

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, July 9, 2013 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; Dave Dean; Nancy Burchett; and Fritz Streff.

Staff members present included: Peter Huber, 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 the meeting to order and welcomed those in attendance.

Dr. Warren advised a Closed Session would need to be held pursuant to Section 2.2-3711.A.3 of the 1950 Code of Virginia to discuss land acquisition disposition matters specifically related to the drop site and PSA billing office.

Dr. Warren also advised that Pulaski Mayor, Jeff Worrell, was in attendance at the meeting to attend the Closed Session to discuss the drop site matter.

1. Citizen Comments

There were no citizen comments at this time.

1a. Closed Session – 2.2-3711.A.3

A closed session is requested pursuant to Section 2.2-3711.A.3 of the 1950 Code of Virginia, as amended, to discuss land acquisition/disposition matters.

On a motion by Mr. Crawford, seconded by Dr. Streff and carried, the Public Service Authority Board of Directors entered a Closed Session for discussion of the following:

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion for consideration of the disposition or acquisition of publicly held property regarding:

- Drop Site
- PSA Office space

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

Voting no: None.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

Return to Regular Session

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board returned to regular session.

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

Voting no: None.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Crawford, seconded by Mr. Dean 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 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, Dr. Streff,
Ms. Burchett

Voting no: None

2. Follow-up Items

a. New Pulaski Large Item Drop Center

Mr. Huber provided update on the status of the proposed large item drop center.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

Dr. Streff suggested consideration to a timeframe of 90 days in working with Honeywell regarding property acquisition.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved the following: open Lot 3A to brush on condition that disposal of trash will cause the site to be closed; explore options for horizontal grinder; negotiate with Honeywell; and set 90-day timeframe for property acquisition or purchase agreement.

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

Voting no: None

a1. PSA Billing Office

Mr. Huber advised the next step in the process for locating new office space for the billing staff would be to solicit for Requests for Proposals (RFP) for either purchase or lease of office space, and to also include in those specifications restroom facilities.

On a motion by Mr. Dean, seconded by Mr. Crawford and carried, the Board approved advertising for Requests for Proposals for purchase or lease of office space with an August 8, 2013 response date.

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

Voting no: None

b. Water Line Repairs at Camp One

Mr. Linkous advised contact had been made with Department of Corrections (DOC) staff and DOC had not indicated a willingness to participate in the water line repairs at Camp One and also have not followed up as they indicated during initial conversations.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board appropriated \$6,800 for spot repair of service line.

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

Voting no: None

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

c. Water Master Plan Update

Mr. Linkous advised the next step in the project is to compile the information from the individual district meetings into one large map for group discussion. Mr. Linkous advised progress had been stalled due to work on other projects and suggested consideration to hiring of a consultant to perform work in making application for a Virginia Department of Health (VDH) planning grant of up to \$50,000 to be used for planning purposes.

Mr. Linkous described a recent well testing by the Extension Service, with tests showing a fairly high percentage testing positive for e-coli. Mr. Linkous advised the testing could be used for documentation for the elimination of health hazard and worked into establishment of a master plan.

Dr. Warren inquired as to who would write grant. Mr. Linkous advised Draper Aden had a long history with the PSA water system and staff would recommend hiring Draper Aden as the consultants in preparing a proposal to do the master plan, with costs being included in the planning grant application.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the Board approved hiring Draper Aden Associates to apply for a \$50,000 VDH planning grant.

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

Voting no: None

d. Newbern Heights Water Service Interruption

Mr. Linkous advised the PSA Board had expressed concern at the June meeting over the lack of communication to residents of Newbern Heights over the interruption of water service to Newbern Heights. Mr. Linkous described in detail the events leading to the interruption in water service which was the result of replacement of the water meter supplying the Town of Pulaski from the PSA on Cougar Trail Road.

Mr. Dean expressed concern that the county was not overseeing the water being provided to residents of Newbern Heights. Mr. Huber advised this was a concern in a number of areas outside of both towns where water service is provided outside of the town's incorporate area.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

3. Action Items

a. Virginia Department of Health (VDH) Funding Offer for Water Treatment Plant Generators

Mr. Linkous advised the estimated cost for emergency generators at the Water Treatment Plant and raw water intake is \$420,000, noting staff had submitted a Drinking Water Construction Assistance Application to the VDH for the 2014 funding cycle, resulting in the VDH issuing an initial funding package offer for \$420,000 broken down as a \$231,000 loan at 2% interest for a 30-year term and \$189,000 as principal forgiveness.

