

**Washington County Service Authority Board of Commissioners**  
**August 27, 2007 Regular Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice-Chairman at 7:25 PM.

**ROLL CALL**

Commissioners Present:

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

Commissioners Absent

Mr. Sam Blaylock  
Mr. Gerald Cole, Chairman

Staff Present:

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, PE, Adams-Heath Engineering

Also Present:

Ms. Dawn Figueiras, General Counsel  
Ms. Kristi Murray, General Counsel  
WCSA Employees

**3. Public Query and Comments**

**Mr. Walter McNew from Route 700 Rich Valley Road area** addressed the Board stating that he had been at the last meeting and was told they may have an answer tonight on whether funding had been found to provide water to the Blackwell's Chapel area. He stated that they had no water at this time and their wells

had gone dry and also was contaminated. Mr. Cornett informed Mr. McNew that they still did not have the official word from the Health Department on whether this project would be funded. Mr. Cornett stated that he hoped they would have an answer before the September meeting.

**Mr. Harry Tyree from 13880 Vintage View Drive** addressed the Board on low pressure problems that occurred daily at his residence and with surrounding neighbors in this area. He was told two years ago that they would be upgrading this with an 8 inch line. He stated that there are 12 houses in the Vintage View Drive area and most everyone is experiencing the same problems with low pressure. Mr. Tyree stated that he had spoken with Mr. Cornett and that WCSA was looking to procure for services for a tank site in this area. Mr. Tyree has lived in this area for around 5 years and has experienced this problem during the time he has lived there. He stated that a pump had been installed which made it some better for awhile.

**Mr. David Hollyfield from 13005 Vintage View Drive** stated that he was the first resident to build a house in this area and he had experienced low pressure problems in the 12 years that he had lived there. He was deeply appreciative of the prompt service that WCSA had provided to him and the residents of this area when they reported low water pressure problems in the past. He stated that WCSA employees were very prompt to send someone out whether it was morning, noon or night. He reported that this problem

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seems to be getting worse especially around the holidays.

Mr. Cornett stated that they had been trying to address this problem by hiring a consultant to design and secure a water storage tank for this area. He stated that these are substantially complete and they are currently negotiating for a tank site. He also stated that all easements had been obtained and we have the property for the pump station and are hoping to have the site obtained soon for the tank site.

**Mr. John Johnson from 13982 Vintage View Drive** informed the Board that they had also had continual problems with low water pressure since he had lived there. He stated that they had been trying for 12 years and had kept hearing that this was going to improve and still had seen no results.

Mr. Cornett informed Mr. Johnson that they were optimistic within the next 30-60 days that they would have the water tank site property secured and have this project back on track and hopefully by January 2008 they could have the project put out for bid. He stated that it would probably be around the end of 2008 for a completion date for this project if everything stayed on schedule.

#### **4. Approval of Agenda**

Mr. Cornett stated that he had presented the Board with an amended agenda that included Item 11 and an amendment to Item 12 for Legal Advice. A motion was made by Mr. Stout to approve the amended agenda. Mr. Stout's motion was seconded by Mr. Chase and approved by a unanimous vote.

#### **5. Consent Agenda**

- Minutes from July 23, 2007
- Routine Reports
- Financial Statements for June 2007
- Check Register ending 07/31/07

#### **Items removed from Consent Agenda**

None

Mr. Chase made a motion to approve the Consent Agenda. Mr. Chase's motion was seconded by Mr. Stephon. The motion was approved by a 5-0-2 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 previously submitted some O & M costs and some updated construction costs for the Exit 13 and 14 area and were planning on having a meeting with the WCSA to discuss. They had met with the WCSA staff, 2 Committee members of the Board of Commissioners and the Board of Supervisors about two weeks ago and provided as needed assistance on negotiations with the agreement that had been proposed with the Town of Abingdon and the City of Bristol.

##### **Seven Springs Secondary Supply**

Mr. Aden reported that they had submitted the PER to the staff for review and then would be sending the PER to the Health Department for approval. They had received the final review comments from the staff and they would

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complete the final design for the Health Department review.

**Glove Drive Waterline Improvements**

Mr. Aden reported that they had submitted the PER to the staff to review and they would be sending it to the Health Department. They have already completed the preliminary design and are working on the final design. They had received the final review comments from the staff and they would complete the final design for the Health Department review.

**Route 58 Water Storage Facilities**

Mr. Hancock reported that he had met with Mr. Cornett and the property owner the day after the last board meeting to discuss the road access to the storage tank. Mr. Hancock stated that Mr. Cornett had some additional topography done. They hoped after reviewing this that they could take another look at this.

