

PULASKI SERVICE AUTHORITY BOARD OF DIRECTORS
February 10, 2015

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, February 10, 2015 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; Nancy Burchett; Dave Dean; Dennis Setliff; and Fritz Streff.

Staff members present included: Peter Huber, County Administrator; Debra Boyd, PSA Collections Clerk; Gena Hanks, Clerk to the Board; Jared Linkous, County Engineer; and Ronnie Nichols, Director of Operations, Maintenance and Transportation.

Dr. Warren called the meeting to order and welcomed those present.

1. Citizen Comments

A. Public Comments

Brenda Blackburn inquired as to the number of responses received as a result of the 3,500 letters sent to residents who were receiving PSA services, but did not have accounts with the PSA. Debbie Boyd advised an official number was not known as several called in.

Brenda Blackburn inquired as to when the PSA realized there were residents who did not have accounts with the PSA, but were receiving service.

Brenda Blackburn inquired as to who prepared the language for the letter sent to residents.

Brenda Blackburn expressed concern over the PSA policy of placing liens on citizens' property for failure to pay PSA bills and the financial burden placed on citizens when tax refunds are withheld. Ms. Blackburn suggested the PSA could have utilized the documentation from the recent reassessment as a means of identifying those residents who do not have a PSA account, but are receiving service.

2. Financial Matters

A. Presentation of FY 14 PSA Audit

Deanna Cox, Robinson, Farmer, Cox Associates, presented the FY 14 audit and described the audit in detail, specifically noting the PSA had received a "non-qualified" opinion. Ms. Cox also advised if the PSA were

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being rated with a letter grade, the PSA would receive an "A". Lastly, Ms. Cox advised there were no management comments.

Mr. Setliff noted a discrepancy in the figures on page three (3) of the audit related to "net assets". Ms. Cox advised the figure would be corrected and copies of the corrected audit will be presented to staff for distribution to the PSA Board.

By consensus, the Board accepted and approved the FY 14 audit.

B. Key Financial Indicators Exercise

Staff reviewed a Key Financial Indicators Exercise which was presented at a recent financial management workshop for small utilities.

Board members reviewed the figures specific to the PSA. Deanna Cox advised the numbers were favorable for the PSA.

Mr. Dean inquired as to the cost to the PSA for the audit. Mr. Linkous reported the FY 14 audit costs were \$12,650 and \$12,285 for 2013.

C. Financial Report

On a motion by Mr. Setliff, seconded by Ms. Burchett and carried, the Board reviewed and accepted the financial report as presented.

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

Voting no: None.

3. Follow-up Items

A. Update on Moody's Rating for PSA

Mr. Huber reported the PSA does not currently have a rating by Moody's or Standard and Poor.

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B. Collections Update

Ms. Boyd reported the following: 22 claims matched from the Set-off Debt Program in the amount of \$7,300; one (1) new garbage account set up in response to the letters mailed; and staff is continuing the process of additional billings throughout the county and has covered 63 of the 132 tax maps in the County.

C. Update on Pulaski County Sewerage Authority (PCSA) Reconstruction Project

Mr. Setliff provided an update on the sewer line reconstruction project along Rt. 11, including issues related to facilities without proper grease traps. Mr. Setliff advised the PCSA is using the existing County ordinance to address the improper grease trap issue. Mr. Setliff also described in detail the required reporting responsibilities by facilities in the service area and the PCSA action to enforce such reporting. Mr. Setliff advised the expected completion date of the sewer line reconstruction to be in the spring of 2015. Mr. Setliff offered to keep the PSA apprised of the project.

4. Action Items

A. Skyview Subdivision – Phase II

Mr. Linkous reported receiving change order number 1 for the Skyview Subdivision - Phase II project. Mr. Linkous advised the contractor encountered a telecommunication line not shown on the plans requiring removal/reinstallation of some of the sewer line and that the utilities encountered were not marked by Miss Utility as part of the design ticket or the construction ticket. Mr. Linkous advised it was his opinion that neither the engineer nor the contractor is at fault and the Contractor is due the additional \$19,752.73. Mr. Huber advised that due to the need to keep work on this project moving, authorization had been provided to the county engineer to proceed with construction, with ratification of this approval requested of the PSA Board. Mr. Linkous also described the process used in contacting Miss Utility, noting Miss Utility is a clearinghouse utility leading to the potential for miscommunication.

Dr. Warren expressed appreciation to staff for keeping the project moving forward.

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On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the Board ratified approval in payment to the contractor in the amount of \$19,752.73.

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

Voting no: None.

B. Revised Lease Between Pepper's Ferry, PSA and Pulaski County

Mr. Huber described the proposed revised lease specifically that the PSA would be able to use the Pepper's Ferry property on a perpetual basis, subject to the PSA not charging the \$5.00 surcharge.

