

**Washington County Service Authority Board of Commissioners  
October 27, 2008 Regular Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice-Chairman at 7:01 PM.

**ROLL CALL**

**Commissioners Present:**

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

**Commissioners Absent**

Mr. Gerald Cole, Chairman

**Staff Present:**

Robbie Cornett, General Manager  
Kim Roberts, Controller  
Doug Canody, Chief Engineer  
Rick Clevenger, Water Treatment Plant Manager  
Amanda Paukovitz, Administrative Assistant

**Consultants Present:**

Randall Hancock, PE, Draper Aden Assoc.  
Bobby Lane, PE, The Lane Group  
Kevin Heath, Adams Heath Engineering

**Also Present:**

Mr. Mark Lawson, General Counsel  
Toby Boian, Mount Rogers PDC  
Steve Cannon, People Incorporated  
WCSA Employees

**3. Public Hearing: Notice of Intent to Apply for Rural Development Funding to Finance the Construction of a New Raw Intake and Expansion of WCSA's Middle Fork Drinking Water Treatment Plant**

Mr. Lane explained that The Lane Group/Olver team has completed the Preliminary Engineering Report (PER) for the New Raw Intake and Expansion of WCSA's Middle Fork

Drinking Water Treatment Plant. The Lane Group/Olver Team have begun to identify potential sources of funding, including the US Dept. of Agriculture through Rural Development. A requirement of their program is to allow residents multiple chances to comment on the project, such as hearings held with reference to environmental impacts and other departments of the water. Mr. Lane explained that the hearing being held by WCSA tonight is the first of those in accordance with the Notice of Intent to Apply.

For the record, Mr. Lane continued by reading the public notice which was posted in the local paper. It reads as follows:

"Notice is hereby given that the Washington County Service Authority intends to file an application for federal assistance to the United States Department of Agriculture- Rural Development for funding for a new Raw Water Intake on the South Fork of the Holston River and an expansion of the existing Drinking Water Treatment Plant from a capacity of 4.6 MGD to a capacity of 12 MGD. Anyone with comments or questions is welcome to attend a public meeting that will be held on this date at this location. Any questions or comments concerning this project can be forward to Mr. Cornett, General Manager of the Authority."

Mr. Lane also went through the project summary, which reads:

"The current water intake and water treatment plant owned by the Washington County Service Authority (WCSA) is located on the Middle Fork of the Holston River. This plant is the "backbone" of the WCSA water system, which serves over 20,000 residential, commercial, and industrial customers in Abingdon, Damascus, Glade Spring,

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Meadowview and other parts of Washington County. Even with an enviable water accountability of 70 percent and with water agreements with Chilhowie and Bristol, Virginia, the system's excess treatment capacity is continuing to decrease.

In response to this need, the WCSA has developed a Master Plan and a Preliminary Engineering Report which calls for the construction of a new water intake on the South Fork of the Holston River and the expansion of the existing water plant from 4.6 million gallons per day (MGD) to 12 MGD. The expansion of this facility is essential to adequate water service for the County's residential customers and to the continued economic development of Washington County and the entire Tri-Cities region.

The total project cost for the water treatment plant and water intake improvements planned for the county is \$25 million. The county intends to apply to the US Department of Agriculture-Rural Development and other Federal, State and Local Agencies for funding for this Project."

Mr. Lane stated that he felt we had been in accordance with our requirements of the Public Hearing and he asked that anyone with comments concerning the project would step forward. Mr. Vice-Chairman asked if anyone had comments at this time; no one did.

#### **4. Public Query and Comments**

**Ms. Linda White of 13313 Mendota Road, Abingdon, VA 24210** addressed the Board stating that she was here tonight representing a group of residents that reside on Mendota Road in Washington County. They wanted to address the Board with questions concerning

county water being put in their area. Ms. White continued by sharing that in March of 2006, a group of residents of the Mendota Rd. area gave their consent with a signature to take the county water. On that paper, it stated that they would pay \$1,150 for their meter. There wasn't anything at the time asking for down payments. As of September of 2008, there are some residents who are getting the water line put in. However, the Service Authority is stating that the meter is going to cost them \$1,900. They were told that a down payment of \$50 would have froze the meter price at \$1,150. When people in the area agreed to have the water, she said, there was nothing mentioned of a necessary down payment. The only thing that was asked for on the paper was a signature to consent that the resident wanted water. Ms. White had multiple people with her tonight that she knew had questions and comments also.

Mr. Vice-Chairman asked that Mr. Cornett update the Board on the situation. Mr. Cornett stated that Mr. Canody may be more knowledgeable about the subject, but he knows that it is not uncustomary for the Authority to make known to residents connection costs at the time. This does not mean that the rate cannot change come time of connection. The rate that will be charged is the rate at the time of connection. Mr. Cornett said he needs to look at the documents to see what exactly was signed. He said he would be more than happy to look at what was signed a couple years ago and compare it to what WCSA is doing today.

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Mr. Vice-Chairman asked Ms. White if she would be willing to forward her contact information to Mr. Cornett so he could further discuss details with her and if she is still unsatisfied, she can come back to address the Board yet again.

Ms. White stated that what she doesn't understand is that if the \$50 down payment was required to freeze the connection cost, why weren't residents informed of this at the time of which they signed the paper? There was a lady in the area who tried to make a down payment when she signed the papers and Mr. Canody told her that was not necessary.

