

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice-Chairman at 7:00 PM.

ROLL CALL

Commissioners Present:

- Mr. Sam Blaylock
- Mr. Scott Rector, Vice-Chairman
- Mr. Joe Chase
- Mr. Frank Stephon, IV
- Mr. D.L. Stout
- Mr. Daniel Reynolds

Commissioners Absent

- Mr. Gerald Cole, Chairman

Staff Present:

- Robbie Cornett, Interim General Manager
- Kim Roberts, Controller
- Ella Ratcliffe, Information Systems Manager

Consultants Present:

- Bill Aden, PE, Draper Aden Associates
- Randall Hancock, PE, Draper Aden Associates
- Bobby Lane, PE, Lane Engineering
- Kevin Heath, Adams Heath Engineering

Also Present:

- Mr. Mark Lawson, General Counsel
- Mr. Eric Herold, Virginia Department of Health
WCSA Employees

3. Public Query and Comments

None

4. Approval of Agenda

Mr. Cornett stated that he had no changes to the agenda. A motion was made by Mr. Stout to approve the agenda. Mr. Stout's motion was seconded by Mr. Stephon and approved by a unanimous vote.

5. Consent Agenda

- Minutes from April 28th, 2008

- Routine Reports for April 2008
- Financial Statements for March 2008
- Check Register ending 04/30/08

Items removed from Consent Agenda

Mr. Cornett had no additions or corrections to the Consent Agenda.

Mr. Chase made a motion to approve the Consent Agenda. Mr. Chase's motion was seconded by Mr. Stout. The motion was approved by a 6-0-1 vote.

6. Engineer's Report and Update

Mr. Bill Aden and Mr. Randall Hancock with Draper-Aden reported on the following projects:

Sewer O & M Analysis

Mr. Hancock presented the Board with a handout stating that DHCD had awarded WCSA with a grant from the Southern Rivers Enhancement Program in the amount of \$980,000 for the Exit 13 sewer. He said that they planned to meet with WCSA staff and some of the funding agencies to get more funding for this project.

Glove Drive Waterline Improvements

Mr. Hancock reported that they still have some easement issues and the I-81 crossing to get to the golf course property. They had some confirmation from VDOT on locating some things at Exit 32 ramp. Mr. Rector questioned if the location of this line had to be relocated. Mr. Cornett stated that some relocation had to be made due to easement acquisitions.

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

Route 58 Water Storage Facilities

Mr. Hancock reported that they had completed the geotechnical site work and they have some preliminary reports on the tank site which looked good. They are still trying to complete some things on the access road and hoped to have information soon to complete the cost estimates.

Route 58/Watauga Road Waterline Improvements

Mr. Hancock reported that the contractor had all the permits together with the county. He said Boring Contractors had stated last week that they installed 3000 feet of line and Little B Construction would be starting tomorrow on this project.

Mr. Bobby Lane with Lane Engineering reported on the following projects:

Lime Hill/Walker Mountain Road Project

Mr. Lane reported that at the Authority's direction they have prepared the award documents which have been presented to S B Construction and they are waiting on bonds and insurance certificates together to proceed with Legal Counsel Review and issuance for notice to proceed. He presented the Board with a letter from Mr. Tom Slack with the Virginia Department of Health approving the bid tabulation for construction for procurement. Mr. Blaylock questioned when this project may begin. Mr. Lane said that he hoped by the next meeting they would have all the contract documents together and have legal counsel review.

Raw Water Intake and Water Treatment Plant Expansion

Mr. Lane reported on Task Order #1 and Task Order #2 which he stated that they are waiting on reviews to occur. He requested the Board look at page 3 of the handout presented that showed Task Orders 3 & 4. He said that a needs assessment had been completed with WCSA staff and a technical memo of design conditions have also been submitted to WCSA staff for review. Mr. Lane also said they had submitted a data collection plan which details additional testing that is also under review. He stated that a brainstorming session was scheduled for May 27th. He said that technical memorandum #5 showed identification alternatives which is due by the end of the month and they are getting information for alternatives to the intake and treatment plant.

