

**Washington County Service Authority Board of Commissioners
December 15, 2014 Regular Meeting Minutes**

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

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mike White

Commissioners Absent:

Mr. Devere Hutchinson
Mr. Frank Stephon, IV

WCSA Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
April Helbert, Engineering Manager
Mark Osborne, Distribution Manager
Don Cole, Waste Treatment Plant Manager
Bobby Gobble, Assistant Maintenance Manager
Kenneth Perrigan, Meter Manager
Carol Ann Shaffer, Administrative Assistant

Consultants Present:

Dennis Amos; Anderson and Associates, Inc.
Kevin Heath; Adams-Heath Engineering
Matthew Lane, PE; The Lane Group, Inc.
Bill Skeen; Maxim Engineering

Also Present:

Mrs. Dawn Figueiras; General Counsel

3. Approval of the Agenda

Mr. Cornett had no changes to the agenda. Mr. Miller moved to approve the Agenda. Mr. Hutchinson seconded and the Board approved with a 5-0-0-2 vote.

4. Public Query and Comment

There was no public query or comment.

5. Approval of the Consent Agenda

- Minutes: November 24, 2014 Regular Meeting Minutes
- Routine Reports: November 2014
- Balance Sheet: November 2014
- Income Statement: November 2014
- Check Register: November 2014
- General Manager Financial Report: November 2014

Mr. Nelson motioned to approve the Consent Agenda. The motion was seconded by Mr. McCall and approved by a 5-0-0-2 Board vote.

6. Engineer's Report and Update

Mr. Bill Skeen of Maxim Engineering

• Tumbling Creek South & North Fork River Road Water Projects

Mr. Skeen reported this project to be complete. Mr. Turley's request last month for the line to be extended will be discussed later tonight as an Agenda Item.

• Larwood Acres / Exit 1 Wastewater Feasibility Study

According to Mr. Skeen, Rural Development is very interested in funding this project. Rural Development asked for alternatives, specifically pressure sewers, and Mr. Skeen is working to address their request.

Mr. Bill Skeen of Maxim Engineering

• Tumbling Creek South & North Fork River Road Water Projects

Mr. Skeen reported that both projects were complete and in service. A total of six new water customers were added with two more customers pending.

• Larwood Acres / Exit 1 Wastewater Feasibility Study

According to Mr. Skeen, Rural Development is very interested in

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funding this project. Mr. Skeen is working to revise the Study to include Rural Developments requirements. Mr. Skeen will meet with WCSA staff in January and present the final Study.

Mr. Kevin Heath of Adams-Heath Engineering (AHE):

- **Route 58 Water Supply Improvements Project**

The tank site purchase option has been secured. Mr. Heath and team are working to complete the geotechnical investigations and boundary survey of the tank site.

- **Abingdon Water Storage Improvements Study**

The PER was submitted to the Health Department and review comments have been received. AHE is working on responding to those comments.

- **Smyth Chapel Area Water Improvements Study**

Mr. Heath is working to address WCSA staff review comments on the PER and will then re-submit the PER to the Health Department.

- **Rich Valley Road/Whites Mill Road/ Water Extension Project**

AHE held a construction progress meeting on December 2, 2014. All original project water line has been installed and pressure tested. The BAC-T samples have been collected and AHE is waiting on final test results.

AHE plans to issue the Substantial Completion statement following successful passing of all BAC-T testing. The project punch list and construction of the Change Order waterline extension is complete. The next progress meeting is scheduled for January 7th, reported Mr. Heath.

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

- **Exit 13 Sewer Project PER**

WCSA staff approved the PER Sewer Project at Exit 13.

- **Exit 13 Sewer Project Phases 2A**

Mr. Amos submitted Draft plans to WCSA staff last week for their review and comment.

“You all are doing a good job, thank you very much,” Mr. Taylor said to Mr. Amos.

Mr. Matthew Lane of The Lane Group, Inc. (TLG):

- **12 MGD Water Plant and Raw Water Intake**

Mr. Lane said the energy recover units were tested and that information was sent AEP for evaluation. Judy Construction is completing final punch list items. Mr. Lane plans to submit Change Order No. 12 to the Board in January for consideration.

