

Washington County Service Authority Board of Commissioners
November 27, 2017 Regular Meeting Minutes

The Regular Meeting of the Washington County Service Authority Board of Commissioners, held in the E. W. Potts, Jr. Board Room located at 25122 Regal Drive, Abingdon, Virginia, was called to order by the Vice Chairman at 6:00 pm.

ROLL CALL

Commissioners Present:

Mr. Jim McCall, Vice Chairman
Mr. Mr. Wayne Campbell
Mr. Eddie Copenhaver
Mr. Dwain Miller
Mr. Vernon Smith (arrived at 8:02 pm)
Mr. Kenneth Taylor

Commissioners Absent:

Mr. Mike White, Chairman

WCSA Officers Present:

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

General Counsel Present:

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

Consultants Present:

Kevin Heath, PE; The Lane Group, Inc.
Bill King, PE; Thompson & Litton, Inc.

WCSA Staff Present:

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

3. Approval of the Agenda

Mr. Taylor motioned to approve the Agenda, Mr. Campbell seconded and the Board approved with a 6-0-0-1 vote.

4. Public Query and Comment

There was no public query or comment.

5. Approval of the Consent Agenda

A. Approval of Minutes:

- October 20, 2017 Dispute Committee Meeting Minutes
- October 23, 2017 Regular Meeting Minutes
- October 26, 2017 ESCO/Meter Replacement Committee Meeting Minutes

B. Routine Reports: October 2017

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

C. Financial Reports: October 2017

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

D. Consideration of Change Order No. 1 for the Exit 13 Phase 3 Sewer Project - *Hurt & Proffitt*

E. Consideration of Task Order #2017-6 to the General Engineering Services Agreement between WCSA and The Lane Group - *The Lane Group*

F. Consideration of By-Laws Update - *Mr. Dene*

Mr. Miller asked that Agenda Item 5F be pulled for discussion as a late item.

Mr. Miller motioned to approve the Amended Agenda excluding item 5F. Mr. Campbell seconded and the Board approved voting 6-0-0-1.

6. Legal Counsel Report and Update - *Mr. Dene*

In response to a previous Commissioner request, Mr. Dene offered to hold COIA and FOIA Board training. The Board

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agreed to schedule the training at 4:30 pm on February 26, 2018.

7. Operations Manager's Report and Update – Mr. Cheek

An outline of the Operations Report and Update reviewed by Mr. Cheek is attached.

8. General Manager's Report & Update – Mr. Cornett

An outline of Mr. Cornett's presentation is attached.

As requested by Mr. Copenhaver during the October meeting, Mr. Cornett asked HomeServe to consider a water loss reimbursement offer. HomeServe presented the below offer.

- Formula: Difference between High Bill and Bill 12 Months Previous to Leak (Water Only; no Sewer).
- Cost: Service Line Protection Plan Would Increase \$1.00 From \$4.49 to \$5.49.
- Options: \$4.49 for Service Line Protection or \$5.49 for Service Line Protection plus Water Loss Reimbursement if asked the Board to consider authorizing staff to Procure for Bond Counsel.

After discussions, the Board agreed to request HomeServe produce customer mailing information regarding the above option for Board review and approval.

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

Mr. Kiser reviewed the attached presentation.

Upon receiving a request from the Board of Supervisors for a line extension, Mr. Kiser asked the Board's permission to solicit for User Agreements for Friendship Road.

Mr. Miller motioned to approve the solicitation of User Agreements on Friendship Road. Mr. Campbell seconded and the Board approved with a unanimous vote of 6-0-0-1.

**10. Engineer's Report and Update
The Lane Group – Mr. Kevin Heath**

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

Hurt & Proffitt – Mr. Ryan Kiser

- Exit 13 Phase 3 Sewer Design

Thompson & Litton – Mr. Bill King

- Lee Highway Corridor Sewer Project – Phase 1

11. Consideration of a Bonus and Luncheon for WCSA Employees – Mr. Cornett

During Board discussions, Mr. Copenhaver suggested "giving the rate payers a bonus...by knocking \$10.00 off everyone's water bill" instead of providing an employee bonus.

Concluding Board discussions, Mr. Taylor motioned to approve the employee Christmas bonus and luncheon as presented. Mr. Campbell seconded the motion and the Board approved voting 5-1-0-1. Mr. Copenhaver was opposed.

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12. Closed Meeting – 8:43 pm

Mr. Campbell moved that the Board adjourn for Closed Meeting in accordance with the Virginia Freedom of Information Act,

Code of Virginia Section 2.2-3711 Paragraph (A) (3); Acquisition of Real Property

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

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

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

Mr. Miller seconded and the Board approved voting 6-0-0-1.

