

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, HELD ON THE 4TH DAY OF OCTOBER 2010, 7:00 P.M., COUNTY ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:

PRESENT:	Gary Creed	-Chair
	James Politis	-Vice Chair
	Mary Biggs	-Secretary-Treasurer
	Annette Perkins	-Member
	John Muffo	-Member
	William Brown	-Member
	Doug MARR	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Secretary to PSA Board
	Craig Meadows	-County Administrator
	Marty McMahan	-County Attorney
	Malvin Wells	-Planning Commission

CALL TO ORDER

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

ADDENDUM TO AGENDA

On a motion by William Brown, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority hereby adds the following item to the Consent Agenda dated October 4, 2010:

APPROVE DEED OF EASEMENT AND AGREEMENT BETWEEN LARRY S. ATKINSON, MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, AND HENRY J. BRABHAM, IV FOR THE IRONTO WATERLINE EXTENSION PROJECT

The vote on the foregoing motion is as follows:

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

PUBLIC ADDRESS SESSION

There were no comments from the public.

CONSENT AGENDA

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated October 4, 2010.

The vote on the foregoing motion is as follows:

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

**APPROVAL OF MINUTES
DATED SEPTEMBER 7, 2010**

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated September 7, 2010.

**R10-10-1
RESOLUTION APPROVING
DEED OF EASEMENT AND AGREEMENT BETWEEN
LARRY S. ATKINSON,
MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY,
AND HENRY J. BRABHAM, IV
FOR THE IRONTO WATERLINE EXTENSION PROJECT**

On a motion by James Politis, seconded by William Brown, and carried; IT WAS RESOLVED, by the Board of Directors of the Montgomery County Public Service Authority, that the Board of Directors hereby approve the proposed Deed of Easement and Agreement between Larry S. Atkinson, the Montgomery County Public Service Authority and Henry J. Brabham, IV, and agree to accept the easements hereinafter described and shown more particularly on the Plat of Survey entitled "Plat Prepared For The Montgomery County Public Service Authority Showing A New Public Waterline Easement On a Portion Of The Lands Of Larry S. & Sandra T. Atkinson" identified as Job No. 0576.6, dated August 23, 2010 and prepared by Gay and Neel, Inc., property identified as Tax Parcel 46-(A)-12C, for the proposed Ironto Waterline Extension Project. The Deed of Easement and Agreement is hereby attached and made a part of this Resolution by reference.

BE IT FURTHER RESOLVED, that the Chair of the Montgomery County Public Service Authority is hereby authorized to sign the above referenced Deed of Easement and Agreement on behalf of the Board of Directors of the Montgomery County Public Service Authority.

The vote on the foregoing motion is as follows:

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

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 Work Session for the purpose of discussing the following:

A. Refinancing Current PSA Debt

The vote on the foregoing motion is as follows:

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

OUT OF WORK SESSION

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the public Service Authority hereby ends their Work Session to return to Regular Session.

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

After the work session, it was the consensus of the PSA Board to authorize Davenport & Company, LLC to proceed with preparing necessary documentation to develop a competitive solicitation to local/regional financial institutions for the purpose of refinancing PSA current debt.

FINANCIAL REPORT

The financial report for period ending September 30, 2010 was presented for review and discussion.

DIRECTOR'S REPORT

The Director's Report included the following items:

1. Monthly Activities Report
The September 2010 report was presented for review.
2. Virginia Water and Wastewater Rate Report
A copy of the "22nd Annual Virginia Water and Wastewater Rate Report 2010" by Draper Aden Associates was presented along with summaries of the water and wastewater reports sorted by number of customers and residential charges for 5,000 gallons per month. The water section of the report contained 183 complete responses (165 in 2009) while the sewer section included 172 (158 in 2009) complete responses.

In the water report, the PSA was 101 (55.2%) in order of number of connections (smallest to largest) at 2,640 (102 [61.8%] in 2009) while 158 (86.3%) in order of customer charge for 5,000 gallons at \$37.80 (147 [89.1%] in 2009). The median customer charge for 5,000 gallons was \$25.45 (\$24.75 in 2009). The average residential water facility fee of the report is \$3,787 with a median of \$3,410 while the PSA's fee is \$2,500.

In the sewer report, the PSA was 78 (45.3%) in order of number of connections (smallest to largest) at 1,485 (77 [48.7%] in 2009) while 128 (74.4%) in order of customer charge for 5,000 gallons at \$39.30 (122 [77.2%] in 2009). The median customer charge for 5,000 gallons was \$32.00 (\$30.19 in 2009). The average residential sewer facility fee of the report is \$5,405 with a median of \$4,325 while the PSA's fee is \$3,000.

