

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, HELD ON THE 6<sup>TH</sup> DAY OF JUNE 2011, 7:00 P.M., COUNTY ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:**

<b>PRESENT:</b>	Gary Creed	-Chair
	John Muffo	-Vice Chair
	Mary Biggs	-Secretary-Treasurer
	Annette Perkins	-Member
	James Politis	-Member
	William Brown	-Member
	Doug Marrs	-Member
	Robert C. Fronk	-PSA Director
	Karri Cridlin	-Secretary to PSA Board
	Craig Meadows	-County Administrator
	Marty McMahan	-County Attorney
<b>ABSENT:</b>	Malvin Wells	-Planning Commission

**CALL TO ORDER**

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

**PUBLIC HEARING**

A public hearing was held for proposed schedule fixing and classifying the following rates for water and sewer service:

**SEWER RATE**

Proposed 2% Increase From: \$6.96 to \$7.10 per 1,000 gallons

**SERVICE FEE**

Proposed Increase From: \$4.50 Each Water and Sewer  
To \$6.50 Each Water and Sewer

**PROPOSED NEW FEE**

Water Meter Calibration Fee \$50.00

There were no comments from the public concerning the proposed rate increases.

**PUBLIC ADDRESS**

There were no comments from the public

**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 6, 2011. 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 MAY 3, 2010**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated May 2, 2011.

**APPROVE PROPOSED RATES, FEES AND CHARGES FOR WATER AND SEWER SERVICE**

**R11-06-1  
RESOLUTION APPROVING PROPOSED  
RATES, FEES AND CHARGES  
FOR WATER AND SEWER SERVICE**

On a motion by Mary Biggs, seconded by James Politis, and carried; IT WAS RESOLVED, that the Public Service Authority advertised a public hearing notice for rate adjustments in the *New River Current* section of the *Roanoke Times* on Friday, March 11 and Friday, March 18, 2011; and

WHEREAS, the Authority held a public hearing on June 6, 2011 to receive citizen comments on the adoption of the proposed rate adjustments for all Authority owned water and sewer systems.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with the Code of Virginia, Chapter 51, Virginia Water and Waste Authorities Act, Section 15.2-5136, Rates and Charges; the Public Service Authority hereby approves and adopts the following rate adjustments to become effective June 7, 2011

**SEWER RATE**

Increased from \$6.96 to \$7.10 per 1,000 gallons

**SERVICE FEE**

Proposed Increase From: \$4.50 Each Water and Sewer  
To \$6.50 Each Water and Sewer

**PROPOSED NEW FEE**

Water Meter Calibration Fee \$50.00

The roll call vote on the above resolution is as follows:

John Muffo	-Yes
James Politis	-Yes
Annette Perkins	-Yes
William Brown	-Yes
Doug Marrs	-Yes
Mary Biggs	-Yes
Gary Creed	-Yes

**APPROVE PSA FY 2010-2011 BUDGET**

**R11-06-2  
RESOLUTION APPROVING  
PSA FY 2010-2011 BUDGET**

On a motion by Doug Marrs, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the annual budget for FY 2011-2012, in the total amount of \$3,352,717 – (\$1,836,510 Water & \$1,516,207 Sewer); and, that the Director is hereby authorized to utilize the budget as an official document of the Authority to become effective July 1, 2011.

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 INCREASE IN RENTER DEPOSITS**

On a motion by Annette Perkins, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves increasing the Renter Deposits to \$120.00 each Water and Sewer effective June 07, 2011

### **FINANCIAL REPORT**

The financial report for period ending May 31, 2011, was presented for review and discussion.

### **DIRECTOR'S REPORT**

The Director's Report included the following items:

**1. Monthly Activities Report**

The May 2011 report is attached for review

**2. Consumer Confidence Report Insert**

Every year we are required by the Virginia Department of Health to mail or supply Consumer Confidence Reports (CCR) to all accounts for the previous calendar year by June 30. A copy of a CCR is attached for your review and discussion.