Return to Open Meeting – 8:21 pm

Mr. Campbell motioned to return to Public Session. Mr. Taylor seconded and the Board approved with a 6-0-0-1 vote.

Mr. Campbell then 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;

And Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting

requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority.

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

19. Late Items


Agenda Item 5F: Consideration of By-Laws Update – Mr. Dene









After Board discussions concluded for Agenda Item 5F, Mr. Campbell motioned to accept the proposed By-Laws amendments with the following edits: 1) Article II, Section 6, include the word "Board" after "the" on the third line and 2) Article II, Section 8 to read: "All meetings of the Board may begin with the pledge of allegiance...." Mr. Taylor seconded and the Board approved voting 6-0-0-1.

20. Adjourn – 9:23 pm

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


Mr. Jim McCall, Vice Chairman


Carol Ann Shaffer, Assistant Secretary

- 1  **November 2017 Operational Update**
November 27, 2017
- 2  **Discussion Items**
 - ▶ People
 - ▶ Safety
 - ▶ Department Highlights
 - ▶ No Financials pending final numbers
 - ▶ Forward Looking Statement
- 3  **People**
 - ▶ Posted both Internally and Externally (Bristol Paper and Web Site) for Maintenance Planner/Crew Member
 - Internal Candidate (Randall Mitchell) Selected for Maintenance Planner
 - Currently Interviewing to Backfill Randall's Position as Crew Member
- 4  **Safety**
 - ▶ Focus on Work Area Awareness & Safety. *Hand Safety*
- 5  **2017 Oct Water Production Highlights**
 - ▶ SFI & MFDWP Issue Resolution
 - Raw Water Feed to the Plant
 - Running Potable water to Energy Recovery Building to provide water to cool hydro turbine seals and to power the Cla-Valve. -Complete
 - CR Underwood working with Cla-Val, Performing much better, still need to provide PID loop control to raw water pumps
 - ▶ System Operation
 - Water Quality
 - Brumley Gap Area, Systematic Approach – Definite Improvement
 - Hidden Valley DBP – Exploratory Well Approved, Site Selected, Working with Out of State Landowner
 - Water Production
 - MFDWP Finished Water Production down about 5% to 4.6 MGD, due to many accomplishments, but leak repair from TV major contributor. Additional Work in Progress – Anticipating Conducting Another AWWA Water Audit within the next 60 days to confirm System Improvements
- 6  **2017 Oct Water Production Pre Valve Modification**
- 7  **2017 Oct Water Production Post Valve Modification**
- 8  **2017 Oct Wastewater Process Highlights**
 - ▶ I&I
 - Team Approach with Maintenance
 - Prioritized and Categorized I&I Issues
 - Working on Customer Notifications for Smoke Testing
 - ▶ Operational
 - Hall Creek Internal Plant SCADA
 - Headworks Issues, in process of correcting

- Collection System SCADA
- ▶ Capital
 - Scoping Equipment needs for Hall Creek Headworks
 - Plan is to utilize RFP Process
 - Pumps Installed – Move to Higher Priority
 - Scoping Process to Retrofit Damascus Plant to extend useful life

9 **2017 Oct Distribution Highlights**

- ▶ Providing Technical Support to SFI and MFDWP Issues
- ▶ Executing PSV/PRV Preventive Maintenance Program
 - Establishing Baseline for each PRV, Hydraulic Grade lines
- ▶ Continued with Customer Education & Inspections of Cross Connections and Back Flow Prevention
- ▶ Recall we are systematically approaching water losses, Non Revenue Water, NRW
 - Drew Circle around the MFDWP to mass balance
 - Found Imbalance from Taylor's Valley Spring water to what was being supplied to the MFDWP
 - Located Leaks which then increased the spring line pressure and created more leaks. Valve issue with maintaining consistent hydraulic grade line.
 - Replaced 8" Flowmeter & Wiring, Now Balance works
 - While still completing work in Damascus, shifting focus to Glade Spring Area
- ▶ Scheduling AWWA Water Audit in Near Future

10 **2017 Oct Metering Highlights**

- ▶ Meter Replacement, Very Large Project
 - Then start on RFP
- ▶ This is critical in determining WCSA's cash flow basis. We do not want this project to warrant a rate increase, but need facts to make this determination.









