

Washington County Service Authority Board of Commissioners
May 22, 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 Chairman at approximately 6:00 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Wayne Campbell
Mr. Jim McCall
Mr. Dwain Miller
Mr. Vernon Smith
Mr. Mike White

Commissioners Absent:

Mr. Mark Nelson, Vice Chairman

WCSA Officers Present:

Robbie Cornett; Secretary, General Manager
Melinda Jett; Treasurer, Controller

General Counsel Present:

Dawn Figueiras; Elliott, Lawson & Minor

Consultants Present:

Dennis Amos, PE; Hurt & Proffitt, Inc.
Bobby Lane, PE; The Lane Group, Inc.
Bill King, VP; Thompson & Litton
Scott Wilson, PE; Thompson & Litton

WCSA Staff Present:

Ryan Kiser, PE; Maintenance Manager
Holly Edwards; Customer Service Manager

3. Approval of the Amended Agenda

Mr. Cornett asked that Agenda Items 8 and 14 be removed from the Agenda. Mr. Campbell motioned to approve the changes to the Amended Agenda as

requested. Mr. Smith seconded and the Board approved voting 6-0-0-1.

4. Public Query and Comment

There was no public query or comment.

5. Approval of the Consent Agenda

A. Approval of Minutes:

- April 19, 2017 Picnic Committee Meeting Minutes
- May 5, 2017 Legal Services Procurement Committee Meeting Minutes

B. Routine Reports: April 2017

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

C. Financial Reports: April 2017

- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Statement

D. Consideration of Haskell Station Road Water Line Extension Project Change Order No. 1 - *Ryan Kiser*

Mr. Miller motioned to approve the Consent Agenda. Mr. Campbell seconded and the Board approved voting 6-0-0-1.

6. Rate, Fee and Charge Public Hearing - *Chairman*

- The Chairman, Mr. Taylor, announced the purpose of the public hearing which is to consider “preliminarily adopting charges to WCSA Rates, Fees and Charges”.
- The Chairman then opened the public hearing and asked Mr. Cornett

Washington County Service Authority Board of Commissioners
May 22, 2017 Regular Meeting Minutes

to make a brief presentation. Mr. Cornett recommended the Board rescind the wastewater rate increase to take effect July 1, 2017

- The Chairman asked if there was anyone present to speak in favor of the proposed changes.
 - No one spoke.
- The Chairman asked if there was anyone present to speak in opposition to the proposed changes.
 - No one spoke.
- The Chairman then closed the public hearing.
- The Chairman asked what the Board's pleasure was on the matter.

Mr. McCall motioned to resend the wastewater rate increase to take effect July 1, 2017. Mr. White seconded and the Board approved with a unanimous vote of 6-0-0-1.

7. Water and Wastewater Construction Projects Update – Ryan Kiser

Mr. Kiser reviewed the attached presentation.

8. Operations Report and Update – Dave Cheek

Removed from the Agenda.

9. General Manager's Report & Update - Robbie Cornett

An outline of Mr. Cornett's presentation is attached.

Mr. Cornett asked if there was interest in a Board member to serve on a committee as WCSA works to update its emergency response and risk management plan and procedures.

Mr. White and Mr. Smith volunteered to serve on the committee.

Mr. McCall motioned to approve Mr. White and Mr. Smith to serve along with the General Manager and staff on the

committee. Mr. Campbell seconded and the Board approved voting 6-0-0-1.

Mr. Smith said for the record he would have to abstain from the Board of Supervisors vote on the payment requested made by the Board of Commissioners for those attending Board approved committee meetings.

**10. Engineer's Report and Update
*Dennis Amos of Hurt & Proffitt Inc. (H&P):***

Mr. Amos provided updates on the following projects.

- Exit 13 Sewer Project Phase 2A
- Exit 13 Sewer Project Phase 3

Bobby Lane of The Lane Group (TLG):

Mr. Lane updated the Board on the following projects.