**3. Wastewater Manager Position**

Mr. Richard Burton was selected for the Wastewater Manager Position. Mr. Burton will start for the PSA on June 06, 2011.

**4. Public Water Line Easement at Former Elliston/Lafayette School Property**

We are requesting that a public water line easement be granted to the PSA from the Board of Supervisors along the property line of this property. Currently, there is a public water line somewhere along this property or the adjacent property that is expected to need replacing in the near future. The requested easement will allow the old water line to be routed along the property line and road right-of-way rather than through the interior sections of the properties. The easement document and plat are being prepared by PSA staff and will be forwarded to the County Attorney for review and action.

**5. Riner Sewage Treatment Plant Ultraviolet Light Disinfection System**

The Ultraviolet Light (UV) disinfection system was replaced at the Riner Sewage Treatment Plant (STP) on Saturday May 14, 2011. Test results confirm operation of the system and compliance with permits limits.

On June 29, 2010, a Virginia Department of Environmental Quality (DEQ) Inspector identified that the previous UV system was not properly functioning and recommended replacement. A replacement UV system from the same manufacturer as the system at our Shawsville STP was selected as it has performed well at Shawsville and will allow uniformity of components and supplies.

### **Ironto Water Line Extension**

This project has been underway for several months and construction is approximately 75% complete. The project was started prior to acquiring all the water lines easements. The water line was constructed to the edge of a property owned by the Virginia Department of Conservation and Restoration (DCR) prior to acquisition of the water line easement. A draft easement had been prepared by DCR which contained a paragraph stipulating that the PSA would have to relocate the water line at its cost anytime DCR directed. Due to the potential cost for relocating the water line, the engineer was informed that the PSA could not accept the draft easement document as long as it contained the water line relocation provision.

The owner made inquiries through his attorney to DCR relative to the easement stipulation and was informed that it must be included in the easement document. The owner has offered an Indemnity Agreement (copy attached) backed by the owner and successors for the cost of relocating the water line if required. However, the value of this agreement is uncertain if DCR directs the PSA to relocate the water line in 25 to 50 years.

The estimated cost of installing the 12" water line through the DCR property is \$13,500.00 per the engineer's cost estimate. We may consider allowing the owner to provide an insurance policy or equivalent payment to the PSA to cover the risk to the PSA to relocate the water line in the future at the direction of DCR. Any funds provided would be placed in Board Designated Reserves.

After review, the Board of Directors instructed the Director to notify the owner by letter that a one-time payment of \$13,500.00 would be needed to cover the risk of having to relocate the water line. The funds are to be placed in Board Designated Reserves.

6. A request dated June 01, 2011 for additional water and sewer leak adjustments from Mountain Creek Mobile Home Community was reviewed. After review and discussion, it was decided that additional adjustments were not warranted.

### **AUTHORITY MEMBERS' REPORT**

There were no reports from Board members reports.

### **INTO CLOSED MEETING**

(In at 8:00 PM)

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

- |                  |     |  |
|------------------|-----|--|
| Section 2.2-3711 | (7) | Consultation with Legal Counsel and Briefings by Staff members of 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 |
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1. ATK Contract

The vote on the foregoing motion is as follows:

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

### **OUT OF CLOSED MEETING**

(Out at 8:15 PM)

On a motion by James Politis, seconded by Annett Perkins, 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		
William Brown		
Doug Marrs		
Mary Biggs		
Annette Perkins		
Gary Creed		

**CERTIFICATION OF CLOSED MEETING**

On a motion by Annette Perkins, 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 required a certification by the Board that such Closed Meeting was conducted in the 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		
William Brown		
Doug Marrs		
Annette Perkins		
Mary Biggs		
Gary Creed		

**ADJOURNMENT**

There being no further business, the Chair adjourned this meeting. It was the consensus of the members to schedule the next meeting for Tuesday, July 5, 2011.

**ATTEST:** \_\_\_\_\_  
**SECRETARY/TREASURER**