

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 11, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, September 11, 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; Hollis Loyd, Secretary/Treasurer; Nancy Burchett; Pete Crawford; and Dave Dean.

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 welcomed those in attendance. Dr. Warren also described the new agenda format, noting the goal of the new format was to make the best use of the Board, staff and citizens' time.

Mr. Huber apologized for omitting the "Citizens Comment" from the overall agenda and suggested the PSA Board hear comments from citizens prior to the public hearing.

Dr. Warren opened the floor for any citizen comments.

Citizen Comments

Ms. Brenda Blackburn advised she had been contacted by some PSA employees and citizens expressing concern over the difficulty in attending PSA Board meetings due to the monthly meetings being held during the day. Ms. Blackburn requested Board members move the PSA meetings to evening meetings.

Ms. Blackburn was requested to provide names and phone numbers to county staff of individuals interested in attending night meetings.

Ms. Blackburn advised she had seen where the new decals for PSA-owned vehicles had been placed on most vehicles; however, Ms. Blackburn expressed concern over several vehicles continuing to not have the decals in place, as well as employees continuing to use vehicles for personal use. Mr. Huber advised there had been a shortage of decals and that there had been some emergency situations where employees had PSA vehicles out on calls and therefore the timing for placement of the decals on the vehicles had been limited. Mr. Huber advised that as of September 10, 2012, all PSA vehicles had decals in place except for old garbage trucks. Mr. Huber also advised decals had also been placed on vehicles owned by the Board of Supervisors. Mr. Loyd questioned if the PSA compactors also have decals placed on the trucks. Mr. Huber advised staff could arrange to have the decals placed on compactors at the drop sites.

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Mr. Huber distributed the vehicle use policy and described potential situations where flexibility could be provided to employees, including transporting children to school during unusual circumstances. He also advised employees are allowed to make personal stops while using a PSA or County vehicle.

Ms. Blackburn expressed concern that employees were allowed to transport other employees to and from work as the sole means of transportation for said employees. Mr. Huber noted his support for assisting employees and described other situations where employees are provided transportation such as inclement weather or vehicle problems. Dr. Warren advised there are county policies in place to address vehicle usage and requested Ms. Blackburn relay her concerns to county staff, along with specific dates, times, and names in an effort to obtain as much information as possible to allow for addressing the matter.

Mr. Al Davis expressed concern over the provision of a county vehicle to an employee upon their retirement. Dr. Warren advised the employee he assumed Mr. Davis was referring to was a county employee and not a PSA employee and therefore, was not a PSA matter.

1. Public Hearing – Budget Amendment

Ms. Newby provided details regarding the proposed budget amendment, specifically citing Section 15.2-2507 of the Code of Virginia which requires a public hearing be held on any budget adjustments totaling over 1% of the original budget. Ms. Newby advised the adjustments are done annually when such budget adjustments are needed.

Dr. Warren opened the public hearing. There were no citizen comments and the hearing was closed.

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

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<u>PSA FUND:</u>	
<u>REVENUES:</u>	
<u>Transfers:</u>	
Transfer from Reserves	\$ 516,103
Total Transfers	<u>\$ 516,103</u>
<u>Revenue from Federal Government:</u>	
EDA Funding	\$ 63,295
Rural Development Funding	809,640
Total Revenues from the Federal Government	<u>\$ 872,935</u>
TOTAL REVENUES	<u>\$ 1,389,038</u>
<u>EXPENDITURES:</u>	
Commerce Park Water Project	\$ 827,696.00
Drop Center Improvements	3,250.00
Rt. 100 Waterline Replacement	45,395.00
Morris Farm Road Waterline Replacement	21,000.00
Church Street Waterline Replacement	15,000.00
Joyce Way Waterline Replacement	20,000.00
Hubbard Way Waterline Replacement	28,353
Fairview Court Waterline Replacement	12,000
Water Treatment Plant Improvements	181,728
Water Tank Painting	200,000
Telemetry Equipment	10,130
Sewer Dept Vehicle	10,986
Water Meters	13,500
TOTAL EXPENDITURES	<u>\$ 1,389,038</u>

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

Voting no: none.

