

**Washington County Service Authority Board of Commissioners
October 23, 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 6:01 pm.

ROLL CALL

Commissioners Present:

Mr. Mike White, Chairman
Mr. Jim McCall, Vice Chairman
Mr. Mr. Wayne Campbell
Mr. Eddie Copenhaver
Mr. Dwain Miller
Mr. Vernon Smith (arrived at 8:41 pm)
Mr. Kenneth Taylor

WCSA Officers Present:

Robbie Cornett; Secretary, General Manager
Melinda Jett; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant

General Counsel Present:

Thomas Dene, Esq.; Dene & Dene, P.C.

Consultants Present:

Dennis Amos, PE; Hurt & Proffitt, Inc.
Kevin Heath, PE; The Lane Group, Inc.
Bill King, PE; Thompson & Litton, Inc.

WCSA Staff Present:

Ryan Kiser, PE; Engineering Manager
Holly Edwards; Customer Service
Ken Perrigan; Meter Manager

3. Approval of the Amended Agenda

Mr. Miller motioned to approve the Amended Agenda, Mr. Campbell 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:

- September 25, 2017 Regular Meeting Minutes
- September 25, 2017 Recessed Meeting Minutes (held October 2, 2017)

B. Routine Reports: September 2017

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

C. Financial Reports: September 2017

- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Statement, Excluding Check # 39161

Mrs. Shaffer asked the Board to consider a change in the September 25, 2017 Regular Meeting minutes. "Commissioners Present" under the Roll Call listing Mr. White and Mr. Smith should read "Commissioners Absent". Mr. Taylor motioned to approve the Consent Agenda with the above mentioned change. Mr. Campbell seconded and the Board approved with a 6-0-0-1 vote.

6. Consideration of Check Register-Check # 39161

Mr. McCall motioned to approve check # 39161 written to W & L Construction. Mr. Miller seconded and the Board approved voting 5-0-1-1. Mr. Taylor abstained as he is employed by W and L Construction of Chilhowie, Virginia.

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7. Virginia Department of Health Sustainability Presentation – Anthony Hess

Mr. Hess discussed the attached presentation.

8. Legal Counsel Report and Update – Mr. Dene

Mr. Dene presented the Board with a revision of the By Laws for their review and welcomed their thoughts and suggestions.

9. General Manager’s Report & Update – Mr. Cornett

An outline of the presentation reviewed by Mr. Cornett is attached.

During his review, Mr. Cornett requested the Board’s consideration to authorize staff to Procure for Bond Counsel.

Mr. McCall made a motion to approve the procurement of bond counsel. Mr. Miller seconded and the Board approved voting 7-0-0-0.

Mr. Cornett also asked if one Board member would like to attend a meeting in November between The Lane Group, WCSA and The Town of Abingdon to discuss joint wastewater opportunities. Mr. Miller volunteered to attend.

10. Water and Wastewater Construction Projects Update – Mr. Kiser

Mr. Kiser reviewed the attached presentation.

11. Operations Manager’s Report and Update – Mr. Cheek

Mr. Cheek’s reviewed the attached Operations Report and Update.

**12. Engineer’s Report and Update
Hurt & Proffitt – Mr. Amos**

Mr. Amos provided an update on;

- Exit 13 Phase 3 Sewer Design

Thompson & Litton – Mr. King

Mr. King updated the Board on the project below.

- Lee Highway Corridor Sewer Project – Phase 1

The Lane Group – Mr. Heath

Mr. Heath provided updates on the following projects.

- Galvanized Line Replacement Project - Phase III
- Water Intake Permit Modification for South Fork and Middle Fork Intakes
- Mill Creek Water System Improvements
- Route 58 Water Supply Improvements Project
- Abingdon Tank Improvements Project
- Lee Highway Corridor Sewer Project Phase 1 – Study
- Route 58 Water Supply Improvements Project

13. Consideration of Years of Service Awards – Mr. Cornett

Mr. Cornett recognized the following employees of WCSA who have reach a five year “increment” milestone based on a hire date of September 30th or earlier.

5 Years of Service

Holly Edwards
Ryan Kiser
Randall Mitchell
Carol Ann Shaffer
Travis Thompson

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10 Years of Service

Karen Lester
Tommy Orfield
Mark Osborne
Brian Phillips
Eugene Rolan

15 Years of Service

Sharon Kennedy
Wesley Saltz

20 Years of Service

Ken Perrigan

30 Years of Service

Stephen Sproles

Mr. Taylor motioned to recognize these employees for their years of service, Mr. Miller seconded and the Board approved voting 7-0-0-0.

