

**Washington County Service Authority Board of Commissioners
December 21, 2015 Regular Meeting Minutes**

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:02 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Wayne Campbell
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mike White

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager
Kimberly Boyd; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant
Dave Cheek; Operations Manager
Mark Osborne; Technical Manager
Ken Perrigan, Meter Manager
Holly Edwards, Customer Service Manager
Bobby Gobbler, Assistant Maintenance Manager

Consultants Present:

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

General Counsel Present:

Mark Lawson; Elliott, Lawson & Minor

3. Approval of the Agenda

There were no revisions or corrections to the Agenda. Mr. Nelson motioned to approve the Agenda. Mr. Miller seconded and the Board approved voting 7-0-0-0.

4. Public Query and Comment

There was no public query or comment.

5. Approval of the Consent Agenda

A. Approval of Minutes: None
B. Routine Reports: November 2015

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

C. Financial Reports: November 2015

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

D. Consideration of Amendment No. 7 to the Engineering Agreement between WCSA and The Lane Group for the Western Washington County Sewer Study – *Robbie Cornett*

E. Consideration of Change Order No. 2 for the Hidden Valley Water Project - *The Lane Group*

F. Consideration of the Galvanized Line Phase 2 Water Project Change Order No. 2 for Division 1 and Change Order No. 3 for Divisions 2 and 3 - *The Lane Group*

Mr. Nelson made a motion to approve the Consent Agenda, Mr. Miller seconded and the Board approved voting 7-0-0-0.

6. Water and Waste Construction Projects Update – Ryan Kiser

Mr. Kiser updated the Board on the following In-House Capital Improvements Projects:

- **Childress Hollow**
Shop drawings have been received for the project. A pre-construction conference will be scheduled in the next couple of months as the Galvanized Line Project nears completion. The delay is

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due mostly to staffing of Resident Project Representatives being available.

- **Haskell Station**

Staff has completed draft plans. The Erosion and Sediment Control Plan has been submitted to the County for review. Staff will begin to work on required easements for the project.

- **Ritchie Road**

Staff has been working on draft plans and formulating easements for the project. Staff is also in preliminary stages of working on a Railroad Permit for a required crossing.

Mr. Kiser then provided the Board with an update on the following Projects Under Review:

- **Glade Spring Industrial Park**

Staff continues to work on Easements with SWIFA and AEP for the 750 feet sewer line relocation.

- **Love's Travel Stop**

WCSA RPR continues to monitor work on this Project. Staff is reviewing shop drawings as needed.

- **Exit 19 Development (Shops at Fifteen Mile)**

Construction continues and preliminary contact has been made with contractor in preparation of a bore that will be constructed to get water to the site. They were advised to give WCSA maintenance adequate lead time to assist with the mainline tap.

- **Pippin Sewer Phase 4**

This Project has been closed out.

- **Pippin Sewer Phase 5**

Staff has reviewed plans and made a second round of comments for the proposed 200' sewer extension. Mr. Kiser met onsite with developer and designer.

- **Fairfield Inn Project**

Staff has provided comments to the Engineer.

- **Legacy Village**

Staff has reviewed preliminary plans. No further contact has been made with the Engineer.

- **Dollar General**

Staff answered water and sewer availability questions for two new Dollar General Stores in Glade Spring and on Route 58.

7. Operations Report and Update – Dave Cheek

Mr. Cheek's reviewed the following Operations Update for November 2015:

Discussion Items:

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

Year to Date we are \$104,000 Under Budget:

- With Adjustments for Accrual Reversals Removed; Otherwise \$343,000 Under Budget.

2015 November Water Production Highlights:

- SFI & MFDWP Issue Resolution
 - Scheduled Weekly Meeting with TLG until we can correct open issues
 - Still Trying to Understand Cause and Effects with Reduced Flow Capacity during Turbid Conditions
- Mill Creek Membrane Plant – Koch Restart
 - Have taken some downtime due to high Turbidity. Alarm set at about 5 NTU
- Mill Creek Membrane Plant – New Plant
 - Working with TLG to define Simple Layout & Solid Fundamental Engineering
 - Focusing on Most Cost Effective Method to Complete the Project