Ms. Burchett noted the financial information submitted indicates the PSA needs to raise water rates and questioned if the PSA accepts offer, if the PSA would be obligated to raise rates. Mr. Linkous advised that at the time application was made, the PSA was going through a rate increase. Mr. Linkous explained VDH must determine that the current revenue generated by the PSA can cover the 2% interest.

On a motion by Dr. Streff, seconded by Mr. Crawford and carried, the Board accepted funding packet offer for \$420,000 broken down as a \$231,000 loan at 2% interest for a 30-year term and \$189,000 as principal forgiveness.

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

Voting no: None

b. Board of Supervisors Agreement – Skyview Subdivision Sewer

Mr. Huber advised that as part of the DHCD requirements for the CDBG for the Skyview Subdivision Sewer Project – Phase II, the Board of Supervisors and PSA must enter into an inter-agency agreement which is required because CDBG funds are only available to the Board of Supervisors and not the PSA; however, the PSA will ultimately be the owner/operator of the facility.

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board accepted the inter-agency agreement as presented, a copy of which is filed with the records of this meeting.

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

Voting no: None

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

c. Water Treatment Plant Dredging Update

Mr. Linkous provided background on PSA staff's work with AECOM Technical Services to prepare the study of options for the raw water intake improvements, noting budgetary estimate from Veolia Environmental Services for the dredging, de-watering and offsite disposal of approximately 5,000 c.y. of material indicate that the cost could be approximately \$460,000. Mr. Linkous also explained the potential for wells to be developed for approximately \$500,000 and provide a more long-term solution, while also reducing operational costs at the Water Treatment Plant.

Mr. Linkous recommended approving \$50,000 for exploratory testing of the wells.

Mr. Dean inquired if the costs for the testing could be more than \$50,000. Mr. Linkous advised \$50,000 would cover the initial round of testing.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved \$50,000 towards the geological testing and test wells.

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

Voting no: None

d. Customer Notification System

Mr. Huber described the current Customer Notification System which allows for PSA customers to be called prior to water service cut-offs, based on phone information provided at the time the customer signs up for service.

Mr. Huber advised due to the cost and service considerations, the county emergency notification system is proposed to be moved to the "Code Red Company" as a way of improving short-term water service outages as well as cut-off notices. Mr. Huber described the costs associated with the Code Red product.

Mr. Dean inquired if a customer would be called prior to water being disconnected due to failure to pay bill. Mr. Huber advised the customer would be notified prior to water cutoff due to non-payment of account.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board accepted a proposal to purchase the utility portion of Code Red to allow for the benefit from a unified system.

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

Voting no: None

e. AT&T Modifications at Corporate Center Tank

Mr. Linkous explained the current state of the Lease Agreement with AT&T for communications equipment on the Corporate Center water storage tank located at 4010 Pepperell Way in Dublin with the current lease payment being \$2,251 per month with increases of 3% annually.

On a motion by Ms. Burchett, seconded by Mr. Crawford and carried, the Board approved installation of equipment, per structural assessment provided by AT&T.

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

Voting no: None

f. Town of Dublin Time Extension for Payment of 2011-12 Water Settlement

Mr. Huber described a request by the Town of Dublin for a six-month extension to the December 31, 2013 deadline for payment of the 2011-2012 settlement payment of \$138,951, with the request to pay \$11,579.25 over a period of 12 months.

Ms. Burchett inquired if the \$138,951 had been budgeted by the PSA. Mr. Huber advised the amount had not been budgeted.

Board members discussed current arrangements, potential for any burdens on the PSA's budget, including potential delay in projects.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board authorized a six-month extension to December 31, 2013 for payment of the 2011-2012 settlement by the Town of Dublin for payment of \$138,951.00, with \$11,579.25 to be paid over a period of 12 months, recognizing acceptance as a six-month, no interest loan, as good neighbors by the PSA to the Town of Dublin.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

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

Voting no: None

g. CD Maturing

Mr. Huber advised the PSA has a CD in the amount of approximately \$633,541 that has earned 0.52% interest over the past 12 months. Mr. Huber described the PSA's past practice to moving a matured CD into a money market account since the difference in interest rate was not worth the loss of liquidity, resulting in the PSA having approximately \$1 million which could be invested if a high enough return can be found meeting the guidelines for the investment of public funds.