Mr. Cornett said he does not believe WCSA is accustomed to collecting money from customers (he doesn't think we should or could) to freeze connection costs or to lock in a particular connection fee. He doesn't think we should collect money from folks knowing that water service could be well into the future. Mr. Cornett stated that he needed to see what was done and report back to the Board with what he finds.

Ms. White stated that one gentleman in the neighborhood came here and spoke to a lady, who stated that if he would have paid a down payment, it would have froze the connection fee. She claims no one knew about the \$50 down, that's why no one paid it. "\$750 is a lot of money", she said, "In two years to go up on a meter".

Mr. Taylor asked for the date in which this happened. Ms. White claims they first signed up in 2006. Mr. Vice-Chairman asked which form they all signed. Ms. White stated that they signed a form in March of 2006.

Another resident claimed that it's a 60% increase in two years. Mr. Cornett claimed that when we issue forms or User Agreements, we state the current rates on the form, but that does not mean the rates aren't subject to change; again, sometimes the projects take years to come to fruition. Mr. Cornett doesn't think our Bond Covenants would allow us to 1) offer a connection fee two, three, four years down the road that is different than the current rate for our customers, and 2) the user fee is a lot different today than it was two, three, four, five years ago. Mr. Cornett said that we try to provide info that is current for that day, but also let customers know that fees are subject to change.

Another resident asked why the user fee increased to \$1,900. Mr. Cornett stated there were multiple reasons for this cost increase, i.e.: cost of fuel, cost of copper, cost to go out and make the tap, and most significantly, the two part system fee (the cost of construction and the system fee or capacity on our Water Treatment Plant, which has also increased). The resident asked why the fee went up in December and again just now and Mr. Cornett clarified that the fee last went up on July 1. She also asked that if someone projected the cost wrong, should they (the Mendota residents) have to absorb someone else's mistake? Mr. Cornett clarified that he didn't think a mistake had been made. She asked when the bid was made and for how much. Mr. Canody responded that the bid went in a few months ago and he couldn't remember the price off the top of his head. She asked if they were

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supposed to assume the change in cost and Mr. Canody said yes because the form they signed said the "Current Cost" was \$1,100. The residents asked why the form didn't say "pending", to which Mr. Canody responded that the cost was not pending at the time. The residents responded that they felt they should pay the promised price of \$1,100.

**Mr. Joel Williams of 833 Mendota Road, Abingdon, VA 24210** continued, by saying that he has worked in construction all of his life. From his understanding, the user fee in Russell County is \$1,100. He doesn't know what the cost is in Buchanan County, but he was over there for 55 years. He's moved millions of yards of material. Mr. Williams said he wasn't going to get the cost right to the dollar, but he understands it costs about \$500 to install a hook-up. He said, "The material in Buchanan County is hard to move and if anyone has moved material like I have, they would understand what moving material means. It's harder to do, 2 to 1, in Buchanan County than it is in Washington County. I don't know how much your products included in construction have gone up, but it seems awfully high to go up that much in one jump. I don't see why there is and why there should be such a big increase in one year for any one thing."

A resident asked how much the cost would be in Meadowview because it used to be \$1,100 and Mr. Canody replied that it was \$1,900; the same price stands for all residents across the county. She asked if the cost

was likely to change and Mr. Canody explained that it very well could. Another resident stated that if they signed a contract, he believes the contract should stay how it is. Ms. White asked if the contract stated that the rates were subject to change. When Mr. Canody told her it did not, she felt they should be entitled to pay the price of the fee they signed to because they were current then. Ms. White and other residents worked hard to gather signatures to get water down Mendota Road and were told if they gathered enough signatures, the project would be a go. She said that Mr. Canody told her he was wrong and she needed more signatures so she got them and they haven't been sitting around waiting, they have been working hard to get this to happen. She explained that it's upsetting to hear the price all of a sudden is higher and she asked Mr. Cornett if he would feel the same way and he said he probably would. She said they are unhappy.

Another resident claimed that they pay their taxes like everyone else but they feel like they are being treated like second class citizens. Mr. Vice-Chairman clarified that WCSA does not reap any of the benefits from their tax dollars, but that they operate completely on their rates; that is how we pay our bills and our employees. He also explained that their system fee is going towards the expansion of our Drinking Water Treatment Plant because without the expansion, there would be no water to bring down Mendota Road. The resident continued by saying that if they signed a contract, it should be honored. Mr. Vice-Chairman asked if

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they signed a contract and Mr. Mark Lawson explained that he hasn't seen the document, but that it doesn't sound like they signed a contract. The resident claimed that he thinks we should follow the contract as is, or we should throw away the contract all together.

Ms. White explained that the residents on the first stretch of Mendota Road already have their water and they only had to pay the \$1,150. (Note: throughout the audio, Ms. White changes her claim from \$1,100 to \$1,150 many times). Mr. Canody noted that for those already serviced, their portion of the project was completed four to five years ago with leftover funds from the Brumley Gap project.

Mr. Lawson claimed that he thought it was appropriate to go back and look at the documentation to make sure there wasn't any misrepresentation, but from the sounds of it, there hasn't been. Mr. Cornett agreed that this would be very appropriate to look back at the documents, but that there could be a chance this is out of our hands; WCSA's Bond Covenants may not allow the fee to be adjusted. The document referred to the current connection fee, but also the current monthly rates, which are also much different now than they were back then. Mr. Cornett agreed to go back, look at those things and report back to the Board what is found. Mr. Canody reported that this project is scheduled to be finished by the middle of February.

