

**MINUTES**

**CALL TO ORDER/ROLL CALL**

The Wise County Public Service Authority held its regular monthly Board Meeting on Tuesday, April 12, 2022, at 6:00 p.m. in the PSA Board Room in Norton. Chairman, Ralph Gilley, called the regular monthly meeting to order and the Director, Cody McElroy, called roll.

***Members Present:***

Ralph Gilley, Chairman  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Robby Robbins  
Worley Smith via phone

***Absent:***

Fred Luntsford, Vice-Chairman  
Ruthie Rainey

***Also Present:***

Cody McElroy, Executive Director  
Elaine Minor, Recording Secretary  
Will Sturgill, Wise County PSA Attorney

**PRAYER/PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

A motion was made by Bob Adkins, and seconded by Robby Robbins, to approve the agenda as presented. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley JH Rivers Hibert Tackett, Jr. Bob Adkins Robby Robbins Worley Smith			Fred Luntsford Ruthie Rainey

The motion was passed.

**PUBLIC EXPRESSION**

**APPROVAL OF MINUTES**

A motion was made by JH Rivers, and seconded by Bob Adkins, to approve the minutes of the March 8, 2022, meeting as presented. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley JH Rivers Hibert Tackett, Jr. Bob Adkins Robby Robbins Worley Smith			Fred Luntsford Ruthie Rainey

The motion was passed.

**PROJECT UPDATES**

Director Cody McElroy submitted project updates on behalf of T&L.

***Airport Hollow Pump Station***

Pre-Construction conference was March 31, 2022. Construction has begun. The equipment for the pump station is to be delivered in the middle of May.

***Lower Bold Camp***

Waiting approval at DEQ.

***Pound Waste Water Treatment Plant Upgrades***

Revised plans have been submitted to DEQ for their review.

***Hamilton Town Sewer Extension***

Waiting on additional funds. DEQ is delaying their ARPA submissions until July. Lenowisco may have some funds. Project is about \$180,000 short on funding. Should advertise in June or July.

Director Cody McElroy submitted project updates on behalf of The Lane Group

***Banner Sewer***

Still waiting for funding.

**Glamorgan Sewer**

Getting final permits ready. Waiting on DEQ to open funding.

**Phase Upper Guest River Sewer I**

Funding application will be submitted this summer for DEQ funding.

Director Cody McElroy submitted project updates for PSA projects

**High Knob Rec Area Water**

Met with Forrest Service two weeks ago. They have the well going feeding the main tank and getting ready to start pumping to the main campground. Once everything is tested, we will go back and hopefully replace the well pump with the \$11,000 of funding that is left. They should have an operational water system for their opening season. We will have to patch two road crossings with asphalt once those plants open. Also looking at some sewer upgrades in the future.

**Family Crisis Utilities**

Had a couple of meetings with Lenowisco and Family Crisis Center. Met with the County Building Department April 11<sup>th</sup> and Mr. Hatfield about the design. Still in contract negotiations with DHCD for the funding. Hope to advertise in late May or early June timeframe for construction.

**CLOSED SESSION**

A motion was made by JH Rivers, and seconded by Robby Robbins, to go into closed session at 6:12 p.m. under Virginia Code 2.2-3711(A) (8). The vote was as follows.

Ayes

Nays

Abstain

Absent

Fred Luntsford

Ruthie Rainey

Ralph Gilley

JH Rivers

Hibert Tackett, Jr.

Bob Adkins

Robby Robbins

Worley Smith

The motion was passed.

A motion was made by Robby Robbins, and seconded by JH Rivers, to return to open session at 6:26 p.m. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley JH Rivers Hibert Tackett, Jr. Bob Adkins Robby Robbins Worley Smith			Fred Luntsford Ruthie Rainey

The motion was passed.

A closed session resolution, attached, was read aloud by Director Cody McElroy and a motion was made by JH Rivers, and seconded by Robby Robbins, to adopt the resolution. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley JH Rivers Hibert Tackett, Jr. Bob Adkins Robby Robbins Worley Smith			Fred Luntsford Ruthie Rainey

The motion was passed.

### **BOARD ACTION ITEMS**

Director Cody McElroy presented the FY23 budget to the Board, requesting authorization to advertise for the public hearing for rates and budget in May, with budget approval afterward. He highlighted some key points on the budget:

The PSA staff is presenting a balanced budget for FY23. Compared to the FY22 budget, the FY23 budget will see an increase in revenues and expenses of 4.35%.

The expenses increased 4.35% or just under \$270,00 due to the following:

Salaries include a 3.0% COLA adjustment. Also, as in the FY22 budget, a single bonus is included for the staff.

Health insurance rates increased by 8.5% for FY23. The budget proposed keeps the employer/employee percentage split the same. Employees will see less than a \$6 monthly increase.

The expenses are planned for continuing increases in categories such as fuel, treatment chemicals, and maintenance supplies (pipe, valves, etc.).

A line item has been added for disconnect day security in the office which will be provided by the Wise County Sheriff's Office.

The coal severance funds are not being used to pay debt or operate but are being used for capital offsets and not debt service because we do not know what they are going to be from year to year. The same amount of \$75,00 is proposed for FY23.

VRA has dictated that we adopt rates showing parity of 1.15 is achieved for three budget years. We are looking to increase our water minimum rate by \$1.50 going from \$29.00 to \$30.50 base rate and no increase in incremental rate. This is a 3% increase. The industrial will be the same as the non-industrial. On the sewer there will also be a \$2.00 rate increase from \$40.00 to \$42.00 on the base rate and no increase in the increment rate. This is a 3% increase also. There is no recommended change in solid waste (garbage) rates. The FY23 budget does not include any changes to other fees for WCPSA including items such as deposits, connection fees, etc.