**Route 58/Watauga Road Waterline Improvements**

Mr. Aden reported that all the easements had been obtained and they would be rapidly moving ahead on this project.

**Bristol and Industrial Park Pump Station**

Mr. Hancock reported that they had been assisting staff on getting some pumps located and approved for replacement of the pump station. He reported that they had done some hydraulic calculations and had sent them to the Health Department and they did get back a confirmation that they could proceed with the work.

**Southern Rivers Watershed Enhancement Program**

Mr. Hancock reported that were working with the staff on filling out the applications to apply for this funding.

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

**Lime Hill/Walker Mountain Road Project**

Mr. Lane reported that they had completed the final design and had submitted the project to the Health Department. There had been an environmental assessment completed and hoped to be approved soon. He also stated that as soon as they had all of the easements that they would proceed with advertisement for the project construction. He hoped by the September meeting that they could discuss the advertisement of this project for competitive bids.

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

**White's Mill Road**

Mr. Heath stated that they had continued to work with the WCSA staff on a potential alternative for the tank site for this project. He stated that once the tank site had been approved they would proceed on forwarding the plans to the Department of Health. He stated that the comments of the timeline that Mr. Cornett had stated earlier in the meeting during Public Query and Comments could be an achievable goal.

**Orchard Hill Road**

Mr. Heath stated that they received comments from the Health Department and responded to those and had also received approval to proceed. He stated the remaining items would be to secure

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the permits for stream crossings to be done. He stated that they were also reviewing any comments that have been presented by the WCSA staff.

## **7. General Manager's Report and Update**

Mr. Cornett reported on the following:

### **Significant Field Work**

- 14 leaks were repaired
- 18 breaks were repaired
- 33 water taps made
- 1 wastewater taps made
- 45 after hours maintenance call-outs
- 185 customers were telephoned following unusually high usage
- 535 customers were notified that their water was to be turned off
- \$1497.00 was abated for 15 customers with water leaks

### **Construction in Progress**

- Blackwell's Chapel- Both contracts are substantially complete. Punch list items are being followed up on and a letter to residents officially notifying them that the service is available is forthcoming. Eric Herold, the District Engineer for VDH, has expressed his appreciation for our efforts to provide service to this area, and particularly the area served by Wolfe Spring.
- Twin Oaks Road- This project is also substantially complete. Punch list items are being followed up on and a letter to residents officially notifying them that the service is available soon.

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

- Water Supply Expansion- WCSA has advertised for Engineering Services related to the raw water intake and water treatment plant

expansion. Originally proposals were due by September 21 but this deadline is to be extended by two weeks to October 5<sup>th</sup>, 2007 which will allow time for a question and answer meeting between WCSA and prospective firms.

- WCSA is preparing to solicit the remaining raw water line easements needed to construct the raw water line from the intake site on the South Fork to the existing Treatment Plant. WCSA has met with a licensed appraisal firm to assist in establishing the value of these easements.
- Walker Mountain/Lime Hill Road- Plans are approved by VDH; a required public hearing is scheduled for September 10<sup>th</sup>, and easements are being obtained. Surveying for two pumps stations and hydro pneumatic tanks are also under way.
- Chestnut Mountain Road- Project plans were submitted to VDH and comments were made by VDH and WCSA is responding to the comments.
- Green Valley Poultry Waterline and Fire Hydrant- WCSA is preparing minimal plans for this project and is on our schedule to follow Chestnut Mountain Road.
- Mendota Road (Phase 1)- WCSA has submitted environmental assessment information to the various regulatory agencies.
- Denton Valley Road- WCSA has submitted environmental assessment information to the various regulatory agencies.
- Tumbling Creek Road- WCSA has submitted environmental assessment information to the various regulatory agencies.

### **Unfunded Line Extension Projects**

- Rich Valley and Maiden Creek Roads/Red Fox Lane/Mendota

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Road Phase II- WCSA has not yet received written correspondence regarding funding for the Rich Valley and Maiden Creek, Red Fox Lane, and Mendota Road Phase II. In a proactive effort to persuade VDH to fund these projects Mr. Canody contacted VHD last week to let them know that we had hired a new engineer and should be making significant progress on already funded projects. VDH informed us that the number of applicants for funding have increased significantly from a year ago.

