

**Washington County Service Authority Board of Commissioners
October 24, 2016 Regular Meeting Minutes**

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:00 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Wayne Campbell
Mr. Jim McCall
Mr. Dwain Miller
Mr. Vernon Smith (arrived at 6:03 pm)
Mr. Mike White

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager
Melinda Jett; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant
Dave Cheek; Operations Manager
Johnny Lester, Maintenance Manager
Holly Edwards, Customer Service Manager
Kenneth Perrigan, Meter Manager

Consultants Present:

Dennis Amos; Anderson and Associates, Inc.
Bobby Lane, PE; The Lane Group, Inc.

General Counsel Present:

Dawn Figueiras; Elliott, Lawson & Minor

3. Approval of the Agenda

Mr. Nelson motioned to approve the 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:

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B. Routine Reports: September 2016

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

C. Financial Reports: September 2016

- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Statement

D. Consideration of Amendment No. 2 to the Engineering Agreement Between WCSA and The Lane Group for the Route 58 Water Supply Improvements Project - *TLG*

E. Consideration of the Engineering Agreement between WCSA and The Lane Group for the Abingdon Tank Improvements Project - *Ryan Kiser*

F. Consideration of Amendment #2 to the Engineering Agreement between WCSA and Anderson & Associates for the Exit 13 Phase 2A Sewer Project - *A&A*

Mr. Nelson made a motion to approve the Consent Agenda, Mr. Campbell seconded and the Board approved voting 6-0-0-1.

Mr. Smith arrived at 6:02 pm.

6. Operations Report and Update - *Dave Cheek*

Mr. Cheek's reviewed the following Operations Update for September 2016:

Discussion Items:

- Financials less Compensation and Benefits
- Department Highlights

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- Forward Looking Statement

Year to Date We are Tracking under Budget

- Tracking \$142,000 under budget year to date. .

2016 September Water Production Highlights:

- South Fork Intake (SFI) & Middle Fork Drinking Water Plant (MFDWP) Issue Resolution
 - Installed 2nd Rebuilt Raw Water Pump
 - Removed and Reinstalling 1st Pump this week
- System Operation
 - Extended Hot Weather made maintaining adequate Residual Chlorine Levels a Challenge
 - Opportunity with Saltville having issues
 - Installed Temporary Pump to Serve the Poor Valley Area

2016 September Water Production Highlights – South Fork Intake:

- Proposed DEQ Withdrawal Permit
 - Evaluating how it would work in the current low water conditions
 - Awaiting to document how it will work when heavy rain develops
- Over the Next 2 Weeks Plan to:
 - Remove Rocks from River Side of Upstream Vault
 - Form a diversion in the river with left over Jersey Barriers

Mr. Cheek discussed permitting issues and concluded installing the Jersey Barriers was a maintenance function for the Intake.

Mr. Taylor asked about the Jersey Barriers and how they would be installed.

Mr. Cheek said the block style barriers will be installed. They will be set at an angle starting at the property line and

they will be offset to allow water to flow around the barriers.

- Perform a Draw down test with the low water levels

2016 September Metering Highlights:

- Meter Replacement
 - Working to Understand Value of the Proposals
 - Working to Understand How this Process Really works
 - Investigating Different Metering Options

2016 Sept Wastewater Process Highlights:

- System Operation
 - Continue to Focus on Process Stability
 - Both Hall Creek & Damascus well within Control Limits
- Inflow and Infiltration (I&I)
 - Team Approach with Maintenance
 - Prioritized and Categorized I&I Issues
- Monthly Sewer BVU Bills against Monthly Average Since 2014:

We recently found issues at Green Briar by comparing bills. Issues were also found at Clear creek. It was running about 150% above the rolling average. Mr. Cheek said Clear Creek flows from BVU to WCSA back to BVU with a lot of meters there. We have found some to be off in the readings. Mr. Cheek WCSA owned a portable meter that is used to check the flow that will soon be moved to from MXI to Clear Creek.