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- Contract Review
- System Operation
 - Addressing System Time / Temperature Relationship as it Impacts Quality
 - Exceeded HAA5 Operational Evaluation Level (OEL) at Brumley Gap
 - Not a Violation, but Notice that we Need to Take Corrective Action
 - Have 90 Days to submit our Corrective Actions to VDH due February 04, 2015
- Meeting Weekly on Water Quality (One Week Chemical such as DBP, the Other Week on Flow/Pressure)
 - When:
 - #1 Fluoride Off
 - #2 Fluoride Off – confirm
 - #3 Flus Program + Fluoride Off
 - Where
 - Every Tank in MFDWP System
 - Dead Ends off Each Tank
 - Other Areas of Interest
 - Data
 - Date
 - Time
 - Turbidity (Lab)
 - Fluoride (Lab)
 - pH (Lab)
 - Temperature
 - CI
 - UV254
 - Who
 - New Hire
 - MFDWP Operator

DBP Sample Data Sheet (see attachment)

2015 November Metering Highlights:

- Meter Replacement

- Working with WCSA Team & ESCO's to Evaluate Back of the Envelope Proposals
- May Have an Opportunity to Reduce the Cost by Sharing our Tower Space

2015 November Wastewater Process Highlights:

- System Operation
 - Continue to Focus on Process Stability
 - Both Hall Creek & Damascus well within Control Limits
 - Damascus' Reportable Numbers are Improving
 - Rebuilt 1 of 2 Clarifiers, Other due this Week
 - Internally Rebuilt the Pneumatic Lift Pumps
 - Added Pressure Gauges to allow for Better Oxidation Process Control
- Inflow and Infiltration (I&I)
 - Team Approach with Maintenance
 - Area in Damascus behind Subway, Leak under Shotcrete at Bridge.
 - Issue Around Greenbrier Pump Station
 - Significant Improvements
 - ❖ Issue under Lee Highway that working to find a reasonable solution

2015 November Water Maintenance Highlights:

- Galvanized Phase II Support
 - Mr. Cheek said Mr. Gobble did a great job working through galvanized line.
 - Bi-Weekly Meetings with TLG to Identify and Correct Issues
 - Try to Immediately Resolve Issues
 - Making Good Progress

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- Utilizing our Resources where Practical to Close out G2 in the most Cost Effective Manner
- Preparing for Phase III, Documenting Segments
- Routine Activities
 - Leaks – 28
 - Main Line Breaks – 5
 - Fire Hydrant Flow Tested – 30; Repaired – 4 (More than 240 Hydrants Flow Tested in 2015)
 - After Hours Responses – 36
- Costs
 - Preventive Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations
 - Water & Sewer Customers
 - More Customer Engagement at Time of Contact
 - Working with Customer Service for more In House Training & Processes to Assist Both our Customers and Our Teams Understand Each Other's Concerns and Issues Better
- Costs
 - Production Costs (Water Loss and Inflow and Infiltration)
 - After Hours Call In
- Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests
 - Executing DBP System Aging Analysis

2015 November Distribution Highlights:

- Oak Park Fire Suppression System
 - NFPA 20, 25 Compliant
 - Modified Piping to Avoid Residential Pressure Drops
 - Fire and Diesel Pump Set Point Modification
 - Tested and Verified with Premier Fire
- Continued Fire Hydrant Training with Field Demonstrations
 - In-house Data Management
 - Additional In-House Trained Personnel
- Developing System to align District Meters with District Billable Metering to identify Water Loss Areas
- Executing PSV/PRV Preventive Maintenance Program
- Establishing Preventive Maintenance Programs for Pump Stations, Tanks, Gate Valves, & Fire Hydrants

Forward Looking Statement

- Customer Relationships
 - Fire Departments
 - Hydrants & Training

Mr. Miller asked if the water had already cleared in Brumley.

Mr. Dave said numbers are decreasing but it is not completely out of the system In other words, said Mr. Miller, the water is older in the system at Windale Road and Rye Creek.

Mr. Cheek said yes, We are not having issues being out of compliance with the older water, asked Mr. Miller.

There were four spots where we had to test the water, none of those spots were in those areas, stated Mr. Cheek.

For our testing, said Mr. Cornett, we are going above and beyond testing requirements.

We are also using this as an opportunity to better distribute the water. To keep from unnecessarily flushing the water but to better distribute it said Mr. Osborne.

Mr. Miller asked how long the fluoride in the water would be tracked.

Mr. Cheek said they were coming to the point of diminishing returns. Mr. Cheek said they would know the volume in

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each of the spurs and keep an eye on how the water flows out of the spurs. Chlorine is a driver for the disinfectant by products, he stated.

Mr. McCall said there was a situation that came up about the time it took to move meters. Maintenance did a beautiful job, stated Mr. McCall, but it seemed like it took a half day to relocate a meter. Mr. McCall said he hoped it had been discussed among the managers. Mr. McCall said this situation came up in a dispute hearing and said he thought it needed to be discussed.

