

**Washington County Service Authority Board of Commissioners
November 26, 2007 Regular Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:00 PM.

ROLL CALL

Commissioners Present:

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

Staff Present:

Robbie Cornett, Interim General Manager
Kim Roberts, Controller
Doug Canody, Chief Engineer
Ella Ratcliffe, Information Systems Manager
Rick Clevenger, Water Treatment Plant Manager

Consultants Present:

Randall Hancock, PE, Draper Aden Associates
Matthew Lane, PE, Lane Engineering
Kevin Heath, PE, Adams-Heath Engineering

Also Present:

Mr. Mark Lawson, General Counsel
Caitlin Sullivan, Washington County News
WCSA Employees

3. Public Query and Comments

Mr. Mike White from 524 Nicholas Street addressed the Board stating that he and some other residents in the area have experienced low water pressure for a long period of time. Mr. White stated that he was told that a local development at 515 Nicholas Street had planned on expanding their development and the residents in the area were concerned that this would cause additional problems for them. He

stated that their water pressure now was slim to none and at certain times of the day they are completely out of water. He stated that six or seven years ago a six inch line had been installed from the interstate to the Trigg Street intersection but it did not increase the pressure going up the hill. He said that he felt that they were still on an old two inch line. They were hoping they could seek some relief to these problems. He presented a map to the Board showing the area. Mr. Cole stated that they would take a look at the situation and hoped they could find some answers to rectify the problem. He stated that WCSA installed a pressure gauge approximately four weeks ago on Mr. Ray Lutzo's water at 516 Nicholas Street. Mr. White stated that he did not know if WCSA had this information available to determine the pressure amounts. Mr. Cornett stated that they would take a look at these readings before he could say anything concerning this matter. Mr. Cole stated that we would have someone look at this and get back in touch with him.

Mr. Walter McNew from 27158 Rich Valley Road addressed the Board concerning the status of the proposed water project for his area. He had been working for two years to get some information on whether they may be getting water for these residents that do not have water due to their wells drying up and contamination. Mr. Cornett requested that Mr. Canody update Mr. McNew and the Board on the progress of this project. Mr. Canody presented the Board with a letter from the Virginia Health Department dated November 7th, 2007 that

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stated that they were making an offer of funding for the Rich Valley Road/Maiden Creek Road water project. He said they had offer \$1,035,936.00 at a maximum interest rate of 3.05 percent. He said this compared favorably from other loans that we had received in the past. He also stated that the interest rate could possibly fall as low as 2.75 percent depending on the bond interest rates at the time of closing. He said that they had applied for a total of 3 projects but this was the only one that we had received any type of funding on. He stated that we must respond to the Virginia Health Department before December 14th with the Board's decision if they would like to accept the funding and proceed with the project. Mr. Cornett stated that he and the WCSA staff had reviewed the offer for funding and it did fit in with the amount that had been anticipated for our budget. Mr. Cornett requested that the Board approve the funding from the Virginia Department of Health. Mr. Reynolds questioned whether we would have any problems getting easements for this project. Mr. McNew stated that he felt that everyone would be cooperative and everyone had agreed that they did want a meter installed. Mr. Reynolds also requested that if we did have a problem that they would request his help in obtaining them. Mr. McNew also questioned how long it may take for the beginning of the project. Mr. Cornett stated that they could actually have the project ready for advertisement and bids and have the drafting of plans and approvals ready hopefully around a twelve month period of time. He also stated

that the project itself could take around eighteen to nineteen months before completion. Mr. McNew was concerned on the time limitation because they had many residents that were sick in the area and needed water desperately. A motion was made by Mr. Reynolds that we accept the offer of funding presented. Mr. Reynolds motion was seconded by Mr. Stout and passed by a unanimous vote of the Board.

4. Approval of Agenda

Mr. Cornett stated that he had no changes to the agenda. A motion was made by Mr. Chase to approve the agenda. Mr. Chase's motion was seconded by Mr. Rector and approved by a unanimous vote.

5. Consent Agenda

- Minutes from October 1 and October 22, 2007
- Routine Reports
- Financial Statements for September and October 2007
- Check Register ending 10/31/07

Items removed from Consent Agenda

None

Mr. Rector made a motion to approve the Consent Agenda. Mr. Rector's motion was seconded by Mr. Stephon. The motion was approved by a 7-0-0 vote.

6. Engineer's Report and Update

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

Sewer O & M Analysis

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Mr. Hancock reported that they were continuing to support the staff on the negotiations with the agreement that had been proposed with the Town of Abingdon and the City of Bristol.

Seven Springs Secondary Supply

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

Glove Drive Waterline Improvements

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

Route 58 Water Storage Facilities

Mr. Hancock reported that he received some additional photographic survey information and he had revised the preliminary grading plans and presented those to Mr. Cornett. He said that they hoped to continue to work on the access road agreement with Boring Contractors.

Route 58/Watauga Road Waterline Improvements

Mr. Hancock reported that had received all the items from the Health Department and their also had been some problems with easement acquisitions that he had discussed with Mr. Sutherland prior to

the meeting. He hoped that this could be advertised within the next week.

