

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 11, 2014

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, March 11, 2014 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; Nancy Burchett; and Fritz Streff. Pete Crawford was absent from 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 Collections; and Gena Hanks, Clerk to the Board.

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

1. Citizen Comments

Mr. Scott McElfresh described circumstances surrounding receipt of a PSA bill in excess of over \$500, noting the excessive bill was the result of a leak at Mr. McElfresh's former rental residence. Mr. McElfresh advised he had previously notified the landlord of the leak upon receiving an unusually high water bill in August 2013; however, the leak had not been repaired. Mr. McElfresh advised he and his wife had since moved from the rental, but are faced with paying the final bill which was \$553.36.

Mr. McElfresh requested the PSA Board consider an adjustment in the amount due, or some means of assistance with the bill, since the excessive bill was due to a leak which was out of the control of Mr. McElfresh as a renter.

Board members discussed the following: the landlord's responsibility to repair the leak; potential for adjustments to the bill (based on PSA policy); and possibly pulling of the meter until the leak is repaired.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the PSA Board approved staff taking the following action: adjustment of 75% to Mr. McElfresh's bill (based on PSA policy), sending a letter to the landlord advising of the pulling of the meter until the leak is repaired and proof of repairs before reconnection, and sending a bill to the landlord for the unpaid amount on the McElfresh's bill.

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

Voting no: None.

Not present: Mr. Crawford.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

Ms. Boyd provided an update on an issue previously discussed by the Board related to the Carla Ritter matter, specifically where a leak had been detected and the landlord had been made aware of the leak, but no efforts made to repair the leak. Mr. Huber advised if the tenant moves out without paying the bill, the only option would be to turn the water off and only reconnect upon proof of the repair to the leak.

Mr. Huber presented a written request from Jennifer Viers of Ridgewood Place for extending water service to Ridgewood Place residents. Mr. Linkous described options available for providing the water service through use of a smaller diameter two- to four-inch lines, or including the project in future planned development in the county. Mr. Linkous also advised the project would likely require being paid through PSA monies, rather than through the Rural Development application process, due to the small scale of customers to be served. Mr. Linkous advised the cost to extend approximately 1,500 ft. of a two-inch line to be approximately \$50,000.

Board members discussed potential growth for future water projects, as well as the use of capital improvement funds for waterline replacements throughout the county.

Dr. Streff expressed appreciation for the request and indicated a need by the PSA Board to continue its path of providing water service throughout the county in a systematic way.

Dr. Warren suggested staff advise Ms. Viers of the potential for a private connection via easements through the neighbor's property.

Mr. Huber advised that the Board of Supervisors had been made aware of Mr. Crawford's decision to resign from the PSA Board for health reasons, with the Board expected to address the vacancy at the March 24, 2014 Board meeting.

2. Follow-up Items

a. Water Settlement Update

Mr. Linkous advised of a meeting scheduled for March 14, 2014 to discuss rates and indicated staff planned to negotiate a rate based on current costs, plus a 5% per 1,000 gallon risk factor, as was used in negotiating a rate for the previous year.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 11, 2014

b. Update on FOIA Requests related to BoardDocs Notes

Mr. Huber advised BoardDoc "notes" taken by the Board are subject to the Freedom of Information Act. Mr. Huber also advised that the "Tablets" have been received and IT staff is working to make the Tablets "user friendly" before distributing to the PSA Board. It was also noted that the versions of BoardDocs software would not support the insertion of notes.

c. Well Testing Update

Mr. Linkous reported it would be early March before the scheduling of the well driller occurs due to the weather hampering efforts to perform the testing.

d. Timing of Contracted Billing

Dr. Streff described receiving several complaints from citizens related to late billings being sent by the collection company.

Mr. Huber provided potential options in addressing the billing issues.

By consensus, the Board requested staff to review the contract with the billing company as it relates to billing timeframe. Further, the Board requested staff waive penalty and interest on customer accounts where it is determined that the penalty and interest are as a result of late billing notices.

e. Collections Report

Ms. Boyd provided an update on the following collection efforts: Set-off Debt Collections on 64 accounts paying \$18,859.50 in delinquent payments; identification of two erroneous accounts resulting in the adjustment of \$1,591.87 in billings; identification of unbilled refuse customers and mailing of 515 letters; and the addition of 25 new refuse customers; settlement agreement with two refuse customers resulting in the adjustment of \$1,876.75 allowing for payment in a lump sum of \$2,659.74 to clear up accounts.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

3. Action Items

a. Scheduling of Rate Increase Hearing

Mr. Huber advised the "10%" rate increase referenced in the memo to the Board was an error and should have read "5%".