Mr. Cheek acknowledged Mr. McCall.

Mr. Nelson asked how much of a reduction in line breaks can be associated with the galvanized line replacement.

Mr. Cheek said as we go through the flushing process, and have to turn the water off and on a lot, we see breaks; there were three this morning. Mr. Cheek said when we get the galvanized line replaced...

Mr. Gobble said the key is to get the galvanized line killed as soon as possible.

Mr. McCall asked about the progress on Walden Road.

Mr. Gobble said Walden Road was complete.

Mr. Cheek said Mr. Gobble did a really good job of creating a very systematic method of flushing the water which made a really big difference.

Mr. Gobble said they were able to get about 16 to 20 tie-overs on Wyndale a day.

Mr. Hutchinson asked about a recent major leak on Lee Highway near BVU and asked if it was a main line break.

Mr. Cheek said that was due to the old transite line. Once we clear the galvanized line out, there are two areas of transite line we are trying to develop

cost effective way to clear out. One area is around BVU the other area is on Clear Creek. Another problem area is on Industrial Drive; the line there is not transite line.

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

Mr. Cornett discussed the items below in his presentation.

Introduction:

- Safety
- Financials
- Customer
- Notables
- Ahead
- Debt Information

Safety:

- November 2015
 - 10,295 Hours Worked
 - No Accidents
 - No Injuries
- Safety Training
 - Lock Out Tag Out Training in January
 - Continuing Education

Financials - New Water Connections:

There were 11 new water connections in November.

Financials - Water Revenue:

Water Revenue for November is \$24,597 below projections. Year to date, water revenue is \$ \$450,285 above projections.

Financials - Expense:

Excluding compensation and benefit but including overtime; Customer Service, Non-Departmental and Administration are all under Budget for November and year to date.

Financials - New Wastewater Connections:

There were 2 new wastewater connections in November.

Financial - Wastewater Revenue:

November wastewater revenue was \$16,348 below projections. Year to date

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Wastewater revenue is \$17,338 above projections.

Financials - Wastewater Expenses:

Wastewater expenses were better than budgeted for November and year to date.

Customer Service:

- Active Water Accounts increased 192

The cut off list starts with several hundred customers. Through continued efforts from customer service and meter that list dwindles significantly; this month down to 72 customers being cut off, explained Mr. Cornett.

- 72 Disconnects for Nonpayment

Mr. Cornett continued saying it is really hard for the employees in the Meter Department to go to some one's home and turn off their water because of non-payment.

- November 30, 2015 Day Work:
 - Ms. Huff helped 281 Customers at the drive through for a total of \$14,458.83 in the drive through
 - Night Drop: 204 Transactions \$9,541.92
 - Mail: 1,080 Transactions \$65,504.09
 - Total 1,699 Transactions \$97,902.04

Mr. Cornett said on this day, the customer service group was down one employee.

Notables:

- Achievements
 - Jerry Fields Class 2 Operators License
- Holiday Luncheon
 - Thank You to the Board!
- Policy
 - Gifts & Gratuities Under Review
- Continuous Improvement
 - Energy Performance Audit
 - Back of the Envelope Complete
 - Investment Grade Audit?
- Water Quality

- Disinfection Byproducts
 - Operational Evaluation Underway

- Financing
 - Subject to Feasibility, Rural Development Requiring Interim Financing

There have been some changes with Rural Development (RD) funding programs. IT has been part of the program for many years to inter finance the project. This means, when we move to construction of a project, rather than having periodic drawdowns in RD funds, we would have an interim loan with a lender and have one drawdown from RD at the end of the project. That became part of the federal statues last year and so is no longer an option but is now required if it makes sense financially according to the statute, explained Mr. Cornett.

- Board of Supervisors
 - New Supervisor Orientation

Mr. Cornett met with three new Board of Supervisors members to share the past, present and future goings on of WCSA. Mr. Cornett said he was very warmly welcomed and the new Supervisors were very complimentary of the things WCSA was working on.

The meeting closed with the Western Washington County Discharge Permit for Beaver Creek and an overview of discussion with BVU and the Town of Abingdon. Thought the permitting process though the County is complete, the Supervisors and Mr. Cornett thought the profile for that project would be high. Not only for the DEQ Discharge Permit for Beaver Creek but also high profile for the course of action for the project.