Mr. Kevin Heath reported on the following projects:

White's Mill Road

Mr. Heath said they had received confirmation on the proposed water storage tank site and since the last meeting they have ordered the geotechnical review of the site and is scheduled for this week. They also have had plan resubmitted to the Health Department.

Orchard Hill Road

Mr. Heath stated that they had received the stream crossing permits from the Marine Resource Association and the Game of Inland Fisheries and the Authority staff is continuing to work on the easements for this project.

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

7. General Manager’s Report and Update

Mr. Cornett reported on the following:

Significant Work

Water Production

- Produced 186,483,169 gallons of drinking water

Distribution

- Coordinated the outside purchase of 22,018,600 gallons of drinking water

Meter Department

- 93 customers were telephoned following unusually high usage

Customer Service

- \$10,516.05 was abated for 80 customer water leaks
- \$7601.81 was written off as bad debt three years old (April 2005)

Maintenance

- 29 Leaks
- 1 major break
- 44 water taps
- 2 wastewater taps
- 30 after hours maintenance call-outs

Wastewater

- Treated 10,186,000 gallons of wastewater

Construction in Progress

- Wild Cherry Lane- WCSA is still evaluating our options for rock excavation. In the meantime WCSA crews have skipped to another area of the project and have made the mainline connection and installed the Browning Road crossing.
- Rustic Lane- In order to eliminate a leaking water line that runs through an area resident’s basement behind Builders Supermarket, WCSA is replacing about 1,000 feet of galvanized water line on Rustic Lane with 6” line. About 6 customers will receive benefit from the relocation/replacement.

Projects in Design or Pre-Construction Phase

- Chestnut Mountain Road- Due to land acquisition issues on this project we continue to evaluate and pursue alternative solutions for this project.
- Mendota Road (Phase 1)- Mr. Canody is to update the Board on the status of these three projects later in the General Manager’s report. We have received all regulatory approvals for this project and Denton Valley Road. We would respectfully request the Board to authorize us to advertise the projects for bid.
- Denton Valley Road- We have received approvals for this project and are requesting approval to advertise for bid.
- Tumbling Creek Road- We are awaiting regulatory approval but expect this within the next 30 days. Once approval is received we plan to ask the Board to authorize us to advertise the projects for bid.
- Fire Hydrants in Westwood- WCSA did not receive the needed participation to install fire hydrants in the area south of Westwood along Vance Mill Road. We are currently considering other options for further solicitation of the needed funds. We have 57% of the solicited residents that returned the survey and 93% of the surveys returned agreed to pay the \$40.00 fee.
- Fire Hydrants in Wolf Creek Estates- We are pleased to report that there is 100% participation for a fire hydrant in Wolf Creek estates.
- Meadowview Area Hydrant Request – WCSA has received a request from the Meadowview Volunteer Fire Department for four fire hydrants along Hillman Hwy between Meadowview and Emory. WCSA is currently evaluating the

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

hydraulic conditions in the area to confirm that fire flow is available.

Administrative Items

- Annual Water quality reports are scheduled for mailing to all customers in June. This is required by the Virginia Department of Health.
- WCSA was notified last week that we are the recipients of the \$980,000 Southern Rivers Watershed Enhancement grant for the Exit 13 area wastewater collection project.
- **Administrative Requests-** Emory and Henry College has asked WCSA to supply about 500 gallons of water to the Bike Virginia event coming through Emory on Wednesday, June 23rd, 2008. The Bike of Virginia is in association with Bike Walk Virginia, who promotes bicycling education and safety through this annual event. Bike rodeos are held for children in the towns they visit and helmets are donated to the communities. This event is now in its eighteenth year. It has grown from 117 riders in 1988 to over 2200 rider is 2007. This year the event is being labeled "Tour The Crooked Road" in recognition of the Virginia Heritage Music Trail.
Mr. Cornett requested the Board approve WCSA providing water for the Bike Rally at Emory and Henry College and also to advertise the Mendota Road (Phase 1) and Denton's Valley Road project for bids. A motion was made by Mr. Stout to approve both the recommendations made by Mr. Cornett. Mr. Stout's motion was seconded by Mr. Stephon and passed by a unanimous vote.

