

PUBLIC SERVICE AUTHORITY BOARD OF DIRECTORS MEETING
July 9, 2019

At a regular meeting of the Public Service Authority Board of Directors held on Tuesday, July 9, 2019; at 9:00 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia, the following Board members were present: Dr. Doug Warren, Chair; Mr. Dave Dean, Vice Chair; Mr. Dennis Setliff; Dr. Fritz Streff and Nancy Burchett.

Staff members present included: Jared Linkous, Executive Director; Diane Newby, Finance Director and Natasha Grubb, Clerk to Board.

1. Welcome and Call to Order

Dr. Warren called the meeting to order at 9:00 a.m.

A. Confirmation of A Quorum

5 (five) Board members were present.

2. Approval of the Agenda

A. Additions or Changes to the Agenda

The Board voted in the affirmative by consensus to accept the agenda as presented.

3. Presentations and Citizens Comments

A. Presentations and Citizens Comments

Mr. Bob Rogers, representative, Trinity Baptist Church, located at 4008 Robison Tract Road, Pulaski, inquired about any current updates regarding the extension of a water line to the church.

Mr. Linkous advised the Town of Pulaski and the engineering firm are working towards the preparation of the preliminary engineering report (PER) to properly evaluate the project and make recommendations. Mr. Linkous further explained it is a priority for the PSA to extend water to Trinity Baptist Church, unfortunately, the process could take a minimum of five years from start to finish.

Mr. Dean inquired if Mr. Roger have attended any of the Pulaski Town Council Meetings.

Mr. Rogers stated he had not, but planned to attend, and stated the \$10,000 donation from the Church is still available for the extension of a water line to the church.

Dr. Warren encouraged Mr. Rogers to continue to keep the Board involved with the process.

4. Financial Matters

A. Financial Report

Mrs. Newby presented the financial report.

Mrs. Burchett questioned if the PSA had received \$1.4 million reimbursement for the Skyview Phase 3 project.

Mr. Linkous remarked he was unable to obtain the invoice from VDOT for the paving of Collier Street before the fiscal year ended which was required for reimbursement. He hoped to receive the reimbursement by the end of July 2019.

Mrs. Newby reported the August financial reports will be printed directly from the new finance software and will look completely different. She advised adjustments can be made if the Board is not satisfied with its appearance.

B. Collections Update

Mr. Linkous provided the collections update.

Mr. Linkous reported Mrs. Sandra Boyd, PSA Billing Office, determined Mrs. Blackburn operated her flea market in three (3) different buildings (currently the locations of True Value, Dublin; Jubilee Christian Center, Fairlawn and Duncan Suzuki, Pulaski). The account was created in 2005 when she occupied the Duncan building. Although Mrs. Blackburn moved to different locations, the account number did not change, which explains why the delinquent amounts did not match. Mrs. Boyd found the agreements for Mrs. Blackburn at the Fairlawn and Dublin locations and is awaiting additional information from the Town of Pulaski. Mr. Linkous will notify Mrs. Blackburn when all dates, times and charges are retrieved at each location.

Mr. Linkous shared his appreciation for all of Mrs. Sandra Boyd's hard work and efforts regarding with this matter.

C. Delinquency Report

Mr. Linkous reviewed the Delinquency Report. There were no questions.

D. One Call Report

Mr. Linkous reviewed the One Call Report. There were no questions.

5. Action Items (New Business)

There were no new action items regarding new business.

6. Action Items (Old Business)

A. Raw Water Intake

Mr. Linkous reviewed the Raw Water Intake Project and funding/financing, and respectfully requested authorization to sign the commitment letter for the Raw Water Intake project.

On a motion by Mr. Setliff, second by Dr. Streff and carried, the Board authorized Mr. Linkous to sign Public Service Authority (PSA) Commitment Letter for the Raw Water Intake Project.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

B. First Bank

The Pulaski County Sewerage Authority (PCSA) plans to allow their customers to pay their sewer payments at First Bank and requests a decision be made by the PSA Board regarding the use of First Bank in Fairlawn as an additional payment collection source for PSA customers.

Mr. Linkous read an e-mail sent from Mr. Joseph Guthrie, Supervisor, Cloyd district, who supports the use of First Bank in Fairlawn as an additional payment collection source for PSA customers.

Mr. Linkous spoke with First Bank representatives, and they have no issues with daily reconciliation; however, they will require the PSA to open an account and maintain a minimum balance of \$25,000. Mr. Dean inquired if the PCSA were required to maintain a minimum balance of \$25,000; Mr. Setliff remarked they did not. Members of the Board asked if deposit requirements could be eliminated. First Bank has also expressed a need to further discuss posting directly to County financial software with their information technology department. Mr. Linkous further explained PSA customers have at least five different options for making payment such as Fairlawn Bookkeeping, Pulaski County Treasurer's office, PSA Billing office, The National Bank (Downtown Pulaski Branch), online services and by mail.

Staff recommended based upon the minimum balance requirement, direct posting concerns and past audit findings with other outside bill collection agencies, not using First Bank in Fairlawn as an additional payment collection source for PSA customers at this time.

Mrs. Burchett asked Mr. Setliff how many PSA customers make payments at the Fairlawn Bookkeeping office. Mr. Setliff remarked approximately 6,000 customers come into the Fairlawn Bookkeeping office a year to make payments.

Dr. Streff remarked if First Bank cannot post to County financial software, the PSA will need to spend \$50,000 a year to hire another employee plus an additional \$25,000 to maintain a minimum balance, which means the PSA residents are essentially paying for PCSA customers to have a place to pay their bills. The PSA residents located

in areas such as Draper, Cloyd's Mountain, Claytor Lake and many other areas in the county travel the same distance to make payments at the PSA Billing office.