**Mrs. Brenda Tate of Buffalo Pond Mountain, between Reedy Creek and 700 Rich Valley Road, 17369**

**Buffalo Pond Road, Bristol, VA 24202** addressed the Board stating that she had contacted Mr. Canody about getting water in her area. She shared that like many in her area, she is disabled, that their spring went dry last year and it has gone dry this year as well. They are out of water, and there were others with her from her area whose water was running out as well. Her and her husband have cattle, farm animals, dogs, plus they need to furnish their home with water. They carry in 250 gallons of water to the animals, plus 200 gallons of water to the house. She has talked to Mr. Canody about this, along with Odell Owens, Supervisor for their district, and Rick Boucher who said that if approved, he would get funding for the project.

Mr. Cornett shared that the Board has authorized for a study of Buffalo Pond Road, Pine Hill Road, Mountain Springs Road, Nordyke Road and Clinch Valley Road because there have been 5-6 petitions for water in that area. With the exception of Clinch Valley Road, all of the roads would require a pump and some type of storage tank. If built in phases, a pump on every road could be eliminated, thus the reasoning for the study to see how the area could be best served.

Mr. Vice-Chairman asked if Mr. Cornett had touched base with Rick Boucher regarding the project. Mr. Cornett replied that he had not. He figured it would be best to complete the study and pursue funding, if need be, following receipt of the results.

Mrs. Tate suggested that there may be alternative ways to go about putting lines in across the mountain

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so that those who signed the petition may have service as soon as possible; they need it as soon as possible. Mr. Vice-Chairman asked that Mr. Cornett keep Mrs. Tate informed as more details/findings come in; to that he agreed to do so.

**5. Approval of the Agenda**

Mr. Cornett stated that he had no corrections to the agenda. Mr. Chase moved to approve the agenda. Mr. Chase's motion was seconded by Mr. Stephon and was approved by a unanimous vote.

**6. Consent Agenda**

- Minutes from September 22 & 29
- Routine Reports for September 2008
- Financial Statement for August 2008
- Check Register ending 9/30/08

**Items removed from Consent Agenda**

Mr. Cornett stated that there were no corrections or changes to the Consent Agenda

Mr. Stout made a motion to approve the Consent Agenda. Mr. Stout's motion was seconded by Mr. Stephon. The motion was approved by a unanimous vote.

**7. Engineer's Report and Update**

**Mr. Randall Hancock with Draper-Aden reported on the following projects:**

<b>Watauga</b>	<b>Road</b>	<b>Waterline</b>
<b>Improvements</b>		

Mr. Hancock stated that they have completed installation of the water lines and they have received approval from the health department to begin changing

up connections on the outside line. He is hoping within the next month or so they will have all the connections redone.

**Glove Drive Waterline Improvements**

Mr. Hancock reported that the project had received bids on the 14<sup>th</sup> [of October] which will be discussed later on in the agenda.

**Route 58 Water Storage Facilities**

Mr. Hancock stated that they have divided the project into two contracts: one to complete the grating and the installation portion of the waterline. The Phase 1 plans have been completed and submitted to the County for approval. They should be ready to go out for bid pending the final approval.

**Sewer O & M Analysis**

Mr. Hancock reported that they have been advised to create additional cost analysis and they are to resubmit that information to Rural Development. They have not heard anymore from RD regarding where they are at in the funding process. There is more information regarding the Sewer with Bristol that Mr. Cornett can provide.

**Other projects in the works:**

**Seven Springs Pump Station**

The PER is going back to the Health Department this week.

**Monte Vista Drive Waterline Improvement**

They are working to provide a proposal for this study. DAA have a meeting with staff on the 8<sup>th</sup> as to how they can provide the respective services.

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

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**New Raw Water Intake and Water  
Treatment Plant Expansion  
Task Order #1- Interim Water  
Withdrawal Permitting-**

Mr. Lane stated that according to the Authority, that the Interim Withdrawal Permit was issued by the Department of Environmental Quality. With the receipt of that permit, the work on Task Order #1 has been completed.

**Task Order #3 & #4 - Preliminary  
Engineering Report and Raw Water  
Intake and Water Treatment Plant  
Expansion**

He reported that as he expressed in the public hearing, the Preliminary Engineering Report (PER) has been submitted for approval to staff and the Virginia Department of Health. He talked with the Health Department today and they are completing their review of the PER and we expect to receive comments from them early next week. They will be meeting with WCSA staff to go over those and get them taken care of.

**Lime Hill/Walker Mountain Road  
Project**

Mr. Lane stated that the Lime Hill portion of the project is very near completion. They are 200 ft. or so away from having the waterline completely installed. The contractor will begin to work on the pump stations tomorrow and will very soon begin working on the Walker Mountain portion of that project. We are expecting the contractor to be finished by his contract time, which is the middle of January; we are expecting that he will finish on time.

**Buffalo Pond/Rich Valley Road-**

Mr. Lane reported that as Mr. Cornett mentioned, we are continuing to work on

our contract. They have begun preliminary tasks and preliminary data gathering on that project so that it can move forward as quickly as possible; again they have begun gathering preliminary data for the PER.

