

**Washington County Service Authority Board of Commissioners
December 22, 2008 Regular Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:59 PM.

ROLL CALL

Commissioners Present:

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

Staff Present:

Robbie Cornett, General Manager
Kim Roberts, Controller
Doug Canody, Chief Engineer

Consultants Present:

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

Also Present:

Mr. Mark Lawson, General Counsel
WCSA Employees

3. Public Query and Comments

There was no Public Query or Comment.

4. Approval of the Agenda

Mr. Cornett had no additions or changes
Mr. Rector moved to approve the agenda. Mr. Rector's motion was seconded by Mr. Blaylock, and was approved by a unanimous vote.

5. Approval of the Consent Agenda

- Routine Reports for November 2008
- Financial Statement for October 2008
- Check Register ending 11/28/08

Mr. Chase made a motion to approve the Consent Agenda. Mr. Chase's motion was seconded by Mr. Rector. The

motion was approved by a unanimous vote.

6. Engineer's Report and Update

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

- **Lime Hill/Walker Mountain Road**
Contractor has completed pump stations for both Lime Hill and Walker Mountain. Lime Hill portion is completed, and he is wrapping up the Walker Mountain section; contractor has installed over 1,000 feet of line, and hopes to be finished by January Meeting.

- **Raw Water Intake and WTP**

Preliminary Engineering Report

Have final comment from staff and VDH; plan to have PER approved very shortly. They've recommended additional field and pilot testing. They are preparing a task order for the interim expansion from 4.6 to 6.6 MGD. They also want to do pilot testing at the South Fork Intake on the use of absorption clarifiers and to verify treatment.

- Mr. Lane shared that they are gathering data on the following projects: **Buffalo Pond/Rich Valley Road, Reedy Creek and the Galvanized Line Project.**

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

- **Orchard Hill Road**

Had a Pre-Construction Conference with King General Contractor and anticipate being able to issue a Notice to Proceed on January 5.

- **Whites Mill Road**

Tank site plat is complete. The surveyor requested a meeting with WCSA Staff or Legal Counsel on right of way issues.

Mr. Randall Hancock with Draper

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Aden and Associates reported on the following projects:

- **Watauga Road Waterline Improvements**

Contract 1 (Little B Construction) - project is nearly complete; hoping to close contract in January

Contract 2 (Boring Contractors) - they've finished their pressure testing and have started changing service connections over to the new line.

- **Glove Drive Waterline Improvements**

Contract was awarded to Crosspointe Construction. They had a Pre-Construction Conference with them on December 8 and issued a Notice to Proceed on December 11.

- **Route 58 Water Storage Tank**

Contract 1 (Grading and Line Placement) - design is complete, has been submitted to the County and DCR, and DCR has approved it. They are waiting to resolve some easement and acquisition issues.

Contract 2 (Design of the Tank) - project is well along and have few issues left to work out.

Capital Improvement Projects:

- **Seven Springs Pump Station**

Have prepared task order and is under review by WCSA and Legal Counsel.

- **Monte Vista Drive & Route 58 Corridor projects**

Have provided project scopes to WCSA Staff; they have been reviewed, and Staff requested more information.

- **Sewer Project at Exit 13/14**

To be covered later in the meeting.

7. WCSA In-House Construction Projects Report and Update

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

- DWSRF Projects:

Chestnut Mountain Road

In the process of getting four additional signed petitions for these would be willing to receive service. This will put us over the 50% required by VDH; must be in by the deadline at the end of December.

Denton Valley Road

Had a Pre-Construction Conference last week and the Notice to Proceed date is anticipated for January 5. Has a 90 day deadline, so clock will begin on January 5; funded by VDH grant.

Maiden Valley Rd. /Rich Valley Rd.

Have initiated the environmental notifications of agencies. They are looking seriously at combining Maiden Valley Rd./Rich Valley Rd. with Rich Valley Rd./Litchfield Rd. to at least get the environmental done at the same time and then bid the Litchfield portion slightly behind the Maiden Valley portion in an effort to speed up the process.

Mendota Road

Project is under construction with Tipton Construction. The contractor has been doing a great job, but they found moisture problems in the last couple weeks; it's complicated compaction by them and will cause property restoration. We have talked to them about holding a 5% retainage and hold it until they correct the issues with the restoration of property; we anticipate holding that until March or April. Substantial completion will be at the end of January.