- Middle Fork South Fork DEQ Withdrawal Permit
- Galvanized Line Replacement Project – Phase II, Division 5
- Galvanized Line Replacement Project – Phase III
- Mill Creek Water System Improvements

Mr. Lane said there had been questions about what to do with the existing Koch membranes and skids now in use at the Mill Creek facility when the new Memcor membranes go on line. Mr. Lane recommended and requested the Board consider declaring the Koch membranes as surplus equipment to be sold once the new Memcor filters are on line. And authorize the General Manager to work through the procurement process with Chilhowie Town Manager to sell the Koch membranes. Mr. Lane said the Town of Chilhowie voted to take action to on the Koch membranes as requested at their May 11, 2017 meeting.

Washington County Service Authority Board of Commissioners
May 22, 2017 Regular Meeting Minutes

Mr. Campbell motioned to approve the recommendation, Mr. McCall seconded and the Board approved voting 6-0-0-1.

Kevin Heath of The Lane Group (TLG):

Mr. Heath of The Lane Group reported on the following projects:

- Abingdon Tank Improvements
- Route 58 Water Supply Improvements Project

11. Consideration of Water System Extension Project Terms and Conditions – Robbie Cornett

A Community Meeting was held at the Mendota Community Center on April 27th to answer residents questions related to a possible water system extension along Mendota Road Mr. Cornett discussed the following two questions that resulted in Board requests.

- WCSA's user agreement requires applicants to be a customer, pay the minimum bill, for a minimum of three years. Would WCSA consider waiving this requirement for "vacant lot" landowners?

Mr. Miller said he was not sure WCSA would gain many more customers by changing the current policy. Only one person asked about changing this policy. The Board took no action on this policy.

- Can the 12-month interest fee financing be extended to more than 12 months?

Mr. Miller thought extending the financing terms would be beneficial.

Mr. Cornett recommended the Board consider a 48-month interest free financing option for water line extension projects with the first payment due within 60 days of WCSA accepting adequate funding for the project. At the current connection fee, this payment plan would result in a monthly payment of \$33.91 per month.

Mr. Miller asked if the 48 month interest free financing would be offered for extension projects only.

Mr. McCall asked what the staff recommended.

Mr. Cornett said at this time, he recommended applying the 48 month free financing option to extension projects and not for new connections on existing lines.

Mr. Miller made a motion to approve Mr. Cornett's recommendation with a second from Mr. White. The motion carried with a 6-0-0-1 Board vote.

12. Consideration of Exit 13 Phase 3 Sewer System Extension Project Construction Bids – Denis Amos

The amount of DEQ funding available for the project is \$1,171,550. The revised overall project budget is \$1,194,195.305; with a shortfall in funding totals of \$22,645. DEQ has verbally committed to providing the additional funding needed for the project at WCSA's request.

Construction bids were opened on Thursday, May 3, 2017. The lowest responsible bidder was Hill Construction, Inc. with a bid of \$998,281. Mr. Amos recommended awarding the project to Hill Construction, Inc. contingent on the availability of additional project funding. Mr. McCall motioned to accept the lowest bid, \$998,281, from Hill Construction, Inc. Mr. Miller seconded; the motion passed with 6-0-0-1 Board vote.

13. Consideration of Outside Legal Counsel Procurement - Robbie Cornett

Mr. Cornett discussed the outside legal counsel procurement summarizing the procurement process and the committee recommendation.

Washington County Service Authority Board of Commissioners
May 22, 2017 Regular Meeting Minutes

The committee, made up of Mr. McCall, Mr. Campbell, Mr. Cornett, Mr. Check, and Mrs. Jett recommended the Board consider:

- Recognizing Elliott Lawson & Minor as the top ranked Offeror followed by Dene & Dene (second) and Penn Stuart & Eskridge (third).
 - The importance of identifying the order is, if we are unable to negotiate an acceptable agreement with the top ranked Offeror or if the engagement ends before the end of the procurement term (1 to 5 years), WCSA has the ability (if it wishes) to award to the second ranked Offeror without a new procurement.
- Authorize Staff to begin negotiations with Elliott Lawson & Minor for a
 - one-year contract, renewable upon authorization by the Board for up to 4 additional one-year terms (max of 5 years), and reserve the right to terminate the contract with 60 days' notice ,
 - and if a suitable contract is reached, authorize the General Manager to execute the contract OR bring the proposed contract back to the Board for consideration at your June 26, 2017 meeting.
- Implement a quarterly report card. Part of a healthy relationship is for the firm to know 1) what we want them to do and 2) how they are doing.
 - With Board/Staff input, develop an evaluation for each Board Member and Staff who interact with Counsel to complete each quarter. Once complete, the Chairman and General Manager will review and meet with

Counsel. As we move forward, we can adjust the evaluation and frequency as necessary.