2016 September Water Maintenance Highlights:

- Galvanized Phase II Support
 - Tuesday Morning Meetings with TLG
 - Good Progress, Minimal Issues
- Routine Activities
 - Leaks – 33
 - Main Line Breaks – 10

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- After Hours Responses – 55
 - After Hours Responses a Target Area for Improvement
- Costs
 - Preventive Maintenance

Mr. Cheek said the new electrician had a lot of experience in preventative maintenance and they were tapping into his experience.

- Mobile Equipment
- Tanks
- Pump Stations
- Fire Hydrants – American Darling Recall

Mr. Lester said they have repaired 30 hydrants and have 92 left to repair. American Darling will reimburse WCSA for labor and is providing the parts to repair the hydrants.

2016 September Distribution Highlights:

- Non-Revenue Water
 - Focusing on Fundamentals
- Executing PSV/PRV Preventive Maintenance Program

Mr. Cheek said one of the main causes for leaks was excessive pressure in the system.

- Establishing Preventive Maintenance Programs for Pump Stations, Tanks, Gate Valves, & Fire Hydrants
- Continued with Customer Education & Inspections of Cross Connections and Back Flow Prevention
- Investigating and Correcting System Pressure/Flow Issues
- Providing Technical Support to SFI and MFDWP Issues
 - Tremendous Effort with SFI

Forward Looking Statement:

- Customer Relationships
 - Fire Departments
 - Hydrants & Training
 - Water & Sewer Customers
 - More Customer Engagement at Time of Contact

- South Fork Intake
 - Execute Fall Event Strategic Plan
- Costs
 - Production Costs (Water Loss and I&I)
 - After Hours Call In
 - Base Knowledge and Tracking Ability
 - Hydrants as a Device to “Stress Test” our Water Delivery System to identify Problems Early
 - Work with Engineering/Operations on How to Work Together to Obtain the Most Value in our Construction Projects
- Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests
 - Executing DBP System Aging Analysis

Mr. Miller asked who was funding the American Darling Recall.

American Darling is providing the parts to repair the hydrants and will reimburse WCSA for our labor said Mr. Gobble.

7. General Manager’s Report & Update - Robbie Cornett

Mr. Cornett discussed the following information for September 2016.

Introduction:

- Safety
- Financials
- Customer Service
- Accounting
- Field communications
- Notables
- Looking Ahead
- Building Permit Report – *Carol Ann Shaffer*

Safety:

- September 2016
 - 11,614 Hours Worked
 - OSHA Recordable Incidents

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- None
- Preventable Vehicular Accidents
 - None
- Safety Training
 - Back Safety
 - Maintenance, Distribution & Meter
 - Electrical Safety
 - Wastewater

Financials - New Water Connections:

- 11 new water connections in September.

Financials – Year to Date Water Revenue:

- \$283,601 above projections.

Financials – Year to Date Expenses:

- Non-Departmental \$46,179 Over Budget
- Administration \$50,293 Under Budget
- Customer Service \$5,570 Under Budget

Non-Departmental

- \$46,179 Over Budget
 - Onetime Fees:
 - \$46,122 Water Withdrawal Permit Renewal
 - \$10,105 Flood Insurance
 - \$11,293 Software Maintenance Agreement
 - \$2,604 Telephone
 - Services:
 - \$31,629 Legal Fees (Special Counsel - \$38,000)
 - \$3,086 Banking (Increase in Online Activity)
 - May Need to Amend Budget; Will Monitor
 - \$2,504 Employee Engagement (Summer Picnic)

Financials - New Wastewater Connections:

- 0 new connections

Financials – Year to Date Wastewater Revenue:

- \$39,479 above projections.

