

**Washington County Service Authority Board of Commissioners
October 1, 2007 Special Called Meeting Minutes**

A Special Called Meeting of the Washington County Service Authority Board of Commissioners and the Bristol Virginia Utility Board was called to order by the WCSA Chairman, Mr. Gerald Cole at the Bristol Virginia Utilities offices at 6:00 P. M.

ROLL CALL

WCSA Commissioners Present:

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

WCSA Commissioners Absent

Mr. Daniel Reynolds

Bristol Virginia Utility Representation

Mr. Wes Rosenbaum, CEO, Bristol Virginia Utilities
Mrs. Stacy Bright, BVU Chief Financial Officer
Mr. John Bowling, BVU Water and Wastewater Operations Manager
Mrs. Dulcie Mumpower, BVU Board Member and Washington County Board of Supervisor
Mr. Jim Clifton, BVU Board Member
Mr. Jim Rector, BVU Board Chairman
Mr. Paul Hurley, BVU Board Vice-Chairman
Mr. Walt Bressler, BVU General Counsel

WCSA Staff Present:

Robbie Cornett, Interim General Manager
Kim Roberts, Controller, Treasurer
Ella Ratcliffe, Information Systems Manager, Assistant Secretary

Also Present:

Mr. Mark Lawson, WCSA General Counsel
Ms. Dawn Figueiras, WCSA General Counsel
Mr. David McGee, Bristol Herald Courier
Mr. Phil Temp, The Corporate Image

**4. Consideration of Resolution
between Washington County**

**Service Authority and Bristol
Virginia Utilities**

Mr. Wes Rosenbaum and Mr. Robbie Cornett presented an Executive Summary to both Boards on an agreement that they had been working on since January 2007. Mr. Rosenbaum stated that he would like to extend his appreciation to Lucy Lee, who is Congressman Rick Boucher's assistant and also Mr. Boucher on working with them to make this meeting possible. Mr. Rosenbaum stated that since January 2007 that he and Mr. Cornett had started a conversation on a way to negotiate a new contract for water/wastewater capacity and purchase between WCSA and Bristol Virginia Utilities. He stated that they both had worked on this agreement for around eight months.

Mr. Rosenbaum and Mr. Cornett presented both Boards with a Summary of a Proposed Water/Wastewater Capacity Agreement Renewal which read;

In early 2007, the Washington County Service Authority's Board of Commissioners and the Bristol Virginia Utilities' Board of Directors requested that their respective heads of operation to engage in negotiations that would lead to renewing their inter-municipal agreements regarding purchase and sale of water and wastewater capacity with one equitable and comprehensive agreement. This agreement enables current county residents and commercial and industrial businesses in Washington County to continue receiving high quality water and wastewater services as well as the ability to

**Washington County Service Authority Board of Commissioners
October 1, 2007 Special Called Meeting Minutes**

expand these services in the future. On October 1, 2007 the Washington County Service Authority's Board of Commissioners and the Bristol Virginia Utilities Board of Directors agree to the following stipulations relative to the purchase and sale of water and wastewater capacity between and among Washington County and the City of Bristol, Virginia. In addition to the current 572,000 gallons of wastewater capacity per day currently purchased by the WCSA from BVU, the WCSA will purchase at a cost of \$1,738,847.00 an additional 500,000 gallons of wastewater capacity per day from BVU, totaling 1,072,000 gallons per day of capacity. The Customer Impact included that WCSA should have the opportunity to continue providing water and wastewater service to existing and future Washington County residents, as well as commercial and industrial customers who have not received these services in the past. WCSA currently serves some 600 wastewater connections via the current agreements. The new agreement will allow this number to more than double.

After 10 years of providing wastewater collection and treatment services, the WCSA now serves approximately 6.5% of Washington County residents and business (1,500 connections). Wastewater collection requests from county residents and leaders have steadily increased in recent years. This agreement will not impact current rates paid by water and or/wastewater customers served by BVU.

As funding commitments are pending, it is uncertain whether and/or to what extent this agreement may impact rates paid by WCSA water and wastewater customers. The current 572,000 gallons per day will be used in its entirety before the additional 500,000 gallons can be utilized.

