

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, November 13, 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; David Dean; Hollis Loyd, Secretary/Treasurer; and Nancy Burchett.

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; Ronnie Nichols, Director of Operations, Transportation and Maintenance; and Gena Hanks, Executive Secretary.

Dr. Warren called on any comments from Board members. There were no comments at this time.

Dr. Warren advised the agenda would need to be modified to include a "Closed Session". Dr. Warren also advised a copy of the October 9, 2012 PSA Board minutes had been mailed separately to Board members due to the minutes not being included in the Board packet.

Mr. Huber advised additional agenda items include the following:

- Closed Session
- Request for Change in waterline along Thornspring Road to assist Home for Our Troops efforts to build house for disabled veteran
- Adoption of Banking Resolution

1. Citizen Comments

Mr. Garland Campbell presented a copy of a prepared statement related to the fluoride issue. Mr. Dean confirmed previous PSA Board action to not remove fluoride from the overall PSA water system, following surveys to the local medical community.

Mr. Campbell suggested the medical community would likely not recommend removing fluoride from water, regardless of the potential hazards from fluoride inclusion in water systems. Mr. Campbell continued to express concerns over the inclusion of fluoride in water due to toxins and environmental poisoning. A copy of Mr. Campbell's statement is filed with the records of this meeting.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

Closed Session – Legal Matters – 2.2-3711(A)1

On a motion by Mr. Crawford, seconded by Mr. Loyd and carried, that the Public Service Authority Board of Directors enter into 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:

- Drop Site Personnel
- Compensation

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

Voting no: None.

Return to Regular Session

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, that the Board return to regular session.

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

Voting no: None.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Crawford, seconded by Mr. Loyd 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:

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

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

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 Public Service Authority.

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

Voting no: None.

2. Follow-up Items

a. Lonnie Hancock Account

Staff reported the committee appointed by the PSA Board had determined that Mr. Hancock's landfill account should be adjusted out since he had paid a total of \$1,960 since 2003.

b. Pulaski-Dublin-Radford (PDR) Funds

Staff provided an update on the history of the Pulaski-Dublin-Radford (PDR) contribution of funds, as part of the tipping fees, and which funds are to be utilized for post closure care of the Ingles Mountain Landfill. Staff further reported that Ms. Burchett's research had determined funds were PSA funds.

Staff recommended allocating \$337,000 from PDR money to improving PSA facilities at the County Garage property.

Board members inquired regarding the specific improvements planned for the facilities, including improvements to the PSA drop center, as well as the relocation of existing PSA buildings. Board members also inquired regarding the timeline for project. Mr. Linkous advised the overall process would likely take 60-90 days, with taking the project to bid in the spring of 2013.

Ms. Burchett expressed a desire to see the project move forward, noting the improvements would be a benefit to county residents.

Mr. Huber advised the goal was to make the drop centers as accessible as possible.

Mr. Loyd expressed concern that the Board was being asked to approve funds without specific details on how the money will be spent. Mr. Linkous advised before staff can proceed with seeking a design, funds

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

would have to be committed to the project. Mr. Linkous also described in detail the various phases of the project.

Mr. Huber advised it was staff intention to use as much "in-house" staff as possible on the project and explained the need to have a firm commitment by the PSA Board before proceeding with the improvements.

Mr. Loyd inquired regarding potential use of money to upgrade the Dora Highway site. Mr. Huber explained initial plans were to have the Town of Pulaski to put up monies for the Dora Highway site and suggested upgrading the Dublin site first and then to the Dora Highway site.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved allocating the remaining \$337,000 from PDR money to improving the PSA facilities at the Pulaski County Garage.

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

Voting no: None.

c. High Water Pressure Update

Staff reported residents along Old. Rt. 100 and Newbern Road had been complaining regarding high water pressure. Staff also advised that previously the PSA Board had decided that individual pressure reducing valves were the responsibility of the homeowner. Mr. Linkous advised of additional complaints from property owners; however, no recommendation was made by staff.

Mr. Loyd inquired regarding the location of the pipes in question. Mr. Linkous advised the pipes were basically a "spur" off of the main line and there was a tremendous amount of similar galvanized pipes in the ground. Mr. Linkous advised PSA staff choose to repair the pipes that are considered worse off than others and causing the most difficulties.

The Board took no action on this matter.

d. Volvo Water Meter Replacement

Staff reported on the replacement of failing water meter and valves at Volvo at a total cost of \$5,527.15. Mr. Dean indicated this was a necessary expense.

By consensus, the Board approved this expense.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

3. Action Items

a. Opossum Hollow Pump Station Bypass

Staff described a recommendation to allocate \$2,606.54 to purchase equipment necessary to modify existing valve to prevent dangerous water hammer conditions during power outages.

