

**Washington County Service Authority Board of Commissioners
September 25, 2017 Regular Meeting Minutes**

The Regular Meeting of the Washington County Service Authority Board of Commissioners, held in the E. W. Potts, Jr. Board Room located at 25122 Regal Drive, Abingdon, Virginia, was called to order by the Vice Chairman at 6:01 pm.

ROLL CALL

Commissioners Present:

Mr. Jim McCall, Vice Chairman
Mr. Mr. Wayne Campbell
Mr. Eddie Copenhaver
Mr. Dwain Miller
Mr. Kenneth Taylor

Commissioners Absent:

Mr. Mike White, Chairman
Mr. Vernon Smith

WCSA Officers Present:

Robbie Cornett; Secretary, General Manager
Melinda Jett; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant

General Counsel Present:

Thomas Dene, Esq.; Dene & Dene, P.C.

Consultants Present:

Dennis Amos, PE; Hurt & Proffitt, Inc.
Bobby Lane, PE; The Lane Group, Inc.
Kevin Heath, PE; The Lane Group, Inc.
Bill King, PE; Thompson & Litton, Inc.

WCSA Staff Present:

Ryan Kiser, PE; Engineering Manager
Holly Edwards; Customer Service
Johnny Lester; Maintenance Manager
Ken Perrigan; Meter Manager

3. Approval of the Agenda

Mr. Miller motioned to approve the Amended Agenda, Mr. Campbell seconded and the Board approved voting 5-0-0-2.

4. Public Query and Comment

There was no public query or comment.

5. Approval of the Consent Agenda

A. Approval of Minutes:

- August 28, 2017 Regular Meeting Minutes

B. Routine Reports: August 2017

- Water Production
- Water Distribution
- Meter Department
- Wastewater Operations
- Customer Service
- Maintenance
- Engineering
- Accounting
- Health & Safety Report

C. Financial Reports: August 2017

- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Statement, Excluding Check Number 038961

D. Consideration of Update to WCSA Uniform Policy – *Mrs. Jett*

Mr. Miller noted Mr. Nurre's name was identified in the Commissioner roll call on the August 28, 2017 Regular Meeting minutes but he was not in attendance.

Mrs. Shaffer offered to make that change to the minutes.

Mr. Taylor motioned to approve the Consent Agenda with the above mentioned change. Mr. Campbell seconded and the Board approved with a 5-0-0-2 vote.

6. Consideration of Check Register-Check Number 038961

Mr. Miller motioned to approve check number 038961. Mr. Campbell seconded and the Board approved voting 5-0-0-2.

Washington County Service Authority Board of Commissioners
September 25, 2017 Regular Meeting Minutes

7. Legal Counsel Report and Update
– Mr. Dene

Mr. Dene provided a brief update to the Board.

8. Water and Wastewater Construction Projects Update – Mr. Kiser

Mr. Kiser reviewed the attached presentation.

Mr. Kiser requested the Board's permission to solicit user agreements for Buffalo Pond Road. The Board agreed.

9. Operations Manager's Report and Update – Mr. Perrigan

Upon Mr. Cheek's absence, Mr. Perrigan reviewed the attached Operations Report and Update.

10. General Manager's Report & Update – Mr. Cornett

An outline of the presentation reviewed by Mr. Cornett is attached.

Mr. Cornett asked if up to two members of the Board would like to meet with and review the audit with the Auditor before it was presented to the Board. Mr. Campbell volunteered.

11. Engineer's Report and Update
Thompson & Litton – Mr. King

- Lee Highway Corridor Sewer Project – Phase 1

The Lane Group – Mr. Lane

- Water Intake Permit Modification for South Fork and Middle Fork Intakes
- Route 58 Water Supply Improvements Project
- Mill Creek Water System Improvements

The Lane Group – Mr. Heath

- Route 58 Water Supply Improvements Project

- Lee Highway Corridor Sewer Project Phase 1 – Study
- Abingdon Tank Improvements Project

Hurt & Proffitt – Mr. Amos

- Exit 13 Phase 3 Sewer Design

12. Consideration of Authorization to procure for a Compensation and Benefit Study – Mr. Cornett

Mr. Cornett discussed the reasons he was recommending the Board authorize staff to issue a Request for Proposal (RFP) for a Compensation and Benefits Study.