Ahead:

- Legislative Season
 - January Through March

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Mr. Cornett serves on the Board for the Virginia Water and Waste Authorities Association for several years. The Association will hold a conference call next week to discuss legislation that if passed could positively and possibly negatively affect authorities. Mr. Cornett said the Association would voice their opinions, positively or negatively, for upcoming Bills that would affect authorities.

If it is a sensitive issue, committees have been set up to meet with various legislatures to come up with a compromise. That has been very successful in the past.

- Fringe Benefit and Internal Controls Audit
 - January/February
- 2016/2017 Budget
 - January through June 2016

Mr. Nelson said that the presentation Mr. Cornett shared with the Board of Supervisors contained really good information and thought the other Board of Supervisor members would get as much out of the information.

Mr. Cornett said he planned to and will share the presentation with the entire Board of Supervisors.

Mrs. Boyd then discussed the information listed below in her Reserves update:

WCSA Financial Update

- The current debt trend is about \$3.4 million for the year in principal interest.

Total Annual Debt Service Payments

- This will drop in 2016. But as WCSA adds additional debt, it will peak at about \$4.3 million. Some debt will drop off in 2029 and again in 2034.

Mr. Nelson said the reality is, with the new projects in the Capital Plan, those figures are likely to increase. Mr. Nelson

said he was more interested in the Board knowing where WCSA would be as we complete the projects we are aware of now.

Mrs. Boyd said one of the factors was the total debt, and the principal portion for water and sewer is about \$63 million. The interest debt is about \$30 million for a total of near \$103 million.

Mr. Nelson said the projection would include all the projects that have been approved where we will incur debt. With just the projects we have in process today will take our debt to about \$78 million, not including interest. There will be about \$3.5 million per year coming out of that stated Mr. Nelson.

The Western Washington County Waste Water Project will be an additional \$16 million; above the \$78 million we are committed to today, said Mr. Nelson.

Mr. Nelson said he wanted to know where the rates needed to be in order to accommodate that much debt and that will affect how quickly WCSA can move forward with those projects. Obviously, stated Mr. Nelson, the rates will have to go up. The current rate study will carry WCSA though a piece of it but Mr. Nelson said he wanted the Board to understand what WCSA has committed to do and what projects were still outstanding.

Mrs. Boyd said the figure she was discussing was only a total and did not include any additional wastewater projects.

Mrs. Boyd continued her discussion of the financial update saying, VRA, one of WCSA's lending agencies, requires we have debt service coverage of \$1.5 million. Mrs. Boyd explained that meant WCSA's debt income at the end of the year needed to be 1.15 % or 15% greater than the debt service payments. Mrs. Boyd said WCSA was tracking about

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1.23%. We could still fall below the 1.15 % because of the \$896,000 additional debt payment made. Last year, Mrs. Boyd explained, WCSA made an additional \$796,000 payment on the Blue Ridge debt that VRS excluded. If VRS does include that \$796,000 additional payment, we will fall below the 1.15% to 1.13%. If you take the full \$896,000 out of the equation, we are at 1.51%. However, leaving the amount that did not go toward legal expenses but toward debt offset, WCSA's position is 1.22%. Mrs. Boyd thought VRA would be at 1.22% but could be as low as 1.13% or as good as 1.51% if VRA excludes the entire amount.

Mr. Nelson said he would like to see where the debt would be if all the new approved projects were included.

Mrs. Boyd said she was going to update the rate model that would include future CIP Projects and the additional grant money received for Hidden Valley.

Mr. Nelson said the big piece for him regarding the decisions for the Western Washington Wastewater Treatment Plant is how it will affect WCSA; what will the rate increases have to be in order to take on that debt. And having that information now so the Board can prepare and talk to the Board of Supervisors about what it will mean to do that project, and what it will mean for the rate payers of the system.

Water Fund Operating Performance Metrics

- Benchmark – Below 63%
 - 2015 Operating Ratio – 82%

Mrs. Boyd said she received a spread sheet from VRS showing benchmarks. VRS would like the operating ratio benchmark to be under 63%. WCSA is at 82%. VRS has not mentioned that because WCSA's debt service coverage ratios are so good, stated Mrs. Boyd and

referred back to the debt service coverage ratio of 1.22% discussed earlier.

Mr. Nelson asked about the debt service as a percent of operating income.

Mrs. Boyd said VRS did not have a benchmark for that.

Mr. Nelson was more interested to know what the percent would be because if that continues to grow, we have to increase rates to meet covenants.

Mr. Nelson said he liked what Mrs. Boyd had done and thought it was good for everyone to understand. He would like everyone to be able to see in a simplistic view so they can understand the long term consequences for taking on additional debt.