Mr. Campbell motioned to accept the recommendation as stated. Mr. Miller seconded.

Mr. McCall made a substitute motion to change the ranking of legal counsel, recognizing Dene & Dene as the top ranked Offeror followed by Elliott Lawson & Minor (second) and Penn Stuart & Eskridge (third).

Mr. White seconded Mr. McCall's motion. The Board voted 3-2-1-1 with Mr. Miller and Mr. Campbell opposed and Mr. Taylor abstaining.

The Chairman then called for a vote of the original motion made by Mr. Campbell and seconded by Mr. Miller. The Board vote was 3-3-0-1. Mr. Taylor, Mr. Campbell and Mr. Miller approved the motion while Mr. White, Mr. Smith and Mr. McCall were opposed.

The Board then had a brief discussion about WCSA's By-Laws and its laws in regards to a Board vote. It was noted there must 4 in favor of a motion for the motion to carry unless there is an abstention due to conflict of interest.

Mr. White made a motion that the consideration of outside legal counsel procurement be voted on at the July meeting.

The Board voted 3-2-1-1 with Mr. White, Mr. McCall and Mr. Smith voting in favor of the motion. Mr. Miller and Mr. Campbell were opposed and Mr. Taylor abstained.

Mr. Campbell said it was only right the matter be discussed at the June meeting saying Mr. McCall was stacking the deck.

There was a Board discussion regarding Commissioners terms and when the new term begins (July1).

Washington County Service Authority Board of Commissioners
May 22, 2017 Regular Meeting Minutes

14. Late Items

Mrs. Jett discussed fuel bid procurement. Bids were opened on Wednesday, May 10th at 2:00 pm. WCSA received one bid from Addington Oil for unleaded at 0.1718 over rack and diesel at 0.859 over rack.

Mrs. Jett asked the Boards consideration to accept Addington Oil's fuel bid.

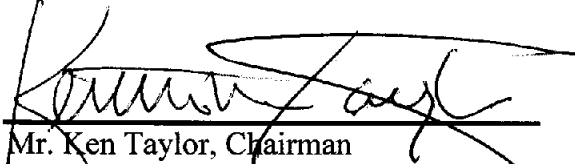
Mr. Miller motioned to approve the bid, Mr. Campbell seconded and the Board approved voting 6-0-0-1.

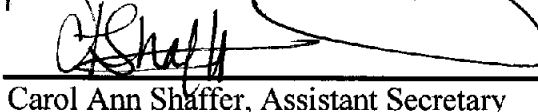
Mr. White thanked Mr. Osborne and crew and the maintenance crew for locating and fixing a leak on Route 58 that Mr. White said had been costing WCSA money for years.

Mr. Cornett said two leaks were found totaling about 600 gallons per minute between in finished water lose. As a result of fixing those leaks, the filter plant produced one half million gallons less today.

15. Adjourn

Mr. Campbell made a motion to adjourn the May 22, 2017 Regular meeting at approximately 7:20 pm. Mr. Miller seconded and the Board approved voting 6-0-0-1.


Mr. Ken Taylor, Chairman


Carol Ann Shaffer, Assistant Secretary



Inside Engineering Projects

Ritchie Road Water Line Project-

- Plans and specifications have been sent to VDH for review.



Inside Engineering Projects

Haskell Station Road Extension Project

- Project is underway and contractor has installed approximately 87% of mainline for base bid. 38% contract time passed.
- Revised Change Order 1 adds about 2,500' of pipe.
- Change Order work will begin when stream permit received.



Inside Engineering Projects

WCWSA Maintenance Constructing

Osceola Road – Approximately 2,500 L.F has been installed and about 300' to go.



Potential New Water Line Extensions

- Rattle Creek – plans complete
- Chip Ridge – plans complete

Work on plans for these projects upcoming month.