Mr. Copenhaver asked that the RFP include industries in Washington County, Virginia.

Mr. Taylor made a motion to:

- Develop and issue a Request for Proposals for a compensating and benefit study that would also include some Washington County, Virginia industries,
- Review the proposals,
- Rank the Offerors,
- Meet with at least the two top ranked firms,
- Check references,
- Rank the interviewed firms,
- Negotiate a Contract with the top ranked Offeror and
- Present the proposed Contract to the Board for consideration.

Mr. Copenhaver seconded Mr. Taylor's motion and the Board approved voting 5-0-0-2.

13. Consideration of Scope Change and Allocation of Funds for Hidden Valley Phase 2 Project – Mr. Kiser

Upon Mr. Kiser's discussion of Item 13, Mr. Campbell motioned to approve a

Washington County Service Authority Board of Commissioners
September 25, 2017 Regular Meeting Minutes

change in scope related to the Hidden Valley Project to include:

- A drilled well,
- Building for well controls and chemicals,
- Bulk water storage tank,
- Connecting line from the well to the Phase 2 Project estimated at 2,200' and
- Allocation of \$25,000 in reserve funds for the construction of the well subject to staff reaching a reasonable agreement on price with the landowner.

Mr. Taylor seconded the motion. The motion carried with a 5-0-0-2 Board vote.

14. Consideration of a HomeServe Policy for Landlords - Mrs. Edwards

After Mrs. Edwards' review of Item 14, she asked the Board favorably consider offering landlords the optional HomeServe service.

Mr. Miller moved to allow HomeServe to begin offering optional Water Line, Sewer/Septic Line and Interior Plumbing Insurance for landlord accounts. Mr. Taylor seconded and the Board approved voting 5Mr. Copenhaver requested 5-0-0-2.

Mr. Copenhaver suggested WCSA consider establishing a \$500 per month reserve to help pay for abatements for customers who participate in the HomeServe program. After further discussion, Mr. Cornett and Mrs. Edwards will provide the Board with the figures associated with HomeServe claims including the customer's bill due to the leak, the abatement amount

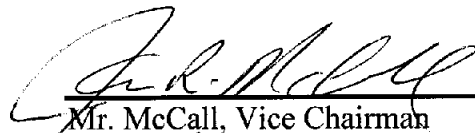
applied to the bill and the remaining balance.

15. Late Items

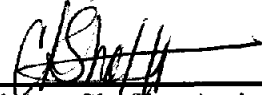
There were no late items discussed.

16. Recess until October 2, 2017 at 6:00 pm for a Bylaws Workshop – 8:18 pm

Mr. Miller motioned to Recess until October 2, 2017 at 6:00 pm for a Bylaws Workshop. Mr. Campbell seconded and the Board approved voting 5-0-0-2.



Mr. McCall, Vice Chairman



Carol Ann Shaffer, Assistant Secretary



Inside Engineering Projects

Ritchie Road Water Line Project-

- Pre-bid conference will be next week on October 3rd.
- Bid opening is scheduled for October 12th.
- Presenting bids for your review at October board meeting.



Inside Engineering Projects

Haskell Station Road Extension Project

- All work is complete and cleanup change order will be presented to the Board at your October meeting when paving is complete.
- Project is being completed within budget.



Inside Engineering Projects

Snapshot of Agency Coordination for an Environmental Assessment

- Army Corps of Engineers
- Department of Game and Inland Fisheries
- US Fish and Wildlife
- Department of Environmental Quality
- Natural Resource Conservation Service
- Department of Historical Resources
- Department of Conservation and Recreation
- Department of Agriculture and Consumer Services
- Virginia Marine Resource Commission
- Virginia Department of Transportation



Potential New Water Line Extensions

- Rattle Creek – staff has submitted Environmental Assessment to VDH and is addressing preliminary comments.
- Chip Ridge – staff has requested Categorical Exclusion from VDH. Hydraulics are being finalized for submission to VDH.
- Rich Valley Road – staff has started Environmental Assessment. Report will be submitted to VDH when final agencies respond.
- Sugar Cove Road – staff has initiated the Categorical Exclusion process for environmental permitting.



