

**Washington County Service Authority Board of Commissioners**  
**March 24, 2008 Regular Meeting Minutes**

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

**ROLL CALL**

Commissioners Present:

- Mr. Sam Blaylock
- Mr. Gerald Cole, Chairman
- Mr. Joe Chase
- Mr. Frank Stephon, IV
- Mr. D.L. Stout
- Mr. Daniel Reynolds

Commissioners Absent

- Mr. Scott Rector, Vice-Chairman

Staff Present:

- Mr. Glen McManus, General Manager
- Robbie Cornett, Interim General Manager
- Kim Roberts, Controller
- Doug Canody, Chief Engineer
- Ella Ratcliffe, Information Systems Manager
- Rick Clevenger, Water Treatment Plant 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:

- Mrs. Dawn Figueiras, General Counsel
- Mr. David Rose, Davenport and Associates
- WCSA Employees

**3. Public Query and Comments**

**Mr. George Price of 24113 Rich Valley Road, Abingdon, Virginia** addressed the Board concerning a petition that he and his father had presented to them for water service. He hoped that the water project would be approved and expressed

his appreciation to the Board for considering the project.

**4. Approval of Agenda**

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

**5. Consent Agenda**

- Minutes from February 25th, 2008
- Routine Reports for February 2008
- Financial Statements for January 2008
- Check Register ending 02/29/08

**Items removed from Consent Agenda**

None

Mr. Reynolds made a motion to approve the Consent Agenda. Mr. Reynolds' 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 reported that they had comments from DEQ and had submitted these back to them last week. They also did take a look at the latest copy of the agreement with the City of Bristol and had sent comments back to Mr. Cornett regarding this agreement.

**Glove Drive Waterline Improvements**

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Mr. Hancock reported that they had received comments back from staff and have proceeded with the final design. WCSA is still obtaining easements for this project. They hoped to have these to the Health Department soon for approval.

**Route 58 Water Storage Facilities**

Mr. Hancock reported that they had the easement information for the tank site and this should be finalized soon. They hoped to have the geotechnical work for final design very soon.

**Route 58/Watauga Road Waterline Improvements**

Mr. Hancock reported that the staff had cleared up the problems with the one remaining easement. They opened the bids with VDOT last Thursday. He said that he would report on the results later in the meeting.

**Southern Rivers Watershed Enhancement Program**

Mr. Hancock reported that they have decided where they are going to send the money but it has not been announced yet. He said that they had completed a sewer analysis on the capacity of the Meadowview system and submitted these results to the staff. They also had completed a discharge renewal permit for the Exit 22 wastewater plant.

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

**Lime Hill/Walker Mountain Road Project**

Mr. Lane reported that bid evaluations were Item 11 on the agenda and they

would discuss the results of these during this time.

**Raw Water Intake and Water Treatment Plant Expansion**

Mr. Lane reported that they had recently had a kick off meeting on the Raw Water Intake and Water Treatment Plant Expansion for the Preliminary Engineering Report. He stated that there are four task orders associated with the PER. He said that Task Order #1 includes the provision of services for Interim Water Withdrawal permitting for the South Fork Intake and Water Treatment Plant Expansion Project and have requested a withdrawal limit from 4.6 MGD to 6.6 MGD. He stated that Task Order #2 includes the provision of services for review of the location and design of the proposed raw water line from the raw water intake to the Water Treatment Plant. He stated that WCSA staff was in the process of finalizing the easements and they hoped to look at the location of the water line from a couple of different standpoints in order to obtain the easements for the transmission line so they could advertise. He stated that Task Order #3 included the provisions of service for the completion of a preliminary study and report and the preliminary layout of a new Raw Water Intake. He said that they would be completing the needs assessment in the next 30 days and Task Order #4 is a Preliminary Study and Report for Preliminary layout for the expansion of the Water Treatment Plant to expand to a capacity of 12 MGD. He said that they were very pleased to work with WCSA and would be keeping the Authority Board informed as everything progressed.