Mr. Huber also advised PSA staff is currently checking with local banks, as well as with Springsted Financial Advisors to determine where the PSA can obtain the highest return on 1-, 3- and 5-year commitments.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved soliciting proposals from banks, and staging amounts as needed at the discretion of the Finance Director.

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

Voting no: None

h. Water Service to Loving Field

Mr. Linkous advised the Board of Supervisors had authorized the construction of indoor restrooms at Loving Field, resulting in the county paying to extend a 2-inch line from Alum Spring Road to the middle of Loving Field. Mr. Linkous described a staff recommendation that the PSA contribute approximately \$22,000 to upgrade the proposed line from a 2-inch to an 8-inch line from Alum Spring to Loving Field.

Dr. Streff described the benefits from the use of a larger line, as well as provided clarification on the location of the line.

Mr. Crawford questioned the purpose for using a 2-inch line. Mr. Linkous advised the county needs a 2-inch line, with this being an opportunity by the PSA to contribute financially allowing for the installation of an 8-inch line.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board accepted staff recommendation to the contribution of \$22,000 by the PSA to upgrade the proposed line from a 2-inch to an 8-inch line from Alum Spring to Loving Field.

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

Voting no: None

4. Consent Items

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board approved the following "Items of Consent", items a through e as follows:

a. Minutes of Previous Meetings

The Board approved the minutes of the June 11, 2013 meeting.

b. Balance Due & Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	4/1/2013	5/3/2013	6/3/2013	7/2/2013
Current Balance	630,474.76	508,099.36	513,168.40	719,371.66
Over 30 Days	31,028.09	55,006.47	25,711.43	25,962.95
Over 60 Days	27,558.44	18,756.48	43,152.95	40,766.31
Over 90 Days	1,009,603.44	1,014,782.80	1,024,300.46	1,027,475.73
Total	\$ 1,698,664.73	\$ 1,596,645.41	\$ 1,606,333.24	\$ 1,813,576.65
Liens Filed				\$ 676,832.74

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	37,077.24	68,957.07	680,270.59	\$ 786,304.90
Commercial	3,193.96		42,186.78	\$ 45,380.74
Nonuser	195,790.09	see break down below		\$ 195,790.09
Total	\$ 236,061.29	68,957.07	\$ 722,457.37	\$ 1,027,475.73

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

	Inactive	Non User	Active	Total
Residential Water	32,920.84	34,586.13	4,156.40	71,663.37
Commercial Water	3,193.96			3,193.96
Residential Garbage	38,827.42	18,735.83	641,443.17	699,006.42
Commercial Garbage	15,886.87		26,299.91	42,186.78
Sewer	5,068.46	1,407.72	63,888.61	70,364.79
Penalty		14,607.44		14,607.44
Interest		126,452.97		126,452.97
Total	\$ 95,897.55	\$ 195,790.09	\$ 735,788.09	1,027,475.73

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

c. Budget Adjustments

The Board approved the following budget adjustments:

PSA FUND #17		
Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-016080-0100	Residential Refuse Revenues	\$ 43,000.00
500-016080-0900	Roll Off Container Revenues	37,760.00
500-016190-0300	Commercial Water Sales	6,659.00
	TOTAL	\$ 87,419.00
EXPENDITURES:		
500-042310-1170	Residential Refuse Salaries	\$ 13,300.00
500-042310-1270	Residential Refuse Overtime	18,170.00
500-042310-2300	Residential Refuse Health/Dental Insurance	33,000.00
500-046200-5110	Water Treatment Plant Electrical Services	12,275.00
500-046200-5410	Water Treatment Plant Rental of Equipment	8,217.00
500-046200-6006	Water Treatment Plant Chemicals	9,703.00
500-046200-3800-001	Water Treatment Plant Town of Pulaski	4,600.00
500-047100-6007	Sewer Collection Repair & Maintenance Suppl	1,000.00
500-092110-5850	Miscellaneous Refunds	1,682.00
500-094100-8127	Water Quality Improvements	16,000.00
500-094100-8233	Fairview Community Garden Water Connectio	108.00
500-094100-8246	Rt. 100 Water Line	5,169.00
500-094100-8253	Fair Acres Subdivision Sewer Project	1,706.00
500-094100-8112-009	Water Treatment Plant Emergency Electrical	538.00
500-094100-8105-005	Water Department Vehicles	5,991.00
500-094100-8105-006	Sewer Department Vehicles	(5,991.00)
500-091400-9301	Contingency Funds	(38,049.00)
	TOTAL	\$ 87,419.00