Financials – Year to Date Wastewater Expenses:

- Non-Departmental \$1,308 Over Budget

Non-Departmental

- \$1,308 Over Budget
 - Onetime Fees:
 - \$566 Telephone
 - Should Balance out Over the Year
 - Services:
 - \$814 Legal Fees Exit 13 Phase 2A and 3
 - Request Amendment to Move \$5,000 from Water to Sewer
 - \$224 Insurance due to Premium Increase
 - Request Amended Budget From \$5,380 to \$6,400
 - \$116 Workers Compensation due to Premium Increase
 - Request Amended Budget From \$3,166 to \$3,700

Mr. Cornett requested the Board's consideration for the following Budget Amendments:

- Move \$5,000 from water to sewer for legal fees.
- Increase the Budget from \$5,380 to \$6,400 for increased insurance premiums.
- Increase the Budget from \$3,166 to \$3,700 for increased workers compensation premiums.

Mr. McCall motioned to approve the requests, Mr. Smith seconded and the Board approved with a 7-0-0-0 vote.

Customer Service:

- 21,337 Active Water Accounts
 - No Change from August
- 2,358 Active Wastewater Accounts
 - Decrease of 3 from August
- 192 Reconnection/Transfers of Service

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- 2015 Average 183
- 103 Disconnects for Nonpayment
 - 2015 Average 99
 - 53 Owners vs. 50 Rental
- 144 for \$16,936 Abatements
 - 2015: Average 118 for \$26,567
- Customer Policy Under Consideration:
 - High Bill Financing
 - Meter on/off Fee During Working Hours
 - Meter on/off Fee Outside Working Hours
 - Meter Resets After 3:00 PM
 - Website Outage Notification Feature
 - Inside Leaks Not Requiring Receipt or Proof
- Water and Sewer Service Line Insurance Contract Negotiations

Mr. Cornett said Mrs. Edwards was working with Home Serve to negotiate the contract and is a few days from having that contract complete. We are waiting to hear from VML; WCSA's insurance provider; to be sure from an insurance coverage standpoint, WCSA is able to comply with the terms of the contract. Once VML gives their approval, we should be able to implement the coverage within 3 to 4 weeks.

Mr. Cornett said customer service was down one person. As a testament to our cross training and diversity, we have a Class 1 Water Operator in customer service. We are presently one person down at the Water Treatment Plant. We run with no margin, no one to replace someone at the water plant without overtime so we borrow from one department to another. While Mrs. Edwards and her group really cannot afford to be one person down, they make it work. Customer service will be down

one person for some time, explained Mr. Cornett.

Accounting

- Controller Transition
- Internal Controls and Fringe Benefit Audit
 - Cell Phone Policy: DRAFT Circulating
 - Push to Talk Feature Being Tested
 - Reviewing the rules for hourly employees with a WCSA provided cell phone receiving texts and emails off the clock
 - Should this constitute overtime
- Audit Completion
 - Presented to Committee October 17, 2016
 - Committee (Mr. Nelson and Mr. Campbell's) Thoughts...

Mr. Campbell said he was pleased with the way the audit went and commended WCSA staff. In his experience with audits in the past, there were always a lot of recommendations and there auditors had no recommendations for WCSA. Mr. Campbell said he was really impressed with that. That is a testament to the job that Mrs. Jett and Mrs. Boyd and others have done. Staff did a great job and I thank them, stated Mr. Campbell.

Mr. Nelson concurred with Mr. Campbell. The entire staff has done a great job accounting for the information and overall, hands down congratulations to the maintenance group and all the other groups to come in significantly under budget, said Mr. Nelson.

Mr. Nelson thought a lot of the savings has to be contributed to the change in lines (galvanized line) and the savings there. It is what we need to do to build reserves. There was a \$2.1 million

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change in net position and that was in cash. Mrs. Cox said not many entities can say they had a change in cash.

This has been a work in progress for years by all and Mr. Nelson commended staff on all the work that has gone on. The diligence to try and identify ways we can have the funds available for more water projects. From a rate payer's standpoint, you've been good stewards of the money and have accounted for it correctly and I do commend them on the audit, stated Mr. Nelson.