11 **2017 Oct Water Maintenance Highlights**

- ▶ System Improvements
 - ~~Roses & Food City Fire System Isolation Valves~~
 - ~~Potable Water at MFDWP Energy Recovery Building~~
 - ~~Jumping Over on Wallace Pike (80%, 1 mile) & Old Saltworks (70%, 1 Mile from Hillman to Walden Rd) to eliminate dual lines~~
 - Next is Pocahontas towards Ramblewood
- ▶ Routine Activities
 - Leaks – 28 (2015 Avg. 30)
 - Main Line Breaks – 6 (2015 Avg. 6)
 - After Hours Responses – 16 (2015 Avg. 38)
 - *After Hours Responses a Target Area for Improvement*
- ▶ Costs
 - Preventive Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations
 - Fire Hydrants

12 **Year to Date we are Tracking Under Budget**

13  **Forward Looking Statement**

- ▶ Customer Relationships
 - Fire Departments
 - Hydrants & Training – Well in Progress
 - Water & Sewer Customers
 - More Customer Engagement at Time of Contact
 - Door Hangers
- ▶ Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests
 - Brumley Tank water turnover improvements
 - Hidden Valley DBP
- ▶ Costs
 - Production Costs (Water Loss and I&I)
 - Continue to work with all Departments to reduce Non Revenue Activities (NRA)
 - Hydrants as a Device to “Stress Test” our Water Delivery System to identify Problems Early
 - Construct Hydraulic Grade lines in our GIS to aid in Troubleshooting and Early Detection
 - Work with Engineering/Operations on How to Work Together to Obtain the Most Value in our Construction Projects

- 1  **General Manager's Report and Update**
November 27, 2017
- 2  **Introduction**
 - ▶ Financials
 - ▶ Customer Service
 - ▶ Accounting
 - ▶ Notable Items
 - ▶ Looking Ahead
- 3  **Financials: Water Revenue**
- 4  **Financials: Wastewater Revenue**
- 5  **Financials: Water Expenses**
- 6  **Customer Service**
 - ▶ Highlands Union Bank - Remit Plus
 - Two Months in; Stable Results
 - ▶ HomeServe
 - Repair Cost Table
 - Water Loss Reimbursement Offer:
 - Formula: Difference Between High Bill and Bill 12 Months Previous to Leak (Water Only; no Sewer).
 - Cost: Service Line Protection Plan Would Increase \$1.00 From \$4.49 to \$5.49.
 - Options: \$4.49 for Service Line Protection or \$5.49 for Service Line Protection + Water Loss Reimbursement.
- 7  **Top 10 Customers**
 1. Southwest Virginia Regional Jail...@ 85,000/day
 2. Johnston Memorial Hospital.....@ 83,000/day
 3. Universal Fibers.....@ 80,000/day
 4. Emory & Henry College.....@ 78,000/day
 5. Bristol Compressors.....@ 72,000/day
 6. Mid Mountain Foods.....@ 66,000/day
 7. Washington County Schools.....@ 42,452/day
 8. AFG Industries.....@ 22,000/day
 9. Wolf Hills Industry.....@ 17,000/day
 - 10.Greenfield Mobile Home.....@ 15,000/day
- 8  **Accounting**
 - ▶ FYE 2017 Audit Finalization
 - Good Audit; No Qualifications
 - November 10th, Audit Reviewed With Mr. Campbell
 - December 18, 2017 Board Presentation
 - ▶ Fringe Benefit Audit
 - Working With Vendor to Address Pants and Coveralls
 - ▶ Compensation & Benefit Study
 - Prepared and Issued Request for Proposals

- Shortlist, Interviews and Negotiations to Follow
- ▶ Reserve Investment
- Continue to Research Best Option for WCSA

9  **MCA Transition**

- ▶ Expect 90-Days (December 30th) for Things to Stabilize
- ▶ Department Managers are Listening to and Asking Employees how Things are Going
- ▶ Few Bugs That are Being Worked out
- ▶ Overall Pretty Good

10  **Connection Fee Inquiry**

- ▶ Kenneth Nurre Inquiry
- ▶ Background on \$1628 Residential Connection Fee
 - Preliminarily Adopted April 10, 2014
 - Finally Adopted May 5, 2014 (Effective May 6th)
 - Customers (7) Between April 11 and May 6 Were Assessed the \$1628 Rather Than Current \$4560
 - Consideration for Those who Paid More Than \$1628
 - Connection Fees Were Greater Than \$1628 for Six Years?
 - What About Nonresidential Connection Fees?

11  **Looking Ahead**

- ▶ December 18th Meeting
 - Third Monday
- ▶ Water Quality
- ▶ Water Withdrawal Permit
- ▶ Lee Highway Corridor Sewer Project
- ▶ Meter Replacement
- ▶ Comp. & Benefit Study



Inside Engineering Projects

Ritchie Road Water Line Project-

- Notice to Proceed was issued on November 10th.
- Project progressing well. Contractor has installed 2,700 L.F of line to date.