8. Virginia Department of Health Award

Mr. Eric Herold from the Office of Drinking Water and the Virginia Department of Health stated that it was his honor to present to the Washington County Service Authority two awards for the operation of their main surface water treatment plant and their membrane filtration plant. Mr. Herold stated that the surface water treatment plant was receiving the Silver Award from the Virginia Optimization Program which is the second highest award given from this program. He said the WCSA's ranking for this award was 35 out of 134 water systems in the state. He said that WCSA has done an excellent job with a really complex plant and with many changes taking place at this time at the facility. Mr. Herold stated that the second award was for the Membrane Filtration Plant that has received the first and only award in the state of Virginia for excellence in the operation of a Membrane facility. He said that there are a total of 31 membrane facilities in the state of Virginia and the WCSA facility was the only plant that has received this award. Mr. Herold commended WCSA and the plant operators for an excellent job done to receive this type of recognition. Mr. Cornett recognized Mr. Don Cole, Chief Operator of the Middle Fork Water Plant and Mr. Richard Malcolm, Chief Operator of the Membrane Filtration facility. Mr. Cornett also expressed his appreciation to Mr. Herold and his staff and team at the Health Department for having a good working relationship to be able to

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

accomplish providing safe drinking water to our customers.

9. Loan Refinancing

Ms. Kim Roberts presented a handout to the Board entitled Blue Ridge Debt. Ms. Roberts stated the she and Mr. Cornett had taken another look at refinancing the 2003 Bond debt in the amount of 5 million dollar which is currently financed with Blue Ridge Bank to eliminate the high debt payment on this bond. Ms. Roberts said that upon their research the old debt that actually replaced the loan payment on the debt was actually \$900,000 a year and WCSA had refinanced this in order to have a lower payment to increase up to the current \$700,000 loan payment. She said they had also looked at refinancing the debt to an extended 20 year term and by looking at this it was not going to be beneficial to WCSA because it would cost an additional 1.9 million to do this. Ms. Roberts stated that this staff would recommend not refinancing this debt at this time. Mr. Cornett said the increasing debt payments is concerning but he felt like it would be best at this time not to change the financing and let the Board know that we would be facing these payments when they considered the budget in the future.

10. Grant Fund Application to the Virginia Tobacco Commission

Mr. Bobby Lane said at the last meeting he had mentioned to the Board a window of opportunity to receive additional funding from the Virginia Tobacco Commission. Mr. Lane said that the Tobacco Commission would be receiving

funding applications until June 2nd for special projects. Mr. Lane presented the Board with a resolution for approval authorizing submission to the Tobacco Commission for the planning and design of the Raw Water Intake and Water Treatment Plant. He said that the Tobacco Commission’s focus is on creating jobs and job retention and they do believe with our intention to produce water in Washington County is important to bring jobs to Washington County. The resolution read:

RESOLUTION AUTHORIZING THE SUBMISSION OF A TOBACCO COMMISSION GRANT APPLICATION FOR THE WASHINGTON COUNTY SERVICE AUTHORITY WATER INTAKE AND WATER TREATMENT PLANT PROJECT

WHEREAS, the expansion of the Washington County Service Authority (WCSA) Raw Water Intake and Water Treatment Plant is essential to the continued economic development of Washington County and the Tri Cities Region; and

WHEREAS, the completion of the Washington County Service Authority Raw Water Treatment Plant is critical for the retention and continued recruitment of industries to Washington County Industrial Park and other regional industrial facilities; and

WHEREAS, planning and design for the Washington County Service Authority Raw Intake and Water Treatment Plant is underway and

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

construction of the project is scheduled to begin construction in 2009.

NOW, BE IT HEREBY RESOLVED that the Washington County Service Authority Board of Commissioners authorizes the submission of an application for grant funding for the Planning and Design of the Raw Water Intake and Water Treatment Plant Project to the Virginia Tobacco Indemnification and Community Revitalization Commission and certifies that Robert Cornett, General Manager, will serve as the authorizing agent and is responsible for the accuracy of the application and for the appropriate use of all funds granted.