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**Mr. Kevin Heath reported on the following projects:**

**White’s Mill Road**

Mr. Heath said they had received plan review comments from the Health Department and they are continuing to work with the Authority’s staff on evaluating the tank site alternatives. He also stated that this project also had been submitted to the Mount Rogers Planning District for funding and this project was not successful in receiving funding.

**Orchard Hill Road**

Mr. Heath stated that they continued to get permits for the project. He stated that they had received the erosion control permit and the public notice period had been advertised for the stream crossing permit. He said that they had received word that they had applied for funding for this project from the Mount Rogers Planning District and they had learned that this application was not successful.

**7. General Manager’s Report and Update**

Mr. Cornett reported on the following:

**Significant Field Work**

- 23 leaks were repaired
- 5 breaks were repaired
- 22 water taps made
- 2 wastewater taps made
- 38 after hours maintenance call-outs
- 115 customers were telephoned following unusually high usage
- 111 customers were notified that their water was to be turned off
- \$6,636.25 was abated for 52 customers with water leaks
- \$4989.11 was written off as bad debt three years old (February 2005)

**Construction in Progress**

- Green Valley Poultry Waterline and Fire Hydrant- The contractor has completed the construction of the waterline and hydrant. Cleanup remains to be completed.
- Wild Cherry Lane- WCSA in-house capital project was delayed following mobilization due to the Authorities need to address two other areas where VDOT is preparing to pave.
- Burson Lane- As a result to VDOT planning to pave Burson Lane and WCSA having a leaky galvanized line along and under the road, WCSA elects to replace this line prior to VDOT paving. This involves replacing approximately 1200’ of galvanized water line with 6” PVC and will improve service to 16 existing customers.
- Mendota Road- As a result of VDOT planning to pave Mendota Road and WCSA’s plan to construct a new waterline in the area, WCSA Crews are installing three open cut road crossing in advance of the paving and our planned waterline extension.

**Projects in Design or Pre-Construction Phase**

- Chestnut Mountain Road- Due to land acquisition issues on this project we are evaluating other alternative solutions for this waterline extension.
- Mendota Road (Phase 1)- This project is nearly ready to advertise for bids; we expect to be able to advertise by May 2008.
- Denton Valley Road- This project is nearly ready to advertise for bids; expect to be able to advertise by May 2008.
- Tumbling Creek Road- This project is nearly ready to advertise for bids; we expect to be able to advertise May 2008.

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- Fire Hydrants in Westwood- A letter has been drafted to area residents and is scheduled to go out this week.

**Administrative Items**

- I would like to recognize the Drinking Water Plant Staff as the winner of the 2007 Excellence in Granular Media Filter Water Treatment Plant Performance Award for the Middle Fork Plant and the 2007 Excellence in Membrane Filter Water Treatment Plant Performance Award for the Mill Creek Plant. We expect these awards to be presented to the Board at the May 2008 meeting.
- I am pleased to report that we received some much needed rain in February, this rain resulted in our having to take Reservation Spring in Taylor's Valley offline from March 5<sup>th</sup> to March 8<sup>th</sup>, 2008. During this time we again made good use of our tanker truck as we hauled water to Taylor's Valley and pumped that water into the storage tank there, preventing those residents from running out of water.
- During this time we experienced high turbidity at Mill Creek. During this same time this resulted in reduced treatment plant output. This required us to make use of a temporary pump constructed two years ago on Lee Highway near Glade Spring. The Sevens Springs Secondary Supply Project is expected to eliminate this temporary pump by properly sizing the pump and making it permanent.