- **Galvanized Waterline Replacement Project – Phase II**

All divisions of Phase II are working, reported Mr. Lane. Work is progressing well and the contractors are close to schedule. Mr. Lane said he has been pleased with the work completed on Phase II.

- **Galvanized Waterline Replacement Project – Phase III**

Preliminary designs have been submitted for WCSA comments.

- **Hidden Valley Water System Preliminary Engineering Report**

Mr. Lane said this Project was advertised for Bid on November 30th. The Bid Opening is scheduled for January 13th. Bid results will be presented to the Board for consideration at the January 2015 Board Meeting.

- **Mendota Water System Source Improvements**

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Mr. Lane was pleased to report the Contractor is working on the re-chlorination station and final items. The Contractor expects to be complete with the final items by the end of end of 2014.

- **Mill Creek Water System Source Improvements**

Mr. Lane reported the technology tour to be complete. Mr. Lane said he has outlined a very aggressive schedule in the Board Book. The Preliminary Design was sent to WCSA today for review before will meet on December 16th to discuss the Preliminary Design. Chilhowie did approve the Amendment that will be discussed later as an Agenda item.

- **Western Washington County Sewer Study – Beaver Creek Discharge Permit**

Mr. Lane continues to assist WCSA in addressing concerns shared by the City of Bristol. The Public Hearing for the Western Washington County Sewer Study has been continued until January 27th.

7. Water and Waste Construction Projects Update – April Helbert

Mrs. Helbert first reported on the Sutherland Project saying construction on the Sutherland Project is complete. WCSA staff continues to work with the Contractor and funding agency to finalize paperwork.

Mrs. Helbert then discussed the Childress Hollow Project saying this project will be advertised as soon as VDH gives permission to do so. Staff has obtained all necessary easements for Childress Hollow.

The next Project Mrs. Helbert discussed was the North Fork River Road at Tumbling Creek South Project and Haskell Station. She plans to begin

design of this Project once the Childress Hollow Project is out for bid.

Mrs. Helbert then discussed Pine Hill. Saying, there are 26 connections total for the Pine Hill Road Project; 25 residential connections, one non-residential connection. Thus far, nine residents have agreed to service (35%) and nine others have conditionally agreed to service (an additional 35%). Some residents that have agreed conditionally do not meet VHCD guidelines.

Mr. McCall asked what the agreement condition was.

Mrs. Helbert explained residents agreed conditionally meaning the resident receives a “no cost to them” connection. Mount Rogers has obtained 13 of 25 completed income surveys and the LMI status is now at 40%; 16% non-Low to Moderate Income (LMI) residents and 44% of residents have not completed income surveys.

Mr. Cornett asked what the requirements were for LMI.

If you read the funding agency’s documents, it states at least 51% but Mount Rogers would like to see 60% LMI, stated Mrs. Helbert.

Mr. Miller asked if Ms. Schrader was helping with obtain income surveys.

Mrs. Helbert did not know. She said WCSA the last chance letter would be mailed by mid-January and would be due the third or fourth week of January. Mount Rogers is to complete the income surveys by the end of December. Mrs. Helbert will address due dates for both the user agreements and the income surveys in the last chance mailing.

If we proceed with the Project and wish to apply for funding in 2015, we need to present the Project to WCSA’s Board and the Board of Supervisors in February 2015.

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This is because VHCD funding applications are due in March, stated Mr. Cornett.

Mr. Miller asked what the resident response was.

Mrs. Helbert said 8% have not responded to user agreements and 11% of residents have not responded to the income surveys. Mrs. Helbert all the said VDH has talked to everyone in the Project area except one person. Mrs. Helbert said 25 of the 26 residents and the one non-resident in the Project area have been contacted.

The Mendota Road Phase 2 Project was last project Mrs. Helbert discussed.

In the area that was originally evaluated, there are 17 potential connections, she stated. Mrs. Helbert plans to present a cost evaluation to provide service to Mendota Road not currently serviced. The area that was originally called Mendota Road Phase 2 has 17 connections; five agreed to service with one of those five only agreed at the lower connection rate. Mrs. Helbert said she was not getting much response with that Phase 2. Mrs. Helbert suggested submitting only one application a year to VHDC for this Project.

