

PATRICK COUNTY PUBLIC SERVICE AUTHORITY
Quarterly Business Meeting Minutes
Tuesday, January 24, 2023

Directors Present: Bobby Mangrum, Chairman; Scott Eutsler, Vice-Chairman; C. Clayton Kendrick; Joe Lanham; Terry Tilley

Directors Absent: Darrell Cockerham

Others Present: Mark Vernon, PSA Executive Director; Ruth Russell; Bryce Simmons, Town Manager; Chris Corbett, Town Attorney

At 6:00 p.m., with a quorum present, the meeting was called to order by Mr. Mangrum.

Regular Session:

On motion by Mr. Eutsler to approve the agenda seconded by Mr. Kendrick and carried unanimously.

Voting Aye: All
Voting Nay: None

On motion by Mr. Eutsler to approve the minutes from July 26, 2022 meeting seconded by Mr. Kendrick and carried unanimously.

Voting Aye: All
Voting Nay: None

Public Comments: None

New Business:

Usage & Revenue Highlights

Usage

Water – Billed usage at master meter by Town – 4,960,000 gallons. Billed usage by PCPSA at individual customer meters – 3,974,187 gallons. Water loss between master meter and customer meters – 985,813 gallons (app. 3.80 gpm, 19.9% loss). Revenue loss based upon billed rate by Town - \$4,870.00.

1. Water loss for October and November continued to decrease. However, water loss for December shows a significant increase, cause for increase is unknown.
2. Water consumption from Town is up 16% (702,900 gallons) over and through the second quarter of last year. Increase is due largely to an industrial user's consumption increase in the first quarter of this year. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.
3. Water consumption from PCPSA customers is up 41% (1,159,347 gallons) over and through the second quarter of last year. This is largely due to correcting previous errors in reading larger water meters and an industrial user's consumption increase in the first quarter of this year. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.

Sewer – Billed usage by Town – 1,629,575 gallons. Billed usage by PCPSA based on customer water usage at individual meters – 1,613,690 gallons. Loss between Town usage and PCPSA metered usage – 15,885 gallons. Revenue loss based upon billed rate by Town - \$79.00.

1. Sewer sent to Town is up 54% (571,455) gallons over and through the second quarter of last year. Increase due to correcting errors in reading larger water meters and an industrial user's water consumption

increase: and subsequently, an increase in sewer usage. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.

2. Sewer billed to PCPSA customers is up 56% (579,260 gallons) over and through the second quarter of last year. Increase due to correcting errors in reading larger water meters and an industrial user's water consumption increase, and subsequently, an increase in sewer usage. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.

Revenues

- a. Added 1 water bill
- b. Added 1 sewer bill
- c. Water customer usage revenue is up 45% (\$9,880) over and through the second quarter of last year. This is largely due to new rate structure, correcting large meter reading errors, and industrial customer consumption increase. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.
- d. Sewer customer usage revenue is up 55% (\$3,199) over and through the second quarter of last year. This is largely due to correcting large water meter reading errors and an industrial customer water consumption increase. Note: Industrial user's consumption decreased to more normal levels in the second quarter of this year.
- e. Overall customer usage revenue is up 47% (\$13,079) over and through the second quarter of last year.

FY 2022-2023 – Water & Sewer Account Detail Report

FY 2022-23 Country Treasurer Account Detail Report (PSA Water Fund .47)

Ending Balance	Beginning Balance	Revenue	Expenditures	Revenue over Expenses
\$190,932.54	\$135,653.49	\$55,279.05	\$40,377.42,	+\$14,901.63

FY 2022-23 County Treasurer Account Detail Report (PSA Sewer Fund .49)

Ending Balance	Beginning Balance	Revenue	Expenditures	Revenue over Expenses
\$51,339.47	\$35,560.31	\$15,779.17	\$17,398.05	(\$1,618.88)

Note: Revenues and Expenditures represent treasurer transactions made through 12/31/22.. There may be outstanding encumbrances up to 12/31/22 shown in other financial documents that are not yet reflected within the Account Detail Report

FY 2022-2023 Budget

Expenditure Budget Highlights

PCPSA budgets for Fiscal Year 2022-23 (September 30 through December 31)