3. Account Cut-Offs by Water System

The Director presented a summary of the account cut-offs for delinquency by water system for the period from September 2009 to September 2010 for review and discussion. This evaluation was requested during the September 7, 2010 PSA meeting.

4. Customer Damage Claim and Warrant in Debt

A water customer, Curtis Linkous, 1531 Oilwell Road, made a claim that the PSA did not close the water meter lid during reading operations which resulted in damage to his lawn mower. The original complaint for \$185.00 was turned into our insurance provider, VACo, who after review denied the claim. Mr. Linkous filed a Warrant in Debt claim for a total of \$241.00 (\$56.00 cost added) with the hearing date set for October 7, 2010. VACo has assigned an attorney to defend the PSA in this claim.

5. Funding Opportunities for Corrections at the Riner Sewage Treatment Plant

The Director was instructed during the September PSA meeting to investigate funding opportunities with state and federal agencies for the DEQ required corrections at the Riner STP (+/- \$30,000). Funding by grants does not appear available while most agencies do offer low interest loans. A summary of the agencies and funding options was presented for review.

6. Plum Creek Sewage Pump Station Issues

The Plum Creek sewage pump station was constructed 25 years ago along East Main Street just outside of the Radford City limits. The pump station uses an electric design that converts single-phase electric supply into quasi three-phase supply through capacitors. This conversion is inefficient and prone to interruptions and failures. The PSA experiences routine failures that usually require the PSA's electrical contractor to respond to and restore to full operation.

Three phase electrical supply is now available to the site from the City of Radford. Conversion to three-phase electric supply will require installation of a new electrical control panel and pumps at an estimated cost of \$25,000 to \$30,000.

7. Compton Drive Water Supply Issues

On Friday, September 17, 2010, the PSA received several low pressure/low water supply complaints from customers along Compton Drive in Elliston. Upon investigation, it was suspected that the recent fire hydrant flow testing in that area may have stirred up debris into the two, ¾" waterlines supplying the area. As an interim measure, the PSA crew connected the two lines together on September 20, 2010. The PSA has purchased materials and plans to install a section of 2" pipe in this area within the next two weeks as an additional improvement. The final improvements will require a new 6" connection to the existing 8" water main across Old Roanoke Road and installation of a section of new 6" pipe to the end of the new 2" pipe. The road crossing of Old Roanoke Road will require careful planning due to site conditions and traffic concerns. It is expected that the installation of a new 6" line may take several months to complete.

8. Ironto Water Line Extension Project

The Director has had several conversations with the developer's engineer relative to this project and possible mediation between the developer, property owner, and PSA

representatives in regards to the required water line easement. These discussions have resulted in additional negotiations between the property owner and developer and another easement offer. An easement document is being finalized and if approved by all, should allow the project to proceed.

9. Fire Hydrant Flow Testing

The contractor performed fire hydrant flow testing and maintenance on 387 fire hydrants on September 16, 2010 after 3 weeks of work. A spreadsheet was completed showing the fire hydrant pressure and flow for all hydrants. This work also identified fire hydrant deficiencies outside the scope of the contractor's work. These deficiencies have been turned over to the PSA maintenance crew for correction.

AUTHORITY MEMBERS' REPORT

There were no reports from Board members.

INTO CLOSED MEETING (In at 7:55 p.m.)

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

- Section 2.2-3711
- (7) Consultation with Legal Counsel and Briefings by Staff Members or Consultants Pertaining to Actual or Probable Litigation, Where Such Consultation or Briefing in Open Meeting Would Adversely Affect the Negotiating or Litigating Posture of the Public Body; and Consultation with Legal Counsel Employed or Retained by a Public Body Regarding Specific Legal Matters Requiring the Provision of Legal Advice by Such Counsel
 - 1. Water and Sewer Agreements
Town of Christiansburg
 - 2. Joinder Study
 - (1) Discussion, Consideration, or Interviews of Prospective Candidates for Employment, Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body
 - 1. Personnel

The vote on the foregoing motion is as follows:

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

OUT OF CLOSED MEETING

(Out at 8:30 p.m.)

On a motion by Mary Biggs, seconded by Doug Marrs, and carried; IT WAS RESOLVED, that the Public Service Authority ends their Closed Meeting to return to Regular Session.

The vote on the foregoing motion is as follows:

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

CERTIFICATION OF CLOSED MEETING

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Public Service Authority does hereby agree, that to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the meeting to which this certification resolution applies; and (ii) only public business matters as were identified in the motion conveying the Closed Meeting were heard, discussed or considered by the Authority.

The vote on the foregoing motion is as follows:

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

ADJOURNMENT

There being no further business, Chair Creed adjourned the meeting to the next meeting scheduled for November 1, 2010.