**8. Operations Report and Update –
Dave Cheek**

Mr. Cheek reviewed the following presentation in his Operations Report and Update.

Discussion Items

- Financials (All Excluding Salaries & Benefits, Does Include Over Time)
 - Over Budget Items
- Department Highlights
- Forward Looking Statement

2014 November Performance Against Plan (\$48,300 Under Budget)

The Maintenance, Water Production, Wastewater, Distribution and Metering

Departments were all under budget in November.

Year to Date we are \$135,700 Under Budget

2014 November Waste Production Highlights

- South Fork Intake
 - Continued to Work Through Operational Issues with Level Controls
- Middle Fork Drinking Water Plant
 - Continued to Work Through Operational Issues
 - Numerous Construction Related Items such as Chemical Feed Pumps
 - Met with TLG, CHA & Judy on these issues
 - Plan to Commission Hydro-Turbines in Early December
- Mill Creek Membrane Plant
 - Quiet Month

2014 November Wastewater Process Highlights

- System Operation
 - Both Plants Operating Well Within Control Limits
 - Have Designated Damascus Capital Improvements
 - \$440,000
 - Final Review and Spending Plan
- Inflow and Infiltration
 - Team Approach with Maintenance
 - Focus Areas
 - Oak Park Industrial Park
 - Abingdon Heights Area

2014 November Maintenance Highlights

- Galvanized Phase II Support
 - Bi-Weekly Meetings with TLG to Identify and Correct Issues
 - WCSA RPR's Prospecting, Locating and Auditing Each Division on a Daily Basis

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- Waste Water Inflow and Infiltration
 - Meeting Once per Week with Waste Water Team to align efforts
 - Data Based
 - Starting to Investigate Pipe Lining Technologies
- System Operation
 - Water Leaks 17
 - Wastewater 2
 - Breaks 8

2014 November Distribution Highlights

- Conducted Fire Hydrant Training with Field Demonstrations
 - Town of Abingdon FD
 - Brumley Gap FD
 - Building Relationships with Common Interests
- Developing System to align District Meters with District Billable Metering to identify Water Loss Areas
- Executing PSV/PRV Preventive Maintenance Program
- Worked with the TLG and MFWTP to work out issues with the South Fork intake, raw water line and 18" control valve to improve raw water conveyance from the South Fork intake
- Real Estate Acquisitions/Easements
 - Western Washington Waste Water – Land Option – 100%
 - Mendota: Chlorination Station Easement – 100%
 - Stonegate Project 9 of 18 Easements
 - Galvanized Line Phase 2: 66 of 66 Easements -100%
 - Childress Hollow Road Water Line Extension: 18 of 18 Easements – 100%
 - Hidden Valley Road Water Line Extension: Started on May 1 with a Community Meeting to start

obtaining easements. Staff has obtained 37 of 37 easements. – 100%

- Haskell Station Road Water Line Extension: Will start on the 20 Easements Required

2014 November Metering Highlights

- Analyzing Meters for End of Life Replacement
 - Investigating Innovative Methods of Completing this task
 - Have Presentations set with Companies that Finance Meter Replacement
- Analyzing ROI for Remote Meter Read
 - Cost versus Adjustments

Forward Looking Statement

- Working to get more Cost Information to the Department Heads so they can better run their "businesses"
 - Unit Cost \$ per 1,000 gallon
- Working to Build Better Relationships to help minimize issues, especially with Fire Departments and Wastewater
- Departmental Capital Spending Plan – Continually Review & Execute per our Schedule
- Developing Better System Models:
 - Water Movement Through the WCSA System
 - Improve Water Quality
 - May Indicate Areas for Capital Investment

Mr. White commended Mark Osborne and the Maintenance Department on their hydro program; they are working to ensure the public safety of the county. They are doing a great job, said Mr. White. He thought their efforts would be helpful to maintenance and be cost effective on preventative maintenance.

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9. General Manager's Report & Update - Robbie Cornett

Mr. Cornett discussed the General Managers Report & Update. Listed below are the discussion points outlined in his presentation.