Southern Rivers Watershed Enhancement Program

Mr. Hancock reported that they hoped to have some good news on the planning grant soon.

Mr. Matthew Lane with Lane Engineering reported on the following projects:

Lime Hill/Walker Mountain Road Project

Mr. Lane reported that they continued to work with WCSA staff on easement issues. He said that all of the easements had been acquired and all property had been verbally acquired. He hoped that they could come to the meeting tonight asking to advertise the project but one of the residents on Walker's Mountain Road that had agreed to sell them the property to install a tank vault had declined at the last minute. He stated that they had identified another property owner that was willing to agree to their proposal. He stated that they had surveyed the site and prepared the plat and this was being sent to WCSA counsel so they can prepare the deed. He hoped to have everything in a week or two.

Mr. Kevin Heath reported on the following projects:

White's Mill Road

Mr. Heath stated that they had continued to work with the WCSA staff on a potential alternative for the tank site for this project. He stated that they had prepared some different configurations to be considered. He stated that once the

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tank site had been approved they would proceed on forwarding the plans to the Department of Health.

Orchard Hill Road

Mr. Heath stated that they had received staff comments and they had made some revisions and they had been returned to the Authority staff and hope to start the easement acquisitions. They hoped to be able advertise soon for construction bids.

7. General Manager's Report and Update

Mr. Cornett reported on the following:

Significant Field Work

- 41 leaks were repaired
- 22 breaks were repaired
- 27 water taps made
- 1 wastewater tap made
- 55 after hours maintenance call-outs
- 151 customers were telephoned following unusually high usage
- 160 customers were notified that their water was to be turned off
- \$10,087.40 was abated for 85 customers with water leaks

Construction in Progress

- Green Valley Poultry Waterline and Fire Hydrant- The contractor is preparing to begin work on this project and should be finished by the end of December.
- Caustic Tank Removal at WTP- It appears this work has been completed. We are waiting on results of soil analysis to determine if further action is necessary on that front. We do not anticipate any further work to be required.

Projects in Design or Pre-Construction Phase

- Raw Water Intake and Treatment Plant Expansion- On November 14th 2007 the procurement

committee met to review and evaluate the statement of qualifications submitted by interested Engineering firms. As a result of this meeting, four of the seven teams/firms that submitted a SOQ were chosen for interview. The teams/firms selected for interview are, The Lane Group/Olver, Maxim Engineering/Jordan, Jones and Goulding, Draper Aden/CH2M Hill and Smith Seckman Reid, Inc. The interviews are scheduled for December 4th, and 6th, 2007. The committee feels that each of the four firms chosen for interview is qualified and have a legitimate opportunity to manage this project and its challenges. We anticipate making a recommendation to the Board at the next regular meeting December 17th on which firm to begin negotiations with.

- Walker Mountain/Lime Hill Road- WCSA has successfully acquired all but two pump stations and the two hydropneumatic tank properties. We have met with the landowners and feel these acquisitions are favorable. Land surveying and deed preparation is complete. We anticipate asking the Board to consider advertising the project for bid at our next meeting.
- Chestnut Mountain Road- WCSA has written letters to all agencies involved in the environmental review process. We have responses from all of the agencies except for DCR and we also have some specific questions from DGIF which we need to address. We plan to speak with DGIF and DCR this week. We also plan to request a categorical exclusion to the preparation of an environmental assessment. Construction plans, specifications and design notes are

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75% complete. We are having continuing discussions on locations where we propose the line to be located within the VDOT right of way. We need to discuss priorities for acquiring needed easements. Green Valley Poultry Waterline and Fire Hydrant- WCSA is preparing minimal plans for this project and is on our schedule to follow Chestnut Mountain Road.

- Mendota Road (Phase 1)- WCSA has written letters to all agencies involved in the environmental assessment; however, the project is of such a scope that a categorical exclusion will not be acceptable. We have responses from all of the agencies except for DCR and DGIF. Should talk to both agencies this week. The plans, specifications and design notes are 50% complete. We are having continuing discussions on locations where we propose the line to be located within the VDOT right of way. WCSA needs to discuss priorities for acquiring easements.
- Denton Valley Road- WCSA has written letters to all agencies involved in the environmental review process. We have not received comments from DCR but plan to speak with them this week. The plans, specifications and design notes are 75% complete. We are having continuing discussions on locations where we propose the line to be located within the VDOT right of way. WCSA needs to discuss priorities for acquiring needed easements. We plan to request a categorical exclusion to the preparation of an environmental assessment.
- Tumbling Creek Road- WCSA has written letters to all agencies involved in the environmental review process. We have not

received comments from DCR but plan to speak with them this week. The plans, specifications and design notes are 75% complete. We are having continuing discussions on locations where we propose the line to be located within the VDOT right of way. WCSA needs to discuss priorities for acquiring needed easements. We plan to request a categorical exclusion to the preparation environmental assessment.