Walker Mountain/ Lime Hill Road

Lane Engineering reported on this already. Contractor is doing a really great job; they are about 80%

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complete. May be leftover money from this project; they are looking at alternatives of how they can spend the money (restricted use by VDH).

Orchard Hill Road

Adams-Heath Engineering reported on this. Has a Notice to Proceed date of January 5. Contractor agreed to start on problematic side with temporary lines.

Glove Drive Project

Draper Aden reported on this previously. Has a Notice to Proceed date of January 5.

Sutherland Project

Project is funded by the State of Tennessee with additional funding by EPA. They are preparing the project for reauthorization for bidding; has to be approved by the State of Tennessee, TN DHCD and TN DEQ. They are hoping to bring the project back to the Board in January for permission to re-advertise.

- 2008 CIP Projects

- Exit 13 Wastewater Collection Project: Phase 1**

- To be discussed later in meeting by Mr. Cornett and Mr. Hancock

- WCSA Waterline Replacement Projects (utilizing WCSA Staff)

- Wild Cherry Lane**

- Project is finished.

- Hickory Lane Improvements**

- Project is in Glade Spring; is nearly complete and should be by the end of the week.

- Friendship Road**

- Area has had pressure problems, mainly due to cattle waterers. Have the easements, and will begin construction on that any day; waiting for the ground to thaw somewhat.

- Hawthorne Drive**

- Project complete; involved the

connection of two lines with a small gap.

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

- Jazzy Lane**

- Project is complete.

- Scott Ridge Road**

- Project still has no commitments.

- King Mill Pike & Rich Valley Road**

- They have not been able to start evaluating either project yet.

- Hite Lane**

- Met with residents and gave them petitions; still waiting for their return.

- Spring Lake Road**

- They have created plans and armed project champions with user agreements; that was a month ago and they still have no responses.

- Fire Hydrant Projects

- Hillman Highway**

- They have evaluated the situation with fire flow and have a line that will support a minimum flow of 250 MGPM (million gallons per minute). They are trying to raise support amongst residents there to raise funds for supplies; our policy is they come up with the funds, WCSA constructs and the hydrant goes in. Still haven't had success getting in touch with Mark Venable (Meadowview Fire Chief); wrote him a letter, and are awaiting his response.

- Vances Mill Road**

- The area is in dire need of fire hydrants; tightly developed area. Have identified four project champions and have one area that has contributed enough to put the hydrant in. We are hoping that once

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the first hydrant goes in, it will rally up further support.

- **Developer Related Projects**

Have several projects they've asked for revisions for from developers and engineers. They are waiting for us to review their revisions, but there doesn't seem to be the same kind of push behind them that there was a couple months ago; possibly due to the economy.

- **Future Projects**

They have had scoping meetings with Lane Engineering and Draper Aden and Associates on projects they were procured for from our 2008 CIP plan. Meetings have been very successful and have helped realize what all is needed to be done. Everything is scoped out and they are working towards a negotiated master agreement that they will proceed with in future projects down the road. They believe they will bring the Board general agreements by the next meeting in January to be considered. They have not been able to meet with Adams-Heath Engineering regarding their projects yet, but that is still coming; hoping to do that in January also.

- Mr. Canody added that with the economy the way it is, all the talk of the Economic Stimulus Plan regarding infrastructure has led them to write a letter to each of our legislators in Congress to tell them the projects we can have under construction in six months. This was a combined effort of Mr. Cornett, Ms. Roberts, himself, Lane Engineering, Draper Aden and Associates and the people they work with, and Adams-Heath Engineering. Board was provided with copies of

their letter. They were told today that the letters were being handled through the Governor's office since we have a senator changing. They wrote the letter because most projects need money; this was their effort to obtain it.

Mr. Stout asked if Damascus obtained any funding for the Sutherland project; Mr. Canody said they did not

Another Board member asked where Friendship Road was; Mr. Canody explained that it was near Mill Creek. Later in the meeting, a Board member asked if anyone has approached us about Red Fox Lane. Mr. Canody explained that someone approached us about an easement on Red Fox Lane. We had considered applying for money from VDH to do that project last year. However, the land is tied up with the railroad and the ownership of the railroad is uncertain. We eliminated it from the projects we applied for because at the time, we didn't feel we could get a clear easement across the property for a waterline. He has heard from the Town Manager and it will be put back on the list to be re-evaluated for application and funding in January.