Potential New Water Line Extensions

- Hidden Valley Phase 2 – received DHCD funding for project. Robbie will probably elaborate more on this shortly. Working with Dave and property owners for well site. Met with Geologist this past week for well location.
- Later in the meeting staff will be talking more with you about Hidden Valley.



Potential New Water Line Extensions

Mendota

- Staff continues to track user agreements to increase participation levels by contacting those we have not heard from.

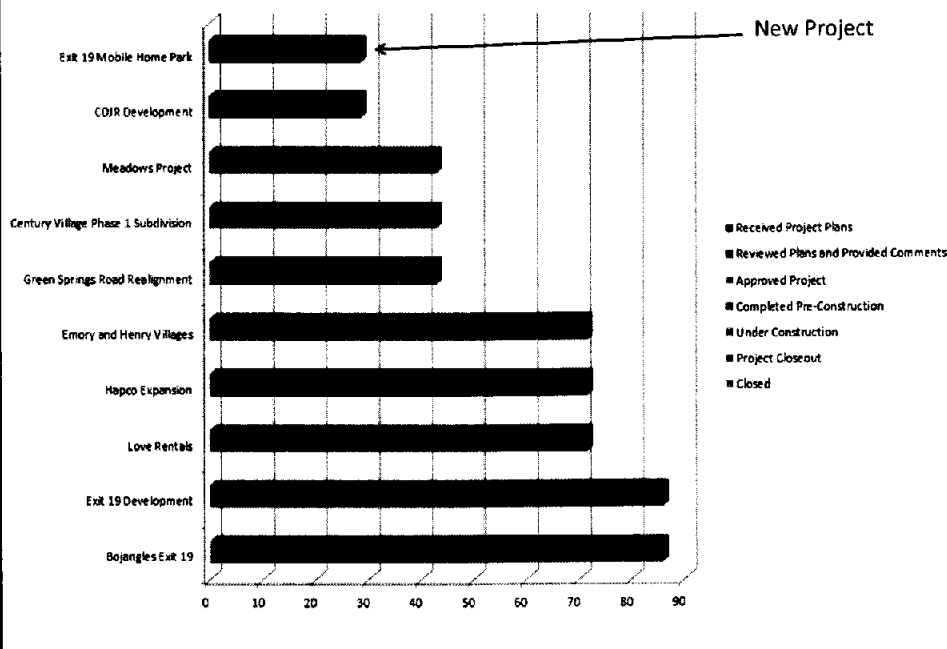










Potential New Water Line Extensions

Archery Range Road/Mary's Chapel

- Staff continues to track user agreements to increase participation levels by contacting those we have not heard from.
- Working with TLG to look at preliminary hydraulics.

Private Development Projects



- 1  **August 2017
Operational Update**
September 25, 2017
- 2  **Discussion Items**
 - ▶ People
 - ▶ Safety
 - ▶ Department Highlights
 - ▶ No Financials pending final numbers
 - ▶ Forward Looking Statement
- 3  **People**
 - ▶ Posted both Internally and Externally (Bristol Paper and Web Site) for Maintenance Planner/Crew Member
 - ▶ Tommy Orfield passed his Waste Water Class 2 license. We must have a Class 2 on call at Hall Creek. This provides WCSA with two Class 2 Operators (Gene Rolan, Department Head)
- 4  **Safety**
 - ▶ Focus on Work Area Awareness & Safety. Be it equipment movement and operation or uneven surfaces with trip hazards.
- 5  **2017 August Water Production Highlights**
 - ▶ SFI & MFDWP Issue Resolution
 - Raw Water Feed to the Plant
 - Running Potable water to Energy Recovery Building to provide water to cool hydro turbine seals and to power the Cla-Valve.
 - CR Underwood working with Cla-Val, WCSA wants performance such that valve provides stable control.
 - ▶ System Operation
 - Water Quality
 - Brumley Gap Area, Systematic Flushing
 - Hidden Valley DBP – NOV on HAA5, 54 ppm, RLAA 66.25 (60 ppm PMCL, Still Over)
 - Independent Lab collaborates the DBP levels even after TOL Process Changes. Exploratory Well Request other Item
 - Starting Tank Chlorine Analysis, Only 1 tank had major stratification issues, Hayter's Gap. Improving by modifying tank levels.
 - Water Production
 - Raw Water Production down about 5% to 4.79 MGD, due to many accomplishments, but leak repair from TV major contributor. Additional Work in Progress
- 6  **2017 August Water Production Highlights**
- 7  **2017 August Water Production Highlights**
- 8  **2017 August Wastewater Process Highlights**
 - ▶ I&I
 - Team Approach with Maintenance
 - Prioritized and Categorized I&I Issues
 - Working on Customer Notifications for Smoke Testing