BE IT FUTHER RESOLVED that the Washington County Service Authority will provide \$500,000 to match up to \$500,000 requested from the Virginia Tobacco Indemnification and Community Revitalization Commission to complete the Planning and Design of the Raw Water Intake and Water Treatment Plant Project.

Date: May 19th, 2008

Mr. Lane requested the Board to favorably recommend the resolution presented. A motion was made by Mr. Reynolds to accept the resolution presented. Mr. Reynolds motion was seconded by Mr. Stephon and passed by a unanimous vote.

11. Procurement Guidelines
Mr. Mark Lawson, Legal Counsel for WCSA presented a handout of

Procurement Guidelines for Board review.

**12. Building Committee
Commissioner Appointees**
Mr. Cornett stated that the Board was aware that a lot of consideration had been taken for a long time for renovation of our Customer entrance and Lobby area. He said that a number of Commissioners, the general public and WCSA staff had expressed concerns about how this area functions and how customers identify where our public entrance is into the Main office building. He also said that we have experienced roof problems for some time now in the building and for this reason they are interested in soliciting for architectural services to support us in making the renovations. He requested that the Board recommend one or not more than two members to serve on the Building Committee. He said that we would like to get everyone together to identify these areas with staff and the committee and bring these recommendations back to the Board for approval. Mr. Blaylock and Mr. Rector volunteered to serve on this committee.

**13. Rate Study Commissioner
Appointees**
Mr. Cornett also requested for one or two Commissioners to serve on the Rate Study Committee. The proposals for this study had already been sent out and they were hoping to have these back by the upcoming Friday. Mr. Cornett said this study was one of the more important things that we would be doing in the future to take a look at our customer

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

makeup and trying to identify some customer rate structure and help look at rates and fees to recover our services so we can cover our current and future debt service needs. Mr. Chase and Mr. Stephon volunteered to serve on this committee.

14. 2008-2009 Budget Presentation

Ms. Kim Roberts presented the Board with a Power Point printout of a brief overview of the 2008-2009 Budget that was presented at the last Board meeting. Ms. Roberts briefly reviewed this information including considerations when establishing rates, review of WCSA rate history of residential customers only, interrelationships between rate funded capital and debt service coverage, WCSA relationship and debt structure and a WCSA revenue and debt analysis. She presented a five year Capital Improvements Plan for capital needs and a supplemental summary sheet of all departmental needs for the 2008-2009 Budget year. Mr. Cornett stated that Ms. Roberts had done a great job in organizing this for Board review and they hoped to go over this information in detail at the upcoming Budget Workshop. Mr. Cornett recommended the Board have a Budget Workshop before the next Regular meeting to discuss the budget. Mr. Cornett recommended the week of June 16th for this meeting. A meeting was scheduled for Monday, June 16th for a Budget Workshop meeting.

15. Vehicle Bids

Ms. Roberts presented the Board with a handout showing the results

of the Vehicle Bid opening held on May 9th, 2008 at 2:00pm. She said that she was surprised by the low turnout for bid this year. She stated that the only bidders for vehicles were Hall Automotive from Virginia Beach, Virginia. They bid on the (4)- ½ ton pickup trucks with a bid of \$16,991 each, (2)- ¾ ton utility trucks with bed at a price of \$19,987 each, (2) ¾ Ton Utility Trucks without beds with a bid of \$19,691 each. There was no bid presented for (1) 2 ½ Ton Dump Truck. Ms. Roberts stated that they had one bid of \$55,345 from Worldwide Equipment for (1) 2 ½ Ton Dump Truck. All these vehicles would be delivered to WCSA by the bidder. Ms. Roberts stated that all bidders did meet all specifications except for one thing that she would discuss with Legal Counsel after the meeting. Mr. Cornett said that WCSA had met all requirements with the Virginia Procurement guidelines and was not sure why they only had a small amount of bidders for these vehicles. After a brief discussion of the Board Mr. Reynolds made a motion to accept the low bidders for vehicles and recommended a backup alarm be installed before the purchase. Mr. Reynolds motion was seconded by Mr. Chase and passed by a unanimous vote.