Ms. Burchett advised that #7 – "Removal and Ownership of Improvements" needs to read that the PSA imposes a fee and not "Pulaski County".

Ms. Burchett expressed concern over #6 "Removal and Ownership of Improvements", specifically the PSA's ability to remove items within the "sixty (60) day period". Mr. Huber suggested proposing a six month removal date.

Ms. Burchett inquired regarding the reference to the carrying of a \$5 million general liability and requested that staff confirm this figure.

Ms. Burchett inquired if Pepper's Ferry is requesting the County of Pulaski be a part of the agreement, or only the PSA.

Staff was requested to contact Pepper's Ferry staff with the proposed changes and inquiries.

On a motion by Ms. Burchett, seconded by Mr. Dean and carried, the PSA Board tabled action on the matter to the March 2015 Board meeting to allow for requested changes to be made to the lease agreement.

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

Voting no: None.

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C. Bear Proof Container Funding

Mr. Huber reported the Department of Game and Inland Fisheries bear specialist concurs that the PSA should not have to invest public funds for the purchase of trash cans and suggested that those interested in purchasing a bear-proof can be charged the going rate of regular trash cans, as could be purchased at a Lowe's or Wal-Mart, with the added cost of bear-proof cans being covered by a possible state grant. Mr. Huber advised the PSA would buy the cans and have them in stock and the resident would then buy the cans from the PSA and grant funds would pick up the difference as to what was not paid by the resident.

Mr. Huber suggested placing a message in the upcoming county newsletter to see what the demand would be for such cans.

On a motion by Dr. Streff, seconded by Mr. Setliff and carried, the PSA Board approved submitting an initial \$2,000 grant application, noting in the event that if there is no demand for these cans, the cans would be earmarked for use at Hiwassee, DeHaven and Gatewood parks.

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

Voting no: None

5. Consent Items

A. Minutes of Previous Meeting

On a motion by Mr. Dean, seconded by Ms. Burchett and carried, the PSA Board approved the minutes of the January 13, 2015 meeting, as presented.

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

Voting no: None

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

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

Voting no: None.

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B. Balance Due and Lien Reports

Ms. Burchett inquired as to the circumstances surrounding the two large adjustments. Staff was requested to review and provide an update at the March Board meeting.

The Board accepted the following balance due and lien reports:

Balance Due	11/3/2014	12/1/2014	1/5/2015	2/2/2015
Current Balance	519,978.16	485,465.35	-504,152.65	601,543.62
Over 30 Days	83,512.60	92,696.89	70,233.17	216,531.64
Over 60 Days	23,767.01	57,359.34	60,524.42	27,106.54
Over 90 Days	1,136,643.73	1,140,882.37	1,124,981.77	1,135,602.73
Total	1,763,901.50	1,776,403.95	751,586.71	1,980,784.53
Liens Filed	1,346,855.59			

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	\$ 71,022.62	\$ 73,957.64	\$ 757,612.12	\$ 902,592.38
Commercial	\$ 2,305.74		\$ 55,285.85	\$ 57,591.59
Nonuser	\$ 175,418.76	See Attached		\$ 175,418.76
Total	\$ 248,747.12	\$ 73,957.64	\$ 812,897.97	\$ 1,135,602.73

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

	Inactive	Non User	Active	Total
Residential Water	\$ 59,955.44	\$ 31,084.43	\$ 11,067.18	\$ 102,107.05
Commercial Water	\$ 1,777.67		\$ 528.07	\$ 2,305.74
Residential Garbage	\$ 5,572.84	\$ 14,134.30	\$ 699,039.28	\$ 771,746.42
Commercial Garbage	\$ 42,003.27		\$ 13,282.58	\$ 55,285.85
Sewer	\$ 10,132.70	\$ 1,521.88	\$ 63,824.94	\$ 75,479.52
Penalty		\$ 12,951.12		\$ 12,951.12
Interest		\$ 115,727.03		\$ 115,727.03
Total	\$ 172,441.92	\$ 175,418.76	\$ 787,742.05	\$ 1,135,602.73

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C. Budget Adjustments

The Board approved the following budget adjustment:

PSA FUND #6

Account Number	Account Title	Amount Increase (Decrease)
REVENUES:		
500-041050-0100	Transfer from PSA Reserves	\$ 160,000.00
		TOTAL \$ 160,000.00
EXPENDITURES:		
500-094100-8120	PSA Billing/Admin Office	\$ 160,000.00
500-045100-1110	PSA Billing Salaries	2,019.00
500-045100-2100	PSA Billing FICA	154.00
500-045100-2210	PSA Billing VRS Retirement	244.00
500-045100-2400	PSA Billing VRS Group Life Insurance	24.00
500-045100-2750	PSA Billing VRS Health Insurance Credit	5.00
500-091400-9301	Transfer from Contingency Funds	(2,446.00)
		TOTAL \$ 160,000.00

D. Billing Adjustments

The Board reviewed and accepted billing adjustments totaling a net credit of \$947,656.82.

