

Patrick County Public Service Authority

Meeting of October 25, 2005

Present: Bob Pendleton, Chairman; Garland Cockram, Vice-Chairman; Rodney Kendrick, Secretary; Arthur Boyd; and Darrell Worley

Absent: None

Also Present: Michael Burnette, Assistant County Administrator; Kevin Heath, Adams-Heath Engineering; Lisa Sheppard, Administrative Assistant; Jamie Clark, WHEO

A meeting of the Patrick County Public Service Authority was held on October 25, 2005 at 6:00 PM in the Second Floor Conference Room of the Patrick County Administration building.

Mr. Bob Pendleton, Chairman, called the meeting to order. The agenda for this meeting was presented to the members. Upon motion of Mr. Rodney Kendrick and seconded by Mr. Darrell Worley, the agenda was approved. The minutes of the August 16, 2005 meeting were presented for approval. Motioned by Mr. Kendrick and seconded by Mr. Garland Cockram, the minutes were approved.

Voting Aye: All
Voting Nay: None

Mr. Michael Burnette turned the meeting over to Mr. Kevin Heath of Adams-Heath Engineering who provided the members with a Preliminary Engineering Report with updated budget figures. According to the figures presented in the report, there is an anticipated annual operating shortfall of approximately \$200,000 to extend water and sewer lines to Patrick Springs and the area west of Stuart.

Mr. Heath reviewed this report with the members in detail. He explained that, due to an increase in fuel prices, the estimated costs of construction have increased. The report also included an Annual Operating Budget which detailed the expenses for operations and maintenance, debt repayment, and reserves. The report included the rate at which the Public Service Authority would be charged by the Town of Stuart for water and sewage treatment. Those figures were provided in an email from the Town's representatives which was sent to the members of the PSA and to Mr. Heath prior to the meeting. The rates to be charged by the Town to the PSA are as follows: \$4.05 per 1,000 gallons for water and \$3.63 per 1,000 gallons for sewage treatment. According to the figures presented in the report, an annual subsidy of approximately \$205,000 would be needed from the County to fund this project.

Mr. Heath discussed the possibility of having to procure a general obligation bond as opposed to a revenue bond for the project, and Mr. Burnette indicated that the PSA should obtain a legal opinion on whether a referendum would be needed on a general obligation bond.

Discussions ensued between Mr. Darrell Worley and Mr. Heath as to the water and sewer lines west of Stuart and possible upgrades that may be needed. It was further discussed that Wal-Mart was not included as a customer in the Proposed Water Rates & Usage nor in the Proposed Sewer Rates & Usage reports as that is part of the annexation negotiations. Ten Oaks and the Dialysis Center are also not reflected on these reports. Mr. Heath indicated that the inclusion of these two companies would not affect the construction figures on the report but it would improve the operating budget figures.

The following proposed rates to users are as follows: residential water users \$19.00 per month base rate for first 2,000 gallons and \$4.15 for each additional 1,000 gallons; residential sewer users \$19.00 per month base rate for first 2,000 gallons and \$5.60 for each additional 1,000 gallons; commercial water users \$25.00 per month base rate for first 2,000 gallons and \$4.15 for each additional 1,000 gallons; commercial sewer users \$25.00 per month base rate for first 2,000 gallons and \$5.60 for each additional 1,000 gallons.

It was further discussed that part of the current negotiations on an annexation settlement between the County and Town is that the Town would provide water and sewer to the Public Service Authority at cost, so that the rate would not increase unless the Town could provide documentation that their costs have increased. It was suggested that it be made part of the agreement with the Board of Supervisors and the Town of Stuart.

A motion was made by Mr. Garland Cockram and seconded by Mr. Rodney Kendrick to recommend that the Board of Supervisors approve the project and move forward with construction to Patrick Springs and west of Stuart.

Voting Aye: All
Voting Nay: None

The next meeting date was not scheduled as of yet. The members will wait on action of Board of Supervisors with regards to the recommendation to be made.

With no further business to discuss, Mr. Cockram made the motion and was seconded by Mr. Kendrick to adjourn.

Chairman

Date