Water Fund Liquidity

- Benchmark – Greater Than 1.15%
 - Current Ratio – 1.96%
 - Quick Ratio – 1.31%
- Liquidity versus Expenditures – Benchmark Greater than 33%
 - Currently 41.3%

Sewer Fund Operating Performance Metrics

- Benchmark – Below 63%
 - 2015 Current Ratio – 46.48%

Sewer Fund Liquidity

- Benchmark – Greater Than 1.15%
 - Current Ratio – 8.23%
 - Quick Ratio – 7.44%

Customer Financial Impact (5,000 Gallon Residential Bill)

Mrs. Boyd said rates would need to increase from current rates of about go \$43 to \$55. Mrs. Boyd said she needed to update these figures to include the additional Galvanized Line Phase 3 debt and the additional grant money received for Hidden Valley.

Looking Forward

- Extend VRA projections with current rate model projections (2016-2019)

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- Meet with staff in January to review the upcoming CIP schedule and budget
- Update Rate Model with 2015 numbers and the new budget projections
- Evaluate projected rates and Coverage Ratios.

Mr. Nelson thought the rates would more than take care of the Coverage Ratio and said he was more interested in what the rates would have to be to service the new debt.

Mrs. Boyd said the debt model would give those figures.

There are definitely going to have to be increases, said Mr. Nelson. He thought when the numbers were updated the rate increases would be more than expected. Mr. Nelson said the constituents were having issues with the rate increases and the Board had to be able to explain what WCSA was using that money for. Mr. Nelson said he was not against it and said he thought all the projects were needed to better the system; the issue was explaining why rates were increasing as they are.

Mr. Hutchinson asked if the majority of debt was for water.

Yes sir, said Mrs. Boyd.

Mr. Hutchinson asked what percentage of water service coverage WCSA had in the county. It is in excess of 90% coverage, he stated.

Then we look at sewer service coverage in the county and it is very minimal, stated Mr. Hutchinson.

He continued saying, I understand we have concentrated most our efforts on providing water "which we should" because as Mr. Taylor has stated in the past and I agree, is everyone should have access to clean, healthy drinking water.

On the other hand, we have sewer needs in the county. We have a tremendous

amount of people in the county that have problems with septic tanks and we are not able to provide sewer service, stated Mr. Hutchinson.

Since WCSA already has 90% water coverage in the county, Mr. Hutchinson thought the way to increase revenue would be to increase sewer service in the county. Sooner or later, somewhere down the road, we (the Board) are going to have to have a balance of water and sewer service in the county. We are going to have to increase our revenue by increasing the amount of sewer customers, stated Mr. Hutchinson.

If the wastewater treatment facility had been addressed back in 1996 and the Supervisors said we are going to build it because the study says we have to have it, WCSA would not be looking at \$16 million project today, stated Mr. Hutchinson. Because we did not build a wastewater treatment facility in 1990's, we have our backs against the wall. BVU cannot provide us any more capacity. Mr. Hutchinson said there was He said the City of Bristol had questions about BVU having capacity to provide service to the new Falls Project. "If we (the Board) are going to increase our revenue somewhere, we are going to have to do that by providing sewer to residents in areas that desperately need it", stated Mr. Hutchinson.

Mr. Hutchison said it was a shame water rates would have to increase to help fund potential sewer projects that were needed.

Mr. Miller asked if he was wrong thinking water rates paid for water and sewer rates paid for sewer.

Mr. Cornett said he did not know on anything in the Statutes. WCSA has been in the sewer business for 23 years and at one time, sewer borrowed from water to get sewer started. Other Authorities

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created under different Charters may have to keep revenues separate.

Mr. Cornett asked Mr. Lawson if he knew of any statutes that mandated water paying for water...

There is not, no; stated Mr. Lawson.

Isn't it fair to say there is more costs associated with sewer stated Mr. Nelson? I am all in favor of what you (Mr. Hutchinson) are saying, but the initial investment is so great. It seems it costs a lot more to get wastewater treatment in place and to sustain it long term, said Mr. Nelson. Mr. Nelson thought it would be hard to separate the revenue and leverage the potential sewer debt needed for an initial plant investment.

Mr. Hutchinson said the over costs could have been a deciding factor when it was discussed years ago; the costs for maintenance and upkeep as well.

Mr. Hutchinson said we have gotten out of balance; we concentrated more on water and didn't look at the needs for sewer in the county. Now, WCSA has demand for sewer in the industrial parks, like Oak Park. We cannot attract business if we can't provide sewer service, stated Mr. Hutchinson.