**8. Loan Refinancing**

Mr. David Rose with Davenport and Associates from Richmond, Virginia presented a handout to the Board

showing a proposed refinancing memorandum. Mr. Rose stated that they had requested proposals since the last meeting which resulted in three strong bids for consideration. Mr. Rose presented the RFP results which included proposals from Highlands Union Bank, Bank of America and SunTrust bank. Mr. Rose confirmed that Highlands Union Bank had the best interest rate at 3.90% and agreed to set this rate for the entire 25 years loan period. He also stated that all other requirements in the RFP had been met. He said with their proposal it would save the Authority around \$800,000. Mr. Rose did say that if the interest rates did come down in the next few years that it could be refinanced without penalty. Mr. Rose thanked Ms. Kim Roberts and Mr. Cornett and bond counsel for their help during this process. Mr. Rose recommended to the Board that they come back to the next meeting and have actual documentation in hand and hoped the appropriate resolutions would be passed so they could close on the financing. He said the total net savings for this financing should be around \$970,000 to the Authority. He said that for any reason if Highlands Union Bank could not fulfill this agreement they would look at Bank of America for the backup to this refinancing. Mr. Chase questioned what percentage of the proceedings would Davenport and Associates receive when they refinanced this and did the closing. Mr. Rose said they would receive around less than 1% or \$60,000. Mr. Cornett said that they had met extensively with Davenport and Associates, Mr.

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Lawson and Ms. Figueiras and they were also in favor of the refinancing with Highlands Union Bank. Mr. Chase made a motion to endorse Davenport and Associates to proceed with the closing for refinancing. Mr. Stephon questioned if he was a stock holder in Highlands Union Bank would this be a conflict of interest. Mrs. Figueiras stated that if he had 3% or more of the outstanding stock in Highlands Union Bank he should abstain from the vote. Mr. Chase's motion was seconded by Mr. Blaylock and passed by a 4-0-1 vote with Mr. Reynolds and Mr. Stout abstaining.

**9. Submission of Petition Projects for Funding**

Mr. Doug Canody presented the Board with a handout showing projects that were being petitioned for funding. Mr. Canody stated that this is now the time of year when we petition for DWSRF funding for projects and he has presented them with a listing of the projects to request for approval. He presented them with a map showing 7 potential projects that WCSA would like to consider this year. These projects included Nordyke Road area, Buffalo Pond area, Pine Hill Road area and Rich Valley Road west of Porterfield Hwy. He said that these areas are high in elevation and would require a pump station. He also stated that this would also include Mendota Phase II. He said that the construction cost of the project was \$503, 828.00 and the total project cost with engineering fees, administrative fees would be around \$590,000. He said that in the past the Board has contributed \$1500.00

for each potential connection for these projects. He said that there are 19 potential connections. He said that they would propose to submit an application for \$562,000. He said that out of the 19 connections 10 people had committed to obtain a connection and this would take the application over the 50% requirement for the Health Department. The cost per connection is around \$59,000 each. The next project for potential funding is Childress Hollow Road with 20 potential connections with 11 committed to purchase a connection. The total cost of this project would be around \$457,000. This would show a cost per connection around \$39,000 each. He said the next project would go down Rich Valley Road from the area of Greendale Elementary School to Whites Mill Road and Chip Ridge Road. He said that this would be an 8" line and would strengthen the area at Greendale for better fire flows. He said that we have a potential to serve 56 homes and 34 people had committed to purchase a connection. The total construction cost would be around 1.3 million with a total project cost around 1.5 million. The total connection per person would run around \$45,000. The final project would be from Whites Mill Road to the intersection of Rich Valley Road and Maiden Creek Road. The estimated construction cost would be around \$1.5 million. The potential connections were 44 and 27 have committed to purchase a connection. This would make the total connection cost per person around \$53,000. Mr. Canody requested that the Board consider all of the projects

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to be submitted for funding. Mr. Canody stated that there is a lot of effort that goes into getting this paperwork together to submit and he thanked everyone for their help. A motion was made by Mr. Reynolds to endorse these projects for funding. Mr. Reynolds' motion was seconded by Mr. Stephon and passed by a unanimous vote.