16. Lawn Care Services Bids

Ms. Kim Roberts presented the Board with a handout showing the results of the Lawn Care Bids opened on May 9th, 2008 at 2:00pm. Ms. Roberts stated that we had received only one bid from Randy's Lawn service for lawn care. Ms. Roberts said that they had felt they would receive more bids for this

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

service because they had received calls requesting the specifications but no one else had responded to the bid. Ms. Roberts stated that all specifications had been met on this bid and recommended the Board accept the bid from Randy's Lawn Service for a two year period. Mr. Reynolds stated that the bid given was less than the bid presented two years ago. A motion was made by Mr. Blaylock to accept the bid from Randy's Lawn service for lawn care. Mr. Blaylock's motion was seconded by Mr. Stephon and passed by a unanimous vote.

17. Bruce Hubbard Wastewater Service Request

Mr. Cornett stated that in the Commissioner update packet that was mailed out about a week ago a sketch had been enclosed showing a request for Mr. Bruce Hubbard for wastewater services. Mr. Cornett stated that Mr. Hubbard lives on Orleans Drive across the railroad tracks from Wyndale Road. He said that Mr. Hubbard has an interest in dividing his property for resale but in order to do this he would need to discontinue using his septic tank system and fill lines. He is requesting the consent of WCSA to connect onto Bristol Virginia Utilities wastewater services. Mr. Cornett stated that usually when a request has been made to connect to a BVU line it is because the customer is having problems with a failing septic system or they are so far away from a public sewer line. Mr. Cornett stated that WCSA currently does not have an existing wastewater collection line in the area. He stated that currently the inter municipal

agreement that is being agreed upon with BVU that this particular service line will be WCSA's line and if the Board would desire not to take action on this matter now Mr. Hubbard would actually be applying for a connection with WCSA when this occurs. He said that he didn't see a pressing need at this time to allow this particular connection. No action was taken by the Board on this matter.

18. Closed Meeting; Personnel, Acquisition and Disposition of Property, Investment of Public Funds, and Legal Advice

Mr. Blaylock moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711 Paragraph A (1): Personnel: Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specified public officers, appointees, or employees of any public body; and evaluation of the performance of departments where such evaluation of performance of departments necessarily involve discussed specific individuals; and Code of Virginia Section 2.2-3711 Paragraph A (6): Investment of Public Funds, Discussion or Consideration of the investment of public funds where competition or bargaining is involved where if made public initially the financial interest of the governmental unit could be adversely affected and Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

Disposition of Property; the discussion or consideration of the acquisition of real property for public purposes, or of the disposition of publicly held property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body and Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal advice; Consultation with Legal counsel and briefing by staff members or consultations pertaining to actual or probable litigation, where such consultation with legal counsel employed or retained by the public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on this matter.

In addition to the Board, the presence of Mr. Mark Lawson, WCSA Counsel and Mr. Robbie Cornett, WCSA Interim General Manager. The motion by Mr. Blaylock was seconded by Mr. Stephon. The motion passed (6-0-1). The Board adjourned to Closed meeting at 8:15 p.m.

Return to Public Session

Upon motion by Mr. Stephon and second by Mr. Rector, the Board

returned to Public Session at 10:09 p.m.

Certification of Closed Meeting

Whereas, the Washington County Service Authority has convened to a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia law; Now, therefore, be it resolved that the 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 Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority. The motion passed 6-0-1.

AYE: Mr. Blaylock, Mr. Chase, Mr. Stephon, Mr. Stout, Mr. Reynolds, Mr. Rector

NAY: none

Absent: Mr. Cole

19. Late Items

None

20. Adjournment

Mr. Stephon made a motion to adjourn. Mr. Stout seconded. The motion passed 6-0-1. The Board adjourned at 10:10 p.m.

**Washington County Service Authority Board of Commissioners
May 19, 2008 Regular Meeting Minutes**

Mr. Scott Rector, Vice-Chairman

Ella Ratcliffe, Assistant Secretary