There were minimal adjustments made but overall it was a great report. If we continue to maintain being great stewardship of the rate payer's money, it will continue to build, stated Mr. Nelson.

I do commend all employees from the top to the bottom for being conscious of the rate payer's money because we did increase rates and the more we can do this, the less that has to occur, stated Mr. Nelson.

Mr. Nelson said he liked that all the work is clear in this document and there wasn't anything that was of concern. The retirement items are unusual in their estimates but they are the best estimates we have. That is a real liability this Board should be aware as you read the audit report. It is an unfunded commitment the Authority has, said Mr. Nelson. Mr. Nelson said overall a great job. Mr. Nelson agreed with Mr. Campbell saying you normally see internal control comments and we haven't seen that. That bodes well for the transition of the new Controller, it is a good shop to come in to, stated Mr. Nelson.

Mr. Cornett said it is a team effort and he gave credit to WCSA staff for being conscientious of spending. That team also includes the Board and your vision and foresight and your leadership being

head of the team supporting that. Thank you for your support of the staff and your stewardship as well, said Mr. Cornett.

Mr. Nelson said it could be a model for a lot of Board to try to follow. Just because you spent the money last year, doesn't mean you have to spend it this year. That is what happens in a lot of governmental entities and it gets into a contest of spending money. They should think hard and long about how they spend monies that truly do not belong to them, stated Mr. Nelson.

Mr. Cornett said those thoughts or similar thoughts by the Board for some time now have resulted in this type of report, said Mr. Cornett.

Funding:

- Chip Ridge Road
 - MRPDC: No Offer
 - Seeking Other Sources
- Hidden Valley Phase 2
 - Partnering With MRPDC to Find Funding
- Lee Highway-Oak Park to Halls Bottom Sewer
 - IDA Requested MRPDC to Assist

Notables:

- Water Withdraw Permit
 - Pending:
 - Revised Modeling (Maximum Withdrawal: 10% Middle Fork; 15% South Fork?)
 - Developing Comparison Table Based on Further Discussion and Additional Modeling

Mr. Cornett said the table would also show how the permitting impacts the vision for the DWP and intakes over the next 20, 30 and 40 years.

- Beaver Creek Wastewater Discharge Permit

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- EPA Preliminarily Approved TMDL
- DEQ Permit Approved After EPA Final Approval
- Developing Request for Statement of Qualifications

We will look at how to develop the Lee Highway corridor between Oak Park and Exit 10 and how to address sewer treatment in the area. What is the proper phasing, how will we fund the project and how to make this a successful project will be areas of focus.

- Proper Legal Counsel Committee
 - Commissioners: Mr. McCall and Mr. Campbell
 - Staff: Mr. Cheek, Mrs. Jett and Mr. Cornett
- WCSA Town of Chilhowie Joint Meeting
 - Location: WCSA Administrative Office
 - Date: November 28, 2016 (Regular Meeting Date)
 - Time: 7:00 pm
 - Purpose: Consider Award of Mill Creek Bids
 - Propose: Start Regular Meeting at 6:00 pm; Recess 6:40 pm; and Forgo Routine Reports

Mr. Nelson said he would be out of town.

Mr. Nelson said it was marvelous the Mill Creek project was moving forward. The sooner you can meet the sooner the project can move on and the sooner it will be beneficial to WCSA and Chilhowie, stated Mr. Nelson.

The last joint meeting was three years ago this November in Chilhowie. We are in this together with the Town of Chilhowie and it will be a good opportunity to network with the Town, stated Mr. Cornett.

Looking Ahead

- Tower/Trailer Lease

- Water Quality
- Water Withdrawal Permit
- Beaver Creek Discharge Permit
- Energy Audit/Meter Replacement

After a brief Board discussion, the Board agreed to a joint meeting with the Town of Chilhowie on November 28, 2016 after the WCSA regular meeting.