- Sugar Cove Road
- Hidden Valley Phase 2
- Rich Valley Road



Potential New Water Line Extensions

Mendota

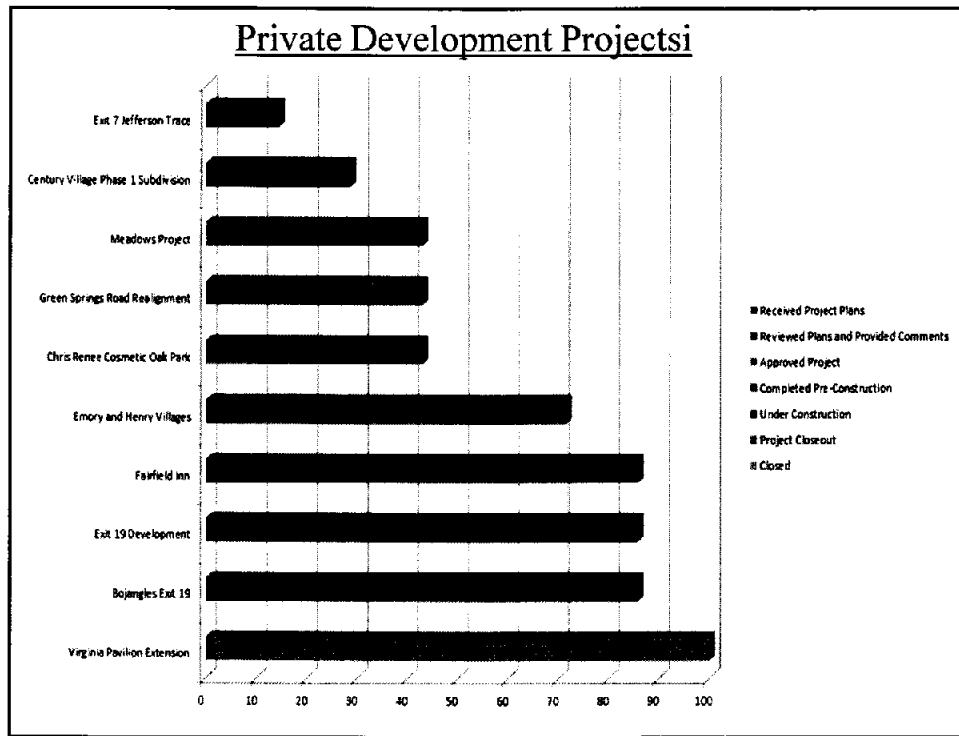
- Held a Community Meeting to discuss User Agreements April 27th at Mendota Community Center.
- User Agreements were asked to be returned by May 12th.
- 29% Agree so far. Project champions are still talking with residents.



Potential New Water Line Extensions

Archery Range Road/Mary's Chapel

- Tentative plans will be to send out mailings in May and schedule a community meeting in early June.



General Manager's Report and Update

April 2017

Financials

- Water revenue \$305,965 ahead of projections YTD
- Sewer revenue \$155,193 ahead of projections YTD
- Non-departmental (water) \$130,065 under budget
- Administration \$24,632 under budget (excluding compensation and benefits)
- Customer Service \$10,935 under budget (excluding compensation and benefits)
- Non-departmental (sewer) \$44,061 under budget (excluding planning/local limit expense)

Board of Supervisor Committee Compensation Request

- Letter of April 26, 2017 at your stations
- Current committee appointments and status are at your stations

Board of Supervisor Corporate Life Extension

- Last extended 2002 for 50 years (2052)
- RD funding's are 40 years
- Unable to close on Route 58 Corridor (2017 + 40 = 2057) or other upcoming projects without extension

HomeServe

- 1,088 customers as of April 30th
- 1,134 contracts
- Had a good meeting with Mr. Copenhaver regarding HomeServe on May 3rd.
- WCSA call volume regarding HomeServe is fairly high
 - Most positive
 - Couple concerned that they signed up but received follow-up notice
 - One reported negative experience with an AEP/HomeServe

Lee Highway Corridor Sewer Project Preliminary Engineering Report

- Scoping meeting May 1
- Received engineering agreements a short time later
- Staff reviewed and provided initial comments
- Follow-up responses from the firms are coming in and will be reviewed by staff shortly

Disaster Response

- WCSA is updating its emergency response and risk management plan along with related procedures