8. General Manager's Report and Update

Mr. Cornett reported on the following for the month of November:

Water Production

- Produced over 187 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 24 million gallons of drinking water.

Meter Department

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- 108 customers were telephoned following unusually high usage.
- 597 customers were notified if their water was going to be turned off.

Customer Service

- Abated 57 water bills, for over \$6,000.
- Over \$4,000 was written off as bad debt over three years old.

Maintenance

- Repaired 37 leaks & 14 major breaks.
- Constructed 6 water taps & 2 wastewater taps.
- Responded to 56 after hour maintenance call-outs.

Wastewater

- Treated more than 8 million gallons of wastewater.

Administrative Items

- Has received an overwhelming amount of positive comments and appreciation to the Board for the cash gift and barbeque lunch; it was one of the most heavily attended lunches we have had with 60-65 people who attended.
- Jennifer Ball of Marion, VA has accepted our offer to come serve as our Information Systems Manager. Her arrival will be on January 6.

Mr. Lawson asked if our number of water turnoffs seemed higher than usual, to which Mr. Cornett expressed it didn't.

9. Exit 13 Wastewater Collection Project Phase 1 Memorandum of Agreement and Update

Mr. Hancock said that Rural Development (RD) is supposed to give us a memo on historic resources. The week before last, they did receive a copy of that. It was reviewed by Mr. Cornett, Legal Counsel and himself. The memo is an agreement between RD, WCSA and the Virginia State Historic Preservation Office. It outlines, saying that we have to do the study at the two sites identified

and what to do if we find anything, along with how to contact them. They have reviewed it, and there are a couple things they have made suggestions on the cover letter and a couple references within. Mr. Hancock suggested that Mr. Cornett have the Board motion for him to sign off on it if they don't have any changes. Mr. Cornett reiterated that would be the Staff's recommendation if the Board felt so inclined.

Mr. Chase made the motion to accept the staff's recommendation in regards to the Exit 13 Wastewater Collection Project. Mr. Chase's motion was seconded by Mr. Stephon. The motion was approved by a unanimous vote.

Mr. Cornett continued with a more thorough project update. He reviewed a color coded map for the project in which green indicated "Yes" responses (71% of the 245 resident service area), red indicated a "No" (22 responses), yellow indicates a "Maybe" (3 responses), and blue indicates a "No Response" (48 remain to date). These responses have been gathered over the past 2-3 months through user agreements. He also provided a Land Owner by Land Owner breakdown of responses with their location correlating to the map. Mr. Cornett shared that he's felt good about the progress and the level of response. Although we had hoped to be at 90%, 70% is really good considering the amount of people who have been contacted. He explained that one of the main things driving the schedule has been the \$980,000 in grant money from Southern Rivers through the Department of Housing and Community Development (DHCD). They had said we needed to work out a contract with them by January 2009. Mr. Cornett contacted the DHCD and they said they

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liked our progress so far and that if we wrote them a letter, they may give us some extra time to pursue those missing user agreements. He included a letter to the Board that the County is sending to request an extension for us; we have not heard back from them, but he anticipates an extension until March to evaluate those easements. Up until that time, WCSA and DHCD will be looking at the No/No Responses to evaluate their status, and whether or not their easement is necessary. For those easements that we find necessary, we will be pursuing those folks one on one for a response. Project Champions have shared that there are easements available on some of the lot lines, which we plan to research more thoroughly; that could provide more flexibility. Mr. Cornett expects to come back at the February or March Meeting when it's likely that the Board will have to make a decision about the contract with DHCD. Because the project has taken longer than expected, Mr. Cornett suggested that the Board may want to consider rescinding the wastewater connection fee increase approved by the Board to a later date so residents would still pay \$2,400 as expected, opposed to the newly approved rate of \$2,900; the new rate was set to take effect January 1. He encouraged the Board to consider that with the new current Rates & Charges study.