Mr. Nelson thought that was a great example of a partnership with the Tobacco Commission to be able to put sewer in Oak Park. That is why those types of partnerships are so important. Mr. Nelson said moving forward the Board of Supervisors need to become partners to be able to move forward with wastewater because it is so much more expensive. Mr. Nelson said the constituents that were paying taxes didn't understand...they want wastewater too. It is hard to sell to the constituents the rates have to be able to pay for the projects.

Mr. Hutchinson said if you poll citizens in the county, most believe part of their tax dollars go to support water and sewer.

Citizens do not understand their tax dollars do not go to support water and sewer.

Mr. Hutchinson said if we increase revenue, and we desperately need to increase revenue, we have no room to increase revenue by expanding water. If we increase revenue, Mr. Hutchinson said an increase in revenue would have to come through sewer, even though the cost to build, maintain and operate a sewer plant is greater. In doing that, rates may have to increase. That is the only way Mr. Hutchinson could see to balance the debt. Mr. Nelson said that is why he believed 100% in partnerships.

Mr. Hutchinson agreed.

If you can get partnerships, we can get the money to build the infrastructure to be able to have the revenue and not have to increase rates said Mr. Nelson.

"I agree with that 100%", stated Mr. Hutchinson.

Mr. McCall said if you wanted some history, look back in the minutes from 1976; the Service Authority was formed in 1976. The Board of Supervisors tried to put sewer in through the Service Authority and the Board finally had some success and had the money for more projects but a couple of lawyers in the county kept things tied up in court for a couple of years and the Authority lost the money, explained Mr. McCall.

Mr. Nelson asked if that was under the old Community Block Grant Money.

Mr. McCall said yes.

That was money that could be obtained through grant funds which would have really helped, stated Mr. Nelson.

Mr. Cornett said if we had access to funds like was available in the 1970's and early 1980's; WCSA has about \$75 million of wastewater projects to provide service to people that need it and want it all through the 11 corridors, Larwood Acres, Lowery

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Hills, Highlander Park, Cedarville Estates and Exit 22. The question is how do we put together the right opportunity and partnering with others will be key in growing our wastewater business, stated Mr. Cornett.

Mr. Nelson said he thought sewer was too expensive to go at it alone. Mr. Nelson said I don't see how you go at it (sewer) and make it work unless you have grant funds.

Mr. Taylor agreed.

Mr. Hutchinson said the overall debt is water and those were needed projects. Sewer debt is minimal. It is a big expense to go after without a partnership.

Mr. Nelson said he hoped there would be some grant funds that come available.

Mr. Cornett said that speaks to some of the work we have tried to do in the past 8 or so years with the studies we have done; the Emory, Meadowview, Glade Study, the Western Washington County Study, the Western Washington County Water Supply Study. What we have now are planning documents so when and if these grant monies come available we can present a case that gets us access to those monies, stated Mr. Cornett.

Mr. Nelson said it was clear that it has been extremely beneficial where sewer has been put in place. In the Monroe District alone, where would we be if we didn't have sewer service at Emory and Henry College, at Mid Mountain? Where would we be today without the sewer infrastructure at Oak Park or the Glade Highlands SWIFA Park? Mr. Nelson said he was not debating whether extending sewer service needed to happen, but wanted the Board of Supervisors to work with WCSA since our figures alone will not support sewer. We need that help, stated Mr. Nelson

Mr. Taylor thanked Mrs. Boyd. Mr. Taylor said it was a changing world and

growth in Washington County was not happening; we are in a decline, he stated. Mr. Taylor said we have no choice but to partnership or grant fund projects. No one wants to see rates increase but it is part of life. Mr. Taylor thought WCSA probably should have increased rates before now but the Board fought rates. If we keep growing like we are growing, we will have to do something different, stated Mr. Taylor.

9. Engineer's Report and Update

Bobby Lane of The Lane Group (TLG)

Mr. Bobby Lane wished the Board a Merry Christmas and expressed his appreciation for working with WCSA.

- **New Raw Water Intake & WTP**

Mr. Lane said TLG was able to seal a leak in the filler walls that has been there for a long period of time. It was a small leak but needed to be filled.

As Mr. Cheek discussed earlier, TLG continues to work with WCSA staff to maximize the operational efficiency of the Water Treatment Plant and Raw Water Intake.