Board members questioned the need to review all pump stations for preventative maintenance, and the need to allocate more funds to allow for improvements to all stations.

Mr. Loyd inquired as to any changes to the system in the last few years which may be contributing to the need for modifying existing valve. Mr. Linkous advised there had been no changes, but issues were likely a timing issue. Mr. Linkous advised there was less concern with the other pump stations; however, staff could evaluate the system.

On a motion by Mr. Loyd, seconded by Mr. Dean and carried, the Board approved allocating \$2,605.54 to purchase necessary equipment to modify existing valve.

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

Voting no: None.

b. Sewer Odor at Cooks Crossing

Staff described a recommendation to allocate \$10,000 to purchase equipment necessary to treat potential odor causing conditions at the Lee Highway sewer lift station. Staff suggested the PSA had a small probability of being responsible for the odor causing conditions; however, the purchase of equipment would allow for the total elimination of the PSA from causing the odor.

Board members inquired regarding the specific equipment to be purchased. Staff advised the funds would allow for purchasing tank and chemicals.

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved allocating the funds to purchase equipment necessary to treat potential odor causing conditions at the Lee Highway sewer lift station, with the potential to spend up to \$1,000 more to allow for some screening/fencing around the pump station.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

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

Voting no: None.

c. Parrott Pump Station Electrical Improvements

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved allocating an additional \$1,606.50 to the previously approved budget of \$10,000 to improve the Parrott Pump station electrical issues.

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

Voting no: None.

d. PRV Repairs

Staff described a recommendation to allocate \$15,489.21 to pay the invoice received for parts used to repair pressure reducing and surge relief valves between September 18, 2012 and September 21, 2012.

Board members inquired if the repairs solved the problem described by staff. Mr. Linkous responded the issue had been resolved.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board approved staff recommendation to allocate \$15,489.21 to pay the invoice received for parts used to repair pressure reducing and surge relief valves between September 18, 2012 and September 21, 2012.

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

Voting no: None.

e. Airport and Industrial Park Water Tank Quality

Mr. Linkous reported a recent inspection of all tanks within the system indicated low turnover rates at the Airport and industrial park tanks, with the immediate response to drain and refill tanks. He advised a long term solution is needed to maintain the turnover in tanks.

Mr. Dean questioned the need to have an outside firm to address the matter, rather than PSA staff. Mr. Linkous described the issue in depth.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

Board members inquired regarding the size of the tanks, the potential for staff to address the problem, how long the problem had existed and the overall scope of the problem. Mr. Linkous advised the work would be a large project which would likely consume a large part of time by staff, and therefore, staff assuming the project would be an administrative decision as to prioritizing workloads.

On a motion by Mr. Crawford, seconded by Ms. Burchett and carried, the Board approved allocating \$16,000 for the proposed engineering services to allow for the water Storage Tank Water Quality Study to be conducted by Draper Aden Associates.

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

Voting no: None

f. Waiver of \$5 PSA Disposal Fee

Staff clarified the waiver of fee is \$5.00 and described a recommendation to reimburse the \$5 PSA fee charged to the County of Pulaski and Town of Pulaski.

Board members inquired regarding the procedures by PSA customers and non-customers for the disposing of debris due to cleanups/demolitions, the method for placing a lien on property and the hauling procedures.

Board members expressed concern over the potential burden on administrative staff for requesting refunds. Mr. Huber advised there would not be a change in the administrative procedures by PSA billing staff.

Mr. Loyd inquired as to the frequency of reimbursements, with Mr. Huber responding approximately ten times per year.

On a motion by Mr. Loyd, seconded by Mr. Crawford and carried, the Board approved waiving the \$5.00 disposal fee.

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

Voting no: None

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

g. Water Treatment Plant Energy Efficiency Improvements

Mr. Linkous advised the final projected costs had not been received for the improvements; however, he anticipated the cost to be between \$5,000 and \$10,000. Mr. Linkous requested authorization to spend up to \$5,000 to allow for work to begin. Mr. Huber recommended placing a cap of \$7,000 allowing for the project to proceed.

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board authorized an expenditure up to \$7,000 to allow for the water treatment plant energy efficiency improvements.

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

Voting no: None

4. Consent Items

On a motion by Ms. Burchett, seconded by Mr. Loyd and carried, the Board approved the following Items of Consent, as noted, as well as held discussion regarding several items of consent matters:

Voting yes: Mr. Crawford, Mr. Dean, Dr. Warren, Mr. Loyd, Ms. Burchett.
Voting no: None.

a. Minutes of Previous Meetings

The Board approved the minutes of the October 1 and October 9, 2012 PSA Board meetings.