2. Follow-up Items

a. Maps showing Potential Growth

Mr. Linkous presented two maps for the PSA water and sewer systems, with said maps detailing existing water tanks, water lines, sewer lines and future development areas.

Board members discussed in detail priorities for future development including the Route 99/I-81 corridor, as the top priority, as well as Rt. 11 as the second priority.

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Mr. Linkous advised the Skyview Project Preliminary Engineering Report (PER) had been put on hold, pending determination as to how the project will be funded.

Mr. Linkous suggested a meeting with each PSA Board member on an individual basis to allow for Board members to provide staff with specific areas of interest for potential projects. Mr. Linkous advised the next step would be to compile one large map to include the potential development areas, followed by the PSA Board approving a ranking criteria.

Mr. Dean presented a motion to accept staff's recommendation to approve the current maps, with the opportunity to further review the maps individually by PSA Board members.

Mr. Loyd inquired as to how the maps prepared by staff compared to Comprehensive Plan maps developed by the Planning Commission. Mr. Linkous responded the highlighted areas on the maps were taken from the Comprehensive Plan.

Board members discussed projects that were not included on the maps including the Skyview Subdivision project, the Fairgrounds and some areas around the Fair Acres Subdivision.

Mr. Loyd provided a second to Mr. Dean's motion, which approved accepting the maps, as presented, with flexibility to change the maps following individual meetings between PSA Board members and the county engineer.

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

Voting no: None.

Staff was requested to arrange for individual meetings between the county engineer and PSA Board members.

b. Savings from Negotiations with APCo

Mr. Huber reported having previously asked APCo for a calculation of the savings from those involved with the negotiations. Mr. Huber advised this matter would be placed on the October PSA agenda.

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c. Status of Town of Dublin's Acceptance of Water Settlement

Mr. Huber reported the Town of Dublin's plans to wait until July 2013 prior to converting to a fixed rate fee, citing concerns that reducing water losses will result in sufficient savings to pay for the increased cost of higher per 1,000 gallon cost, as well as the remaining cost.

Mr. Dean requested the decision by the Town be put in written form. Mr. Huber advised he had received an e-mail from the Town detailing the Town's plans.

Mr. Crawford inquired regarding the adjustment owed by the Town of Dublin to the PSA. Ms. Newby advised the Town of Dublin had until the end of December 2012 to make payment.

d. Fluoride Addition Update

Mr. Huber reported staff recommended continuing the current practice of adding fluoride to the drinking water system with a target final concentration of 0.7 mg/L.

Board members inquired regarding the current fluoride levels, Environmental Protection Agency standards, risks associated with fluoride infusion in the overall water system and inquired regarding Health Department standards for fluoride inclusion.

Mr. Loyd made a motion which would approve allowing the PSA to operate on the chemical levels of drinking water per the Health Department standards. Mr. Crawford requested the adding of the word "minimum" to the motion. Mr. Loyd indicated the PSA should follow Virginia Department of Health regulations.

Mr. Linkous advised the staff recommendation regarding the fluoride levels was at the Health Department target level and that the intent of the staff recommendation was to address the specific issue as it relates to fluoride inclusion. Mr. Loyd's motion did not receive a second.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved following Health Department standards, except for fluoride inclusion which will operate under the minimum standards of the Virginia Department of Health.

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

Voting no: None.

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e. Dora Highway Drop Center

Mr. Huber reported continued efforts to work on cost estimates which are still being developed. Staff was directed to continue to work to evaluate sites and proceed with cost estimates, with a report provided at a future meeting.

f. Office Location

Mr. Huber described a recent tour by the PSA Board of the Rt. 100 REMSI facilities, with a recommendation to also consider the old REMSI facility located on Rt. 11 in Dublin.

Mr. Loyd inquired as to the properties owned by the county. Mr. Huber described the properties owned by the county.

Mr. Loyd expressed concern over the Rt. 100 site, suggesting the building may not be large enough to house both the REMSI and PSA staff. Mr. Loyd also expressed concern over the lack of room for potential expansion of the facility.

By consensus, Board members expressed concern over the lack of parking at the Rt. 11 site.

Mr. Huber advised the old Dublin Primary facility would cost between \$30,000 and \$40,000 to renovate.

Mr. Loyd suggested consideration to finding available land and building a new facility. Mr. Dean expressed concern over the costs associated with building a new facility.