8. Water and Wastewater Construction Projects Update – Ryan Kiser

Mr. Kiser updated the Board on the following projects.

Inside Engineering Projects:

- Ritchie Road Water Line Project
 - 3 Easements necessary to provide water from the Old Saltworks side have been secured.
 - Since the project has grant funding, staff still plans to upsize the feed to Ritchie Road from Hillman Hwy. This will require 2 easements and a railroad permit.
 - Staff has met with VDH on site and has started the environmental review process. Continue on with permitting and project design.

Mr. Kiser reviewed a map of the Ritchie Road Project.

- Haskell Station Road Extension Project was delayed advertisement for VDH bid review
 - Advertise Project – October 30
 - Pre-Bid - November 10
 - Bid Opening - December 1
 - Board Review of Bids - December 19
- Bradley Sewer Relocation in Glade Spring
 - Staff is waiting on Mr. Bradley to sign the easement documents.

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Mrs. Figueiras said the easements were forwarded to Mr. Bradley's attorney for review.

- Hawthorne Drive Line- replacement by WCSA forces
 - VDOT Permit has been obtained. Staff has submitted plans and specifications to VDH and waiting on their approval to being construction.

Potential New Water Line Extensions:

- Rattle Creek Road
 - Staff is working with Mount Rogers with reviewing survey data.
- Archery Range and Mary's Chapel Road
 - To date we have received interest surveys that confirm 10 out of 25 residents have agreed to connect if there was a project.
 - The goal is to find a member in the community to serve a project champion to further survey residents.
- Chip Ridge
 - Funding application was submitted to Mount Rogers but no funding offer was made.
- Rich Valley Road

Mr. Kiser said the team looked at the corridor from Route 19 at Greendale to Nordike with the line ending at Providence Road. Questionnaires were sent to residence in this project area.

- Staff sent interest surveys to residents on October 11 and asked that they return them by November 4th. To date we have had less than 10 responses. At least 3 of those were not interested.
 - The goal is to find project champion in the community willing to assist with surveying.

Private Development Projects:

- Exit 19 Development
 - Under Construction
- Love's Travel Stop
 - Under Final Stages of Construction
- Pippin Sewer Phase 5
 - Under Final Stages of Construction
- Fairfield Inn Project
 - Under Final Stages of Construction
- Farm Credit
 - Project Closeout
- Green Springs Road Realignment
 - Project Approved
- Meadows Project
 - Reviewed Plans and Provided Comments
- Dollar General Store Halls Bottom Road
 - Project Closed Out
- Dollar General Store Benhams Road
 - Project Closed Out
- Chris Renee Cosmetics Oak Park
 - Project On Hold
- Highlands Community Services Baugh Lane
 - Reviewed Plans and Provided Comments
- Virginia Pavilion Extension
 - Under Construction
- Emory and Henry Villages
 - Reviewed Plans and Provided Comments
- Bojangles' Exit 19
 - Project Approved

Mr. Cornett said Mr. Kiser was being modest when discussing the Ritchie Road Project. He explained the project was funded about 3 years ago. We spent well over a year trying to secure an easement from one land owner. The land owner was very friendly but not cooperative. Mr. Kiser kept thinking and digging into other options. He realized

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the residents that did not have water but wanted water were not far from Old Saltworks Road. Started looking into the feasibility of providing the residents water from Old Saltworks Road. Mr. Kiser not only secured the easement needed to provide water from Old Saltworks Road but also realized WCSA should be able to use the funding from the Ritchie Road Project to improve service to existing residents. Mr. Cornett commended Mr. Kiser for his diligence in looking at different ways to achieve the same end goal and for his patients with the land owner.

Mr. Kiser then gave an update on Nassau Drive.

Mr. Kiser contacted the Russell County Tax Accessors Office and tried to contact the Dye's on Nassau Drive. He was able to find an address for and went to visit the Dye's. A neighbor said they moved. Mr. Kiser tried to visit them at their new address the week of October 17th but was unable to contact the Dye's. Mr. Kiser updated Mr. Chaney.