14. Consideration of Construction Bids for the Richie Road Water Line Extension Project – *Mr. Kiser*

Mr. Kiser recommended the Board consider awarding the project to Ramirez Contracting subject to VDH approval, and fund the \$21,205 shortfall in available funding with WCSA reserves.

Mr. Taylor motioned to accept the recommendation. Mr. Copenhaver seconded; the motion carried with a unanimous Board vote.

15. Consideration of Change Order No. 2 for the Haskell Station Road Water Line Extension Project – *Mr. Kiser*

Mr. Kiser recommended the Board favorably consider approving Change order No. 2.

Mr. McCall motioned to approve the change order as recommended. Mr.

Miller seconded and the Board agreed voting 7-0-0-0.

16. Consideration of a Leak Abatement Policy Amendment for HomeServe Customers - *Mrs. Edwards*

Mr. Copenhaver asked if WCSA would request HomeServe's consideration to pay WCSA monthly installments to help cover the cost of their customer's high water bills due to water leaks. Mr. Cornett offered to ask HomeServe.

Mrs. Edwards will ask HomeServe for the total cost of leak repairs for WCSA customers as requested by Mr. Copenhaver.

17. Final Bill Charges – *Mrs. Edwards*

The dispute committee recommended the Board consider a change in the final bill process policy to prorate final bills based on the number of days in the billing period plus usage on the account. Mr. McCall motioned to approve the change as recommended, Mr. Taylor seconded and the Board approved voting 7-0-0-0.

18. Closed Meeting – 8:40 pm

Mr. Taylor moved that the Board adjourn for Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711 Paragraph (A) (3); Acquisition of Real Property

1. Discussion or consideration of the acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiation strategy of the public body.

a. Negotiations related to a new sewer line on the Lilly property.

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In addition to the Board, the presence of Thomas Dene, WCSA Counsel and Robbie Cornett, WCSA General Manager were requested.

Mr. Campbell seconded and the Board approved voting 7-0-0-0.

Return to Open Meeting – 9:21 pm

Mr. Taylor motioned to return to Public Session. Mr. Campbell seconded and the Board approved with a 7-0-0-0.

Mr. Taylor then read the Certification of Closed Meeting;

Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions 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;

And 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.

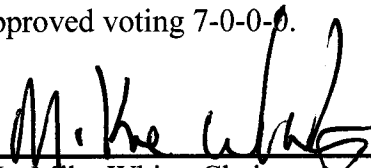
Aye by Mr. Miller, Mr. Campbell, Mr. Taylor, Mr. White, Mr. McCall, Mr. Copenhaver and Mr. Smith, confirming no outside discussion took place other than Closed Meeting topics.

19. Late Items

No late items were discussed.

20. Adjourn – 9:23 pm

Mr. Taylor made a motion to adjourn, Mr. Miller seconded and the Board approved voting 7-0-0-0.



Mr. Mike White, Chairman



Carol Ann Shaffer, Assistant Secretary

Building Waterworks Sustainability

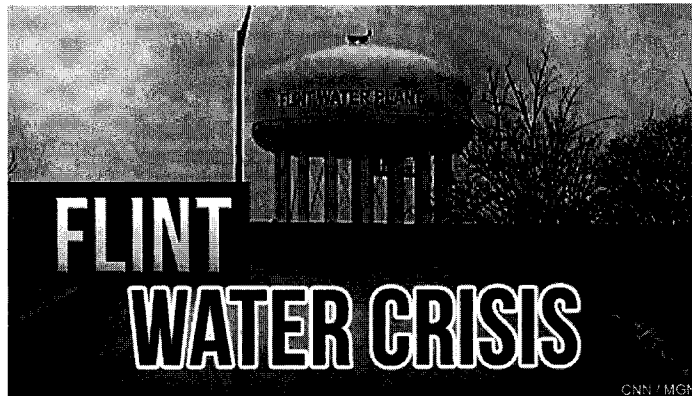
Anthony Hess
VDH - Office of Drinking Water
Capacity Development Division

*Collaborating across Virginia to Improve the Technical, Managerial
and Financial Capacity of Waterworks*



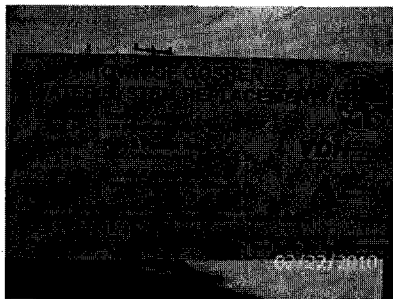
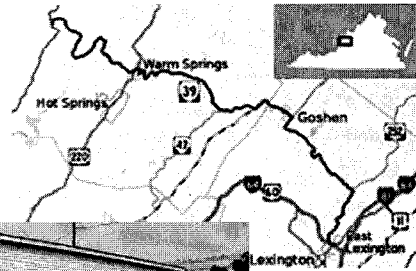
What Happened in Flint