Staff was requested to continue to review options and provide updates as options are determined.

3. Action Items

a. Red Carpet Inn

Mr. Linkous and Mr. Huber provided an update regarding areas of potential expansion of water and sewer and noted the extension to serve the Rt. 99/I-81 interchange would be supported by a financial contribution by Mr. Patel, owner of the Red Carpet Inn property.

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Mr. Dean inquired as to the timing associated with Mr. Patel's request. Mr. Huber advised the request by Mr. Patel was fairly urgent. Mr. Linkous advised that Mr. Patel was requesting a commitment by the PSA to extend sewer service as soon as possible.

Board members discussed funding options and the potential for Red Carpet owners to reconsider the request due to the timeframe for extension of sewer service by the PSA.

Mr. Dean requested staff discuss the options with Mr. Patel, as well as provide Mr. Patel with the timeframe associated with seeking funds for sewer extension services.

Mr. Dean suggested inviting Mr. Patel to the October meeting to discuss the matter.

Dr. Warren inquired if the Board of Supervisors would consider assisting with funding of the sewer extension, based on the future development in the area, as well as potential tax revenues. Mr. Huber advised the matter would need to be taken before the Board of Supervisors; however, any benefit of tax revenues by the PSA would be through an appropriation to the PSA by the county.

Mr. Dean questioned the potential for the owner to reject the PSA offer and should sewer service be extended in the future, if the owner would be required to connect to the system.

Mr. Huber described the current PSA mandatory connection policy.

By consensus, the PSA Board approved presenting options to the Board of Supervisor. Further staff was directed to discuss options with Mr. Patel to determine a timeframe, specifically if Mr. Patel is willing to wait two years for sewer service, as well as to determine owner investment. Staff advised a report would be provided at the October meeting.

b. Electronic Packages

Mr. Huber described consideration by the School Board to the implementation of electronic board packets through iPad devices and inquired as to any interest in a similar approach by the PSA Board. Mr. Huber also described the advantages could include quicker delivery of agenda materials, improved electronic accessibility to agendas and packet information by the general public, and reduced copying costs.

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Mr. Crawford requested staff obtain one iPad for PSA to use on a trial basis.

c. Term of Chairman

Mr. Huber advised that Dr. Warren had voiced concern that the PSA may be overdue for an election of a Chairman.

Mr. Huber provided a history of Dr. Warren's service on the PSA noting Dr. Warren was appointed by the Board of Supervisors to the PSA Board on May 19, 2003, with Dr. Warren having served as Acting Chairman at the December 8, 2009 meeting (in Maynard Sayer's absence). Dr. Warren was elected chairman on January 12, 2010 (following Maynard Sayer's resignation). Mr. Huber advised a term was not designated at the time of the election and the PSA does not have bylaws that address term related matters. Mr. Huber also advised the typical election term has been four years.

Dr. Warren described his desire to make sure that all Board members are provided an opportunity to speak at the meetings with the business of the meetings to be done in an orderly manner.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved setting a four-year term for all officers, including the Chairman, with election to be done on a fiscal year basis (July 1).

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

Voting no: None.

Increase in Fee to PSA Board

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved raising the fees provided the PSA Chairman by \$50 per month, effective immediately and subject to staff confirmation of the legal ability of the PSA Board to do so.

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

Voting no: None.

Abstaining: Dr. Warren.

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Staff was requested to compare the fees paid to other boards including the Board of Supervisors, Board of Zoning Appeals, Planning Commission, Industrial Development Authority and Social Services Board and provide an update at a future meeting.

d. WTP Sludge De-watering

Mr. Linkous explained the staff recommendation for the purchasing of a de-watering container and switching to on-site de-watering and transfer of water treatment plant sludge to the NRRRA in lieu of land application. Board members questioned the frequency for the emptying of containers. Mr. Linkous advised once started, the containers are emptied once per year. Mr. Linkous also described the pumping process for sedimentation basins. Mr. Linkous advised the current approved budget included funds for the purchase of the container.