**Mr. Kevin Heath of Adams-Heath  
Engineering reported on the following  
projects:**

**Orchard Hill Road**

Mr. Heath passed out a handout regarding the Orchard Hill Road Water Improvement project. It was not an agenda item, so he thought we could look to the Board as to whether it should be addressed now or later. But, they did receive bids for the project Tuesday of last week and they received seven bids. The low bidder for the project was King General Contractors of Bristol, VA with a low bid of \$444,766.24. That bid was within the budget for construction of the project. They did get seven good bids, with one being a low bid within their projected budget. At whatever point the Board feels comfortable, he said, they would like to recommend that the Board award the construction contract to the low bidder, King General Contractors.

Mr. Cornett stated that the staff would like to recommend that the Board consider awarding this contract tonight. Mr. Chase made a motion that the Board award the contract to the low bidder, King General Contractors. Mr. Chase's motion was seconded by Mr. Blaylock. The motion was approved by a unanimous vote.

**White's Mill Road**

Mr. Heath said that it is their understanding that Authority staff has finished up negotiations in obtaining all

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easements necessary for the project. They do have one outstanding plat that needs to be completed. It is his understanding that a surveyor is supposed to have that finished sometime next week. With that completed, they would be able to move on to the next phase of the project, which is the bidding process.

**8. WCSA In-House Construction Projects Report and Update**

Mr. Doug Canody reported to the Board on the following:

- Health Department Funded Projects (constructed by a private contractor with in-house engineering services):

**Chestnut Mountain Road**

As he reported last month, they were waiting on an easement before trying to obtain property for the tank station and pump station. They received that easement and are now working to acquire that land needed for the tank station and pump station. They have had some residents inquire about receiving some connection fees back they have already paid on; he said they have considered it, but are going to counsel against the refund because if people cut out, they will not have the 50% support for the project required by the health department.

**Denton Valley Road**

At the Board's permission, which was given at the last meeting, they are in the process of awarding the project and exchanging paperwork with the contractor and will hopefully be at a position to proceed within the next 30 days.

**Spring Creek Rd. /Rich Valley Rd.**

Mr. Canody stated that they have begun the environmental notifications for the project and they anticipate having a public hearing on

the environmental assessment in December.

**Walker Mountain /Lime Hill Road**

They are under construction by SB Construction of Clintwood and they are about 50% complete. Completion is due per the end of February 2009. Engineering services for this project are being supplied by The Lane Group, as Mr. Lane reported earlier.

**Mendota Road**

This project was designed in-house and is under construction presently by Tipton Construction. They are at about 50% complete and completion is required in 2009 for that project.

**Orchard Hill Road** (Mr. Heath already reported on) & **Glove Drive** (Mr. Hancock reported on)

**Sutherland Project**

This project was funded by the state of Tennessee with some additional funding by the EPA. They are working this week to get the project readvertised and rebid. It's been hard to try and get this project done, but they are going to work on it this week.

- WCSA Waterline Replacement Projects (Constructed by WCSA's Maintenance Personnel)

**Wild Cherry Lane**

The main line is in and WCSA is in the process of some restoration of some existing taps on the new line, and the project is expected to be finished by the end of November.

**Hawthorne Drive**

Mr. Canody reported that they are working on replacement and extension of a waterline there. It is off of Route 11, just north of us here (at WCSA), and they are about finished with that project.

**Friendship Road**

At the last Board Meeting, a Mr. David Fleenor complained of some pressure issues up on Friendship



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Road. We have finished analyzing the area and plan to begin a waterline replacement project up there in the next couple of weeks. They will assess how much of the line(s) they will truly have to replace to get pressure up to standard.

- \$1,500 Projects (where WCSA contributes \$1,500 of materials)

**Jazzy Lane**

Construction is complete, and the ties are waiting to be done; much of that should be done by the end of this month.

**Scott Ridge Road**

They have worked really hard to get this project done and the paperwork complete. Mr. Canody reported that they have teamed with the residents but unfortunately, they were not willing to purchase connection; the project is inactive at this point.

**King Mill Pike**

There has been a request for a sewer line extension by a resident just off King Mill Pike. They have not gotten to work on completing the paperwork yet. They plan to do that in the next month.

**Rich Valley Road**

There has been a request for a waterline extension by a resident just off Route 19. They have not gotten to work on completing the paperwork yet. They plan to do that in the next month.

**Pike Lane**

There has been another request for a \$1,500 project on Pike Lane. They have four signed petitions by residents who are willing to take a connection. Whether or not WCSA would be able to serve the residents based on the hydraulics is under investigation by staff.

**Spring Valley Road**

There have been requests from residents who live on Spring Valley Road. There have been about five to

six connection requests for water. They are looking at the hydraulics on this project to see whether or not residents can be served and if they can extend the line.

- Fire Hydrant Projects  
**Hillman Highway**

They have checked the hydraulics and it appears that the line along Hillman Highway will support the minimum fire flow valve which, by the current WCSA standard is 250 gallons/min. They plan to contact Mr. Mark Venable, who is the Meadowview Fire Chief, to get us some help with funding for materials if we provide the paperwork.

**Vances Mill Road**

The project includes the installation of six or seven hydrants. There has been some concern about the closeness of residences and in correlation the location of hydrants. They are in the process of making contact with the residences. A survey has been sent out to gauge the support for hydrants because the project cannot happen if there is less than 50% support. The plan would be to divide the project into multiple sections and work with a project champion for each section. They have started to work on that; they have met with two project champions thus far. They are working to recruit more in the next week or two; there are two more willing to help that they already know of.