The two parties have agreed that the WCSA's minimum water purchase from BVU will increase from 400,000 gallons per day to 1 million gallons per day. The maximum allowable will be 3.5 million gallons per day (MGD) for the first four years of the agreement. That maximum drops to 2 MGD after four years.

Based on this agreement, it will no longer be necessary in the foreseeable future for the WCSA to build a wastewater treatment plant in the western end of Washington County to serve customers in this area.

The parties agree to roll all existing contracts into a single contract, and counsel of both parties is directed to prepare the contracts for final approval and execution.

Mr. Cornett stated that he would like to extend his appreciation to Mr. Rosenbaum for his cooperation and the relationship that had been established with both utilities and he wanted to also extend the appreciation of both Boards for allowing them to present this agreement to them. Mr. Cornett showed a map to the Boards that showed the area that had been looked at when this agreement had been established. Mr. Rosenbaum stated that this agreement should not

**Washington County Service Authority Board of Commissioners
October 1, 2007 Special Called Meeting Minutes**

have any negative impact on rates and should help stabilize the rates for the future. Mr. Rosenbaum said that the goal was to take the current agreement that both utilities have now and roll all of the four or five agreements that they presently have into one comprehensive agreement for water and wastewater. Mr. Cornett stated that once the agreement has been approved they felt that there would not be a need to construct the wastewater treatment facility in the western part of Washington County. Mr. Rosenbaum stated that they did not have a contract at the present time but would like for the Boards to pass a resolution allowing them to negotiate an agreement based on the summary presented.

Mr. Walt Bressler, Legal Counsel for the Bristol Virginia Utility Board questioned what type of time line they anticipated having this contract completed to present back to both of the Boards. Mr. Rosenbaum stated that their intent was to have Mr. Bressler create the first draft of the agreement and hopefully have this ready by October 31st for both he and Mr. Cornett to review. Mr. Cole questioned how long it had taken Mr. Rosenbaum and Mr. Cornett to work on the agreement. Mr. Rosenbaum stated that they had worked on this together for around eight months. Mr. Cole commended both of them for taking the time to work on this agreement and create a good working relationship between both utilities. Mr. Rosenbaum stated that it had been a pleasure working with Mr. Cornett. Mr. Paul Hurley commended both of them on their

efforts and said it was a pleasure to see the spirit of cooperation between both the City of Bristol and Washington County that they could establish an agreement that would be for the good of both parties. Mrs. Dulcie Mumpower also felt this agreement would also be beneficial for both parties and was a stepping stone of good will for everyone involved.

Mr. Rosenbaum presented the Resolution for consideration which read;

WHEREAS, the Board of Commissioners of the Washington County Service Authority is desirous to renew its inter-municipal agreements with Bristol Virginia Utilities for both the purchase of drinking water from and the discharge of wastewater to Bristol Virginia Utilities for Washington County residents; and

WHEREAS, the respective General Managers of the Washington County Service Authority and Bristol Virginia Utilities have met, reviewed, exchanged, negotiated and agreed to equitable terms to be incorporated into an agreement to supersede all prevailing water and wastewater agreements.

NOW THEREFORE BE IT RESOLVED that this resolution acknowledges the terms set forth by the General Managers on Exhibit A attached hereto and recommends these terms be drafted into a new comprehensive agreement for water and wastewater services between the Washington County Service Authority and Bristol Virginia Utilities.

**Washington County Service Authority Board of Commissioners
October 1, 2007 Special Called Meeting Minutes**

Mr. Jim Rector moved that the Bristol Virginia Utility Board adopt the resolution presented by Mr. Rosenbaum and Mr. Cornett. This motion was seconded by Mr. Paul Hurley and passed by unanimous vote. Mr. Rector moved that the WCSA Board of Commissioners also adopt the Resolution presented. Mr. Rector's motion was seconded by Mr. Stephon and passed with a 6-0-1 vote. (Mr. Reynolds absent).

5. Adjournment

A motion was made by Mr. Rector to adjourn. Mr. Rector's motion was seconded by Mr. Stout and passed by a unanimous vote. The Board adjourned at 6:40 p.m.

Mr. Gerald Cole, Chairman

Ella Ratcliffe, Assistant Secretary