4. Consent Items

On a motion by Mr. Loyd, seconded by Ms. Burchett, the Board approved the following Items of Consent, as noted:

a. Minutes of Previous Meetings

The Board approved the minutes of the August 14, 2012 meeting.

b. Balance Due & Lien Reports

Mr. Crawford expressed concern over the 90 days report and inquired regarding the dollar amounts in the report. Ms. Newby and Mr. Huber clarified the overall figures in the report.

Dr. Warren inquired regarding the status of the private recycling operations, noting receipt of a letter advising of discontinuance of service. Mr. Huber advised he was not aware of status of recycling operations.

Mr. Dean suggested consideration to the Board allowing Mr. Loyd to make motions at future meetings related to the approval of the financial reports. Dr. Warren suggested consideration to the appointment of a subcommittee to review financial issues, allowing for review and concurrence of overall reports. The Board approved the following balance due and lien reports:

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Balance Due	6/1/2012	7/3/2012	8/2/2012	9/5/2012
Current Balance	462,394.03	227,792.34	487,871.10	511,108.43
Over 30 Days	40,208.06	43,393.47	61,025.20	23,052.47
Over 60 Days	15,412.07	37,215.17	34,706.18	44,035.49
Over 90 Days	871,510.67	882,966.66	911,370.57	940,980.49
Total	\$ 1,389,524.83	\$ 1,191,367.64	\$ 1,494,973.05	\$ 1,519,176.88
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	43,227.55	57,669.01	628,008.07	\$ 728,904.63
Commercial	2,395.55		29,482.26	\$ 31,877.81
Nonuser	180,198.05	see break below	down	\$ 180,198.05
Total	\$ 225,821.18	57,669.01	\$ 657,490.33	\$ 940,980.49

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

	Inactive	Non User	Active	Total
Residential Water	39,270.30	144,081.30	3,957.25	187,308.85
Commercial Water	2,395.55		-	2,395.55
Residential Garbage	53,314.51		574,693.56	628,008.07
Commercial Garbage	19,062.41		10,419.85	29,482.26
Sewer	5,880.76	36,116.75	51,788.25	93,785.76
Total	\$ 119,923.53	\$ 180,198.05	\$ 640,858.91	940,980.49

c. Budget Adjustments

The Board approved the following budget adjustments:

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PSA FUND #2		
Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-032020-0300	EDA Commerce Park Funds	\$ 63,295.00
500-032020-0310	Rural Development Commerce Park Funds	809,640.00
500-041050-0100	Use of Reserve Funds	516,103.00
	TOTAL	\$ 1,389,038.00
EXPENDITURES:		
500-094100-8235	Drop Center Improvements	\$ 3,250.00
500-094100-8245	Commerce Park Water Project	827,696.00
500-094100-8246	Rt. 100 Waterline Replacement	45,395.00
500-094100-8247	Morris Farm Road Waterline Replacement	21,000.00
500-094100-8249	Church Street Waterline Replacement	15,000.00
500-094100-8250	Joyce Way Waterline Replacement	20,000.00
500-094100-8261	Hubbard Way Waterline Replacement	28,353.00
500-094100-8262	Fairview Court Waterline Replacement	12,000.00
500-094100-8112-000	Water Treatment Plant Improvements	181,728.00
500-094100-8115-000	Water Tank Painting	200,000.00
500-094100-8265	Telemetry Equipment	10,130.00
500-94100-8105-007	Sewer Department Vehicle	10,986.00
500-046100-6007	Water Meters	13,500.00
	TOTAL	\$ 1,389,038.00

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$2032.34.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8007639 through 8007747, subject to audit.

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

Voting no: None.

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5. Staff Reports

a. Financial Reports

Mr. Crawford inquired regarding the high administrative costs for the last two months. Ms. Newby advised the costs were due to the one time payment of VACo insurances.

Mr. Loyd inquired regarding the expenditures in the drop center, roll off containers, direct landfill and administrative costs. Ms. Newby advised the costs were partially due to VACo insurance payments and that costs typically level out as the year progresses.

The Board approved the financial reports, copies of which are filed with the records of this meeting.