FY 2018 Water Extension Projects

CONSTRUCTION PROJECT SCHEDULE FOR VDH-OFFICE OF DRINKING WATER FINANCIAL AND CONSTRUCTION ASSISTANCE PROGRAMS (FCAP)

Project Name: Ritchie Road Water Line Extension Project VDH Project Number: 2017-052-13
 Prepared By: Shirley Prepared Date: November 13, 2017 Revised Date: _____

ACTION	Responsible Party	Start Date		Completion Date	
		Planned	Actual	Planned	Actual
FUNDING APPLICATION & PROJECT MANAGEMENT					
1. Obtain Governing Body approval for project.	Owner	12/18/16	12/18/16	12/18/16	12/18/16
2. Schedule for No. 1870 and 1870A Preliminary Engineering Conference at VDH-ODW Field Office	Owner	1/16/17	1/16/17	5/16/17	1/16/17
3. Prepare and submit "Application for Construction Fund" and "Construction Project Schedule"	Owner	4/1/17	4/1/17	4/1/17	4/1/17
4. Designate local contact person responsible for project management (i.e. Participant's Project Manager)	Owner	12/18/16	12/18/16	12/18/16	12/18/16
5. Attend Non-competitive Meeting with VDH-FCAP staff	Owner	8/14/17	10/5/17	8/14/17	10/5/17
6. If extended, accept VDH-FCAP initial offer of project funding terms.	Owner			7/26/17	
ENGINEERING					
7a. Prepare Request For Proposal (RFP) for engineering services.	Owner	N/A		Engineering Services to be WCSA Staff	
7b. Advertise for proposals. (Minimum 30 days)	Owner			N/A	
7c. Evaluate proposals and conduct negotiations.	Owner			N/A	
7d. Award contract to top ranked offeror	Owner			N/A	
7e. Submit engineer procurement information to VDH-FCAP Project Office for approval (if you are requesting reimbursement)	Owner			N/A	
7f. Sign contract.	Owner			N/A	
8. Submit "Permit Application - Notification of intent" to VDH Field Office	Owner/Engineer	12/1/17		12/1/17	
9a. Preliminary Engineering Report (PER) - Start Preparation.	Engineer			PER issued by VDH 12/27/2016	
9b. Submit PER to (1) VDH-ODW Field Office for approval and (2) forward a copy to VDH-FCAP Project Engineer. Comments or approval is normally given to applicant by VDH-ODW Field Office within 45 days of receipt. If the VDH-ODW Field Office returns comments, the Project Schedule may need to be adjusted. (Start from 9/20/16, 9/20/16, 9/20/16)	Engineer			N/A	
9c. VDH-ODW Field Office approval of PER.	VDH-ODW FO			N/A	
10a. Prepare Plans and Specifications (P & S).	Engineer	2/9/17	2/9/17		11/8/17
10b. Submit P & S to (1) VDH-ODW Field Office for approval and (2) forward a copy to VDH-FCAP Project Engineer. Comments or approval is normally given to applicant by VDH-ODW Field Office within 45 days of receipt. If the VDH-ODW Field Office returns comments, the Project Schedule may need to be adjusted. (Start from 9/20/16, 9/20/16, 9/20/16)	Engineer			12/1/17	
10c. VDH-ODW Field Office approval of P & S. (Start 8/1/16)	VDH-ODW FO			2/1/16	
11. Review PG 97 and determine type of review applicable for project.				7/25/17	7/25/17
CONSTRUCTION					
Construction can begin prior to loan closing with VDH approval.					
31. Award construction contract	Owner			4/3/18	
32. Construction start date/Issue Notice to Proceed.	Owner			4/23/18	
33. Construction completion date (from construction contract).	Owner/Engineer			11/23/18	



FY 2018 Projects - Schedule

PROJECT	PROPOSED ADVERTISEMENT DATE
Chip Ridge Road	February 11, 2018
Rattle Creek Road	February 25, 2018
Sugar Cove Road	March 15, 2018
Rich Valley Road	May 8, 2018



FY-2018 Water Line Extension Projects

- Rattle Creek – staff has submitted Environmental Assessment to VDH and will have Public Hearing for environmental comments on December 12th.
- Chip Ridge – Plans and Contract Documents have been sent to VDH for review and approval.
- Rich Valley Road – Staff will have Public Hearing for environmental comments here at WCSA on Dec. 5th.
- Sugar Cove Road – Staff has requested the Categorical Exclusion from VDH. Task Order is being reviewed by the Board for TLG to assist with hydraulics.



FY-2018 Water Line Extension Projects

- Hidden Valley Phase 2 – Staff continues to work with property owner for proposed well site.
- Working with Mount Rogers Planning District on Pre-Contract Items for the DHCD Grant.



Potential New Water Line Extensions

Mendota and Mary's Chapel Road

- No new developments on these projects.

Friendship Road – received a request from Board of Supervisor for a line extension. Preliminary studies indicate that project area for line extension has about 18 residential homes. Currently working with TLG on the hydraulics. WCSA would like your permission to solicit for User Agreements for Friendship Road and will begin working with project champion.