Mr. Loyd inquired regarding the status of the over 90 day report requested at a previous meeting. Mr. Huber advised an updated report could be provided at the January 2013 meeting.

b. Balance Due & Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	8/2/2012	9/5/2012	10/1/2012	11/1/2012
Current Balance	487,871.10	511,108.43	755,737.81	505,062.48
Over 30 Days	61,025.20	23,052.47	41,999.21	63,617.61
Over 60 Days	34,706.18	44,035.49	18,533.03	15,362.77
Over 90 Days	911,370.57	940,980.49	979,652.38	982,669.33
Total	\$ 1,494,973.05	\$ 1,519,176.88	\$ 1,795,922.43	\$ 1,566,712.19
Liens Filed				\$ 387,847.81

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
November 13, 2012

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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	45,915.81	61,710.53	657,217.18	\$ 764,843.52
Commercial	2,449.66		32,059.98	\$ 34,509.64
Nonuser	183,316.17 see break down below			\$ 183,316.17
Total	\$ 231,681.64	61,710.53	\$ 689,277.16	\$ 982,669.33

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

	Inactive	Non User	Active	Total
Residential Water	41,655.56	146,496.11	4,260.25	192,411.92
Commercial Water	2,442.46		7.20	2,449.66
Residential Garbage	53,531.44		603,685.74	657,217.18
Commercial Garbage	27,474.42		4,585.56	32,059.98
Sewer	6,000.66	36,820.06	55,709.87	98,530.59
Total	\$ 131,104.54	\$ 183,316.17	\$ 668,248.62	982,669.33

c. Budget Adjustments

The Board approved the following budget adjustment:

PSA FUND #5			
Account Number	Account Title		Amount Increase (Decrease)
REVENUES:			
		TOTAL	
EXPENDITURES:			
500-094100-8101-002	Water Department Tractor		\$ 4,995.00
500-094100-8105-007	Sewer Department Vehicle		(4,995.00)
			\$ -
Authorized by action of the PSA Board at their meeting on:			November 13, 2012

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$10,961.94

Mr. Loyd inquired regarding billing corrections totaling \$12,000. Ms. Boyd described an error in a Price Building invoice, with Price Building billed incorrectly.

Mr. Loyd inquired regarding a previously requested explanation for the increase in refuse collection departmental costs over the past quarter. Ms. Newby described the recent compensation study increases were likely the reason for the increases, as well as the Virginia Retirement System (VRS) adjustments to employees salaries. Staff was requested to provide a detailed written explanation at the December Board meeting.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8007863 through 8008012, subject to audit.

5. Staff Reports

a. Financial Reports

Mr. Loyd posed several questions related to the expenditures and revenue reports, and specifically inquired regarding the street light revenues/expenditures, and the losses in the sewer and water departments. Mr. Huber offered to review the street light revenue/expenditure line item. Ms. Newby advised the budget had been based on rate changes anticipated to occur in July 2012; however, with the rate changes not occurring until November 2012, the overall budget was affected.

Ms. Burchett also noted a large payment had been made to the Virginia Resources Authority.

Mr. Loyd questioned the need to review the budget to reflect actual revenues. Ms. Newby advised this has not been done.

Mr. Linkous advised the first billing with the new rates will go out on December 1, 2012. Staff was requested to provide an update at the December Board meeting.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

Mr. Loyd inquired regarding a previously requested explanation for the increase in refuse collection departmental costs over the past quarter. Ms. Newby described the recent compensation study increases were likely the reason for the increases, as well as the Virginia Retirement System (VRS) adjustments to employees salaries. Staff was requested to provide a detailed written explanation at the December Board meeting.

1. Inmate Availability

Staff reported use of three inmates per day for the month of October.

2. Drop Site and County Landfill Tonnage Reports

The Board reviewed the following drop site and county landfill tonnage reports:

DROP SITE TOTAL FOR THE MONTH OF OCTOBER 2012

Site	Trips	Tons	Tons per haul
Dora Highway	20	46.79	2.33
Dublin	21	67.15	3.19
Fairlawn	8	31.55	3.94
Totals	49	145.49	2.96

COUNTY LANDFILL TONNAGE

(County customers and Refuse Department Haulers)

OCTOBER 2012

Commercial	Residential	Tires	Brush
1995.15	1023.97	926	7.81

3. Cut Off List

Staff reported the current water/sewer cut-off reflected 18 cut-offs.

