

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, September 10, 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; Dave Dean; Fritz Streff; and Nancy Burchett. Vice Chairman Pete Crawford was unable to attend the meeting.

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; Sandra 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. Mr. Huber advised that Mr. Crawford was unable to attend the meeting due to previous commitment requiring him to be out of Town.

1. Citizen Comments

Ms. Brenda Blackburn suggested the Board consider the old "Dick Price Ford" building, owned by David Hagan, as a potential location for the PSA Billing Staff and County Garage.

Board members discussed the location of the building, square footage, and the asking price for the building. Mr. Hiss and Mr. Linkous described the building in detail, specifically noting that while the building was overall a nice building, with a large amount of space, there were some limitations as it relates trucks getting in and out of the site, as well as concerns over the location not being centrally located in the County. Mr. Huber also expressed concerns over the use of a building for government offices in a prime commercial location.

2. Follow-up Items

a. Opening of Honeywell Drop Site (Brush Only)

As reported in the Board packet, the brush-only drop site in the Town of Pulaski was opened during the last week of August, with the Dora Highway Drop Site attendant opening and closing the Honeywell site. Staff also shared the language on the entrance sign and advised plans were to publicize the opening of the site and the condition that only brush may be deposited as a condition of remaining open.

Dr. Warren commended Ronnie Nichols for the nice job in preparing the site.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

Mr. Dean inquired regarding the drop site hours of operation. Mr. Nichols advised the current hours of operation were 3:00 p.m. – 7:00 p.m. and will change when daylight savings hours are implemented.

Ms. Burchett inquired regarding the status of the Town's provision of land for a new drop site. Mr. Linkous and Mr. Huber advised discussions were held with Honeywell representatives regarding donation of a second parcel of land; however, the Honeywell representative indicated a preference for selling the second parcel.

b. Investment of PSA Funds

As reported in the Board packet, efforts continue in obtaining pricing from New River Valley banks for depositing \$1 million in PSA funds for a period of up to five years.

Mr. Huber distributed Davenport's analysis of the PSA's current debt. Mr. Huber recommended the PSA Board join the Board of Supervisors in its search for financing options.

Board members discussed the benefits to the PSA of refinancing the debt and options for withdrawals by the PSA.

Ms. Burchett requested staff clarify with the PSA auditors as to whether or not this will be considered a "reserve", rather than another amount. Mr. Huber suggested the PSA Board consider this matter as a part of "3c" on the agenda.

c. Meter Replacement Bid Results

Mr. Linkous described the bid results for the Water Meter Replacement/Radio Read Upgrade – Phase I Project, with Match Point, Inc. being the low bidder at \$312,639.48. Staff recommended tentative award of the bid to Match Point, Inc., subject to Rural Development's concurrence.

Mr. Dean expressed concern over the difference in bid pricing. Mr. Linkous advised Rural Development requires a 4% contingency and anything left over would continue to be drawn from until funds are expensed, with a change order being added up to 25% of the bid price.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the PSA Board reviewed bids received for the Water Meter Replacement/Radio Read Upgrade – Phase I project and tentatively awarded the project to the lower bidder, Match Point, Inc. at a cost of \$312,639.48, subject to concurrence by Rural Development of acceptance of Match Point, Inc. as the contractor for said project.

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

Voting no: None.

Not present: Mr. Crawford.

d. Lakewood Water Tank Replacement Bid Results

Mr. Linkous described the quotes received for the hydropneumatic tanks to replace the existing Lakewood Estates hydropneumatic tank and the PSA Board concurred with continuing work on this project.

e. PSA Office Location Options

Mr. Huber described in detail the results of the solicitation for office space for the PSA billing staff.

Mr. Linkous described the layout of the potential construction of a 1,500 square foot addition to the new PSA facility at the County Garage.

Board members discussed the following: the need for a “one stop shop” for citizens while paying bills, concerns related to entering and exiting the Garage facility, and the potential for use of any vacant property by the Town of Dublin.

Mr. Nichols advised an expansion of the PSA facility at the County Garage would suit the needs of the PSA, with necessary improvements to make the site more presentable and accessible by the public.

By consensus, the Board scheduled a tour by the PSA Board of the current County Garage facility for Friday, September 13th at 8:30 a.m., with Mr. Linkous offering to provide the Board with Phase I and II drawings of the site.

f. NRV Unwired Use of Water Tanks

Mr. Edwin Whitlaw, owner of NRV Unwired, addressed the Board and explained a proposal to utilize PSA water tanks and County tower

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

locations to provide a wireless high speed internet access option to County residents.

Mr. Huber described the need for providing Internet service in the outlying areas of the County.

Dr. Streff spoke to the significant impairment to students at NRCC due to not having internet service.

Mr. Whitlaw also described the ongoing contract with Montgomery County for similar services as that being requested of the PSA.

Board members discussed the facilities to be used, compensation to the PSA, potential liability issues, pipe size, and the need to move quickly to avoid upcoming winter weather.