- Future Projects

- Have applied for Health Dept. funding for waterline extensions on **Childress Hollow Road, Mendota Road Phase II, Rich Valley Road/Whites Mill Road & Rich Valley Road/Litchfield Road**. They have been told that budget cutbacks have really affected the Health Department's

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funding. However, they've applied for four projects and if funding is received for one, we'll be lucky. Should have report on status for next Board Meeting.

- 2008 CIP Projects

- They have met with Draper Aden & Associates to provide scope for two of the projects we've procured them to do.
- They plan to have similar meetings individually with The Lane Group & Adams-Heath Engineering on the projects we've procured them to do in the future. One of those projects is the study of **Buffalo Pond** along with **Nordyke Area** and **Rich Valley Road** that Mr. Cornett had mentioned earlier. There are several potential hydraulic zones there; a study is the right way to do it.
- At the last meeting, a gentleman by the name of Josh Pratt was asking for water on **Nordyke Road**; area will be included in the study as well. They are in the process of negotiating contracts and should be able to bring back a contract and task order real soon.
- The approach they are taking with Draper Aden and The Lane Group's services is with a general contract; very similar to how things have been done in the past. The individual projects will be made part of the general contract individually as separate task orders for efficiency.
- Commissioners Blaylock, Stout and the WCSA staff representing the Town of Chilhowie began interviewing three engineering firms last Tuesday and Wednesday evenings to perform the Chilhowie/WCSA Water Plant

Study. That was also on the WCSA CIP 2008 list. Mr. Canody said they would bring the Board more information regarding those interviews next meeting.

- Note: Mr. Canody was asked about his previous report for Spring Valley Drive. He corrected himself; the report is actually for Spring Lake Drive

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

Mr. Cornett stated that September was a busy month, and he reported on the following:

### Water Production

- Produced 194,875,857 gallons of drinking water
- With help from the maintenance department, the raw water intake was taken out of service and cleaned for the winter

### Distribution

- Coordinated the outside purchase of 26,499,472 gallons of drinking water

### Meter Department

- 138 customers were telephoned following unusually high usage
- 533 customers were notified that there water was to be turned off due to non-payment

### Customer Service

- \$11,344.10 was abated for 78 customer water leaks
- \$6,235.05 was written off as bad debt three years old

### Maintenance

- 48 leaks
- 7 major breaks
- 18 water taps
- 3 wastewater taps
- 45 after hour maintenance call-outs
- Eliminated approximately 600 feet of galvanized water line on Dillard Lane for customers who were without water due to corrosion in the line.

### Wastewater

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- Treated 8,925,000 gallons of wastewater

**Administrative Items**

- Mr. Cornett was pleased to report that WCSA has welcomed Terry Compton as its newest Crew member filling a recent vacancy in the Maintenance Department.

**10. Mount Rogers PDC's Check Presentation**

Mr. Toby Boian, the Deputy Director of Mount Rogers Planning District Commission, introduced himself to the Board and WCSA Staff. He went on to explain that one of the programs they have through Mount Rogers PDC is called the Southwest Virginia Regional Wastewater Construction Program. This year, they received an excess of 20 applications and were able to fund eight of them; one of them being the Seven Springs Secondary Supply. It was funded at \$150,000, which is the maximum amount awarded. Its application scored high because it's needed and it's regional; it serves Glade Spring, Chilhowie and Washington County. At this point, Mr. Boian presented a ceremonial check in the amount of \$150,000. WCSA can start utilizing the funds when they proceed with the project. He also wanted to express his appreciation for the WCSA staff. He expressed that they have been instrumental in the Regional Water Supply plan that Mount Rogers is working on to address the conditions we've received the last few years of drought. They were looking at possibly being cut of some state funding, but they were able to secure some additional grant funding for Phase 3 of the project. They are doing it regionally, so that is why

they are carrying an additional load. It will be at the end of this year or into the following year before they have that plan complete.

Mr. Cornett added that it has been the pleasure of the WCSA staff, particularly speaking for himself, to work with Toby Boian and his staff, not just more recently, but throughout the years. They have been very helpful for WCSA in many different ways, and especially tonight. We are very appreciative of Toby, his staff and the efforts they have put forth for this regional study, as well as administratively in many projects we've constructed throughout Washington County. Mr. Cornett thanked Mr. Boian again.

**11. Loan Closing for Mendota Road Phase 1 and Walker Mountain / Lime Hill Road**

Ms. Roberts reported that enclosed in the Board's update were copies of the actual resolution that Bond Counsel sent out in order to do the Loan Closings for Mendota Road Phase 1 and Walker Mountain/ Lime Hill Road. She included copies again at the meeting, along with copies of the actual commitment letter from the Virginia Resources Authority for each project indicating that they would commit to funding the loans for 20 years at 3%. This has been reviewed by Bond Counsel and it has gone through the Health Department; all have been approved for funding. Ms. Roberts expressed that she needed the Board to pass a resolution for each of these projects agreeing to accept the funding from the Virginia Resources Authority. Mr. Taylor made a motion to accept the Virginia Resources Authority &

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Bond Counsels' recommendations. Mr. Taylor's motion was seconded by Mr. Chase. The motion was approved by a unanimous vote.