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$1,389.16.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

e. Accounts Payable

The Board approved accounts payable for checks numbered 8008894 through 8009000, subject to audit.

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

Voting no: None

5. Staff Reports

a. Financial Reports

Ms. Newby advised the PSA had ended with a net cash income for the first time in many years.

On a motion by Mr. Crawford, seconded by Mr. Dean and carried, the Board approved and accepted the financial report, as presented, and noted that the application of depreciation would change the cash results.

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

Voting no: None.

b. Operational Report

1. Inmate Availability

Staff reported use of three inmates per day for the month of June 2013.

2. Drop Site and County Landfill Tonnage Reports

Drop Site Total
for the Month of June 2013

Site	Trips	Tons	Tons per haul
Dora Highway	7	17.10	2.85
Dublin	22	88.14	4.00
Fairlawn	9	39.14	4.34
Totals	38	144.38	11.19

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

County Landfill Tonnage
(County customers & Refuse Department Haulers for the Month of June 2013).

Commercial	Residential	Tires	Brush
2361.66	1362.34	439	4.77

3. Cut Off List – Ms. Boyd described the water/sewer cut off list for this month which resulted in 35 water and two sewer cutoffs
4. Personnel Changes

The Board reviewed recent personnel changes.

Mr. Huber also advised that Mr. Hiss had advertised for a collections clerk and had received a large number of applications. He advised that review of the applications was expected to begin within two weeks, and with plans to have an individual employed by the end of July, 2013.

c. Commendation of Alfred Woodyard

Mr. Huber shared an email from David Kinder thanking Mr. Woodyard for assistance in going the extra mile in loading mulch for Mr. Kinder. Mr. Huber also provided a copy of a photo of Mr. Woodyard's efforts.

Mr. Huber reported the PSA staff had also been assisting the Amish community by loading mulch being taken to the Amish community in Giles County by an independent contractor.

By consensus, the Board authorized sending a commendation to Mr. Woodyard on behalf of PSA Board.

d. Brookmont Water Quality Report

As reported in the Board packet, the water quality samples were reported to be in compliance with state standards.

6. Staff To-Do Listing

Board members reviewed the following items which staff is currently working on but for which there is no additional information to report to the Board at this time.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

July 9, 2013

- a. Skyview/NRV Fairgrounds sewer funding
- b. South Side of Lake and Fairlawn Drop Centers
- c. Dublin PSA Office Relocation
- d. Covered Water Meter Ordinance
- e. Radio Read
- f. Draper Area Wythe County Sewer/PSA Connection
- g. Hiring of Collections Person
- h. Water Meter Replacement

7. Other Matters

Mr. Crawford described observing an individual at the Fairlawn drop center unloading ten large trash cans and inquired if there were any steps in place to determine if an individual using the drop sites is a paying PSA customer. Mr. Huber advised the county had recently joined with Giles County in the sharing of GIS coordinator, following the retirement of Pulaski County's GIS coordinator. Mr. Huber further noted a priority of the PSA is to merge into the GIS system allowing for a regular review of households on a live basis.

Dr. Warren suggested consideration to developing a method to where the second gate at the Fairlawn drop center could be opened to allow for easy exiting of the drop site by citizens. Mr. Nichols advised staff would review the matter. Mr. Huber also advised drop center attendants had been encouraged to report suspicious behavior of users of the drop site following acceptance of trash rather than to confront individuals directly.

8. Adjournment

On a motion by Mr. Crawford, seconded by Dr. Streff and carried, the Board adjourned its regular July meeting. The next regular meeting of the PSA Board is scheduled for Tuesday, August 13, 2013 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, Dr. Streff,
Ms. Burchett.

Voting no: None

Doug Warren, Chairman

Nancy Burchett, Secretary/Treasurer