Mr. Cole asked what effect it would have on our finances if they were to rescind that increase. Mr. Cornett informed the Board that we are doing 2-6 wastewater taps a month, so it is not a significant number. In terms of commercial business for an industry, he doesn't anticipate a loss in revenue. The change would be seen most in single family residences, and we have typically

no more than three per month. He thinks the difference wouldn't be too great; the aforementioned would be his recommendation until rates are set in accordance with the rate study (for the upcoming budget year). Mr. Cornett thinks the rate study will give us better insight to our rates than we've ever had before; it makes sense to adjust the rates all at once, rather than adjust now and further adjust at June 30, if necessary. Mr. Rector suggested creating a deadline; Mr. Cornett thought that was a good idea. Mr. Blaylock asked if it could bring about confusion with cost, i.e. Mendota Rd. Mr. Cornett responded that the user agreement clearly lays it out; there shouldn't be any confusion. Mr. Chase explained that people from the area would want an update; Mr. Cornett is very encouraged by the response so far. He also thinks some of the "No"s are avoidable from a user agreement perspective; he thinks we can get the approval/support up to 90% by the end of February. He thinks we can give the Board a better idea of where we stand by the March Board Meeting so they can vote whether or not to pursue the project. We plan to make an additional set of follow-up calls; all residents who do not live out of town have been visited at least twice. Mr. Cornett reiterated that the Authority Board will decide whether or not the percentage of support is sufficient for the project to go through; the two principle concepts that may cause hesitation in the Board's decision is the condemnation of property and mandatory connection for all those within 300 feet of the line. We know that 40 residents in the project area have already had septic system failures; there is now more awareness in the community of the damage that a septic

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system failure can cause. Above all, we have tried to educate residents so they can make an informed decision on the project.

Mr. Rector asked how the Wal-Mart development would play into this. Mr. Cornett explained that it would be favorable; it would help with the flow. Otherwise, if the Wal-Mart is not built, the flow issues are an expense that we have not budgeted for; we would have to find the funding somewhere. If we need to, Mr. Cornett said we could probably get funding from two different private sources. He also discussed potential future phases and each area's support, especially on McCray Drive's backside. Mr. Stout made the motion to rescind the additional \$500 in connection fees to a later date. Mr. Stout's motion was seconded by Mr. Chase. The motion was approved by a unanimous vote.

10. WCSA/Town of Chilhowie Water Treatment Plant Study, Procurement of Engineering Services

Mr. Canody explained that the Town of Chilhowie and WCSA interviewed three teams of engineering consultants interested in performing a study of the membrane filtration water treatment plant jointly owned by the aforementioned made a submittal. The three teams interviewed were:

- Draper Aden and Associates, in association with CH₂MHill of Newport News
- The Lane Group, in association with Olver Inc. of Blacksburg & Charlotte
- Thompson & Litton (Wise & Bristol) and HDR Engineering Worldwide

Mr. Canody was involved in the interview process, but did not participate or have input in the final selection process; a member of his immediate

family works for CH₂MHill. However, he knew the section was going to be difficult; the candidates represent three great teams with various strengths and weaknesses, but all highly qualified.

The work that the project entails involves evaluating the operating history of the plant, developing a long range of maintenance plans and improvements, including funding, exploring additional source development, and evaluating the possibility of increasing the amount of water brought into the plant through increased efficiencies or capital improvements. It appears the work involves looking at previous agreements, compliance with them, and suggesting changes to optimize relations between the Town and WCSA, with respect to the plant. The work also involves the application of specialized technical knowledge and experience to solve specific water treatment issues.

Mr. Cornett has told Mr. Canody that the selection committee, which consisted of representatives of the Town, the engineering, water production and administrative departments of WCSA, as well as WCSA Commissioners Blaylock and Stout have reached a consensus that The Lane Group/Olver team are the best qualified to take on the study and the report. The staff seeks the endorsement of the WCSA Board of Commissioners as a whole to pursue negotiations with The Lane Group to develop a contract acceptable to all entities (Town of Chilhowie, WCSA and the engineering consultants involved) that they can bring back to the Board for final approval. He thanked all who participated or played a role in the process.

Mr. Cornett added that the Town of Chilhowie Council's process for procurement is somewhat different than

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ours. The Town Council vested the authority to make the decision with its committee. The Town of Chilhowie, as far as its Council is concerned, has made its decision due to the consensus by both committees.