Review Items:

- Safety
- Professional Development
- Financials
- Customer Service
- Key Items
- What's Ahead

Safety:

- Accidents/Injuries in November:
 - Minor accident; truck drifted into an oxidation ditch.
- EBOLA Webinar Training for Department Managers
- Employee Safety Committee Meeting – Blood Borne Pathogens Requirements

Professional Development:

- Training Opportunities:
 - Planning Microsoft Advanced Excel & WORD
 - Leadership Training
 - Fraud, Ethics and Harassment

Water - New Connections:

According to Mr. Cornett, there were 6 walk-in connection in November and 89 walk-in connections year to date.

Monthly Water Revenue: Budget vs. Actual:

For the month of November water revenue fell below budget.

Year to Date Water Revenue: Budget versus Actual:

Year to date, water revenue is above budget even though water revenue fell below budget in November.

Water – Monthly Expenses:

Administration and Customer Service both fell under Budget for November. Non-Departmental was above budget for the month of November due to FSA fees,

G2 closing fees and Engineering fees that need to be recoded.

- Excludes depreciation, compensation and benefits; includes overtime
 - Administration was \$1,208 over budget due to bulk toner and onetime maintenance expense;
 - Customer Service was over \$4,849 budget due to onetime telephone expense & delayed Polar Vortex mailing invoice.

Water – Year to Date Expenses:

Mr. Cornett was pleased to report that all departments are under budget year to date.

- Excludes depreciation, compensation and benefits; includes overtime through November. Achieved budget or better in each area.

New Wastewater Connections:

According to Mr. Cornett, there were no new wastewater connections for November. Currently there are 7 new wastewater connections year to date. The average for new connections year to date in 2013 is 6.

Monthly Wastewater Revenue: Budget vs. Actual

In the month of November, wastewater revenue was below budget.

Year to Date Wastewater Revenue - Budget versus Actual:

Year to date, through the month of November, wastewater revenue is below budget.

Wastewater - Monthly Expenses:

Wastewater expenses for November were better than the budgeted amount.

Wastewater – Year to Date Expenses:

Year to date, Wastewater monthly expenses are better than budgeted, reported Mr. Cornett.

Customer Service:

- In November, active water accounts increased by 18.

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- Active wastewater accounts decreased by 5
- There were 123 reconnection /transfers of service (2013 average is 188).
- 66 disconnect for nonpayment (2013 average 112)
- \$29,633.78 was abated for 130 customer water leaks (2013 average 89 abatements/month at \$11,084.76)
- Developing operations based training for Customer Service
 - Water quality, pressure, flow etc.
- Developing door hangers
 - Leaks, meter testing

Key Items:

- Board of Supervisor – Planning Commission Joint Meeting and Public Hearing
 - Western Washington County Water Reclamation Facility
 - Continued to Tuesday, January 27th at 6:30 pm
 - Presentation and Request for Special Exception Permit
 - TLG and WCSA addressing City of Bristol comments
 - Met on November 6th and 14th
 - Future meetings planned
- VA DEQ Water Withdrawal Request
 - Permit set to expire within 5 years
 - Meeting December 17 in Richmond
 - Addressing multiple source withdraw stipulations
- Governor’s Infrastructure Finance Conference
 - 2014-2016 \$2.4 billion shortfall
 - Grant to continue to diminish
 - Focus on existing infrastructure not extensions
 - Waterworks must be sustainable
 - Affordability being considered as an indicator of repayment ability

- Tax exempt bond status in jeopardy
- Projects must cash flow
- Partnerships or regional cooperation
- WCSA has (\$156,517) and may continue to lose grant
- Dispute Committee
- Customer Testimonial
 - Many thanks to all the employees at WCSA. I previously lived in several areas of the USA plus Russia and Saudi Arabia, therefore I definitely appreciate good water. Congratulations for receiving the VHD award. WCSA water is the best!
 I forwarded the news of the award to a Florida friend who could not understand why I brought 5 gallons of Abingdon water with me to Florida, until I shared my Abingdon water with her. She agreed, WCSA water is superior.