"The Flint water crisis started with a bankrupt city trying to save money" Vox Explainers



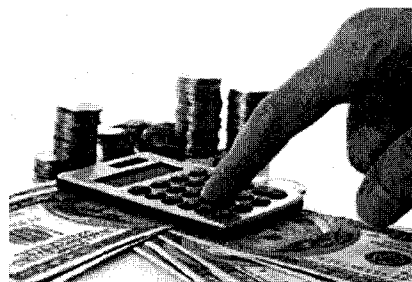
What Happened in Goshen

- Leaky pipes
- 10 days no water
- Gov. Emergency Declaration
- National Guard deployed
- Red Cross mobilized



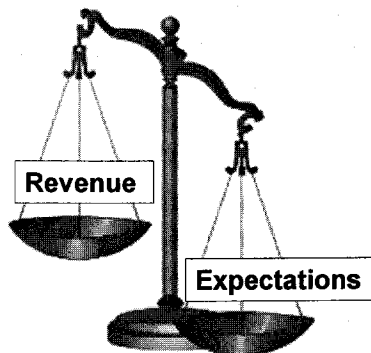
A Common Rate Misstep

- Many waterworks set their rate structure to cover only the cost of their operations



An Unbalanced Rate Strategy

- This strategy does not consider the “true” cost of operating a waterworks.



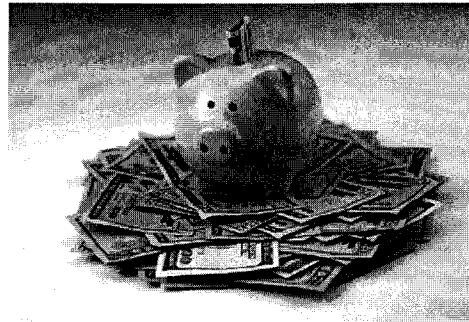
Rates Should Provide:

- Sufficient revenue to pay expenses
- Sufficient revenue to pay debts
- A Level of Service to meet expectations



Rates Should Provide:

- Savings for a rainy day
- Savings to pay for infrastructure replacement
- Coverage for Inflation/increasing costs
- Water that is affordable
- Rate Stability



Cost of Doing Nothing

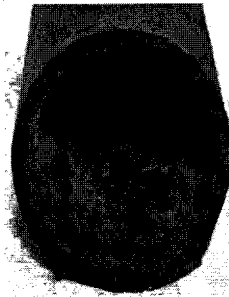
Inflation			
	2005	2015	Change
Bread	\$1.05	\$1.43	36%
Apples/lb	\$0.97	\$1.40	44%
Oranges/lb	\$0.89	\$1.23	38%
Electricity/KWH	\$0.10	\$0.13	30%
Coffee/lb	\$3.24	\$4.49	39%
Average Change			37%
Average Change/Year			4%
Dollar	\$1.00	\$1.21	21%
Average Change/Year			2%

U.S. Bureau of Labor and Statistics

Reality vs. Expectations

Level of Service

- Quality/adherence to Regulations
- Disruptions of service
- Complaints (red water, pressure, odor, taste, etc.)



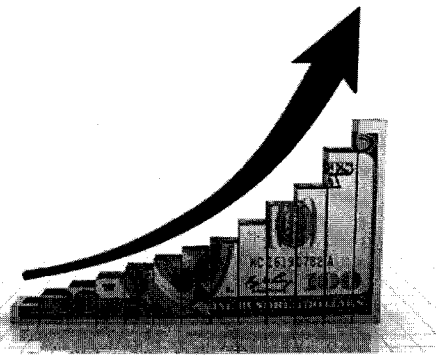
Rusted iron water pipe
Credit: Timothy Ford, Montana
State University

VDH VIRGINIA
DEPARTMENT
OF HEALTH
Protecting You and Your Environment

Reality vs. Expectations

Level of Service

- Cost goes up with each additional level of service
- Important for economic development
- Defines consumer confidence



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Assess What You Have

Asset Management Plan

- Inventory of infrastructure (including pipes)
- Criticality, condition, and service life of assets
- Cost to replace in today's dollars



Plan for Future

Capital Improvement Plan (CIP)

- System doesn't heal itself
- Replacements must be planned