1. Period – 50%
2. Water Expenditures – 30.56%
3. Sewer Budget Spent – 55.32%
 - a. Item 5136 (Town Supplied Usage) – 62.24% Usage from Town is up due to correction of larger meter read errors by the Town; additionally, usage is up significantly from an industrial customer. Note: Industrial user's usage has returned to normal levels for the year's 2nd quarter.
 - b. Total Budget Spent – 36.31%

Revenue Budget Highlights (Amounts are received, not billed)

1. Period – 50%
2. Water Revenue YTD – 51.70%, \$55,279.05
3. Sewer Revenue YTD – 48.79%, \$15,779.16
4. Total Revenue YTD – 51.02%, \$71,058.21

Operational/Maintenance Updates

Water lines

Town Master Meter testing was performed on 4/28/22, results of testing revealed that the master meter was within allowable accuracy. Due to master meter accuracy, water loss is likely due to a combination of waterline leaks, customer meter inaccuracy, and fire department use.

1. Line locations are routinely being monitored and visual leak examinations are being performed. A few service line leaks have been discovered and repaired.
2. Low usage meters are being closely monitored for accuracy and replaced as needed. Several zero usage residential meters have been replaced.
 - a. During review of low usage amounts from large commercial meters, it was discovered that inaccurate readings were being used by the Town on billing reports. The inaccurate meter readings have accounted for approximately 130,000 gallons/month shortage on customer billing reports. These inaccurate readings were corrected in August and are now reflected on customer bills.
3. On 9/22/22, a letter to local fire departments that regularly use PCPSA facilities was drafted, the letter requests that each department make an effort to track water usage as closely as possible and send a monthly report to the PCPSA detailing estimated usage. A Monthly Fire Hydrant Usage Report was included with the letter for departments use.
 - a. Mr. Terry Tilley distributed letters with Monthly Fire Hydrant Usage Reports to Stuart VFD, Patrick Springs VFD, and Moorefield Store VFD. Mr. Tilley made a verbal request to the departments to track usage and return reports to the PCPSA. To date no reports have been returned.

A section of waterline right-of-way within the Rich Creek Corporate Park has become heavily wooded. This section of waterline was installed in 1997 and it appears that the right-of-way sections laying outside of developed areas has not been maintained since the installation. The overgrown sections of right-of-way should be cleared of trees and grass should be established and yearly mowing of the right-of-way should be performed. In order to complete this task, the existing waterline will need to be accurately located. The overgrown section of waterline is located within property owned by the Patrick County Economic Development Authority and VDOT. Work is planned to be completed within budget year 2022-2023.

- a. The waterline location has been marked and PCPSA staff is currently coordinating clearing work with VDOT and County maintenance personnel. Clearing is anticipated to be completed by May 2023.
- b. Executive Director may get quotes to help with the clearing work.

Damage as a result of VDOT mowing operations occurred to a fire hydrant located along Rt. 58 just east of Hazelwood Trucking. The Town disassembled the upper portion of the fire hydrant to determine repair requirements and has decided installation of a new fire hydrant will be the most economical fix. A new hydrant has been ordered and replacement will be performed when the hydrant is received.

Routine & Regular Maintenance of gate valves and fire hydrants has not been occurring since system installation. Spot checking has revealed a need for maintenance, particularly on fire hydrants, given that their use could be needed by fire departments at any time. A routine maintenance schedule to perform maintenance is being coordinated with the County for performance by County maintenance personnel.

Efforts are ongoing to identify water service meter assemblies which are not being used by property owners and to identify those unused assemblies that currently have meters installed. Any unused service meter assembly which is identified as currently having a meter installed will be scheduled for meter removal. Removed meters will be stored for later use as a replacement meter or for a new service connection.

- a. 11 un-used meters have been identified with 5 having been removed and placed into stock.

Sewer lines

Campbell Farm Loop 6" sewer force main leak repair was completed on 7/28/22.

- a. Area of repair is routinely visually inspected, and to date no evidence of additional leaking has been observed. The repaired pipe section should be potholed for visual leak examination.

Sections of sewer line right-of-ways laying within undeveloped areas need to be moved, heavy and woody vegetation is becoming present in these sections. County maintenance personnel has performed some mowing but not all, additional mowing will be performed this winter and spring.

Sewer Pump Stations

The Town of Stuart currently performs pump station maintenance checks once weekly. The following items have been reported:

Town has alerted PCPSA of possible telephone autodialer maintenance needs for the pump stations.

- a. Costs for dialer repairs are being planned for under the upcoming F23-24 budget year.

