

## **MINUTES**

### **CALL TO ORDER/ROLL CALL**

The Wise County Public Service Authority held its regular monthly Board Meeting on Tuesday, April 9, 2024, at 6:00 p.m. Chairman, Ralph Gilley, called the regular monthly meeting to order and the Director, Cody McElroy, called roll.

#### ***Members Present:***

Ralph Gilley, Chairman  
Fred Luntsford, Vice-Chairman  
JH Rivers, Treasurer  
Hibert Tackett, Jr.  
Bob Adkins  
Worley Smith  
Robby Robbins  
Rusty Peters

#### ***Absent:***

#### ***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 Worley Smith, and seconded by Robby Robbins, to approve the agenda as presented. The vote was as follows.

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

The motion was passed.

## **PUBLIC EXPRESSION**

### **APPROVAL OF MINUTES**

A motion was made by Robby Robbins, and seconded by Worley Smith, to approve the minutes of the March 12, 2024, meeting as presented. The vote was as follows.

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

The motion was passed.

### **PROJECT UPDATES**

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

#### **Pound I/I**

Final design plans have been received and staff will begin reviewing them.

#### **Lower Bold Camp**

Substantial Completion was issued on April 2<sup>nd</sup>. Only have some clean up left and should be completed within 30-45 days and final payment made.

#### **Pound WWTP Upgrades**

Slowly progressing and discussing contract times with the contractor.

Director Cody McElroy submitted project updates on behalf of Lane Group

#### **Banner Sewer**

Still in a holding pattern waiting for the additional ARC funds to come through. Supporting documentation was sent to DHCD in mid-March.

### **Pound System-Wide Improvements 2023**

Construction Permit has been received. We are working on Easements and finalizing funding. Hoping to Bid this summer.

### **Pound Water Treatment Plant Improvements**

Opened Bids on March 19<sup>th</sup> and there were not any bidders on the water plant and only one for the tanks and pump station. The tanks and pump station bid came in higher than expected so we are working with the contractor to get this bid within budget.

### **Appalachia Elementary School Sewer**

Still working through design and are planning another meeting with Mountain Empire to figure out the most cost-effective way to complete the project.

Director Cody McElroy submitted project updates for Mattern & Craig

### **Pound River Interceptor**

The plans are 99% complete. The Environmental process is moving along and we are waiting for environmental clearance.

### **St. Paul Interconnect Study**

The Environmental Report was submitted April 10<sup>th</sup> to Rural Development and PER comments will be shortly after. When we have an approved PER and Environmental Report from Rural Development, we can start looking at funding options through Rural Development and other funders with the Town of St. Paul to make this project happen soon.

Director Cody McElroy submitted project updates for PSA

### **Bear Creek Community Water**

Project is officially completed and will make final payment to contractor within a week. The PSA gained 15 connections from this project.

### **Pound - Pilkenton Peak & Highland Avenue**

Project is making good progress and on schedule.

## **CLOSED SESSION**

A motion was made by Robby Robbins, and seconded by JH Rivers, to go into closed session at 6:10 p.m. under Virginia Code 2.2-3711(A) (7) (8). The vote was as follows.

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

The motion was passed.

A motion was made by Fred Luntsford, and seconded by Robby Robbins, to return to open session at 6:54 p.m. The vote was as follows.

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

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  
Fred Luntsford  
JH Rivers  
Hibert Tackett, Jr.  
Bob Adkins  
Worley Smith  
Robby Robbins  
Rusty Peters

The motion was passed.

### **BOARD ACTION ITEMS**

Director Cody McElroy presented the FY25 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 FY25. Compared to the FY24 budget, the FY25 budget will see a 5.15% increase in revenues and expenses.

The expenses increased 5.15% or approximately \$318,000 due to the following:

Salaries include a 3.0% COLA adjustment. There is no merit raise proposed. Also, as in the FY24 budget, a single bonus is included for the staff. Health insurance rates increased by 5% for FY25. The budget proposed keeps the employer/employee percentage split the same. Employees will see a monthly increase in insurance premiums anywhere from \$2 to \$6 based upon their plan election. The expenses are planned for continuing increases in categories such as fuel, treatment chemicals, maintenance supplies (pipe, valves, etc.), and debt service for new projects.

Coal Severance funds continue to be budgeted as equal revenue received and capital offset expensed. For the last few budget cycles, there has been no planned operating or debt expenses planned for using coal severance funds given the volatility of this revenue.

### **Proposed Rates:**

VRA has dictated that we adopt rates showing parity of 1.15 is achieved for three (3) budget years. Therefore, as in the past few years, proposed rates for FY25, FY26, and FY27 are shown to satisfy this requirement.

We are looking to increase our water minimum rate by \$2.50 going from \$35.00 to \$37.50 base rate and an increase in incremental rate from \$13.00 to \$13.25. The industrial rate will stay the same as FY24 for the base, but the incremental rate will increase by \$.25 from \$13.00 to \$13.25. The sewer will also see a \$2.00 rate increase from \$46.00 to \$48.00 on the base rate and a decrease on the increment rate from \$14.50 to \$14.00. The sewer flat fee – well water will increase \$1.25 from \$67.75 to \$69.00.

The FY25 solid waste monthly rates for residential and commercial waste collection will increase \$1.00 from \$15.00 to \$16.00. Prive Drive Service will increase \$2.00 from \$30.00 to \$32.00 monthly. The monthly total for dumpsters will increase \$15.00.

Customer deposits and admin fees will remain as existing in the FY24 budget, but the tap fee prices will increase due to material price increases.

A motion was made by JH Rivers and seconded by Rusty Peters, to authorize advertisement of a public hearing for the proposed FY25 budget to take place on May 14, 2024, 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. The vote was as follows.

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

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. We performed the rate analysis utilizing the direct costs over the last two years, per the original agreement, and determined the purchase rate for VCHEC will increase from the current \$0.50 per thousand gallons to \$0.60 per thousand.

A motion was made by Fred Luntsford, and seconded by Worley Smith, that the Board approve the amendment to the raw water purchase agreement with Dominion Power and authorize the Chairman to execute on behalf of the PSA.

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

## **DIRECTOR'S ITEMS**

### **Russell County Landfill**

Moss 3 is located outside the Town of Cleveland and is approximately 8 miles from the river and another 12 miles up the river from the PSA intake.

### **Pound Water Funding Update**

We have exhausted all avenues to get the Health Department to give us the needed funding; therefore, we will be looking at Legislative routes. We have submitted one congressional earmark request on the Federal level to Senator Warner and Senator Kaine's office.

## **FINANCIALS**

None

## **BOARD COMMENTS**

JH Rivers wants the Board to consider looking into becoming an electricity utility.

Ralph Gilley welcomed Mr. Rusty Peters to the Board.

## **ADJOURNMENT**

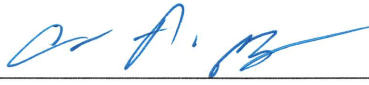
A motion was made by Worley Smith, and seconded by Robby Robbins, to adjourn the meeting at 7:34 p.m. The vote was as follows.

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

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 2.2-371(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: 8

NAYS: 0

ABSENT DURING VOTE:

ABSENT DURING MEETING:

ATTEST:

  
Executive Director, Clerk

WISE COUNTY PUBLIC SERVICE AUTHORITY

  
Chairman

Date: 4/19/24