**12. People Incorporated, Connection Fee Consideration**

Mr. Steve Cannon introduced himself as the PR Administrator and Program Administrator for People Incorporated. He came to the meeting to voice an opinion for the citizens of Mendota Road. He explained that he has heard from many individuals at the meeting thus far. Specifically, Mr. Williams, who we heard from earlier, has come to Mr. Cannon expressing a need. One of the things People Incorporated offers and that he administers is called the Virginia Water Project. The project's giving is based on property ownership and income. One of the things Mr. Cannon has heard from the residents of Mendota represented tonight was that when they signed up, the User Fee was indicated at \$1,100 in March of 2006. In July, the rates increased to \$1,600 and normally, Mr. Cannon helps assist 80 families per year. Mr. Williams indicated to Mr. Cannon that when he [Mr. Williams] came down to put money towards his User Fee, WCSA requested a payment of \$700. For an individual on a fixed income of \$900/month, that is a very tough request.

Mr. Cannon expressed that he knows times are really tough, but he thinks WCSA may want to take another look at the individuals who did sign up for the waterline in March of 2006 and make some type of adjustment. In the meantime, for those individuals who do need help,

Mr. Cannon does offer assistance up to \$1,000 if they are income qualified and own their land. Currently, he is working with four residents of Mendota; they have not heard anything back from Roanoke at this time. Mr. Cannon said he doesn't know if anyone is familiar with Southeast Rural Community Assistance Project; he claims that is another option that the Board might want to take a look at as far as funding projects in the future for wastewater and water connection. Mr. Cannon explained that he had talked with Mr. Cornett, who updated him on some of the issues WCSA has, such as water treatment, which is a very expensive process. As far as the potential of giving any type of assistance for qualified individuals, Mr. Cannon expressed they are helping people who are at 125% of the poverty level, such as people who make about \$12,000/year. He also explained that when an individual is asked to make a \$700 down payment when they are making \$900/month, things become very difficult to live on. He understands that costs have to rise and they too have had to seek additional funding to make projects work the last couple years. One of the things he suggested, which is what they do through the health department when he does projects to try to get septic systems or sewer connections, is they may do some type of permit waiver because they have had to increase their prices 200% as well; it used to be \$112 to get a septic tank permit and it is now \$355. Mr. Cannon suggested making some type of adjustment to that cost and then they can get in touch with

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him. He offered to provide any type of handouts Mr. Cornett might need to pass out to people. He is concerned because it [the increase in user fees] is a great jump. He understands that costs aren't so bad here, as compared to say central Virginia. Mr. Cannon explained that if anyone has any questions, he has served in Buchanan, Russell, Washington and Dickenson Counties. They are doing \$750 in Buchanan County where it is \$1,900 here. People are hearing about this and he is getting phone calls. Mr. Chase asked Mr. Cannon if he said he could award up to \$1,000 if the person qualifies, to which Mr. Cannon agreed. He explained that they have a simple application with income and ownership verifications and if they qualify, they can award it. The application takes about 4-6 weeks to process. He continued by saying that there are many people on Mendota that have already made a down payment to get on the plan of 12 months at \$100/month. Those individuals can come now and he can try to get assistance for them. Discussion erupted amongst the Board regarding extensions, to which a Board member explained that an extension can be made only to what has already been put in or is being completed currently. When asked, this was reiterated to those residents of the public as well. Discussion erupted amongst the crowd. Mr. Blaylock asked what the 51% was; Mr. Cornett responded that he wouldn't know without looking back. Discussion erupted amongst the crowd again. Ms. White expressed

that she thought it was 5. She later corrected herself; she thinks it's 6. A male resident in the crowd reiterated that they have already given permission for the waterline to come through their property under the assumption that they would get to use it for \$1,150. But they are on the next phase for whenever money is appropriated by whoever appropriates it. Ms. White explained they were putting in the next two miles right now.

The same previous male resident said he would give WCSA the \$50 tonight if they would go ahead and sign him up; Ms. White seconded that. A female resident in the crowd wanted to know who came up with the \$50 concept. She wanted to know because someone had to have come up with it; "Speak up", she said. Ms. White expressed that they knew nothing about it until about a month ago. The same male resident said someone came to WCSA and some lady told them about the \$150. Another female resident explained that the resident who previously came to WCSA called when they received their letter in the mail. He talked to a lady who told them that if they had paid the \$50 down, it would have locked him in for that price. Discussion erupted amongst the crowd once again. Ms. White continued by saying there was a lady who wanted to pay the \$50 and someone at WCSA said they couldn't take it. She reiterated that all six of them present are on the same phase [of the project]. Again, discussion erupted amongst the crowd. Mr. Cannon said to the crowd that for those who are on the same phase, they could call him

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tomorrow. He will begin to work on their verification.

The same previous male resident offered to give his \$50 for Phase 3 because, "By the time you all get down there it is going to be \$3,000". The same previous female resident stated again, "I still don't understand who put together the \$50 thing. I want to know who...nobody knows! Somebody better know! I don't know who, but someone better!" Ms. White expressed that someone better be able to answer that question.

Mr. Cannon thanked the Board. Discussion erupted amongst the crowd.

**13. VRS Pick-Up Plans Resolution**

Ms. Roberts explained that enclosed in the Board's update was also a copy of the resolution for the Virginia Retirement Services System, indicating that the IRS has required us to enact a formal authorization allowing the member contributions and the purchases of prior service to be treated on a pre-tax basis. She has enclosed a copy of their recommended resolutions that WCSA be allowed to do that. Ms. Roberts explained that we currently do that now, but the new IRS ruling says that we have to have a formal authorization to do that by the Board. She reiterated that it doesn't change anything at all, except that we have a resolution saying that it's OK.

