

**Washington County Service Authority Board of Commissioners  
February 23, 2015 Regular Meeting Minutes**

The Annual 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. Devere Hutchinson  
Mr. Jim McCall  
Mr. Dwain Miller  
Mr. Frank Stephon, IV  
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  
April Helbert; Engineering Manager  
Mark Osborne, PE; Distribution Manager  
Ken Perrigan; Meter Manager  
Don Cole; Water Treatment Plant Manager  
Bobby Gobble, Assistant Maintenance Manager

Consultants Present:

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

Also Present:

Mr. Mark Lawson; General Counsel

**3. Approval of the Agenda**

Mr. Cornett had no changes to the agenda. Mr. Stephon motioned to

approve the Agenda. Mr. Miller seconded and the Board approved with a 7-0-0-0 vote.

**4. Public Query and Comment**

Mitzi Flannery of 16355, 16371 and 16391 Pine Hill Road was the first to address the Board. Ms. Flannery said she received a letter from WCSA saying there was not enough participation to qualify for Government funding for the Pine Hill Road Project.

Mr. Cornett confirmed there was not enough participation for the funding source WCSA sought for the Project. He said WCSA continues to solicit other funding sources.

Ms. Flannery said WCSA wouldn't get much more participation than we have because residents want to be guaranteed. Their connections will be free. She said people do not have water on Pine Hill and are "literally flushing with jugs of water". Ms. Flannery said she respectfully but adamantly requested the Board approve providing water service for the Pine Hill Road community.

Gail Flannery of 16355, 16371 and 16391 Pine Hill Road was the next to address the Board. Ms. Flannery wanted to make the Board aware of the conditions on Pine Hill Road. She said she would not want her family members to live there. The wells have so much lime that residents who have lived on Pine Hill for several years required treatment for gall stones, and even had to have their gall bladder removed.

Ms. Flannery described a situation that a single mother with three children has only enough water to bath her children in the same bath water. They then must use the old bath water to flush toilets. You only have enough water to wash dishes or to wash a load of clothes in a day; not both. Ms. Flannery said she

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brought in her drinking water. "If you test the water you will see why", she said. Ms. Flannery said it has been 15 years and said she was banking on water service on Pine Hill.

Ms. Flannery expressed her feeling for the children on Pine Hill saying she cared about them. This is in-excusable in a county such as the USA, stated Ms. Flannery.

She continued saying, Pine Hill residents also pay taxes and they did not receive much from Washington County and asked only for decent drinking water. Ms. Flannery said she would have signed her mineral rights over just to get clean drinking water.

**5. Approval of the Consent Agenda**

- Minutes: January 26, 2015 Regular Meeting Minutes
- Routine Reports: January 2015
- Balance Sheet: January 2015
- Income Statement: January 2015
- Check Register: January 2015
- General Manager Financial Report: January 2015

Mr. Nelson made a motion to amend the Consent Agenda to include the following Agenda Items and accept the staff recommendation for each item:

- Agenda Item 13: Consideration of WCSA's 12 MGD Water Plant Expansion Project, Change Order No. 12
  - Staff recommended the Board favorably consider Change Order no. 12.
- Agenda Item 14: Consideration of Rich Valley / Whites Mill Road Project, Change Order No. 2
  - Staff recommended the Board favorably consider Change Order No. 2.
- Agenda Item 15: Consideration of an Engineering Agreement Between

WCSA and Anderson & Associates for the Exit 13 Phase 3 Sewer Project

- Staff recommended the Board approve the Engineering Agreement.

Mr. Miller seconded Mr. Nelson's motion and the Board approved to amend the Consent Agenda voting 7-0-0-0.

Mr. Stephon then made a motion to approve the Amended Consent Agenda. Mr. McCall seconded and the Board approved the motion with a 7-0-0-0 vote.

**6. Engineer's Report and Update**

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

**• Exit 13 Sewer Project Phases 2A**

Mr. Amos and Mrs. Helbert participated in a conference call with DEQ on February 18<sup>th</sup> to update them on the status of the Project. A&A received WCSA comments and are working to address the comments.

Mr. Amos then reported on Exit 13 – Phase 3 saying A&A submitted a draft agreement to WCSA on January 29 which was approved in tonight's Amended Consent Agenda.

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

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

Mr. Lane said American Electric Power approved test reports on the energy recover units.

The test for 12 MGD production capability of the Intake under riverine conditions is complete. Those tests show the pumps and intake yielded 12 MGD. TLG continues to work on issues with the energy recovery turbine and clay valve at the Water Treatment Plant.

TLG will be testing the Intake under ice conditions in two days to see how it

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performs. Lawrence Hoffman continues to work on the Withdrawal Permit Modification.

- **Galvanized Waterline**

- Replacement Project - Phase II**

- Due to the cold weather, contractors have not been able to work for the past couple of weeks. The contractors have submitted updated Project schedules and indicate they will be adding extra crews, stated Mr. Lane.

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

- Mr. Bobby Lane, Mr. Matthew Lane and Mr. Heath along with Mr. Cornett and Mrs. Helbert met with the Program Director of Rural Development to seek improved funding for Phase III, stated Mr. Lane.

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

- Mr. Lane said the Contractor has been notified of the Bid Award and they are assembling bonds. Mr. Lane hopes to begin work on the Project in the next month.

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

- TLG is working to revise the application to the Tobacco Commission and ARC and hopes to receive funding for the Mid-Mountain Project this funding round. The Mount Rogers Planning District will be assisting with the application. Mr. Lane said over the next few months, TLG will be meeting with the Tobacco Commission and ARC and working on the application for the best possible funding position.

