

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, HELD ON THE 2ND DAY OF JUNE 2008, 7:00 P.M., COUNTY ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:

PRESENT:	James Politis	-Chair
	Gary Creed	-Vice-Chair
	Mary Biggs	-Secretary-Treasurer
	John Muffo	-Member
	William Brown	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Senior Program Assistant
	Marty McMahan	-County Attorney
	B. Clayton Goodman	-County Administrator
	Malvin Wells	-Planning Commission

ABSENT:	Annette Perkins	-Member
	Doug Marrs	-Member

CALL TO ORDER

Chair Politis called the meeting to order and determined that a quorum was present.

DELEGATION

Mr. Henry Brabham addressed the Board concerning extending water across I-81 to his truck stop. The well he currently has is not producing enough water for his current needs and it contains a large amount of iron. He is requesting financial help with the installation of a waterline to serve the truck stop.

The Board authorized the Director to determine if the casing under the road would allow the installation of a waterline, have the line videoed, and to research the easement area and long term expansion plans for I-81.

PUBLIC ADDRESS SESSION

Samuel Young, Route 114, spoke concerning a petition that was sent to Congressman Boucher's office requesting water service for the Route 114 area of Montgomery County. He currently has sewer but no water. He stated that residents in this area need water. Some people in this area do not have any water and have to buy water from their neighbors. Other people have been getting sick. He informed the Board that Boucher's office said they would help get a grant.

Linda Hinkley spoke on behalf of Patsy Caldwell, 4343 Centerville Circle. Ms. Caldwell got sick from the water. She shares a well with four other families. She replaced all the lines to her home, had the water tested, and still has bacteria in the water.

Robin Stephen, 3563 Peppers Ferry Road, spoke in opposition of the high bill for sewer service only. She has no water or garbage pickup and she pays \$45.00. She feels this amount needs to be lowered. She wanted to know what it would take to have water installed in this area and what the residents could do to help accomplish this.

CONSENT AGENDA

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated June 2, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

APPROVAL OF MINUTES MAY 5, 2008

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated May 5, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

R08-06-1 RESOLUTION OF APPRECIATION HEATHER F. DUNCAN

WHEREAS, *Heather F. Duncan* serves as Finance Manager for Montgomery County; and

WHEREAS, *Heather Duncan* has been a great friend and ally to the Montgomery County Public Service Authority by sharing her knowledge, expertise, and time relating to Public Service Authority billing and financial matters by going the extra distance in resolving issues; and

WHEREAS, *Heather Duncan* resigned as Finance Manager effective June 6, 2008.

NOW, THEREFORE BE IT RESOLVED, that the Montgomery County Public Service Authority extends our appreciation and gratitude to **Heather Duncan** and wishes her great luck and success in her future endeavors.

FURTHER, BE IT RESOLVED, that the original of this resolution be presented to **Heather Duncan**, and that a copy be made part of the official minutes of the Montgomery County Public Service Authority meeting of June 2, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

INTO WORK SESSION

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

- A. Davenport & Company, LLC – Review of Proposals
Loan Refinancing

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

OUT OF WORK SESSION

On a motion by Gary Creed, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby ends their work session to return to regular session.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

After the work session, the Board instructed the representative from Davenport & Company, LLC to calculate monthly payment at 3.8%, 4.0% and 4.2%, determine when first payment would be due, what an additional \$100,000 would be to finance, and if monthly payments could be made instead of semi-annually. The Board will hold a special meeting on Monday, June 9, 2008, 6:00 p.m., to make a final decision.

AUTHORIZE DAVENPORT & COMPANY, LLC TO MOVE FORWARD WITH BID RECEIVED FROM CARTER BANK & TRUST

On a motion by Gary Creed, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby tables this item for a special meeting to be held on Monday, June 9, 2008, 6:00 p.m.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

APPROVE PSA FY 2008-2009 BUDGET

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the annual budget for FY 2008-2009, in the amount of \$3,298,830 – (\$1,827,416 Water & \$1,471,414 Sewer); and, that the Director is hereby authorized to utilize the budget as an official document of the Authority to become effective on July 1, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

WATER REQUEST PETITION – ROUTE 114 – CONGRESSMAN BOUCHER

This item was presented for review and discussion. PSA staff received a letter from Congressman Boucher in reference to a request and petition that he had received from residents along Route 114 that have concerns about their water quality.

The Board instructed the Director to check on possible funding opportunities for this request, prepare a report with estimated costs for this request, determine the number of customers that could be served, and send out a mass mailing.

The Board also instructed the Director to write a letter to Congressman Boucher informing him that we are working on a preliminary report for this request.