What’s Ahead:

- Employee Development/Engagement
 - Holiday Luncheon – December 16th at noon
 - Bi-Annual Meeting – January 20th
- Western Washington County Wastewater Options and Opportunity
- Procure of Banking and Networking Services
- Succession Planning
- Consumption Decline

10. Consideration of an Amendment No. 1 to the WCSA Town of Chilhowie Regional Water Agreement – Mark Nelson, Robbie Cornett

Mr. Nelson motioned to approve Amendment No. 1 and the Memorandum of Understanding as presented in the Board Book. Mr. White seconded the

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motion and the Board approved voting 5-0-0-2.

11. Consideration of Amendment No. 6 to the Engineering Agreement between WCSA and The Lane Group for the Western Washington County Sewer Study - Robbie Cornet

On March 17, 2009, The Board of Supervisors and WCSA Board of Commissioners considered obtaining a study of future sewer service requirements for the western portion of Washington County, explained Mr. Cornett. The Lane Group along with Oliver Inc. (now CHA) were procured to perform the Study. The study cost was \$85,500 and was shared; 50/50; by WCSA and the County. Further, WCSA was successful in obtaining \$61,808 in grant for the Study.

Mr. Cornett continued saying, the Engineers performed the Study, provided a written document, and presented their findings and recommendations to the Board of Supervisors, Industrial Development Authority and WCSA Board of Commissioners on April 11, 2011. By June 2011, all three Boards adopted the findings and recommendations of the Study.

Mr. Cornett summarized the recommendations as follows:

- Negotiate with the Town of Abingdon for additional sewer capacity;
- Develop a variable-flow system with a WCSA-owned 0.5 MGD waste water treatment plant (WWTP);
- Submit a VPDES discharge permit application for the WWTP mentioned in #2;
- Finalize a schedule of development for the study area and develop a

phased approach for the above alternatives; and

- Pursue funding for implementation of the Engineer's recommendations.

Mr. Cornett said the proposed Amendment No. 6 provides assistance in addressing objections to WCSA's request for a Special Exception Permit made by the City of Bristol, Virginia. The proposed work associated with Amendment No 6 is estimated not to exceed \$25,000. WCSA has expended \$240,144.64 for the study and discharge permit thus far.

WCSA Staff negotiated this Agreement with The Lane Group over the past month. Mr. Cornett said staff kindly recommends the Board favorably consider the proposed Amendment.

Mr. Miller motioned to approve Amendment No. 6. His motion was seconded by Mr. Nelson and approved by a 5-0-0-2 Board vote.

12. Closed Meeting

At 6:55 pm, Mr. Nelson 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) (3): acquisition and disposition of property;

1. To discuss the acquisition of property related to the Western Washington County Water Reclamation Facility.
2. To discuss the disposition of property related to the Whites Mill Water System Improvement Project.

Code of Virginia Section 2.2-3711 Paragraph (A) (6): investment of public funds;

3. To discuss various inter-municipal agreements and potential agreements.

In addition to the Board the presence of Mrs. Dawn Figueiras, WCSA Counsel and Mr. Robbie Cornett, WCSA General Manager, was requested.

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Mr. McCall seconded the Motion of Closed Meeting and the Board approved voting 5-0-0-2.

Return to Public Session:

Mr. Nelson motioned to Return to Public Session at 7:30 pm. Mr. Miller seconded the motion and the Board approved voting 5-0-0-2. Mr. Nelson read the following: **Certification of Closed Meeting;**

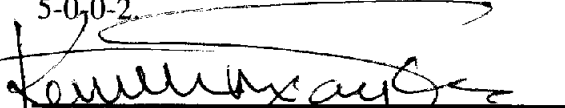
Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia Law. Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority. Aye by Mr. Miller, Mr. Taylor, Mr. Nelson, Mr. White and Mr. McCall confirming no outside discussion took place other than Closed Meeting topics.

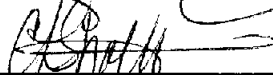
15. Late Items

There were no late items to discuss.

16. Adjourn

At 7:30 pm, Mr. Miller motioned to Adjourn. Mr. Nelson seconded the motion and the Board approved voting 5-0-0-2.


Mr. Ken Taylor, Chairman


Carol Ann Shaffer, Assistant Secretary