Mr. Crawford inquired regarding any restrictions on investments of funds, specifically if CD's are required. Ms. Newby advised the Treasurer reviews various investment options when needed. Mr. Crawford suggested review of short-term bonds. Ms. Newby advised the Treasurer had found that savings is the best method of investment at this time.

b. Inmate Availability Report

Staff reported the use of one inmate per month during the month of August.

c. Drop Site Total & County Landfill Tonnage Reports

Board members reviewed the following reports which were included in the Board packet:

Drop Site Total
For the Month of August 2012

Site	Trips	Tons	Tons per haul
Dora Highway	27	60.90	2.25
Dublin	34	120.52	3.54
Fairlawn	8	43.85	5.48
Totals	69	225.27	3.26

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County Landfill Tonnage
(County customers & Refuse Department Haulers
for the Month of August 2012)

Commercial	Residential	Tires	Brush
3481.30	1151.42	318	3.80

d. Personnel Changes

The Board reviewed a listing of personnel changes as prepared by Norma Spence.

e. Cut off List Update

As included in the Board packet, staff reported the water/sewer cut off list for this month resulted in only 31 cut-offs which is a significant reduction from the 86 monthly average cut-offs as a result of extending allowed payment times to 60 days rather than 30 days prior to cutting off water service.

f. PSA Deposit

As included in the Board packet, staff reported PSA billing staff had taken a deposit to StellarOne bank several weeks ago and was informed that she had a counterfeit \$50 bill in the deposit. It was also reported that the \$50 bill passed the marker test, but the individual taking the deposit at the bank was positive it was counterfeit. Staff also advised the bank shorted out the deposit for the day and sent the money to the FBI for investigation.

6. Current Authorized Projects

a. Action Items:

- Skyview/NRV Fairgrounds sewer funding
- Construction of Commerce Park Utility project
- Drop Center for the south side of Claytor Lake
- Evaluation of "radio read" water meter option

Mr. Linkous described the coordination efforts with Rural Development in putting together bid specifications, noting Rural Development had indicated this was an eligible expense.

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b. Pending Items:

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

7. Other Matters

Mr. Huber described water pressure issues related to the connection to Radford.

Mr. Linkous also described recent issues related to high pressures in the Fairlawn area, some damage to a few commercial businesses, as well as leaks in distribution lines. Mr. Linkous advised the pressure reducing valves had been modified. Mr. Huber commended Mr. Linkous, Mr. Spangler and the PSA water crew for updated documentation allowing for a quicker response to the leaks.

Mr. Loyd inquired if letters had been sent to the residents in the Fairlawn area in follow-up to concerns expressed at the August meeting related to the PSA trash truck's inability to travel the alleyway at the Fairlawn Avenue/Pepper's Ferry Boulevard alley. Mr. Loyd requested letters be sent to the residents along the alleyway describing the matter.

Mr. Dean inquired regarding the status of the Lakewood Estates emergency response plan. Mr. Huber advised this matter needed to be addressed by staff.

Mr. Loyd inquired as to status of Skyview and Fairgrounds project. Mr. Linkous described the PSA application for CDBG grant funding with the application being number 8 out of 12, with potential eligibility for funding in early 2013. Mr. Linkous advised the PSA may need to reapply, if eligibility for funding is not granted.

Mr. Loyd inquired as to the costs for the project. Mr. Linkous advised the costs was expected to be just under \$500,000. Mr. Linkous advised the first part of the work was completed February 1, 2012.

Dr. Warren requested a summary of protocol for the October 1, 2012 public hearing on the rate increase. Mr. Huber described the meeting would be called to order by the Chairman, staff to provide presentation on rate increase, open the public hearing, call for citizen comments and close the hearing.

Mr. Huber advised staff would need to determine if there is required time period the PSA Board must wait between public hearing and adopting rates. Mr. Huber noted the PSA Board cannot increase rates above those advertised;

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however, the rates can be lowered from that advertised and suggested waiting to the regular October PSA meeting to take action.

Mr. Huber advised he would be out of town for the October 9, 2012 PSA meeting; however, Mr. Hiss and Mr. Linkous would staff the meeting.

Staff was requested to call the PSA Board members and remind board members of the October 1, 2012 rate increase public hearing.

8. Adjournment

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board adjourned its regular September meeting. The next meeting of the PSA Board is scheduled for Monday, October 1, 2012 at 7:00 p.m. at which a public hearing will be held to consider a rate increase. The next regular meeting of the PSA Board will be held on Tuesday, October 9, 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