Mrs. Newby reported when all facets of the County software is active, it is a possibility none of the banks will be able to post directly to the software; however, it would take at least six months to evaluate if the County financial software will work with banks and/or other outside organizations. Mr. Sweet proposed staff determine whether the financial software will coordinate with the bank(s)' systems and report back to the Board with recommendations and options.

The Board voted in the affirmative by consensus for staff to determine whether the County financial software will coordinate with the banks' systems and report recommendations with options to the Board.

C. Use of Water and Sewer Rate Increase

During the water and sewer master plan meetings, a question arose regarding the one percent of the revenue generated from the water and sewer rate increases and the intent of those funds to be used solely for future development.

Staff is requesting clarification regarding whether the Board previously expressed the desire to set aside one percent of the revenue generated from the water and sewer rate increases for future development.

Mr. Dean noted he brought up the question regarding the one percent of revenue generated from the water and sewer rate increase for future development. He recalled specifically discussing utilizing one percent of the five percent being used toward future development. Mr. Dean further discussed water and sewer was a top priority with the Comprehensive Study Survey and proposed opening a separate account to be used solely for future development.

Dr. Warren advised he recollected taking a class with Mr. Dean which reflected on this point; however, it was not formally discussed nor was action taken during prior PSA meetings. The Board will have the opportunity to propose the priority and appropriate locations for water and sewer, during the planning process of the master plan.

Mr. Linkous noted the budget FY 2019-20 budget has been adopted and if the Board intends for one percent of new revenue generated from water and sewer to be designated specifically for unknown or unexpected projects, it can be implemented in next fiscal year's budget.

7. Reports from Executive Director and Staff

A. Operational Reports: Convenience Centers and County Landfill Tonnage, Inmate Availability and Cut-Off List

Due to a software error, the Operational Reports: Convenience Centers and County Landfill Tonnage, Inmate Availability and Cut-Off list were not made available. The report will be added for review with the August 13, 2019, agenda.

B. Resolution - Water Meter Replacement

Mr. Linkous reviewed the Resolution for the Water Meter Replacement.

On a motion by Mr. Setliff, second by Dr. Streff and carried, the Board approved the Resolution for the Water Meter Replacement.

Voting Yes: Mr. Setliff, Mr. Dean, Dr. Warren, Dr. Streff, Mrs. Burchett.

Voting No: None.

C. Activity Report

Mr. Linkous provided the Activity report. There were no questions.

D. Pulaski County Middle School Sewer Extension

Mr. Linkous reviewed the updates on the Pulaski County Middle School (PCMS) sewer extension. The Wurno Road emergency sewer replacement restoration of the site(s) and testing are complete, and the system is fully online.

The Board requested information regarding the performance of the PCMS sewer extension by staff. The PSA's responsibility was to provide a gravity wastewater collection system with adequate capacity to serve the new

school. The project is approximately 90% complete and is on track to be completed by November 19, 2019. All components have been installed, have been tested and deemed acceptable for payment by PSA staff.

The Board commended Mr. Linkous for his dedication and hard work on the PCMS sewer extension.

E. Staff to Do List

The following updates were provided on the following staff to do list items:

A. Skyview Phase 3 (Community Sewers Project)

Mr. Linkous provided updates on the Community Sewers project. Mr. Setliff thanked staff for e-mailing him the application for residents eligible for Low Moderate Income (LMI) program.

B. Drop Site on the South Side of Claytor Lake

No report given.

C. Covered Water Meter Ordinance

No report given.

D. Draper Area Wythe County Sewer/PSA Connection

No report given.

E. Water Meter Replacement

No report given.

F. Water Master Plan

No report given.

G. Facilities for Refuse Employees

No report given.

H. Pulaski Convenience Center Relocation

Mr. Linkous provided updates on the Pulaski Convenience Center Relocation.

I. Brookmont Water System Disinfection By-Products

No report given.

K. Improvements to Fairlawn Convenience Center

No report given.

L. Write off Accounts Consideration

No report given.

8. Other Matters from the Directors

Dr. Streff advised he had discussions with farmers in the Draper district regarding backflow prevention devices, specifically if testing was a requirement. Mr. Linkous remarked anything that is submitted as an alternative has been approved through the Virginia Department of Health (VDH) in Abingdon. If they are interested in checking their devices, he advised they contact the VDH in Abingdon.

9. Items of Consent

On a motion by Mr. Dean, second by Mrs. Burchett and carried, the Board reviewed and approved by consensus in the affirmative the following items of consent:

A. Minutes of Previous Meeting

The minutes of June 11, 2019, regular meeting, were approved by the Board at the July 9, 2019, meeting.

B. Balance Due Report

The balance due report was approved as presented in the July 9, 2019, meeting agenda in BoardDocs.

C. Budget Adjustments

There were no budget adjustments.

D. Billing Adjustments

The billing adjustments were approved as listed in the July 9, 2019, meeting agenda in BoardDocs.

E. Accounts Payable

The Board ratified accounts payable for checks numbered #8018610-8018734.

F. Personnel Changes

Board members reviewed and approved a memo describing personnel changes in the month of June 2019, an electronic version of which is filed in the July 9, 2019, BoardDocs agenda.

10. Informational Items

There were no informational items.

11. Adjournment

A. Adjournment

On a motion by Mr. Dean, second by Mrs. Burchett and carried, the Board adjourned their July 9, 2019, regular meeting. The Board voted by consensus in the affirmative to conclude the meeting.

The August meeting of the Public Service Authority will be held on Tuesday, August 13, 2019, at 9 a.m. in the Board Room of the County Administration Building, 143 Third Street, N.W., in the Town of Pulaski, Virginia.



Douglas D. Warren, DED, Chairman



Nancy Burchett, Secretary/Treasurer