- ▶ Operational
 - Hall Creek Internal Plant SCADA
 - Headworks Issues, in process of correcting
 - Collection System SCADA
- ▶ Capital
 - Scoping Equipment needs for Hall Creek Headworks
 - Plan is to utilize RFP Process – Move to Higher Priority
 - Scoping Process to Retrofit Damascus Plant to extend useful life

9  **2017 August Distribution Highlights**

- ▶ Providing Technical Support to SFI and MFDWP Issues
- ▶ Executing PSV/PRV Preventive Maintenance Program
 - Establishing Baseline for each PRV, Hydraulic Grade lines
- ▶ Continued with Customer Education & Inspections of Cross Connections and Back Flow Prevention
- ▶ Recall we are systematically approaching water losses, Non Revenue Water, NRW
 - Drew Circle around the MFDWP to mass balance
 - Found Imbalance from Taylor's Valley Spring water to what was being supplied to the MFDWP
 - Located Leaks which then increased the spring line pressure and created more leaks. Valve issue with maintaining consistent hydraulic grade line.
- ▶ Results are promising more once verified.

10  **2017 August Distribution Highlights**

11  **2017 August Metering Highlights**

- ▶ Meter Replacement, Very Large Project
 - Held Meeting with Meter Sys, not sure this is the best fit for WCSA
 - Met with Badger on Cell/Collector Hybrid System
 - Met with Suez on their initial offering
 - Now know enough to bring Sensus back to the table to answer real questions.
 - Then start on RFP
- ▶ This is critical in determining WCSA's cash flow basis. We do not want this project to warrant a rate increase, but need facts to make this determination.

12  **2017 August Water Maintenance Highlights**

- ▶ System Improvements
 - ↔ ~~Slip Line Under Lee Highway @ Industrial~~
 - ↔ ~~Osceola Road — In Final Testing~~
 - ↔ ~~Universal Fibers~~
 - ↔ ~~Tranbarger Road~~
 - ↔ ~~Roses & Food City Fire System Isolation Valves~~
 - Potable Water at MFDWP Energy Recovery Building
- ▶ Routine Activities
 - Leaks – 35 (2015 Avg. 30)
 - Main Line Breaks – 4 (2015 Avg. 6)
 - After Hours Responses – 36 (2015 Avg. 38)
 - *After Hours Responses a Target Area for Improvement*

- ▶ Costs

- Preventive Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations
 - Fire Hydrants

13  **2017 August Water Production Highlights**

14  **Year to Date we are Tracking Under Budget**

15  **Forward Looking Statement**

- ▶ Customer Relationships

- Fire Departments
 - Hydrants & Training – Well in Progress
- Water & Sewer Customers
 - More Customer Engagement at Time of Contact









- ▶ Quality

- System Pressure/Flow Variations as Detected During Hydrant Stress Tests
- Brumley Tank water turnover improvements
- Hidden Valley DBP

- ▶ Costs

- Production Costs (Water Loss and I&I)
- Continue to work with all Departments to reduce Non Revenue Activities (NRA)
- Hydrants as a Device to “Stress Test” our Water Delivery System to identify Problems Early
- Construct Hydraulic Grade lines in our GIS to aid in Troubleshooting and Early Detection
- Work with Engineering/Operations on How to Work Together to Obtain the Most Value in our Construction Projects

