



## Grayson County Public Service Authority

P.O. Box 217, Independence, VA 24348

December 5, 2023

### **MEETING MINUTES Of the Public Service Authority**

#### **Members Present**

John S. Fant  
Michael S. Hash  
Kenneth R. Belton  
R. Brantley Ivey  
Tracy A. Anderson

#### **Staff Present**

Paul Hoyle  
Stephen A. Boyer

#### **Member(s)/Staff Absent**

Mitchell L. Smith

#### **CALL TO ORDER**

- Mr. Fant called the meeting to order. Mr. Anderson made the motion to approve the agenda/consent agenda; duly seconded by Mr. Hash. Motion carried 5-0.

#### **OLD BUSINESS**

- None

#### **NEW BUSINESS**

- Dennis Amos – Hurt/Proffitt – Findings on Rate Analysis: thus far revenues/expenditures for FY22/23 have been provided by the County for the current year – for that budget year there was a deficit of \$80,497.18. Mr. Amos then went over some charts showing anticipated increases for FY24 – total trying to make up is \$177,243.28 – PSA has approximately 550 customers (including Grant) and to make up for the deficit would equal out to approximately \$26.86/per month/per customer to generate in revenue to just breakeven – Hurt/Proffitt is not recommending this, this is just looking at what the rate would need to be to break even for the next 2 budget cycles - \$80,497 is being supplemented from somewhere by the County (general fund) – Galax is increasing their rates – discussion took place on if we could recoup the amount over time instead of increasing the total cost right from the start - Mr. Boyer also noted the rate analysis was

completed upon the request of the County. Mr. Amos noted that some of the other counties have adopted a “step-up” increase over a few years to make it easier on their customers. Discussion took place regarding infrastructure, maintenance, etc. Mr. Amos noted that if the County enacts this rate increase for FY24/25, Grayson would be significantly higher than our neighboring counties/cities and possibly double of what Galax is charging – water purchase and salaries are our biggest chunk – goal to add another employee for PSA down the road – absorb cost of loss or adjust salary and negotiate with Galax to get the rate down – step increase over 4-5 year period, would still have a significant deficit for the first few years – may possibly be able to negotiate with Galax since the only thing we get from them is just water (no maintenance/infrastructure cost) - we have 1 employee and 1 part-time employee that is on an as-needed basis (not a regular employee) – proposal is to add 1 position down the road – absorb cost of loss or negotiate with Galax – if no full time person added we only have 1 part-time person (Mr. Anderson) – have made an effort to fill a part-time position but no one has applied – exhibit A (sale of water to customers)– took revenue \$180K with current rate structure, average usage would be 2,181 gallons/month – exhibit B (purchase of water from Galax) – took amount of water purchased from Galax and used the 35% loss rate and it shows up as 3,042 gallons/month for the average customer – instead of \$52 for minimum, it would work out to \$42 minimum per month – discussion took place regarding wells, water storage, etc. Mr. Hoyle noted that Troutdale will be raising their rates as well – Mr. Hoyle will check into options of adding production capabilities. Need analysis on the step approach, looking into other options and talk with Galax – staff to work on this – one possibility is we have an independent system and could look at merging with another system and create another authority. Mr. Boyer noted that we need to start some kind of incremental increase soon - \$9.36 increase if we don’t hire anyone – possibly contract with a plumbing company – need to find some cuts, doubling the rate is not good – rate increase addresses the financial shortfall we have from a budgetary standpoint while buying administration time to do a little more research and come up with a longer term plan on how to address labor shortages, etc. – short-term, the rate increase would help get us out of the red by freezing the salaries and covering the operating costs – negotiate with Galax – Mr. Boyer recommended a little time to go through all the information, then come back to the Authority with some recommendations on how to move forward – consensus of the Authority is that staff has permission to compensate our workers with the holidays coming up along with the colder weather if needed. Mr. Amos noted that he could project this out for us in step increases for the next five years.

A short break was taken.

- PSA SOG 1-1 Led 7 Copper Service Line Identification – Mr. Hoyle noted a draft has been created that would apply across the county departments, particularly with buildings so that building officials would be able to assist/report of on the lead line – the County Building Official, Chris Davis, is good with this – doesn’t create any additional cost or any additional work – building official would deal with the permitting. If the Authority agrees with the document, Mr. Hoyle will sign representing the Public Service Authority and the

County Administrator will sign representing all other County departments involved – required remediation (we can't require them to replace everything from the meter to the house) – Mr. Hoyle will adjust the wording under the Service Line – Private Side section of the document.

#### **INFORMATION AND UPDATES**

- Louisville Lane – Mr. Amos noted that one of the first steps in this project was to get a PER and that has been completed – survey team is currently working on the base mapping for the plan – have met with VDOT for approval on where the water lines can be placed – intention is to have everything ready so we can advertise in the Spring of 2024 and ready for construction in the summer of 2024. Mr. Hoyle noted that we have received the \$100K grant from MRPDC.

#### **REGISTERED SPEAKER(S)**

- None

#### **CLOSED SESSION**

- None

#### **ADJOURN**

- Mr. Ivey made the motion to adjourn; duly seconded by Mr. Belton. Motion carried 5-0.