Pump Station #5 electrical usage has doubled over the past 6 months. Inspection of wet well revealed some grease build-up. County maintenance pulled pumps to inspection and cleaned. Maintenance personnel replaced on faulty float switch. Pump cycles have been timed and a normal pump down takes approximately 20 minutes. A review of record drawing pump curves shows a design pump cycle of 10 minutes. Pump manufacturer representative should be contacted to check/service pumps.

- a. Electrical usage has returned to normal levels.
- b. Pump service costs are currently being planned for under the upcoming FY23-24 budget year.

Onsite generators were serviced by a private vendor on 9/19/22.

An inspection of all pump station sites was performed by PCPSA Director on 3/1/22. The inspection revealed some minor maintenance needs such as: spraying vegetation in driveways, site areas, and perimeter fencing; adding stone to site areas; painting piping in valve vaults at Pump Stations #1, #3, #4; and painting control building exterior Pump Station #1. Completion of maintenance items will be coordinated with and performed by County maintenance personnel.

- a. Spraying drives, site areas, and fencing has been performed.
- b. Stone has been added to site areas.
- c. Painting is being scheduled by County maintenance

New Service Updates

1. The Town of Stuart continues to refer all new account or service requests directly to the PCPSA. The PCPSA has been coordinating and completing all new service and new account requests. Once new service and new account requests have been processed by the PCPSA, account information is being forwarded to the Town for input into their billing system. This process continues to work well.
2. The PCPSA webpage on the County's website includes all required account application and hook-up forms.
3. The water service separation work at 62 and 70 Spring Road has been completed. The sewer service will not require physical separation; however, legal separation will be necessary. Legal separation will require a PCPSA utility easement for those sections of the sewer service line that currently lay within the boundaries of private property which are separate from those properties served by the sewer service line. Legal separation work has not yet begun.
4. Property Owner at 775 Providence Drive has inquired about making connection to PCPSA sewer. Sewer availability was reviewed and it was discovered that a sewer tap for this property was not available; however, it appears that a tap to serve the property can be installed within a reasonable proximity to the property. The

sewer tap will require a bore under Providence Drive and the sewer lateral will require access across an adjacent parcel of public property. PCPSA has advised the property owner that since a tap is not currently available and does not meet the definition of a "service accessible property" under the PCPSA's Mandatory Connection Policy, the property owner will be responsible for cost reimbursement to the PCPSA for installation of the sewer tap, and since reimbursement is required, connection (\$1,500) and tap fee (\$1,500 plus cost of bore) may be waived. PCPSA will develop a cost estimate for installing the tap and once developed will notify the property owner. PCPSA has also advised the property owner that they will be responsible for coordinating and obtaining a private utility easement across the adjacent public property. Water service is available at the property, and the owner has completed an application to connect.

Executive Directors Recommendation:

"Waive sewer connection fee and sewer tap fee in the combined amount of \$3,000 pending property owner's reimbursement to the PCPSA for the full amount of costs incurred by the PCPSA for sewer lateral, bore, and cleanout installation from Mh 200-11 to VDOT R.O.W."

Board Action Requested:

Consider Executive Directors Recommendation and vote to approve or take other action.

On motion by Mr. Eutsler, seconded by Mr. Lanham to accept Executive Director's recommendation was approved unanimously.

"Waive sewer connection fee and sewer tap fee in the combined amount of \$3,000 pending property owner's reimbursement to the PCPSA for the full amount of costs incurred by the PCPSA for sewer lateral, bore, and cleanout installation from Mh 200-11 to VDOT R.O.W."

Property owner at 21702 Jeb Stuart Highway was notified of PCPSA mandatory connection policy on 12/14/21. Property is a commercial property and property owner has 1 year from date of notification to connect to facilities with waived connection fees or pay non-user availability fee. Property Owner has requested an exemption for the mandatory connection to both water and sewer due to elevated costs to make connections. Increased costs to remove and replace asphalt pavement for waterline and increased costs due to depth of excavation for sewer connection and requiring inside plumbing have to be turned. Property owner did notify the Executive Director that the sewer connection may have been waived for previous owner due to increased costs. During investigation of a previous waiver for sewer connection, it was found that the PCPSA Board of Directors did waive the mandatory connection requirement for this property by duly called vote at a Regular Business Meeting held on January 20, 2013.