By consensus, Board members requested staff provide a copy of a draft contract which would include a \$3 per month, per customer, for a three-to five-year period.

Dr. Warren called for a ten-minute recess in the meeting.

g. Water Treatment Plant Dredging Update

Mr. Linkous advised staff is currently working with multiple geotechnical engineering firms to finalize proposals for the well sighting study.

h. Review of Insurance Coverage

Mr. Huber reminded the Board of previous action requesting additional information on insurance coverage prior to approval of the resolution pertaining to VDOT Land Use Permits.

Board members reviewed insurance information and confirmed previous approval of the resolution by the PSA Board.

3. Action Items

a. Garage Expansion

Mr. Linkous described previous action by the PSA Board in authorizing \$75,000 for the construction of the PSA water department building, with construction of the shell building being bid as an alternate with the Garage expansion resulting in a low bid of \$104,000. Mr. Linkous

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

also described a price reduction to \$92,242, through various Value-Engineering options. Mr. Linkous explained the request for an additional \$50,000 to construct the shell building and finish the interior with PSA water department personnel, noting the building would be to provide adequate secure storage for water and sewer department parts and equipment, and storage for the sewer jet/vacuum truck.

Mr. Dean expressed concern over continuing requests for funds for new projects and a desire to keep adequate reserves in the PSA funds.

Mr. Huber advised the current plans do not include any changes to the Refuse Department facilities.

Board members discussed the timeframe for completion of the project.

On a motion by Mr. Dean, seconded by Dr. Streff and carried, the Board approved an additional \$50,000 for construction of the PSA water department building.

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

Voting no: None.

Not present: Mr. Crawford.

b. Health Department Grant Resolution

Mr. Linkous described the PSA's eligibility to apply for a maximum of \$50,000 through the Virginia Department of the Health for the purpose of long range planning for the expansion of public water systems in the County, with the current estimate for development of the plan at \$85,000. Mr. Linkous also described a Health Department requirement of a commitment by the PSA to funding the remaining \$35,000 prior to awarding the proposed grant.

Board members discussed the need for long-range planning and analysis of all water systems for planning purposes.

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board adopted the following resolution for the purpose of long-range planning for the expansion of public water systems in the County:

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
September 10, 2013

Resolution of the Pulaski County Public Service Authority
for the Pulaski County Public Service Authority

WHEREAS, the Pulaski County Public Service Authority has applied for funding for various drinking water projects in the county;

WHEREAS, the Virginia Department of Health-Office of Drinking Water has funded several drinking water projects in the county;

WHEREAS, the Pulaski County Public Service Authority's Board of Directors have reviewed project planning material and found that the pre-requirements have been met for submitting a funding application;

THEREFORE, BE IT RESOLVED, the Pulaski County Public Service Authority hereby votes to seek funding from the Office in the amount of \$50,000 for the following project:

Hydraulic Water Model, Water System Evaluation and Master Plan
Total Project Cost Estimate: \$85,000

THEREFORE, BE IT RESOLVED, the Pulaski County Public Service Authority hereby votes to provide additional funding for the project in the amount of \$35,000;

THEREFORE, BE IT RESOLVED, the PSA's Executive Director is authorized to submit the funding application for this project and is authorized to sign any and all documents to accept such funding contingent upon review and concurrence by the PSA's Attorney and the Pulaski County Public Service Authority.

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

Voting no: None.

Not present: Mr. Crawford.

c. Refinancing Options

Mr. Huber described a suggestion to utilize the investment of fund balances as a way to provide bankers with additional security necessary to reduce interest costs on existing debt. In addition, Mr. Huber recommended the PSA Board join with the Board of Supervisors in solicitation of financing options from area banks utilizing the investment of the existing PSA fund balance as additional collateral.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board approved the PSA joining with the Board of Supervisors in the issuance of a request for proposals for the purpose of solicitation of financing options from area banks utilizing the investment of the existing PSA fund balance as additional collateral.

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

Voting no: None.

Not present: Mr. Crawford.

4. Consent Items

Ms. Burchett inquired regarding the balance due and lien reports, specifically inquiring if the majority of the delinquency amount is due to garbage customers. Debbie Boyd confirmed Ms. Burchett's understanding.

Ms. Burchett suggested consideration to the placing of a cap on interest and penalty charges in an effort to reduce amounts to reasonable amounts. Mr. Huber explained the current PSA policy. Ms. Burchett also inquired of any means available to tying the GIS system to the garbage customer listing. Mr. Huber responded the tying of the GIS system to the garbage listing is a goal of County staff.

Dr. Streff requested staff provide the "real" cost to the PSA for collection of garbage where accounts are unpaid.

Ms. Burchett suggested placing the delinquent listing on the County's web site.

By consensus, the Board delayed action on this matter until Mr. Crawford could be in attendance at the meeting.