• **Administrative Items**

- Respirator fit testing and air quality monitoring related to asbestos cement pipe abatement was conducted during the week of August 6<sup>th</sup>.
- WCSA Water Treatment and Maintenance personnel responded to a water and esthetic problem in Mendota related to a fire during the week of August 13<sup>th</sup>.
- On July 31<sup>st</sup> the Maintenance Department installed a 6" gate valve in an effort to maintain service to Motel 6 when we repaired breaks in this area.
- On August 21<sup>st</sup> we experienced a 7 hour power outage at the Middle Fork DWP and a 9 hour outage at the Mill Creek DWP. Because of high demand this time of year this couldn't have happened at a worse time. We would like to express our gratitude for the standby generator at Mill Creek. This generator likely prevented a water supply outage for both WCSA and the Town of Chilhowie on August 21<sup>st</sup>.

**8. Lee Highway Water Line Improvement Project Summary**

Mr. Matthew Lane of Lane Engineering presented a power point presentation to the Board reviewing all aspects and challenges of the Lee Highway Water Line Improvement Project. Mr. Lane reviewed several areas of the project including Project Design, Project Challenges, Project Construction, and Project Budget. During this presentation Mr. Lane informed the Board that after the bids and notice of award had been made they were informed by VDOT that the Lee Hwy widening project has been recently added to the 6 year plan. This presented a problem with the Authority and VDOT so they presented WCSA with three options. These included constructing the new line off the right of way, constructing the new line as designed and paying 50% of the relocation cost since the highway was widened, or construct the new line on the north side of Lee Highway. Mr. Lane stated because of the strict timeline imposed by the developer, the Washington County Board of Supervisors had agreed to reimburse VDOT 50% of the future relocation costs. He also said to avoid future cost to the county. Lane Engineering began working with Little B Construction to relocate the new line to the north side of Lee Highway. The relocation required coordination and cooperation between several agencies including Bristol Virginia Utilities, the Virginia Department of Highways and the gas company. He also commended Steve Sproles for his excellent work on the inspection of this project. This also required more effort for the staff and crews of WCSA. These changes improved the fire flows and pressure problems for hundreds of WCSA

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customers. The construction of this project began in August 2006 and substantial completion was achieved by the developer's deadline of January 2007.

Mr. Lane stated that the budgeted contract amount for the Resident Project Inspection was \$36,000. He stated that when all these changes had to be made it required more time from the Resident Project Inspection. The additional time for this job added an additional \$20,000 which was over the contract amount budgeted for. Mr. Lane requested an amendment to the contract to reimburse Lane Engineering for the additional fees of \$20,000. Mr. Lane requested that the Board consider reimbursing Lane Engineering for the extra \$20,000 spent for the additional work done on the project. Mr. Reynolds questioned if they did award them the additional money what would be the percentage amount for engineering fees on this project. Mr. Lane stated that this percentage was based on the Rural Development fee curve which is around 8% but the additional costs would probably be around 10%. Mr. Reynolds made a motion to approve the additional \$20,000 in fees incurred by Lane Engineering on the Lee Highway project. Mr. Reynold's motion was seconded by Mr. Stephon and passed by unanimous vote.

**9. Benefit Presentation**

Mrs. Kim Roberts presented a handout to the Board on the proposal responses for procurement of Health and Dental insurance. Mrs. Roberts stated that the plan renewal would begin on October 1<sup>st</sup>. She

gave a brief update stating that they had sent proposals to 25 carriers on July 9th for Health, Dental, Short Term and Long Term Disability. The bid openings were held on August 10<sup>th</sup>, at 11:00am with Mrs. Roberts and Mrs. Kathy Smith recording the bids. Also present was Mr. Melvin Sword and Ms. Patsy Ackridge. She provided information showing all carriers that had given quotes. She reviewed the benefits coverage and related cost of our current insurance provider United Healthcare. She stated that WCSA had anticipated an increase in premiums from anywhere between 25-30% but the proposal had shown an increase of 37%. She also reviewed additional quotes from United Healthcare of different plans that could be purchased by the Authority. She also presented quotes from Anthem Blue Cross and Blue Sheild and had highlighted the Key Care 15 plan which was comparable to the current plan already provided by United Healthcare. She stated there was a difference in the Prescription Drug card which would require everyone to pay an additional 20% if the drug amount is over \$175.00 above and beyond the 10/20/30 co-pays. She also stated that the Anthem plans had no deductible amounts and a \$15.00 co-pay. She stated that if they went with the Key Care 15 Plan that it would be around a 23% increase and WCSA had budgeted for a 25% anticipated increase for this budget year. She reviewed all the plans presented by United Healthcare and Anthem Blue Cross and Blue Shield. She stated that they were recommending a change from the current Dental Plan of Humana to