Mr. Stephon asked if Ms. Roberts could use smaller words to explain exactly what that means. Ms. Roberts explained that currently, if an employee is employed in a part-time position, they are not eligible to participate in the VRS system and when they become full-time, they

can purchase that prior service credit at a discounted rate on a pre-tax basis. However, we have to have a resolution saying it's allowed to be pre-tax and the contributions the employer makes towards their retirement is pre-tax as well; we have to have a resolution saying it's allowed to be pre-tax. Ms. Roberts stated that if we do not pass a resolution, we would have to go back and pass that and re-file many, many, many forms for a lot of tax. Ms. Roberts explained that the employee purchases the prior service credit at 100% if they choose.

Mr. Chase made a motion to adopt the two resolutions regarding the Purchase of Prior Service and Member Contributions. Mr. Chase's motion was seconded by Mr. Stout. The motion was approved by a unanimous vote.

**14. Fair and Accurate Credit Transactions Act**

Mr. Cornett explained that he did not have anything additional to add to the memorandum that had been included in the Board Update or the motion placed at the Board Member stations; it is the same motion. He shared that if the Board would be so inclined to make the motion, it would be much appreciated.

Mr. Lawson explained that the program needs to be adopted by November 1; this would be the last realistic opportunity to do so. He explained that the memorandum and the motion for the program were created by him and his staff, who came up to WCSA to discuss with Mr. Cornett and Ms. Roberts what we are currently doing with the

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credit/account information. In order to comply with the program, it has to be adopted by November 1. The purpose of this program is to make sure there is one in place to protect credit information.

Mr. Chase made the motion to adopt a program in compliance with regulations issued by the Federal Trade Commission concerning the Fair and Accurate Credit Transactions Act of 2003. Mr. Chase's motion was seconded by Mr. Stout. The motion was approved by a unanimous vote.

**15. Glove Drive Bid Results and Recommendation**

Mr. Hancock stated that Draper Aden Associates (DAA) opened bids for the Glove Drive Project on October 14. It was divided into two contracts; the first containing a majority of the waterlines and pressure reducing valves, the second to get the waterline through Interstate 81 to avoid contract markup. The results for Contract 1: DAA received six bids, the lowest bid belonging to Crosspointe Construction for \$896,170.00. This bid was within budget and Crosspointe has done work for WCSA in the past; Mr. Hancock recommended the Board award that. For Contract 2: DAA received two bids, the lowest bid belonging to Crosspointe Construction for \$62,000. DAA recommended that the Board award both Contracts 1 & 2 to Crosspointe Construction. Mr. Hancock reiterated a few details for the Board. Mr. Taylor made a motion to accept the low bids for both contracts for Crosspointe Construction. Mr.

Taylor's motion was seconded by Mr. Blaylock. The motion was approved by a unanimous vote.

**16. Closed Meeting**

Since there have been no noteworthy changes since his Board Update, Mr. Cornett felt no personal need to move to Closed Meeting unless the Board felt so inclined. At Mr. Cornett's advising, the Board refrained from moving to Closed Meeting.

**17. Late Items**

Ms. Roberts referenced the Board to the Fuel Bid Tabulation at their stations. The Accounting Department opened Fuel Bids the previous Friday. She shared that they had submitted to ten different bidders and ran it in the paper; they received two responses. The low bid on both Unleaded and Diesel was Addington Oil at 0.0983 over rack. They recommend that the Board award the fuel bid to Addington Oil. Mr. Cornett added that they are looking into the possibility of using fuel cards. These bids keep WCSA within procurement. However, WCSA reserved the right to discontinue purchasing oil at the result of using fuel cards to purchasing fuel locally. The Authority is exploring that and how they feel procuring such services; it has been an ongoing evaluation with staff. Mr. Rector asked despite the fuel cards how long the bid was good for, to which Mr. Cornett replied 12 months.

Mr. Stout made a motion to accept the low bids on fuel. Mr. Stout's motion was seconded by Mr.

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Stephon. The motion was approved by a unanimous vote.

Mr. Cornett brought to the Board's attention that WCSA Customer Service and Information Systems Manager, Ella Ratcliffe, has tendered her resignation from WCSA effective April 14, 2009. Ella has served for several years now as Assistant Secretary to the Board of Commissioners and has been given various banking privileges and responsibilities. Because Ella has resigned, Mr. Cornett felt the Board should consider the following:

Mr. Cornett recommended the Board consider appointing WCSA's Administrative Assistant, Amanda Paukovitz, to the position of Assistant Secretary to the Board of Commissioners. He believes Amanda possesses the skills and integrity necessary to perform the work and is our best candidate.

Also, Mr. Cornett asked the Board to consider withdrawing all of Ella's banking privileges and reassign check signing privileges to WCSA Chief Engineer, Doug Canody. He believes Doug possesses sufficient knowledge of WCSA finances to sign checks and is the best candidate.

Mr. Stephon made a motion to accept Mr. Cornett's recommendations. Mr. Stephon's motion was seconded by Mr. Blaylock. The motion was approved by a unanimous vote.