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:

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

Voting no: None

Not present: Mr. Crawford.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
September 10, 2013

a. Minutes of Previous Meetings

The Board approved the minutes of the August 13, 2013 meeting.

b. Balance Due & Lien Reports

The Board approved the following balance due and lien reports:

Balance Due	6/3/2013	7/2/2013	8/1/2013	9/4/2013
Current Balance	513,168.40	719,371.66	542,208.67	640,641.39
Over 30 Days	25,711.43	25,962.95	215,166.45	28,059.13
Over 60 Days	43,152.95	40,766.31	17,512.86	52,162.31
Over 90 Days	1,024,300.46	1,027,475.73	1,050,969.34	1,052,566.30
Total	\$ 1,606,333.24	\$ 1,813,576.65	\$ 1,825,857.32	\$ 1,773,429.13
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	38,672.77	71,069.67	704,064.46	\$ 813,806.90
Commercial	1,580.41		37,840.76	\$ 39,421.17
Nonuser	199,338.23	see break down below		\$ 199,338.23
Total	\$ 239,591.41	71,069.67	\$ 741,905.22	\$ 1,052,566.30

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

	Inactive	Non User	Active	Total
Residential Water	34,097.76	34,759.98	4,575.01	73,432.75
Commercial Water	1,580.41		-	1,580.41
Residential Garbage	41,015.09	18,974.76	663,049.37	723,039.22
Commercial Garbage	12,026.55		25,814.21	37,840.76
Sewer	5,860.95	1,427.72	65,208.72	72,497.39
Penalty		14,954.85		14,954.85
Interest		129,220.92		129,220.92
Total	\$ 94,580.76	\$ 199,338.23	\$ 758,647.31	1,052,566.30

c. Budget Adjustments

There were no budget adjustments.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

d. Billing Adjustments

The Board approved billing adjustments totaling a net credit of \$2916.78.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8009150 through 8009325, subject to audit.

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

Voting no: None

Not present: Mr. Crawford

5. Staff Reports

By consensus, the Board reviewed and accepted the following Staff Reports:

a. Financial Reports

Dr. Streff expressed concern that the cost of the new Water Department vehicle exceeded the budgeted amount by 40%. Mr. Linkous advised the funds used to cover the additional costs was money left over from the previous year's budget.

Ms. Newby advised staff had not had an opportunity to initiate steps to carry over funding from previous years.

The Board reviewed the financial reports as presented by Ms. Newby.

b. Operational Report

1. Inmate Availability

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

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
September 10, 2013

2. Drop Site and County Landfill Tonnage Reports

Drop Site Total
for the Month of August 2013

Site	Trips	Tons	Tons per haul
Dora Highway	13	29.68	2.28
Dublin	26	81.74	3.14
Fairlawn	7	28.75	4.10
Totals	46	140.17	3.

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

Commercial	Residential	Tires	Brush
4883.37	1251.00	1287	0

3. Cut Off List – PSA staff report 48 total cutoffs.
4. Personnel Changes

The Board reviewed recent personnel changes.

c. State Corporation Commission Letter

Mr. Linkous described a Miss Utility violation and advised no fines were associated with the violation.

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.

- 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. Meter Replacement with Radio Read Units
- f. Draper Area Wythe County Sewer/PSA Connection
- g. Hiring of Collections Person

Mr. Huber advised that Debbie Boyd had accepted the position of the new collections staff. Mr. Dean requested Ms. Boyd attend future meetings of the PSA Board in her capacity as the new collections staff.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

September 10, 2013

- h. Water Meter Replacement
- i. Water Master Plan
- j. Change Exit at Fairlawn Drop Site

7. Other Matters

Mr. Dean requested an update on the Red Sun project. Mr. Huber and Mr. Linkous advised grading on the property continued.

Dr. Warren advised the recent announcement of the closing of the Radford Foundry results in the PSA being the largest purchaser of Radford's water.

Mr. Huber advised that Mr. Crawford had indicated he would be absent from at least four upcoming PSA meetings and was seeking the PSA Board's preference on Mr. Crawford continuing to serve on the PSA Board. Mr. Huber also described the previous service by Mr. Conner as an "alternate" on the PSA Board and suggested the Board of Supervisors be asked to consider appointing an "alternate" to the PSA Board to serve in instances where a Board member is unable to attend a PSA meeting where a quorum would not be present. Dr. Warren spoke to the valuable input from Mr. Crawford, particularly on financial matters.

Mr. Huber advised the matter would be placed on the September 23, 2013 Board of Supervisors agenda for consideration as to an alternate on the PSA Board.

8. Adjournment

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the Board continued its regular September meeting to 9 a.m. on Friday, September 13 at the County Garage in order to review the draft contract with NRV Unwired for the use of PSA water tanks and to consider relocating the current PSA office to the County Garage.

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

Voting no: None

Not present: Mr. Crawford

Doug Warren, Chairman

Nancy Burchett, Secretary/Treasurer