16 

- 1  **General Manager's Report and Update**
September 25, 2017
- 2  **Introduction**
 - ▶ Financials
 - ▶ Customer Service
 - ▶ Accounting
 - ▶ Notable Items
 - ▶ Looking Ahead
- 3  **Financials: Water Revenue**
- 4  **Financials: Wastewater Revenue**
- 5  **Financials: Water Expenses**
- 6  **Customer Service**
 - ▶ HomeServe
 - Began March 2017
 - 1,675 Contracts (Aug 31)
 - 18 Claims
 - 77.8% WSL
 - 16.7% IPD
 - 5.6% SSL
 - ▶ Remit Plus
 - Remit Plus is up and Working for one Week
 - Looking for Stable Process
- 7  **Accounting**
 - ▶ FYE 2017 Audit Finalization
 - Would up to two Board Members Like to Meet with the Auditor Before They Present the Audit to the Board on October 23, 2017?
 - ▶ Fringe Benefit Audit
 - Uniform Taxation
 - ▶ Anthem to MCA Transition
 - A lot of Work!
 - BIG Thanks to Melinda, Sheila, Dave and Thomas!!!
 - ▶ Compensation & Benefit Survey
 - More on This Later in the Agenda
 - ▶ Reserve Investment Research
 - Engaging With Multiple Investors to Determine Where WCSA's Money is Safe/Insured, Obtained in a Timely Manner and Results in the Best Return.
- 8  **Route 58 Loan Closing Savings**
 - ▶ RD Notified WCSA on September 8, 2017 That if we Close the Loan by September 29, 2017 we Would Save \$49,704 (\$109/Month Over the Life of the 38 Year / 456 Month Loan).
 - ▶ Thanks to the Hard Work of our Team (Kevin Heath, Dawn Figueiras, Jessica Randolph, Thomas Bruno, Ryan Kiser, Melinda Jett and King General Contractors) we are Scheduled to Close the Loan Tomorrow, September 26, 2017.

9  **Sustainability**

- ▶ VDH ODW has Many Functions
 - Primary Water Regulator (Inspect Operating Facilities, Receive/Review Report, Plans and Specifications)
 - Funding-State Revolving Loan Fund
 - Sustainability Group
- ▶ Previously, WCSA Staff has Participated in Various VDH Sustainability Activities
- ▶ September 20th VDH and WCSA Staff met for Further Assessment
- ▶ Unless There are Objections, Anthony Hess of VDH has Offered to Talk About Sustainability at Your October Meeting, Including What They see as WCSA's Strengths, Weaknesses and Opportunities

10  **VA WARN**

- ▶ Ever Wonder Where the Help (Water and Sewer) Comes From in the Event of a Disaster That is Larger Than the Utility can Manager?
- ▶ EPA Water Sector Plan
- ▶ Virginia: AWWA and VWEF Organized to Jointly Formed the Virginia Water and Wastewater Agency Response Network (VA WARN)
- ▶ Staff is Familiarizing Ourselves With the WARN Network and Hope to Make a Recommendation Soon.
- ▶ Summary: Join by Resolution; Managed by Mutual Aid and Event Agreements With the Requesting Agency Picking up the Cost.

11  **Connection & Monthly User Fee Survey**

- ▶ With Staffs Help, Survey is Developing Nicely
- ▶ Scope:
 - Water and Sewer Connection Fees
 - Water and Sewer Monthly User Fees
 - Statewide Comparison; 160 +/- Utilities
 - 100 Mile Radius Comparison; 30 +/- Utilities
 - (Basically Getting Two Surveys; Statewide and 100 Mile Radius)
- ▶ Estimated Completion Time Early October

12  **Looking Ahead**

- ▶ Water Quality
- ▶ Water Withdrawal Permit
- ▶ Lee Highway Corridor Sewer Project
- ▶ Meter Replacement
- ▶ Strategic Planning
- ▶ Bylaws Workshop
- ▶ Rate Survey