- **Hidden Valley Water System**

The Contractor is finished with paving and in the process of wrapping this project up, reported Mr. Lane. Several people are now signing up for service in Hidden Valley, stated Mr. Lane. Mr. Lane was encouraged that all the low income families listed for this project have signed up for service.

- **Mid-Mountain (Zone 108) Water System Improvements**

Mr. Lane expects to hear soon if the ARC grant has been approved.

- **Route 58 Water Supply Improvements Project**

TLG is pushing to complete Plans and Specifications. This Project does have an element of water sales to the Intermont

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Utility District funded by Rural Development in Tennessee.

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

Mr. Lane said this Project continues to move forward. The Permit is moving forward and Mr. Lane hopes that very soon WCSA will have a Permit in hand to construct the plant. Having the Permit in hand helps negotiations with others that may be able to help with wastewater treatment in that area, like the Town of Abingdon.

Mr. Nelson had a question about the time frame for the Mill Creek Project. He asked if TLG was confident the Project would be complete by August of 2017 or if the Board should expect that date to keep moving out.

Mr. Lane did not think that date would have to be extended. Mr. Lane said TLG has been very deliberate to properly address some issues and continue to do so. TLG is wrapping up Health Department approval. Mr. Lane said there was a county zoning issue The Town of Chilhowie continues to address that has caused some time delays.

Mr. Lane said they were very close to getting Health Department approval. Once the Health Department approves, Mr. Lane expects to then receive approval from Rural Development. At which point the Project can be advertised for bid.

Mr. Nelson said tentative approval for Rural Development funding is there.

Mr. Lane said yes, funding is approved. We need technical approval of Plans and Specifications, said Mr. Cornett.

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

Mr. Amos wished the Board a Merry Christmas and expressed his gratitude to work with WCSA this year and said he

looked forward to working with WCSA in the future.

- **Exit 13 Sewer Project Phase 2A**
Mr. Amos A&A is wrapping up easement and service related issues and are very close to being able to move forward with this Project.

- **Exit 13 Sewer Project Phase 3**
WCSA staff provided Mr. Amos with review comments on plans. Mr. Amos will be making those revisions and getting revised plans back to Mr. Kiser for final review.

Mr. Miller asked what he next step for Phase 2A was.

Once the easements are in place, A&A will be able to ask the Board's permission to advertise the Project for bid. We have DEQ approval, VDOT approval and County approval for the DNS and are ready to move forward, stated Mr. Amos.

Mr. Cornett said there were three outstanding easements; two he was confident about but thought he may have to seek the Board's pleasure for one easement.

10. Closed Meeting

At 7:25 pm, Mr. Nelson moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

1. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice: a. Consultation with legal counsel and briefings by staff pertaining to possible litigation, where such consultation of briefing in open meeting would adversely affect the negotiating or litigation posture of WCSA.

In addition to the Board the presence of Mr. Mark Lawson, 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 7-0-0-0.

Return to Public Session:

At 7:43 pm, Mr. Nelson made a Motion to Return to Public Session. Mr. Hutchinson seconded and the Board approved with a vote of 7-0-0-0.

Mr. Nelson read the following Certification of Closed Meeting;

Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;

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

At 7:45 pm, Mr. Nelson moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

1. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice: a. Consultation with legal counsel and

briefings by staff pertaining to possible litigation, where such consultation of briefing in open meeting would adversely affect the negotiating or litigation posture of WCSA.

In addition to the Board the presence of Mr. Mark Lawson, WCSA Counsel; Mr. Robbie Cornett, WCSA General Manager and Mr. Dave Cheek, WCSA Operations Manager was requested.

Mr. Hutchinson seconded the Motion of Closed Meeting and the Board approved voting 7-0-0-0.

Return to Public Session:

At 9:44 pm, Mr. Nelson made a Motion to Return to Public Session. Mr. Hutchinson seconded and the Board approved with a vote of 7-0-0-0.

Mr. Nelson read the following Certification of Closed Meeting;

Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;

And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia Law. Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority. Aye by Mr. Miller, Mr. Hutchinson, Mr. Campbell, Mr. Taylor, Mr. Nelson, Mr. White and Mr. McCall

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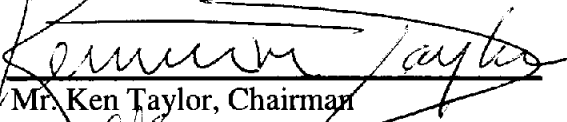
confirming no outside discussion took place other than Closed Meeting topics.

13. Late Items


There were no late items to be discussed.

