Hidden Valley into Claytor Lake was due to a blocked line and operator error. Mr. Huber advised staff is working to modify procedures to prevent a reoccurrence.

Mr. Huber advised turning on the valve for the City of Radford will reverse the water flow from Dublin to Fairlawn and noted the PSA will need to flush lines, preferably at night. He also advised there will likely be some dirty water complaints from Bagging Plant Road on Old Route 11 to Camp #1 at Morgan's Cut. Mr. Huber noted that as of July 24, 2012, the PSA will be pulling water from Radford.

Mr. Loyd inquired if there would be any safety hazards or issues with stir up of debris in the water. Mr. Linkous responded that some sediment in the water lines was normal.

5. Other Matters

Mr. Loyd inquired as to the status of the new signage on the PSA vehicles.

Mr. Nichols advised the signage has been received and will be placed on the trucks in the near future.

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Mr. Loyd questioned the status of additional information from the Town of Pulaski regarding Dora Highway Chemical Plant noting staff was requested to go through documentation. The staff agreed to place this matter on a future agenda.

6. Adjournment

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board adjourned its regular July meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, August 14, 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.

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Doug Warren, Chairman

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Hollis Loyd, Secretary/Treasurer