Mr. Cornett moved on to discuss the possibility of WCSA Merging with BVU or Becoming a Department of Washington County Government. He shared the following:

"As I think most of you know, about a year ago, BVU contacted WCSA to discuss the topic of WCSA and BVU merging into one Regional Authority. That inquiry resulted in representatives from four entities (WCSA, BVU, City of Bristol and Washington County) meeting to discuss the subject further. I think it is fair to say that the sense of this meeting was that a study would be needed to properly evaluate whether this is a good idea or not. More, it was said that a study would be most appropriate following the execution of a new agreement between WCSA and BVU.

Earlier this month I wrote to you reporting that Washington County has added to its Comprehensive Plan two items of note: 1) is the feasibility/desirability of merging WCSA and BVU and 2) is the feasibility/desirability of transitioning WCSA from a political subdivision of the County to a department of the County. In my letter to you I advocated writing a letter to Washington County stating that if done properly, WCSA would support either or both of these studies. The reason I advocated the letter supporting the study is because I do not believe any of the entities mentioned (WCSA, BVU, the City of Bristol or Washington County) are in a position to say whether or not either of these ideas are "good" or "bad" for their respective constituents without a study being undertaken by a competent firm. Because many of you were trying to make contact with the Board of Supervisors to learn more, I decided not to send the letter.



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Nevertheless, there appears to be a lot of interest in examining whether or not WCSA and BVU should merge or whether we should become a department of the County or whether we should remain a political subdivision of the County.

For these reasons, I bring this subject to your attention tonight. I thought you would want to discuss this matter among yourselves. Respectfully, I would advocate drafting correspondence stating our position on either or both of these subjects. While the decision is yours, I believe we should show support for an open, objective and transparent study of either or both of these matters. More, the communication ought to advocate that there be participation and representation from all entities involved in the process beginning with the drafting of a request for statement of qualifications from qualified firms all the way through the completion of the report. With that, I would welcome and solicit any thoughts you may have on the matter."

Mr. Cornett explained that the reason he had not sent out a letter yet is because he knows the Board may be exposed to different understandings of the study and he wanted the Board to have the opportunity to discuss the letter. The Planning Commission requires hearings to adopt the Comprehensive Plan; the first hearing for the Board of Supervisors is tonight. Mr. Chase shared that he thought the Board definitely needed to contact the Board of Supervisors to let them

know we are aware so we can be a part of considering the options. Mr. Cornett shared that Mr. Stephon was with him when he learned of the potential addition of the study to the plan for the first time. It is his understanding that up until this point, there has not been much interest by the County to pursue the study. The concept of WCSA becoming a subject of the County has not been discussed for years now. Mr. Chase asked if the concept had been part of the Board of Supervisor's Long Range Plan. Mr. Cornett explained that he took a look at that plan and the plan was adopted in 2002, and both of these matters are additions to the Comprehensive Plan. He has not found anything to lead him to believe otherwise. However, from Mr. Cornett's understanding, WCSA has been of interest to the county for some time now.

Mr. Lawson agreed with Mr. Cornett; this is something that needs to be studied by an outside source. Mr. Cornett shared that what really had caught him off guard is that they really had not been informed; apparently, the concept had been suggested for addition back in August. He is unsure the WCSA Board would have known about the Public Hearing tonight had he and Mr. Stephon not run into Mr. Taylor of the Board of Supervisors. Mr. Chase asked if Mr. Cornett could obtain a copy of the Public Hearing, to which Mr. Cornett said he probably could. The information will probably be released on their website in the form of meeting minutes but in the meantime, Mr. Cornett claimed we can request a copy.

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Mr. Stout inquired about who suggested this amendment. Mr. Cornett responded that there is a Joint Land-Use Committee that has proposed the amendment changes to the Comprehensive Plan. The committee consists of two Board of Supervisor members and two Planning Commission members; they have advocated this being a part of the Comprehensive Plan. Discussion erupted amongst the Board; many members suggested that we not keep private our feelings of the matter. Mr. Cornett went on to reiterate that WCSA is self-sufficient, self-funded, and that can be very appealing. However, if the Board of Supervisors were to move forward with making WCSA a subject of the County, they could change their appointments if they are not being supported. However, they would be required to release a referendum and the citizens of the County would have to vote on whether or not they want the County to assume WCSA's debt. The same situation goes for the potential merger of WCSA and BVU; the County would have to run a series of public hearings. Overall, Mr. Cornett explained that this could be a pretty lengthy process. Mr. Cornett stated that at the end of the day, he thinks both parties should be agreeable to a study performed in the best interest of both parties. Mr. Lawson agreed; the study would surely answer a lot of questions about the possibility. Mr. Cornett explained that there are a few things considered by studies, such as that which has been discussed: 1) representation, 2) assets & liabilities, and 3) what the numbers mean for both groups in the

long run. The final analysis looks for an opportunity of stability. The previously mentioned factors analyzed in a study should ultimately determine whether or not these arrangements happen. There are many details the study would consider.

The Board recommended that Mr. Cornett send a letter to the Board of Supervisors stating the position of WCSA, incorporating some of Mr. Chase's suggestions, such as the importance of transparency in the study for both parties.

**18. Adjourn or Recess**

Mr. Stephon made a motion to adjourn the meeting. Mr. Stephon's motion was seconded by Mr. Stout. The motion passed 6-0-1. The Board adjourned at 8:41 p.m.

  
Mr. Gerald Cole, Chairman

  
Amanda Paukovitz, Assistant Secretary