Mr. Cornett had an idea to formulate an easement for Mr. Chaney and or Mr. Hurley in case they are able to contact the Dye's.

9. Engineer's Report and Update

Dennis Amos of Anderson and Associates (A&A):

• **Exit 13 Sewer Project Phase 2A**

Construction is underway. The contractor is working in the mobile home park.

• **Exit 13 Sewer Project Phase 3**

A&A continues to assist WCSA with the easement accusation phase of the project and are lacking only 4 easements.

Mr. Amos and team are also helping to evaluate pump station sites.

Bobby Lane of The Lane Group (TLG)

After Mr. Kiser and Mr. Cornett's updates, Mr. Lane had no further updates on projects. He offered to answer questions.

Mr. McCall asked about the Route 58 project.

Mr. Lane said Mr. Heath met with, Mr. Cornett and Mr. Check and some others. LTG is working on answering final comments and will then submit to the Health Department. Mr. Lane expects the Health Departments review to be quick and hopes to be in a position to advertise the Route 58 project early next year.

Mr. McCall asked about the Intermont project.

The preliminary drawings for the Intermont project are complete and are under review. Intermont is negotiating with the Federal Government on the Job Corp's agreement.

10. Consideration of Field Communications Proposal – Dave Cheek

Mr. Cheek discussed the following presentation; Field Communications Overall Plan and Radio Bid Decision:

Discussion Items

- Bid Process
- Proposals
- Radio Evaluations
- How to Leverage this Asset
- Staff Recommendation

Proposal Process

- Field Communications Team Assembled
 - WCSA Department Heads, Jennifer Ball, Robbie Cornett, Wayne Campbell and Mike White
- Reviewed Critical Needs
- Issued Revised Field Communications RFP

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- Reference Attached and Memo from Dawn Figueiras, Dated Oct 18, 2016

Field Communications Proposal Log

- Ad Appeared in the Bristol Herald Courier on October 6, 2016
- Vendors Directly Solicited on October 6, 2016
 - 2-Way Radio
 - VA-KY Communications
 - Mobile Communications
 - Teltronic (Salem Motorola)
 - Mountain Communications (out of business)
 - ProComm (Blacksburg; Kenwood)
 - Tri-Cities Communication (Johnson City; Motorola)
- Companies that Requested the RFP
 - 2-Way Radio (October 6, 2016)
 - Mobile Communications (October 6, 2016)
 - Pro Comm (October 6, 2016)
 - Onvia in Seattle, WA (October 7, 2016)
- RFP Sent
 - 2-Way Radio (October 6, 2016)
 - Mobile Communications (October 6, 2016)
 - Pro Comm (October 6, 2016)
 - Onvia in Seattle, WA (October 10, 2016)
- RFP Received
 - 2-Way Radio – Opened on October 20, 2016

Proposal Process

- Received 1 Proposal at Opening, Oct 20, 2016
- Proposal Met all Responsible Offer Requirements
- Offer Price on October 20, 2016
 - \$201,106.50
- Revised Proposal to Correct Math Error
 - \$194,773.50

Staff Recommendation

- Recommend that we accept 2 Way Radio Bid with the Following
 - WCSA & Field Communications Team to Review Quantities Again to Determine if some Cost Savings Can be Realized

There is warranty on the equipment, what exactly do we receive from the yearly service agreement contract? What is the maintenance; what is the \$4,800 per year, asked Mr. Nelson?

Mr. Cheek said as he understood, the \$4,800 per year is for the upkeep of the software, maintenance on the software and to provide the field interface.

Mr. Campbell asked if that fee included service calls.

The equipment is warrantied for 5 years, said Mr. Cheek.

Mr. Nelson was satisfied that Mr. Cheek was working through the specifics of the warranty and service agreement.

Mr. Cheek said they were narrowing down exactly how many channels and devices WCSA would need.