A Board member asked who would be in lead to handle issues should they arise amongst this process. Mr. Cornett explained that in the past, they had endorsed the Town's engineer to design without real technical review. Although on paper both parties are proceeding together, WCSA now possesses a great deal of technical capabilities to review the plans with confidence. Mr. Stout said that he felt the Town Manager seemed easy to get along with. Mr. Cornett added that in the past, Mr. Boswell, Mr. Skene, Mr. Rector and himself have comprised the joint steering committee for the treatment plant; they've yet to have any real issues to solve, and it has brought about open lines of communication. They have talked about the project for two years, and he feels everyone is aware of the process in place.

Mr. Rector made the motion to endorse the recommendations made by the committee. Mr. Rector's motion was seconded by Mr. Stout. The motion was passed by a unanimous vote.

11. Rich Valley/ Litchfield Road Funding Offer

Mr. Canody shared the response he has received from the Virginia Department of Health (VDH) concerning the funding requests they had made in March of this year for 4 water system extension projects. These projects include:

- Mendota Road- Phase 2 (which would relieve our reliance on the substandard well there)

- Childress Hollow Road (a fairly high cost connection project)
- Rich Valley Road/ Litchfield Road
- Rich Valley Road/ Whites Mill Road Extensions

In the past, they have received funding for as many as all the projects they have applied for. This year, there was quite a bit of competition for the money. In the letter dated November 19, which they received on November 24, an offer was extended to WCSA for the funding of the Rich Valley Road/ Litchfield Road project with a loan in the amount of \$1,378,534. Funding was not offered for the other three projects; again, due to the unusual amount of competition this year. The terms of the loan for this section of the Litchfield/ Rich Valley Road project are somewhat different than funding we have received in the past in that the interest rate has yet to be determined. In the past, he thinks the highest rate paid by WCSA for these loans has been 3%, paid off in 20 years. In this funding offer, the interest rate won't be set until the time of the loan closing and will be equal to 1% below the prevailing "AA" market rate at the time which VDH has noted to be historically between 3-4%; we could ultimately end up with a lower rate than what we've received in the past. Ms. Roberts looked at the "AA" rate last week at it was 5.71%. Due to the turmoil in the financial sector, VDH does not feel that it can define a definite interest rate at this time.

VDH has asked that WCSA notify it by December 31, 2008 of its intention to accept or reject the offer. Consequently, he is asking the Board tonight to advise the staff of its decision so they can meet VDH's deadline. To help with their consideration of the offer, Mr. Canody offered the Board the following facts:

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1. Staff believes the project can be constructed and within the budget prepared for the application, based on previous bids (which were increased prior to the application).
2. The budget passed by the Board for this fiscal year accounted for funding part of the water plant expansion and some of the 4 referenced projects at the rate of 3%. The rate adjustment/increase approved by the Board projected an additional \$808,000 in revenue annually. If we accept the offer of funding from DWSRF, the Board will be committing between \$93,000 (at 3% interest rate) and \$109,000 (at 5% interest rate) or 11.5% and 13.5%, respectively, of the adjustment/increase from last year. There is money in the budget to cover the project, unless the final interest rate greatly exceeds our expectations or unless they would prefer to utilize the rate adjustment/increase solely for the purpose of financing the water plant expansion project. Should the interest rate greatly exceed our expectations, despite its stated intentions, the Board can refuse at that time to close the loan for the project and place the project on hold pending further evaluation and more favorable funding. He believes the project would involve 9-12 months under construction, with Maiden Creek Rd./ Litchfield soon to follow. He is unsure of the ramifications for not accepting the offer.

Mr. Cornett added that the biggest risk is that there is no written agreement to follow through; in time, if that were to happen, the agency reviewing this could eventually skip over us. Mr. Canody

knows that with the funding program, it is highly common for folks to change their mind in regards to finishing a project due to various circumstances. In result, they turn the money back over to DWSRF or VDH, and the money is offered to the next candidate on the list. Mr. Cornett believes offers similar to this one have probably been made to many within the Commonwealth, so if there is a need to back out due to a higher interest rate, we would not be the only ones making such a decision; he doesn't think we would be more/less criticized consequently. Mr. Canody added that in order to accept the offer, they would write a letter back to VDH stating that the WCSA Board's intention is to gratefully accept the funding, signed by Mr. Cornett; Mr. Lawson felt this offer seems too vague.