4. Personnel Changes

The Board reviewed the recent personnel changes report. Mr. Loyd recalled at least one termination having occurred in the

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

last month. Ms. Newby advised this was likely reported in the previous month's report.

b. NRRA Holiday Schedule

Staff shared the 2012 holiday schedule for the New River Resource Authority, a copy of which is on file with the records of this meeting.

c. Volvo-NRV Plant Commendation

Staff shared a commendation from Volvo for PSA staff's recent assistance in changing out the valves and meters. Dr. Warren requested the commendation be shared with appropriate PSA staff.

d. Lakewood Estates – Dept. of Health Update

Staff shared recent results of the lead and copper monitoring report by the State Health Department.

e. Fluoride & Fluoridation Information

Staff shared an article regarding fluoridation from the American Dental Association.

f. Banking Resolution

On a motion by Mr. Dean, seconded by Mr. Loyd and carried, the Board approved authorizing the PSA chairman, treasurer and executive director to sign all PSA checks, with the finance director authorized to have access to the bank account.

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

Voting no: None.

g. Request by "Homes for our Troops" for Provision of PSA Water to Chicwood Estates Property

Staff shared information regarding a potential request to the PSA for providing PSA water to property in Chicwood Estates in an effort to assist the "Homes for Our Troops" in the building of a home for a veteran. Staff described the options available for providing water service, including the potential costs of between \$50,000 and \$55,000 for extension of water lines, not including costs for gate valves, fire hydrants, etc.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

Board members expressed concern over the potential for setting of a precedent for future similar requests.

Mr. Loyd inquired if the Veterans Administration (VA) was involved in the matter. Mr. Linkous advised he was not aware of the VA's involvement.

Mr. Linkous described the potential for drilling of a well to serve the property and also clarified that there had not been an official request from the group.

Dr. Warren suggested consideration to surveying the Chicwood Estates property owners to determine any interest in PSA water service. Mr. Linkous advised the outcome would likely not be attractive to property owners due to associated costs.

Mr. Dean suggested conveying to the representatives of "Homes for Our Troops" that while the PSA Board is supportive of all veterans, the PSA Board has concerns relative to the costs associated with providing water service. Further, that county staff could call PSA Board members individually if more information is provided and subsequent action by the PSA Board is needed.

By consensus, the Board approved the waiving of the \$500 connection fee for this residence, should a request be made to the PSA for providing PSA water to the property in Chicwood Estates.

6. Current Authorized Projects

Board members reviewed the following items, with notations made related to discussions on specific matters:

a. Action Items:

- Skyview/NRV Fairgrounds sewer funding
- South Side of Lake and Fairlawn Drop Centers
- Dublin PSA Office Relocation
- Covered Water Meter Ordinance
- Route 99/I-81 Sewer Service
- Recommendation on Assessment of Late Fees

Mr. Loyd inquired regarding the status of radio read water meters. Mr. Linkous advised staff is waiting on an insurance matter related to contract documents and hoped to have additional information to submit to

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

Rural Development within the next 30 days, with plans to bid out by January 2013 and begin installation in February.

Mr. Loyd inquired regarding the status of the PSA Billing office relocation. Mr. Huber described his understanding by the Board was to look at the REMSI building on Rt. 100 as a potential location.

Board members discussed the potential for use of the old Dublin Primary School and the old State Farm building on Rt. 11. Staff described concerns over both locations, including the lack of adequate parking at the State Farm building, difficulties in the provision of a drive through window, and issues related to the alleyway. Mr. Huber advised the next step would be to seek a design from one of the architects contracted by the county. Board members also discussed the potential for the PSA building a new facility.

Mr. Huber described the concerns related to security issues with having the PSA staff located in a facility without other occupants allowing for safer environment. Mr. Loyd inquired as to the amount of cash on hand in the PSA office on a typical day. Ms. Newby advised the PSA office takes in approximately \$300,000 a month, with most payments made by check. Mr. Dean expressed concern over traffic issues at the Rt. 100 site.

By consensus, the Board approved requesting proposals from the county's contract architects for cost estimates and designs, with a report to include the REMSI building as compared with new buildings at the entrance to County Garage and at the Dublin Primary School.

Mr. Loyd inquired as to the status of the Rt. 99 sewer service request. Mr. Huber advised an invitation had been made to the property owner to attend the PSA meeting; however, no response had been received from the property owner.

Mr. Loyd inquired as to the recommendation regarding the waiver of late payment fees by the Comfort Inn. Mr. Huber advised a report could be provided at the December Board meeting.

b. Pending Items:

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

7. Other Matters

Personnel Matters

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

November 13, 2012

On a motion by Mr. Loyd, seconded by Ms. Burchett and carried, the Board authorized the county administrator to investigate the personnel matter discussed in Closed Session.

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

Voting no: None.

By consensus, the PSA Board authorized county staff to make a request to the Board of Supervisors on behalf of the PSA Board for an increase in PSA Board member fees to \$200 per month.

8. Adjournment

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

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

Voting no: None.

Doug Warren, Chairman

Hollis Loyd, Secretary/Treasurer