- Fire Hydrant in Westwood – We are assessing hydraulic characteristics of our system to insure hydrants at particular locations will not be a problem. We anticipate a letter in December or January to residents proposing some means of cooperative funding.
- Unfunded Line Extension Projects
 - Rich Valley and Maiden Creek Roads/Red Fox Lane/Mendota Road Phase II- WCSA has received an offer of funding for Rich Valley Road/Maiden Creek. WCSA has not yet received written correspondence regarding funding for Red Fox Lane and Mendota Road Phase II.
- Administrative Items
 - Mr. Cornett commended Kimberly Roberts on successfully passing the third part of a four part CPA licensure examination.

8. Source Water Supply Update

Mr. Cornett addressed the Board on the status of the source water supply. He stated that there had been a lot of conversation around the Commonwealth of Virginia and the Southeast in regards to the state of municipal and private water

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supplies around the state. He stated that in the Board update he had provided a copy of Governor Kaine's and BVU's call for voluntary water conservation measures. He said that a lot of the state had issued mandatory water measures based on the nature of their sources being used. He said that WCSA does currently have an Emergency conservation policy and a copy of this policy had been provided to the Board. He stated that to implement this policy it would require Board action. He also said based on the past calendar year that WCSA had on average used about 75% of the capacity that we have available to us. He said this was based on 10 months worth of data and was averaged over a period of time. He said that during the time of May and August that they were around the 80% mark in capacity. He said that since Governor Kaine and BVU were requesting that their customers do a voluntary conservation policy, he felt that we should implement the same policy. He said that if the weather pattern continues and water supplies are not replenished we may have to consider some type of mandatory conservation. He presented a press release that had been drafted for release tomorrow if the Board passed the Voluntary Conservation policy. He said that a list of water conservation tips had been prepared for the customers to use to help with implementing this policy. These tips had also been placed on our web site for review. A motion was made by Mr. Chase to implement the Voluntary water conservation measures presented by Mr. Cornett. Mr. Rector questioned how this

policy would impact the revenue to the Authority. Mr. Cornett stated that it would depend upon how attentive our customers are. He felt that we would not see much or any decrease in revenue by implementing the policy. Mr. Chase's motion was seconded by Mr. Stout. The vote was passed by a 6-0-1 with Mr. Rector abstaining the vote.

9. Consideration of Employee Holiday Gift and Lunch

Mr. Cornett provided information to the Board on WCSA past practices with regards to a Holiday gift and lunch for WCSA employees. He said that the update did speak for itself so he would not review the total update to them. He said that he would answer any questions regarding this matter. He said that WCSA had done well overall financially in the compensation projections due to some staffing positions that were not filled. He stated that our electricity expenditure is better than expected since Appalachian Electric Power's rate increase was denied. He said that our revenues were up due to the drought and more people using water. He felt like overall that we were doing very well financially. A motion was made by Mr. Stout that they approve the same amount of the Holiday gift and lunch that was given to the employees in the previous year. Mr. Stout's motion was seconded by Mr. Rector and passed by a unanimous vote. Mr. Cole gave his appreciation to everyone's hard work for the year.

10. Closed Meeting, Personnel and Investment of Public Funds

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and Acquisition and Disposition of Property

Mr. Stephon moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711 Paragraph A (1): Personnel: Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specified public officers, appointees, or employees of any public body; and evaluation of the performance of departments where such evaluation of performance of departments necessarily involve discussed specific individuals; and Code of Virginia Section 2.2-3711 Paragraph A (6): Investment of Public Funds, Discussion or Consideration of the investment of public funds where competition or bargaining is involved where if made public initially the financial interest of the governmental unit could be adversely affected and Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property; the discussion or consideration of the acquisition of real property for public purposes, or of the disposition of publicly held property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

In addition to the Board, the presence of Mr. Mark Lawson, WCSA Counsel, Mr. Robbie Cornett, WCSA Interim General Manager and Mr. Glen McManus are requested. The motion by Mr. Chase was

seconded by Mr. Stout. The motion passed (7-0-0). The Board adjourned to Closed meeting at 7:35 p.m.

Return to Public Session

Upon motion by Mr. Stephon and second by Mr. Rector, the Board returned to Public Session at 09:34 p.m.

Certification of Closed Meeting

Whereas, the Washington County Service Authority has convened to a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia law; Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority. The motion passed 7-0-0.

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

NAY: none

Absent: none

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11. Late Items

Mr. Chase moved that the Board amend the employment contract with Mr. Glen McManus, as the WCSA General Manager by executing a first amended employment agreement. This amendment will change the effective date until February 4th, 2008 and also change slightly the severance pay pursuant to the draft of amendment prepared by the Authority's counsel. Mr. Chase's motion was seconded by Mr. Blaylock and passed by a unanimous vote.

Mr. Rector made a motion that the Board authorize a 10% performance bonus for Mr. Robbie Cornett. Mr. Rector's motion was seconded by Mr. Stephon and passed by a unanimous vote.

Mr. Mark Lawson stated that Mr. Cole had failed to agree with the Return to Public Session. Mr. Cole stated the he did agree to the Return to Public Session.

12. Adjournment

Mr. Rector made a motion to adjourn. Mr. Stephon seconded. The motion passed 7-0-0. The Board adjourned at 09:30 p.m.

Mr. Gerald Cole, Chairman

Ella Ratcliffe, Assistant Secretary