Ms. Roberts added that she called them directly to inquire. They explained to her that every time the Feds decrease the current interest rate, which they did again Friday, the bond rate goes up. Mr. Canody added that the Engineering Department would have expended \$70,000 in their services if we were to refuse at the close of the loan. Mr. Cornett added that there may not be other funding opportunities out there. Discussion erupted amongst the Board. Mr. Lawson clarified that all we would be doing is expressing an interest.

Mr. Canody presented fact #3:

3. For the previously stated reasons and due to the fact that there is a great need and interest in the project (27 of the 44 or 61% of existing residences have committed to purchasing a connection if the project is built), it is the staff's recommendation that the offer of funding be accepted.

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Mr. Taylor made a motion that we accept the funding with an attorney review letter. Mr. Taylor's motion was seconded by Mr. Rector. The motion was approved with a unanimous vote.

12. Closed Meeting: Investment of Public Funds

Mr. Cornett felt a Closed Meeting was necessary to discuss item #4.

Mr. Blaylock 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) (6): Investment of Public Funds, 4.

Discussion of Various Inter-Municipal and other Agreements.

In addition to the Board the presence of Mr. Mark Lawson, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager, are requested. The motion by Mr. Blaylock was seconded by Mr. Stephon. The motion was passed by unanimous vote of the Board. The Board adjourned to Closed meeting at 8:32 p.m.

Return to Public Session

Upon motion by Mr. Rector, a second by Mr. Chase and a unanimous vote by the Commissioners, the Board returned to Public Session at 9:11 p.m.

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: Mr. Blaylock, Mr. Chase, Mr. Stephon, Mr. Cole, Mr. Rector, Mr. Taylor and Mr. Stout

13. Late Items

Mr. Cornett shared that a meeting with members of the County and the Industrial Development Association (IDA) is scheduled for January 5, 2009 at 10am to review our Rates/Fees/Charges Study and to solicit feedback. Municipal Financial and Services Group will be conducting the meeting. The Committee has chosen to send the members of their Joint Utility Committee to attend, which includes Taylor and Owens for the County, Owens and Snodgrass from the IDA, and Stephon and Stout from WCSA. Lunch will be provided; the meeting will run from 10am-noon, with lunch served at noon. The meeting will take place on the first Monday in January in the WCSA Board Room; Ms. Paukovitz will call to remind them.

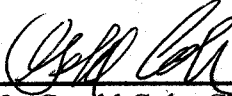
Mr. Cole received a call from Janet Nunley of Mendota Road today regarding a fair amount of confusion in the area regarding the cost of connection rates; she called Mr. Lawson as well. Mr. Canody talked to her 30 min. before the

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Board Meeting tonight; she made it sound like she would be present for the meeting. She is still upset over what the petition said (the current rate of \$1,150) opposed to the new rate of \$1,900. Another lady from the area called him as well. At this point, we have six committed connections on Mendota Road; Mr. Cornett confirmed that was out of 11 residents. Mr. Cole explained to Ms. Nunley that the price she would pay is what it costs us to make the connection. We do not make a profit; the price is the actual cost. Mr. Canody explained to her that even at a cost of \$1,900, WCSA is still losing money. He also invited her to come to the meeting. Mr. Cole agreed to call Ms. Nunley again to touch base. Mr. Chase referenced a letter he had received from a Mendota resident who he has spoke with; she has been very understanding. Mr. Cornett talked about a letter that was sent out on December 2 to Walker Mountain Road/Lime Hill Road/Mendota Road residents to try to clarify an earlier letter. He apologized for the earlier miscommunication. Mr. Canody said that many residents have said that the cost of connection would be much more affordable if it were spread over 2-3 years; the Board discussed this. Mr. Cornett explained that he would not recommend that route, especially since our financing is interest fee and not until after we evaluate it via the rate study. Mr. Cole agreed with that plan. Mr. Lawson resurfaced discussion regarding the Rich Valley/ Litchfield Road Funding Offer. He expressed some of his concerns with the language of the letter, and Mr. Canody clarified. He expressed that he was comfortable with the letter, and Mr. Lawson backed his decision.

14. Adjourn or Recess

Mr. Rector made a motion to adjourn the meeting. Mr. Rector's motion was seconded by Mr. Stephon. The motion passed 7-0. The Board adjourned at 9:24 p.m.



Mr. Gerald Cole, Chairman



Amanda Paukovitz, Assistant Secretary