Mr. Nelson said you are looking from the aspect you are going to get what you need. Not more than you need at this point but can add to it later as needed.

Correct said Mr. Cheek.

Mr. Nelson said he appreciated that.

Mr. Nelson then asked if the radios would be assigned to individuals or to trucks.

The mobile radios will be assigned to a truck. The hand held radios have an assigned number which will be assigned to a position. There will be a couple of floater radios in maintenance that can be used for traffic control for example, explained Mr. Cheek.

What is your recommendation, asked Mr. Nelson.

Mr. Cheek recommended approving the bid from 2-Way Radio with the

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understand WCSA will continue with negotiations for a better cost. When we get to the point we have what we need but no more than we need, we have the authorization to place an order.

Mr. Nelson made a motion the Board approve Mr. Cheek's recommendation as stated above.

Mr. Campbell asked what else would work with the radios; we were discussing the meters.

That is part of our negotiations. Mr. Cheek said he wanted to reach out to the company that has done the integrated voice and data and ask that company communicate with 2-Way Radio to ensure things are set in the way that will be needed to for the integrated voice and data. We will then come back and make a request for the integrated voice and data for the metering and SCADA.

Mr. Campbell said we feel confident the integrated voice and data will work.

Mr. Cheek said that was discussed at the bid opening as they worked for several hours discussing details such as this.

Mr. Miller asked if the bid of \$194,773 could increase as part of the negotiation process.

Mr. White said from negotiations on Friday, there was a significant decrease from that figure. It is going down and they know it is not to go up, stated Mr. White.

Mr. Cheek said when the two companies talk about the integrated voice and data, the price could increase. If that happens, we will stop there and discuss that with the Board.

From Mr. Taylor's experience, there is a possibility this could go up.

The radio system itself will not go up. The integrated voice and data is totally separate stated Mr. White.

Mr. Nelson said his motion is to move forward at a cost no greater than

\$194,773.50 and Mr. Cheek come back to the Board with information regarding any additional items.

The main reason for communicating with Lord and Company is to be sure of compatibility. Once the radio system is installed, we make sure switches are flipped and the software and repeater are taken care on the front end. That should not add to the cost but would save costs on the back side when we use them in conjunction with SCADA and meters.

Mr. Nelson suggested building that into the maintenance contract.

Mr. Taylor asked if there was a second to Mr. Nelson's motion. Mr. Campbell seconded the motion and the Board approved voting 7-0-0-0.

11. Consideration of Years of Service Awards – Robbie Cornett

There are different ways we recognize employees for their years of service. The first five years of employment, employees receive a day of vacation per month. For 5 to 10 years, employees receive 10 hours per week; 10 to 20 years it increases to 12 hours and over 20 years of service employees receive 13.5 hours of vacation per month.

Additionally, we ask the Board to consider a resolution recognizing those who have reached a 5 year increment milestone.

- Employees with 5 Years of Service
 - Wayne Smith
 - Chris Crosswhite
- Employees with 10 Years of Service
 - Lisa Browning
- Employees with 15 Years of Service
 - Joe Baldwin
- Employees with 20 Years of Service
 - Beverly Hall

Certificates will be given to the employees listed above for their years of service.

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Mr. Nelson asked if anything else had ever been done to recognize the longevity of service other than the vacation day.

Yes, stated Mr. Cornett. The last two years we have an annual holiday bonus based on years of service.

Mr. Nelson said he thought it was very important to recognize employees who have longevity and do a good job for the company.

Mr. Nelson motioned to have a Resolution recognizing their excellent work for the Service Authority over an extended period of time.

Mr. Nelson thought at a minimum, Mr. Cornett should take the employees being recognized for years of service to lunch or do something to show his appreciation.

Mr. McCall asked if the Board prepared a Resolution or something similar for Mrs. Boyd.