E. Accounts Payable

The Board approved accounts payable for checks numbered 8011540 through 8011635, subject to audit.

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6. Staff Reports

A. Operational Reports

1. Inmate Availability

Staff reported use of three inmates per day for the month of January 2015.

2. Drop Site and County Landfill Tonnage Reports for November 2014

Drop Site Totals
for the Month of January 2015

Site	Trips	Tons	Tons per haul
Dora Highway	11	30.47	2.77
Dublin	9	34.94	3.89
Fairlawn	6	26.89	4.49
Totals	26	92.30	3.55

County Landfill Tonnage
(County customers & refuse department haulers
for the Month of January 2015)

Commercial	Residential	Tires	Brush
4,123.07	948.96	1006	.70

3. Cut Off List

Staff reported there were no cutoffs for the month of January.

4. Personnel Changes

There were no personnel changes.

B. Water Distribution – Greenbrier County, West Virginia

Board members reviewed an article related to the set up of water distribution in Greenbrier County, West Virginia as a result of a diesel fuel spill which left 12,000 people without water.

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C. Water and Sewer Revenue Bonds

Staff shared correspondence from the USDA describing loans which are paid in full.

D. Financial Management Workshop Follow-up

Staff shared information presented at the recent Financial Management Workshop.

E. Pulaski to Dublin Force Main Repair

Mr. Linkous described pictures which show the results from the Town of Pulaski's replacement of a section of the sewer force main between the Town of Pulaski and Dublin, noting corrosion from hydrogen sulfide is likely to have been the cause of the corrosion of the pipe, such that the top of the pipe failed.

Board members discussed the location of the pipe, the potential for similar occurrences in PSA lines, and plans underway by PSA staff in reviewing existing lines.

Mr. Linkous and Mr. Huber also described the Pulaski to Dublin force main.

Dr. Warren requested a diagram showing the Pulaski to Dublin force Main.

7. Staff To-Do Listing

The Board reviewed the following staff listing of ongoing items:

- a. Skyview/NRV Fairgrounds Sewer Funding
- b. Drop Center on the South Side of Claytor Lake
- c. Dublin PSA Office Relocation

Mr. Huber provided an update on the recent approval by the PSA Board for purchase of the former bank building in Dublin, including the \$5,000 check to Attorney Sam Campbell for earnest deposit towards the \$150,000 purchase.

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Mr. Huber also described the list of building renovations anticipated including: signage; landscaping; installation of ATM; potential for other county staff to locate to the building; renewing of wood finish and flooring; alarm system/cameras; and furniture needs.

The PSA Board discussed the need to renovate the building to allow for the most effective use of space.

- d. Covered Water Meter Ordinance
- e. Draper Area Wythe County Sewer/PSA Connection
- f. Water Meter Replacement
- g. Water Master Plan
- h. Change Exist at Fairlawn Drop Site
- i. Pulaski Drop Site

Dr. Streff reviewed a letter from Morgan Welker which expressed concerns related to the rapid filling up of the Dora Highway Drop site, often preventing residents from being able to drop items off at the site. Dr. Streff requested staff continue looking for suitable site(s) for a new drop site, as well as expressed concern over the drop site filling up and causing issues for residents intending to dispose of items at drop site.

Mr. Huber advised there was not a great deal of resources for suitable drop sites; however, staff would continue to review the matter.

Mr. Dean suggested contacting other localities to inquire as to their method for providing similar collection efforts. Mr. Huber also advised that Pulaski County is the only locality that uses drop sites as a supplement to trash pickup.

Staff was requested to review options for disposal of appliances and tires.

8. Other Matters

Mr. Setliff requested staff provide options for funding of a water master plan.

Mr. Linkous provided an update of efforts to date including past submission of a Health Department planning grant. Mr. Linkous advised that the PSA must be able to document a "health hazard" to qualify for such a planning grant and therefore, the application for said grant was unsuccessful.

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Mr. Setliff requested a cost detail and plan be provided to the PSA Board and also request the Board of Supervisors for assistance with sewerage authority maintenance.

Mr. Setliff expressed appreciation to the PSA and county staff for the work resulting in a favorable FY 14 audit report.

9. Adjournment

On a motion by Dr. Streff, seconded by Ms. Burchett and carried, the Board adjourned its regular meeting with the next regular meeting of the PSA Board scheduled for Tuesday, March 10, 2015 at 9:00 a.m. in the Board Room of the CAB.

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

Voting no: None.


Doug Warren, Chairman


Nancy Burchett, Secretary/Treasurer