14. Adjourn

At 9:45 pm, Mr. Nelson made a motion to Adjourn. Mr. Hutchinson seconded and the Board approved voting ~~7-0-0-0.~~



Mr. Ken Taylor, Chairman



Carol Ann Shaffer, Assistant Secretary

DBP Sample Data Sheet

Date 12/18/15
 Source Water FL: 10

Fluoride Tracer Study
 Daily Log

Sampler Initials JS-R
 Lab Operator Init. GU/CT

<p>Site #1 Rt. 58 Tank Inlet Time: <u>12:15</u> pH <u>7.6</u> Temp: <u>5.11</u>°C NTU <u>.02</u> Cl2: <u>2.1</u> FI: <u>.28</u> UV254: <u>.019</u> RT: <u>15</u> Raw Turb</p>	<p>Site #2 Rt. 58 Pump House Time: <u>8:00</u> pH <u>7.8</u> Temp: <u>12.3</u> NTU <u>.29</u> Cl2: <u>1.85</u> FI: <u>.28</u> UV254: <u>.015</u></p>	<p>Site #3 Pucket Knob Time: <u>8:15</u> pH <u>8.4</u> Temp: <u>11</u> NTU <u>.56</u> Cl2: <u>.32</u> FI: <u>.83</u> UV254: <u>.016</u></p>
<p>Site #4 Reservoir St. Time: <u>8:55</u> pH <u>7.7</u> Temp: <u>11.7</u> NTU <u>.37</u> Cl2: <u>1.77</u> FI: <u>.34</u> UV254: <u>.016</u> <i>NOT Sampled site</i></p>	<p>Site #5 Russell/Leonard Time: <u>8:40</u> pH <u>7.8</u> Temp: <u>12</u> NTU <u>.38</u> Cl2: <u>1.57</u> FI: <u>.36</u> UV254: <u>.016</u></p>	<p>Site #6 Rt. 19 Pump House Time: <u>8:50</u> pH <u>7.5</u> Temp: <u>12.8</u> NTU <u>.25</u> Cl2: <u>2.53</u> FI: <u>.31</u> UV254: <u>.025</u></p>
<p>Site #7 Black Hollow Rd. Time: <u>9:00</u> pH <u>7.6</u> Temp: <u>11.7</u> NTU <u>.59</u> Cl2: <u>2.02</u> FI: <u>.24</u> UV254: <u>.025</u></p>	<p>Site #8 Pine Hill Blow Off Time: <u>9:20</u> pH <u>7.4</u> Temp: <u>12.5</u> NTU <u>.51</u> Cl2: <u>.08</u> FI: <u>.82</u> UV254: <u>.027</u></p>	<p>Site #9 Rich Vly/Rattle Creek Time: <u>9:40</u> pH <u>8.4</u> Temp: <u>11</u> NTU <u>1.44</u> Cl2: <u>.10</u> FI: <u>.81</u> UV254: <u>.020</u></p>
<p>Site #10 Mendota Rd. Time: <u>9:55</u> pH <u>7.6</u> Temp: <u>13.4</u> NTU <u>.20</u> Cl2: <u>.85</u> FI: <u>.40</u> UV254: <u>.030</u></p>	<p>Site #11 Brumley Gap Pump Hse Time: <u>10:10</u> pH <u>7.6</u> Temp: <u>12.3</u> NTU <u>.25</u> Cl2: <u>2.32</u> FI: <u>.40</u> UV254: <u>.022</u></p>	<p>Site #12 Brumley Gap Tank Inlet Time: <u>10:20</u> pH <u>7.7</u> Temp: <u>12.6</u> NTU <u>.20</u> Cl2: <u>1.84</u> FI: <u>.43</u> UV254: <u>.025</u></p>
<p>Site #13 Brumley Gap Out Time: <u>10:25</u> pH <u>7.5</u> Temp: <u>12.1</u> NTU <u>.19</u> Cl2: <u>1.83</u> FI: <u>.57</u> UV254: <u>.027</u></p>	<p>Site #14 Clinch Mtn. Fire Dept. Time: <u>10:45</u> pH <u>7.5</u> Temp: <u>12.3</u> NTU <u>.41</u> Cl2: <u>1.43</u> FI: <u>.64</u> UV254: <u>.032</u></p>	<p>Site #15 Brumley Gap EOL Time: <u>10:55</u> pH <u>7.5</u> Temp: <u>12</u> NTU <u>.32</u> Cl2: <u>1.35</u> FI: <u>.76</u> UV254: <u>.026</u></p>

Hayters Gap cl2 .57