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Jefferson Pilot which would provide better coverage and a reduced the premium being paid currently. She stated that they also could provide Short Term and Long Term Disability with these plans but after reviewing these plans they felt that the Short Term Disability would not be useful because employees do have sick time to cover these types of illnesses. She also stated that the Long Term Disability would be a benefit to the employee because that if they were ever out of work they would be able to rely on 60% of their income up to \$5000.00 by providing this coverage. Mr. Cornett stated that one reason why we did consider this extra benefit to the package would help in the event that an employee has a serious illness which could adversely affect our premiums from one year. The Long Term Disability Insurance would insure and help us better manage our premiums. This would also help employees receive an income after being out of work for more than 180 calendar days. Mr. Cornett mentioned that when they approved the budget this year that the cost of living increase was around 2.57% and a .57% increase was forfeited because of anticipate increase of WCSA insurance premium. He also stated that this had been the case for the last 2-3 years. Mr. Roberts presented a summary of all benefit plans and requested for the Board approval of one of the plans that had been presented. After a brief discussion Mr. Stout made a motion that the Board choose Option #1 –Key Care 15 Plan with Anthem Blue Cross and Blue Shield from the proposals presented. Mr. Stout’s motion was

seconded by Mr. Chase and passed by 5-0-2 vote.

**10. Fuel and Chemical Bids Presentation**

Mrs. Kimberly Roberts presented the bid tabulation sheets for fuel. The three bidders for fuel were Highlands Petroleum, Buck Oil and Addington Oil. Mrs. Roberts reported that Addington Oil was the low bidder for unleaded fuel at a cost of 0.0973 over the rack. She also reported that Buck Oil was the low bidder for the diesel bid with a price of 0.0895 over the rack. She also showed that Buck Oil had been the low bidder for unleaded fuel but was unable to provide 89 octane only 87 octanes. Mrs. Roberts recommend that the Board consider both of the low bidders for fuel. Mr. Reynolds made a motion to accept the low bids as presented. Mr. Reynolds motion was seconded by Mr. Stephon and passed by a unanimous vote. Mrs. Roberts presented the tabulation sheets to the Board for the bids received for chemicals. Mrs. Roberts stated that they had faxed specifications to nine chemical suppliers. Mrs. Roberts stated that Brenntag was the lowest bidder for Liquid Chlorine 28,000 lbs., Liquid Chlorine 70,000 lbs., Liquid Caustic Soda, Sodium Thiosulfate, Sodium Hypochlorite, and Sulfur Dioxide. This low bidder for Sulfuric Acid, Granular Sodium Flouride and Sulfur Dioxide was Univar. Mr. Chase made a motion to award the bid to the low bidders presented. Mr. Chase’s motion was seconded by Mr. Stout and passed by a unanimous vote.

**11. By-Laws Modification**

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Mrs. Dawn Figueiras informed the Board that they had been requested on a couple of occasions to check on Section 5 and 6 of the WCSA By-laws which deals with a Quorum required of the Commissioners to conduct a meeting and the number of votes that are required to pass a resolution. She presented a copy of the current By-laws to the Board showing that it required a majority vote by the Board of Commissioners. She informed them that Section 5 states that a majority of the total number of Commissioners constitutes a quorum. The question that has arisen from time to time was if there are five members present would that take a vote of three members or four members to pass a resolution. She stated that the current By-Laws are unclear and suggested that they might consider a revision to the By-Laws such as stated in Option 1 of the handout presented. This would require that all that are present such as five members could pass a resolution with three votes or Option 2 which would require that that a resolution could not be passed unless there were a majority of the full seven member Board. Mrs. Figueiras requested the Board look over these recommendations but not consider anything at this meeting since some members were not present. Mr. Reynolds made a motion to table this item until the next meeting. Mr. Reynolds motion was seconded by Mr. Stout and passed by a 5-0-2 vote.

**12. Closed Meeting, Personnel and Investment of Public Funds**

**and Acquisition and Disposition of Property and Legal Advice**

Mr. Chase 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

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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 Mrs. Dawn Figuerias and Ms. Kristi Murray, WCSA Counsel and Mr. Robbie Cornett, WCSA Interim General Manager are requested. The motion by Mr. Chase was seconded by Mr. Stout. The motion passed (5-0-2). The Board adjourned to Closed meeting at 8:39 p.m.

**Return to Public Session**

Upon motion by Mr. Chase and second by Mr. Stephon, the Board returned to Public Session at 10:25 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 5-0-2.

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

NAY: none

Absent: Mr. Blaylock, Mr. Cole

**13. Late Items**

none

**14. Adjournment**

Mr. Stout made a motion to adjourn. Mr. Stephon seconded. The motion passed 5-0-2. The Board adjourned at 10:27 p.m.

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Mr. Scott Rector , Vice-Chairman

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Ella Ratcliffe, Assistant Secretary