Parity is a fiscal indicator of our ability to borrow and overall fiscal health. The proposed budget for FY23 has a parity of 1.45 as the PSA positions itself to take on future debt from system replacements and potential consolidations.

A motion was made by Robby Robbins and seconded by Hibert Tackett, to 1) authorize advertisement of a public hearing for the proposed FY23 budget to take place on May 9, 2022, at 6:00 pm with regular meeting to follow, and 2) authorize advertisement of a public hearing at the same time on the proposed water rates, sewer rates, solid waste rates and fees for FY23. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley			Fred Luntsford
JH Rivers			Ruthie Rainey
Hibert Tackett, Jr.			
Bob Adkins			
Robby Robbins			
Worley Smith			

The motion was passed.

Per the agreement between the PSA and Dominion Power to purchase raw water for the Virginia City Hybrid Energy Center (VCHEC), every two years a rate analysis is performed to adjust the purchase rate for raw water. A rate analysis was performed utilizing the direct costs over the last two years, per the original agreement, and determined the purchase rate for VCHEC will decrease from the current \$0.53 per thousand gallons to \$0.50 per thousand. The reason for the decrease in the purchase rate results from a measurable increase in VCHEC's usage of our facilities for raw water to supply their operations. As a result, as the usage from Dominion increases, the economies of scale will cause the rate per thousand to decrease to cover the direct costs of operation.

A motion was made by JH Rivers and seconded by Bob Adkins, that the Board approve the amendment to the raw water purchase agreement and authorize the Chairman to execute on behalf of the PSA. The vote was as follows.

Ayes	Nays	Abstain	Absent
Ralph Gilley JH Rivers Hibert Tackett, Jr. Bob Adkins Robby Robbins Worley Smith			Fred Luntsford Ruthie Rainey

The motion was passed.

Because of the funding amount and project fee for the Pound River Interceptor Project, we have been advertising over the last month for Statements of Qualifications (SOQs) from qualified firms to provide engineering services for the PSA. This project is for the design and administration of replacing approximately 16,000 LF of sewer that is currently located in the Pound River. Those SOQs were due on March 18th, and the PSA received three (3) submissions. The firms submitting were The Lane Group, Thompson & Litton, and Mattern & Craig. All three of these firms are currently on term contracts with the PSA as well. After receipt of the SOQs, PSA staff reviewed and scored each proposal based upon the RFP criteria. The staff review and scoring process resulted in the team of Mattern & Craig with being the top scoring firm.

A motion was made by Ralph Gilley and seconded by Robby Robbins, that the Board award the Pound Interceptor Replacement Project to Mattern & Craig as the highest scored SOQ; and authorize the Executive Director to negotiate the scope and fee of the project, as well as execute the contract for services pending attorney review of the contract. The vote was as follows.

Ayes

Nays

Abstain

Absent

Fred Luntsford

Ruthie Rainey

Ralph Gilley  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Robby Robbins  
Worley Smith

The motion was passed.

The current personnel Policy 17 – Personal Issued Items has provisions for the PSA to provide employees with a reimbursement of approved footwear every other year and insulated bibbed overalls/jacket every year. We have seen the need for this to be adjusted as our employees are seeing footwear deteriorate quicker given the wet environment most trenches tend to be, and on the contrary the winter clothing is lasting longer than originally thought.

A motion was made by Robby Robbins and seconded by JH Rivers, that the Board make a policy revision such that footwear is eligible for reimbursement every year and the cold weather insulated bibs/jackets are replaceable at the discretion of management. The vote was as follows.

Ayes

Nays

Abstain

Absent

Fred Luntsford

Ruthie Rainey

Ralph Gilley  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Robby Robbins  
Worley Smith

The motion was passed.

Powell Valley Bank has provided a funding offer for the purchase of the new shop property under option contract. This will not tie us to having to take the debt, but if we get to the point where we will be moving forward, PVB will also take the April 28<sup>th</sup> scheduled appraisal which will save us a cost. The funding offer submitted is in-line with what we would expect if we were to submit for funding through the VRA Municipal Bond Pool. The funding is offered at a 20-yr term, 2.9% rate with no penalty for early payoff.

A motion was made by Robby Robbins and seconded by Ralph Gilley, that the Board authorize the Executive Director and Chair to execute the PVB funding offer for the purchase of the new shop. The vote was as follows.

Ayes

Nays

Abstain

Absent

Fred Luntsford

Ruthie Rainey

Ralph Gilley  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Robby Robbins  
Worley Smith

The motion was passed.

**DIRECTOR'S ITEMS**

**FINANCIALS**

None

**BOARD COMMENTS**

**ADJOURNMENT**

A motion was made by Bob Adkins, and seconded by Robby Robbins, to adjourn the meeting at 6:55 p.m. The vote was as follows.

Ayes

Nays

Abstain

Absent

Fred Luntsford

Ruthie Rainey

Ralph Gilley  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Robby Robbins  
Worley Smith

The motion was passed.

ATTEST:

Wise County Public Service Authority

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman



CERTIFICATION OF A CLOSED SESSION

WHEREAS, The Wise County Public Service Authority has convened a Closed Session 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 (A) (8) of the Code of Virginia requires a certification by the Wise County Public Service Authority that such Closed Session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Wise County Public Service Authority hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Session to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Session were heard, discussed, or considered by the Wise County Public Service Authority.

VOTE:

AYES: 5

NAYS: 0

ABSENT DURING VOTE: Smith

ABSENT DURING MEETING: Raines, Luntford

ATTEST:  
[Signature]  
Executive Director, Clerk

WISE COUNTY PUBLIC SERVICE AUTHORITY  
[Signature]  
Chairman

Date: 4/12/22