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved scheduling of a public hearing on the rate increase for Monday, April 7, 2014 at 7:00 p.m. in the Board Room of the County Administration Building.

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

Voting no: None.

Not present: Mr. Crawford.

Mr. Huber suggested a standard speaking time of three minutes be allowed per speaker at the public hearing.

b. Connection Fee Increase

Mr. Dean advised he was not in favor of a connection fee increase of \$100, as recommended by staff.

Board members discussed the fee in comparison to other localities.

Mr. Huber clarified that the public hearing to increase the fee could be advertised; however, the Board may decide to not increase the fee.

Dr. Streff expressed a desire to allow for the public to provide input on the proposed increase(s).

Mr. Huber described the benefits of using the new meters, one of which provides for more accurate understanding of leakages that occur.

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board approved adding to the previously approved advertisement for rate increases and the proposed \$100 increase in connection fees, with the understanding that the Board may not approve the \$100 proposed increase.

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

Voting no: Mr. Dean

Not present: Mr. Crawford.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 11, 2014

c. Sunday Roll-off Service

Mr. Huber and Mr. Nichols described a request by James Hardie in pulling roll-off containers from the plant on a seven-day per week basis. Mr. Nichols described the Sunday pulls which had been ongoing for approximately one month and a suggestion by staff of a surcharge of either \$5 or \$10 per pull, as an increase in the \$85 rate currently paid by James Hardie. Mr. Nichols advised the proposed surcharge would only be applied to companies specifically requesting Sunday service.

Board members discussed the need to hold a public hearing to allow for an increase in the fee, potential for other industries to request Sunday service, and the need for staff to discuss with James Hardie the options available.

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the PSA Board approved staff researching the need for a public hearing to increase rate and also discussing with James Hardie options available.

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

Voting no: None.

Not present: Mr. Crawford.

Ms. Burchett thanked Mr. Nichols and staff for providing the Sunday service to James Hardie.

Dr. Warren called for a five minute recess.

4. Consent Items

On a motion by Ms. Burchett, seconded by Dr. Streff and carried, the Board approved the following items of consent:

a. Minutes of Previous Meeting

The Board approved the minutes of the February 11, 2014 Board meeting.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

b. Balance Due & Lien Reports

The Board reviewed and accepted the following balance due and lien reports:

Balance Due	12/2/2013	1/2/2014	2/3/2014	3/3/2014
Current Balance	\$ 547,105.13	\$ 792,179.54	\$ 534,151.55	\$ 543,199.18
Over 30 Days	\$ 233,285.09	\$ 9,089.98	\$ 189,079.95	\$ 98,262.14
Over 60 Days	\$ 49,277.13	\$ 43,718.61	\$ 6,380.62	\$ 33,734.18
Over 90 Days	\$ 1,103,112.35	\$ 1,097,302.17	\$ 1,123,242.41	\$ 1,117,568.87
Total	\$ 1,932,779.70	\$ 1,942,290.30	\$ 1,852,854.53	\$ 1,792,764.37
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	\$ 45,313.22	\$ 69,066.82	\$ 751,232.53	\$ 865,612.57
Commercial	\$ 1,639.66		\$ 43,435.44	\$ 45,075.10
Nonuser	\$ 206,881.20	see breakdown below		\$ 206,881.20
Total	\$ 253,834.08	\$ 69,066.82	\$ 794,667.97	\$ 1,117,568.87

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

	Inactive	Non User	Active	Total
Residential Water	\$ 41,710.02	\$ 35,248.60	\$ 3,603.20	\$ 80,561.82
Commercial Water	\$ 1,639.66			\$ 1,639.66
Residential Garbage	\$ 50,489.22	\$ 19,688.64	\$ 700,743.31	\$ 770,921.17
Commercial Garbage	\$ 31,911.52		\$ 11,523.92	\$ 43,435.44
Sewer	\$ 7,487.45	\$ 1,477.72	\$ 61,579.37	\$ 70,544.54
Penalty		\$ 15,665.56		\$ 15,665.56
Interest		\$ 134,800.68		\$ 134,800.68
Total	\$ 133,237.87	\$ 206,881.20	\$ 777,449.80	\$ 1,117,568.87

c. Budget Adjustments

The Board reviewed and accepted the following budget adjustment:

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 11, 2014

PSA FUND #8

Account Number	Account Title	Amount Increase (Decrease)
<u>REVENUES:</u>		
	TOTAL	\$ -
<u>EXPENDITURES:</u>		
500-045100-8107	Adminsitration Computer Equipment	\$ 4,848.00
500-045100-8125	Administration Computer Software	1,333.00
500-045100-3320	Administration Maintenance Service Contracts	330.00
500-091400-9301	Contingency Funds	(6,511.00)
	TOTAL	\$ -

d. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$8,940.82.

e. Accounts Payable

The Board approved accounts payable for checks numbered 8010006 through 8010123, subject to audit.