Executive Directors Recommendation: Since the property has been previously exempted for mandatory sewer connection, there is nothing to consider for the sewer connection. However, waived as it is the opinion of the Executive Director that costs to connect to the PCPSA water will not be overly inflated by the removal and replacement of asphalt since the connection length is much shorter than the average connection length and it is the reduction in connection length as compared to the average customer connection length that will offset costs in this case, lessening the impact to the average overall cost to make the connection.

Board Action Requested:

Consider Executive Director's recommendation and vote to either waive or enforce the mandatory connection policy as it relates to the water connection at 21702 Jeb Stuart Highway, Tax Parcel #4911-16-152.

A motion by Mr. Eutsler, seconded by Mr. Lanham to address the Executive Director's recommended it was decided to

"Accept to enforce water hookup and also reconsideration of the sewer connection every two (2) years".

5. Five new water and 2 new sewer hook-ups have been applied for and are currently awaiting physical connections to be made by the property owners' private contractors.

PCPSA Delinquent Accounts & Liens Update

Account 58 (Users):

October 12, 2022, mailed first notice letters, full payment requested by November 10, 2022. (6 accounts, \$668.72) (1 UPPA, \$1,155.80) (Received Payment, \$441.68) (1 cutoff)

November 10, 2022, mailed first notice letters, full payment requested by December 8, 2022 (7 accounts, \$995.22) (1 UPPA, \$1,155.80) (Received Payment, \$752.95) (1 cutoff)

December 12, 2022, mailed first notice letters, full payment requested by January 12, 2023 (12 accounts, \$1,509.38) (2 UPPA, \$1,359.89) (Received Payment, \$1,195.61) (3 cutoffs)

The PCPSA Board approved processing a "warrant in debt" action at its regular business meeting held on 4/26/22 against Account #45533 in the amount of \$1,155.80. The "warrant in debt" was filed with the General District Court and the Court issued a judgement against the account holder on 5/17/22 ordering debt payment, a deadline of 6/27/22 was given by the Court for payment. Payment was not received by the specified deadline and the County attorney was consulted and upon the attorney's recommendation, a "writ of fieri facias" was filed against the account holder. A "writ of fieri facias" is a court order directing the sheriff to seize assets of the account holder to be used for debt payment. The sheriff executed the "writ of fieri facias" on 9/12/22 by personal service and it was marked "no effect found". PCPSA will investigate other methods to collect on this debt.

Account 60 (Availability Fee):

5 liens remain outstanding (\$14,094.03). Lien amounts were updated at their one-year anniversary in November 2022.

1 lien has been released due to property owner paying ½ current delinquent amount and water connection fee. Property owner will become a water user account.

Delinquent Balances @ December 31:

Acct. 58 Delinquent Balance - \$1,673.66

Acct. 60 Delinquent Balance - \$14,497.35

Sewer Service Availability

A review of record drawings revealed a total of 118 sewer service stubouts within the PCPSA's collection systems. The recorded stubouts have not been confirmed as having actually been installed and the PCPSA is currently verifying sewer stubouts in the field as staff has time.

- a. As of record drawing review PCPSA is billing 55 sewer connections, leaving a total of 63 sewer service connections unbilled. The PCPSA is not currently charging Availability Fees for unconnected sewer services. The PCPSA is currently only charging Availability Fees for water services.
- b. The PCPSA' current monthly minimum sewer fee for residential sewer customers is \$21.39. Under the PCPSA's Mandatory Connection Policy and the Virginia Water & Waste Authorities Act, unconnected sewer services can be charged an Availability Fee (nonuser charge), which such charge not being more than that portion of the minimum monthly user charge. PCPSA is currently experiencing \$16,171 per year in unrealized revenue.

At its regular business meeting held on 4/26/22, the PCPSA Board of Directors reviewed the potential for charging sewer Availability Fees for unconnected properties; and subsequently, voted to approve starting the process of notifying property owners of the PCPSA's Mandatory Connection Policy as applied to sewer services, availability fee charges for non-connection, and grace periods for making connections prior to being charged an availability fee.

- a. PCPSA staff continues the process of identifying sewer service accessible properties. Currently no property owner notifications have been made. This will be a year-long process, as sewer service connections will have to be verified in the field prior to making notifications.

- b. To date, PCPSA staff has identified and verified installed stubouts for 40 of the 63 unconnected sewer service accessible properties.