APPROVE RESOLUTION AUTHORIZING THE REFUNDING OF EXISTING BONDS OF THE AUTHORITY, THE UNDERTAKING OF CAPITAL IMPROVEMENTS TO FACILITIES OF THE AUTHORITY, AND THE ISSUANCE, SALE AND AWARD OF A NOT TO EXCEED \$6,600,000 REVENUE BOND, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

On a motion by Gary Creed, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby tables this item for a special meeting to be held on Monday, June 9, 2008, 6:00 p.m.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

APPROVE FINANCING AGREEMENT BETWEEN THE MONTOMGERY COUNTY PUBLIC SERVICE AUTHORITY & CARTER BANK & TRUST

On a motion by Gary Creed, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby tables this item for a special meeting to be held on Monday, June 9, 2008, 6:00 p.m.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Annette Perkins
Gary Creed		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

FINANCIAL REPORT

The financial report for period ending May 31, 2008 was presented for review and discussion.

DIRECTOR'S REPORT

1. Monthly Activities Report
The May 2008 report was presented for review.
2. Sewage Treatment Plant Permit Applications
All three PSA sewage treatment plant permits expire this year requiring preparation and submission of permit applications. PSA staff is preparing and submitting the

applications. The Riner plant permit application has been submitted and accepted by DEQ, Elliston plant permit application is almost complete and the Shawsville plant permit application will be prepared in June.

In the past, consultants were hired to prepare and submit these applications.

3. Warm Hearth and Plum Creek Sewer Pump Station Grant Applications
The Southern Rivers Watershed Enhancement Program grant applications for the Warm Hearth and Plum Creek Sewer Pump Stations were completed and submitted to the grant agency within the allowable submission period.
4. Warm Hearth Sewer Pump Station
The pump damaged apparently by a lightning strike on April 29, 2008 has been rebuilt and delivered to the site. The rebuilt pump and new check valves will be installed as soon as possible.
The pump station continues to operate with the remaining pump with our trailer mounted backup pump on site as a backup system. This pump station continues to be problematic and should be replaced as soon as possible.
5. Warm Hearth Sewer Billing
The PSA recently discovered that sewer billing for this facility was being based upon the water meter readings rather than the installed sewer meter. This billing method resulted in several thousand dollars of lost revenue over the last two months alone. This complex has sewer discharging by pump to the BVPI Sanitation Authority and discharging by gravity sewer to Christiansburg. There is a sewer meter on the pump station but none on the gravity sewer.
Warm Hearth has been notified of the sewer billing issues and has agreed to billing by the sewer meter for the pump station section and flat rate billing for the gravity sewer section. This billing method could be implemented with the June 15 billing cycle. Warm Hearth has requested that the new billing method be delayed till October 2008 to coincide with their fiscal year.
6. Sewer Within Duncan GMC/Pontiac Site
The PSA has completed two sewer design layouts. We have been attempting to set up a meeting with VDOT and the property owners to resolve several issues. The PSA is to design and bid the work and VDOT will provide funding based upon the bids. Both alternatives will be bid to determine the cost of the work and best route for all parties involved.
7. Upcoming Utility Billing Issues
We have been informed that the Finance Manager has resigned and the Utility Billings clerk may be out for an extended period soon after the last work day of the Finance Manager. These two individuals are critical to utility billing operations for the PSA.
We are scheduling training for several PSA staff for critical utility billing activities in an attempt to insure uninterrupted customer service.
8. Disputed Vender Invoices
The PSA received several invoices for recent work which appeared to contain questionable charges per the contract conditions. A formal request was sent to the vender requesting clarification of several charges. A response was not received within a reasonable timeframe, so an adjusted amount was calculated and a check for the adjustment amount along with explanation was sent to the vender.
9. Shawsville Water Project Remaining Fund Disbursement
A request outlining purchases of meters and various meter reading equipment was submitted to Rural Development on April 24, 2008 and was approved by email on April 29, 2008 for the remaining project funds. The remaining project funds of

\$107,660 were deposited into the PSA bank account during the first week of May. The approved purchases have been ordered.

10. Fill Over Sanitary Sewer Easement On National Drive Lot

It was determined that a property owner in this area placed fill material in excess of 15 feet over an existing sewer main and easement. The owner was notified by letter and telephone of the situation and need to remove the material and restore the easement to its original condition. The property owner indicated that he would remove the fill sometime in May. No adjustments have been done to date and the property owner has not responded to phone messages.

11. McCoy Road Water Break

A six-inch water main along McCoy Road broke during the early morning hours of May 27, 2008. It appears that this break may have been the result of a pressure surge during pump operations. It is estimated that over 300,000 gallons of water was lost due to this break.

PSA staff initiated the site setup and repairs around 6:30 a.m. and had water service restored at 11:45 a.m.

12. 2007 Waterworks Award

The PSA Director and Water Operations Specialist were presented a 2007 Virginia Department of Health Excellence in Waterworks Operations Award at the award ceremony in Roanoke on May 8, 2008.

AUTHORITY MEMBERS' REPORT

There were no reports from Authority members.

ADJOURNMENT

On a motion by William Brown, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for June 9, 2008.