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

Voting no: None.

Not present: Mr. Crawford.

5. Staff Reportsa. Financial Reports

Mr. Huber reported the expenses provided are for eight months, with six months of revenue collections for refuse only.

On a motion by Dr. Streff, seconded by Mr. Dean and carried, the Board reviewed and accepted the financial reports as presented by Ms. Newby, a copy of which is filed with the records of this meeting.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

Voting yes: Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
Voting no: None.
Not present: Mr. Crawford.

b. Operational Report

Dr. Streff inquired if the figure provided under the landfill report, specifically for tires, is in "tons". Ms. Boyd confirmed the report of tires was for "tons".

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board reviewed and accepted the following operational reports:

1. Inmate Availability

Staff reported use of three inmates per day for the month of February 2014.

2. Drop Site and County Landfill Tonnage Reports

Drop Site Totals for February 2014

Site	Trips	Tons	Tons per haul
Dora Highway	9	19.25	2.13
Dublin	15	57.34	3.82
Fairlawn	5	25.59	5.11
Totals	29	102.18	11.06

County Landfill Tonnage
(County customers & Refuse Department Haulers
for the Month of February 2014).

Commercial	Residential	Tires	Brush
2,229.33	935.36	12.08	0

3. Cut Off List

Staff reported no cutoffs for the month of February.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS

March 11, 2014

4. Personnel Changes

The following were reported as new hires: Anthony Quesenberry, PSA Refuse.

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

Voting no: None.

Not present: Mr. Crawford.

c. Worker's Comp Experience Modification Factor

As reported in the Board packet the worker's comp modification factor estimate, noting the rate decreased from 1.51 to 1.27 resulting in a \$5,000 savings.

Dr. Streff commended Mr. Nichols on the leadership provided to PSA staff, specifically in efforts to focus on "safety" measures.

d. Billing Errors

Mr. Huber shared with the Board a situation involving Republic Services (CVS-Pulaski) related to issues involving changes in the account name. Mr. Huber advised PSA billing staff is working on addressing the situation.

e. Draft Budget

Mr. Huber distributed a revised version of the draft budget, noting revenues had been increased in the second revised draft.

Ms. Burchett suggested staff review the eight months of revenues. Ms. Burchett also inquired if the revenues projected included any rate increase figures. Mr. Huber advised the draft budget did not include any potential rate increases.

Mr. Huber advised approval of the budget at the May 2014 PSA meeting is requested.

Dr. Streff requested the addition of a column showing the dollar and percent difference from the prior year.

Ms. Burchett inquired if the expenditures presented included any salary increases. Mr. Huber advised no salary adjustments were included in the budget.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

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

7. Other Matters

There were no other matters discussed at this time.

8. Closed Session – 2.2-3711 (A)3&7

A closed session is requested pursuant to Section 2.2-3711(A)3&7 of the 1950 Code of Virginia, as amended, to discuss property disposition or acquisition matters.

It was moved by Ms. Burchett, seconded by Dr. Streff and carried, that the Public Service Authority Board of Directors enter 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:

- Water Treatment Plant

Legal Matters – Pursuant to Virginia Code Section 2.2-3711(A)7 consultation with legal counsels and briefing by staff for discussion of specific legal matters and matters subject to probable litigation regarding:

- Frazier Lawsuit

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

Return to Regular Session

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

Voting yes: Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
Voting no: None.
Not present: Mr. Crawford.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. Dean, seconded by Ms. Burchett 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.

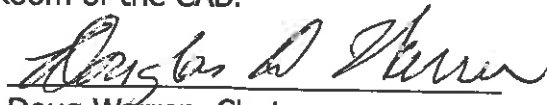
Voting yes: Mr. Dean, Dr. Warren, Dr. Streff, Ms. Burchett.
Voting no: None.
Not present: Mr. Crawford.

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS
March 11, 2014

9. Adjournment

By consensus, the Board adjourned its regular March 11, 2014 meeting. The next meeting of the PSA Board is a special meeting scheduled for Monday, April 7, 2014 at 7:00 p.m. in the Board Room of the County Administration Building (CAB) in the Town of Pulaski at which time a public hearing will be held to consider rate increases. The next regular meeting of the PSA Board is scheduled for Tuesday, April 8, 2014 at 9:00 a.m. in the Board Room of the CAB.


Nancy Burdett, Secretary/Treasurer


Doug Warren, Chairman