PCPSA New In-House Customer Billing System

Customer Billing Update:

The Patrick County Board of Supervisors approved funding for Budget FY 2022-23 for PCPSA billing software, equipment, and personnel needed to bring customer billings in-house in lieu of the Town of Stuart providing this service. Funding was provided through ARPA funds.

Billing Software, Meter Reading Software, and Meter Reading equipment have been placed on order and software companies are currently collaborating on system integrations. It is anticipated that software will be up and running by late November 2022, and at that point, the PCPSA WILL SIMULATE PARALLEL CUSTOMER BILLINGS WITH THE Town of Stuart for the months of December 2022 and January 2023. PCPSA staff anticipates being able to fully bring customer billings in-house beginning with the February 2023 customer billing cycle.

Once the PCPSA takes over customer billings, customer payments will no longer be taken at the Town of Stuart's business office. Customer payments will be taken in-person at the County Treasurer's Office. A secure outdoor payment drop box for PCPSA payments will be installed at the Administration Building's second floor main entrance. A PCPSA post office box will be opened for mail-in payments.

Customer mailings will be mailed in February to alert PCPSA customers of the new billing and collections processes. PCPSA will begin in-house March 1, 2023.

2006 Town and County Utility Agreement

1. In response to the PCPSA performing in-house customer billing and collections, a new Utility Agreement Amendment should be considered in order to amend the Utility Agreement, to the mutual agreement of the Town and the PCPSA, for the PCPSA performing these duties.
2. Additionally, in response to the PCPSA taking a more active role in maintenance and repair of its facilities using County maintenance personnel and equipment, further amendments should be considered, to the mutual agreement of the Town and PCPSA, to more clearly define the responsibilities of each party.
3. At a Regular PCPSA Board Meeting held on October 25, 2022, the Directors approved a motion to authorize the Executive Director to engage in discussions with the Town of Stuart and to issue recommended amendments in respect the duties and responsibilities of each party as they relate to: PCPSA customer billings; facilities maintenance; and facility repairs. Furthermore, the Directors recommended forming a sub-committee consisting of the Executive Director and 3 PCPSA directors which shall review recommended amendments to the Utility Agreement and to facilitate a subsequent amended Utility Agreement with the Town, The Executive Director is to reach out to 3 Directors to sit on the sub-committee.

Action to date: The Town Manager has verbally agreed to continue providing physical meter reading services for the PCPSA. No other action has been taken.

GIS Update:

1. PCPSA Executive Director requested a proposal price from IngeractiveGIS for completing the digitizing of the PCPSA systems. It appears that all systems have been digitized with the exception of 3 projects: 1) Rich Creek Corporate Park; 2) Powell Site Water & Sewer; 3) Patrick Springs Phase 2 Sewer. A price of \$2,205 was received from InteractiveGIS for digitizing the remaining projects and a price of \$1,395 was received for adding data attributes to the remaining projects. An hourly price of \$90 was also received for additional work not priced by requested by PCPSA.
 - a. PCPSA Executive Director coordinated with the County Tax Mapping Director, County Administrator, and County Finance Director and a request was made to include a total of \$6,000 in the County Tax Mapping budget for FY 2022-23 to cover costs for completing PCPSA system digitizing and data attributes. The FY 2022-23 Tax Mapping budget has been approved and

funds for completing PCPSA system digitizing and attributes were included in the approval. The County Tax Mapping Director will authorize InteractiveGIS to complete this work asap.

- i. InteractiveGIS has completed all digitizing work on the 3 remaining projects.
 - ii. PCPSA staff is currently reviewing newly digitized projects for accuracy against record drawings and edits are being make as needed.
 - iii. Once PCPSA review has been completed, GIS utility layers will be made active.
2. PCPSA staff is currently reviewing accuracy of GIS record drawings against actual field conditions, PCPSA staff will make revisions to GIS as necessary to reflect as accurately as possible as-built field conditions. PCPSA staff will also work to review and edit new systems digitized by InteractiveGIS.
 3. In the future, all new PCPSA projects should include within its budget costs for digitizing the project into the County's GIS. Furnishing location specific system data such as horizontal and vertical survey datum should be provided by the design engineer or contractor as part of record drawings and documents submittals.

On motion by Mr. Tilley seconded by Mr. Lanham, the meeting was adjourned.

Next Meeting Date: Tuesday, April 25, 2023

Bobby W. Mangrum

Mr. Bobby Mangrum - Chairman