**10. Watauga Road Bid Evaluation and Recommendation**

Mr. Randall Hancock from Draper Aden Associates reported that they had received bids for the Watauga Road Waterline Road project. He said that this project had been bid in two contracts. They had received 6 bids for the larger contract and low bidder for Contract 1 was Little B Enterprises with a bid of \$849,474.85. He said that their estimate for this contract was around 1.1 million. He stated that Little B Enterprises had previously worked for WCSA and he would recommend the bid be awarded to Little B Enterprises. He said that they had received 8 bids on Contract 2 with the lowest bidder being Boring Contractors with a bid of \$598,490.00. He said that they had estimated the cost of this Contract to be around \$707,000.00. Mr. Hancock recommended that the Board consider approving both of the low bidders for the Contracts presented. A motion was made by Mr. Blaylock to accept the low bids presented. Mr. Blaylock's motion was seconded by Mr. Stout and passed by a 6-0-1 vote.

**11. Walker Mountain/ Lime Hill Road Bid Evaluation and Recommendation**

Mr. Bobby Lane with Lane Engineering presented a sheet to the Board with the minutes of the March 20<sup>th</sup> bid opening recommendations for the Walker Mountain/Lime Hill Road project. Mr. Lane stated they did receive a good response with 5 bidders for this project. He said the lowest bidder for this project was S.B. Construction with a bid of \$890,298.00. He stated that the bids were very competitive and they had estimated the project to be around 1 million. He said that this project is being funded by the Virginia Department of Health. He stated that the funding available combined with WCSA's contribution would still show a shortfall of \$250,000 for the project. Mr. Lane said that the staff had spoken to the Health Department and they have encouraged us to come back and ask for additional funds. He said that there may be better than a 50% chance that we may receive these funds. He said that there is a 60 day grace period for these funds and he recommended that the Board not take action on this matter now and agree to go back to the Health Department and request additional funding to fill the shortfall. He hoped to have additional information for the Board on this matter by the next meeting. Mr. Stephon recommended that they hold off on approving the bids and seek additional funding. Mr. Stephon's motion was seconded by Mr. Chase and approved by a 6-0-1 vote.

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**12. Engineering Procurement for Capital Projects Addition: Damascus Area Preliminary Engineering Report**

Mr. Cornett stated that in the January meeting a list of projects had been presented to the Board to procure for engineering services but they had failed to bring one project to their attention which is the Damascus Area Preliminary Report. Mr. Cornett stated that this area begins in Taylor's Valley where we own two springs which had been under the influence of surface water a few years ago. He said that during this time the system had gone thru many changes and they have struggled to keep this system functioning because of fluctuations in pressure and inadequate flows of water. Mr. Cornett recommended that the Board consider adding this project to the list. A motion was made by Mr. Stout to add this project to this list. Mr. Stout's motion was seconded by Mr. Stephon and passed by a 6-0-1 vote.

**13. 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 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

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attendance or is consulted on this matter.

In addition to the Board, the presence of Mrs. Dawn Figueiras, WCSA Counsel and Mr. Robbie Cornett, WCSA Assistant General Manager, and Mr. Glen McManus, General Manager are requested.

The motion by Mr. Blaylock was seconded by Mr. Chase. The motion passed (6-0-1). The Board adjourned to Closed meeting at 8:00 p.m.

**Return to Public Session**

Upon motion by Mr. Stephon and second by Mr. Stout, the Board returned to Public Session at 10:15 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. Cole, Mr. Chase, Mr. Stephon, Mr. Stout, Mr. Reynolds

NAY: none

Absent: Mr. Rector

**14. Late Items**

Mr. Chase moved to convene the General Manager Personnel Committee to consider the position of General Manager. He also moved to appoint Mr. D. L. Stout to replace Mr. Sam Kiser on the General Manager Personnel Committee. Mr. Chase recommended that the General Manager Committee reconsider the requirements for the position of General Manager and advertise for the position internally for a period of at least 10 days. He also recommend that the Committee reevaluate the applications previously received in light of any new requirements, and interview any candidates the committee wishes, and make a recommendation to the Board as soon as practical.

The motion by Mr. Chase was seconded by Mr. Stephon and passed by a 6-0-1 vote.

**15. Adjournment**

Mr. Stephon made a motion to adjourn. Mr. Stout seconded. The motion passed 6-0-1. The Board adjourned at 10:20 p.m.

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Mr. Gerald Cole, Chairman

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Ella Ratcliffe, Assistant Secretary