Mr. Cornett said we have talked about it but didn't think that had been done. Mrs. Boyd will be with us part time officially through the end of December. Mr. Cornett welcomed the Board's thoughts and ideas of how they may want to recognize Mrs. Boyd. Mrs. Boyd has been with WCSA for 9 years and the audits are certainly a reflection of her work over that time, stated Mr. Cornett.

Mr. Taylor said most organizations give a pin for years of service.

Mrs. Shaffer said employees were presented with a signed certificate and a pin reflective of their years of service.

Mr. Nelson said something that stuck with him during the audit review was you could see the ownership Mrs. Boyd had taken on the financial side of this company. She offered to answer questions about the audit anytime. It is a real tribute to this lady who has worked hard. Mr. Nelson said another comment

she made that stuck with him was; if you have ever taken a job where you came behind someone that did a terrible job, you understand how hard it is to turn it around. Mrs. Boyd did not want to leave this organization in that situation, it is real tribute. Mr. Nelson said he gave Mrs. Boyd a lot of credit for keeping the numbers current so the Board could have the foresight and the ability to manage the numbers in a much more aggressive manor, saying, if you do not have good numbers, you cannot make those kinds of decisions. Mr. Nelson said he concurred and thought the Board should do something above and beyond for Mrs. Boyd because she did not have to work part time to help make it through the controller transition. Mrs. Boyd could have handed it over and said good luck and not shared her knowledge with Mrs. Jett, stated Mr. Nelson.

Mr. Cornett said they would continue to make plans to recognize Mrs. Boyd.

Mr. Nelson said whatever could be done to recognize performance, you can never go wrong. The other employees see it and they understand you appreciate them, stated Mr. Nelson.

Good employees are important; they are more important today than they were 20 years ago, stated Mr. Taylor.

Mr. Taylor asked if there was a second to the motion on the table.

Mr. Miller seconded and the Board unanimously approved voting 7-0-0-0.

12. Closed Meeting – 7:26 pm

Mr. Nelson moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

1. Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Public Funds:

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- a. Discussion and consideration of the acquisition of real property for a public purpose, where discussion of such acquisition of property in open meeting would adversely affect the bargaining position of WCSA.
 - i. Easement and property acquisition related to Exit 13 Phase 3 Project
 - ii. Easement and property acquisition related to the Tranbarger Project.
2. Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds:
 - a. Discussion and consideration of public funds where bargaining is involved and if made known publically at this time, would adversely impact the bargaining position of WCSA.
 - i. Negotiation of tower leases.
3. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice:
 - a. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

In addition to the Board the presence of Dawn Figueiras, WCSA Legal Counsel, Dave Cheek, WCSA Operations Manager and Robbie Cornett, WCSA General Manager was requested. Mr. Campbell seconded the Motion of Closed Meeting and the Board approved voting 7-0-0-0.

13. Return to Open Meeting – 8:45 pm
Mr. Miller motioned to return to Public Session. Mr. Nelson seconded and the Board approved voting 7-0-0-0. Mr. Nelson read the following Certification of Closed Meeting;

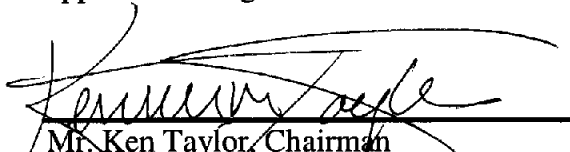
Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia Law. 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. Smith, Mr. Campbell, Mr. Taylor, Mr. Nelson, Mr. White and Mr. McCall confirming no outside discussion took place other than Closed Meeting topics.

15. Late Items

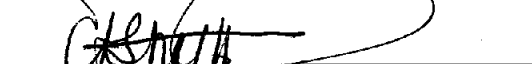
There were no late items discussed.

16. Adjourn – 8:47 pm

Mr. Nelson made a motion to Adjourn, Mr. Campbell seconded and the Board approved voting 7-0-0-0.



Mr. Ken Taylor, Chairman



Carol Ann Shaffer, Assistant Secretary