- **Mill Creek Water System Source Improvements**

- Mr. Lane said TLG is moving toward Final Design completion scheduled for March 23. The next meeting with the working group is on March 26, stated Mr. Lane.

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

- Mr. Lane reported having additional meetings with BVU Board and the City of Bristol Virginia and Bristol Tennessee. Mr. Lane said in support of Mr. Cornett they have also met with BVU Board and the Town of Abingdon to discuss the Discharge Permit. A Community Meeting is scheduled on March 5<sup>th</sup> at the Higher Ed Center.

- Mr. Bill Skeen of Maxim Engineering*

- **Larwood Acres / Exit 1 Wastewater Feasibility Study**

- Maxim had a very productive meeting with WCSA staff and will be doing some fine tuning for final Project presentation. The result of the Study was three stand-alone sewer projects. The Larwood subdivision is one drainage basin, Exit 1, Gate City Highway is another drainage basin and the third drainage basin is for Miller Road and Dishner Valley. Mr. Skeen said it is not feasible to pump from one station to another. Each stand-alone project requires crossing Interstate 81. The Study indicates a cost range of \$2.2 to \$2.4 million, stated Mr. Skeen.

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

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

- The Final Clean-up Change Order No. 2 was approved in the Amended Consent Agenda. AHE continues to move toward the completion of final punch list items and project closeout. Mr. Heath hopes to present the Final Report at the March Board Meeting.

- **Abingdon Water Storage Improvements Study**

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AHE addressed VDH comments and resubmitted the PER to VDH who indicated they would approve the PER.

• **Smyth Chapel Area Water Improvements Study**

AHE responded to comments on the Draft PER and resubmitted it to WCSA staff for review.

• **Route 58 Water Supply Improvements Project**

Mr. Heath said preliminary plans have been submitted to WCSA staff for review.

**7. Water and Waste Construction Projects Update – April Helbert**

The Childress Hollow Project Bid Opening is scheduled for March 12, 2015.

Mrs. Helbert expects to soon begin design on the Haskell Station Road Project and the Richie Road Project.

Mrs. Helbert then discussed the Chip Ridge Road Project. Last year, a resident contacted WCSA regarding the potential for water service on Chip Ridge Road. Staff evaluated the potential for service and developed two options.

- Option 1: Provides for a water line would be extended from the end of our system (near the Hillandale intersection) to 12311 Chip Ridge Road. This proposed system would consist of approximately 2,750 linear feet of waterline, a pressure reducing valve, and all related appurtenances. Because fire flow is not available to this area due 4-inch water line along Hillandale, it was assumed the new water line would be 4-inch with no fire hydrants. This project is estimated to cost approximately \$183,952 and serve seven people assuming 100% participation (\$26,279/connection if we assume 100% participation).

- Option 2: Would provide a complete loop from the end of our system near Hillandale Road to Rich Valley Road. That proposal would consist of approximately 5,550 linear feet of waterline, two pressure reducing valves, and all related appurtenances. For this scenario it was assumed the water line would be 6-inch and fire hydrants would be added. This project is estimated to cost approximately \$357,576 and serve 7 people assuming 100% participation (\$51,082/connection if we assume 100% participation).

Currently, of the seven potential connections (dropped back from eight due to a home being abandoned), four have agreed to water service and one has verbally declined. Staff has made numerous attempts to contact the other two individuals. Staff did hold a community meeting. Follow-up with the two we have not heard from by letter and telephone will continue.

With 57% participation, the project meets the minimum guidelines for a potential VDH project. The project also meets our minimum participation level but does not meet our maximum cost per paying connection (\$20,000) without partial grant money.

Staff kindly recommends the Board allows staff to proceed with a funding application to VDH for Option 1, stated Mrs. Helbert.

Mr. Miller asked if there was any advantage to having the loop (Option 2). Mr. Cornett said there was no advantage to having the loop. There are already three other looped systems. Closing the Loop is in a very steep area so the likelihood of getting new connections is very slim.

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Closing the loop in a very steep area the likely hood of closing the loop is very slim

The costs increases quite a bit for the loop, stated Mrs. Helbert. In order to create the loop, it would require two in-line pressure reducing valves.

Mr. Hutchinson motioned to approve the submission of a funding application to VDH for Option 1. His motion was seconded by Mr. McCall.

McCall asked if this project was included in the 5 year plan.

Mrs. Helbert said it was not included in the 5 Year Plan or in the budget and could impact rates.

Mrs. Helbert said \$104,000 in grant would be needed to be able to meet the required \$20,000 per committed connection fee. With the committed connection we have now (4 agreed or 80,000) to make it cash flow assuming the loan and not including operation and maintenance costs, we need just over \$109,000. Anything we add will be an addition to the budget; this Project would need to be added to the financial plan

Mrs. Helbert said staff continues to try to contact the residents.

Mr. Taylor asked for a vote. The Board approved the motion with a 7-0-0-0 vote. The next project Mrs. Helbert discussed was Mendota. She said there was no change in the number of user agreements for Mendota since the January meeting.

Mr. White said he had one additional agreement for Mendota.

Mrs. Helbert said the chances of the Mendota Project being eligible for DHCD was slim since DHCD require 80% participation. To be eligible for a VDH loan, we need two more agreements, for a total of nine.

Mr. Taylor asked if there were any other ideas for the Mendota Project.

Mrs. Helbert said two residents have not responded and one resident verbally declined service.

Mr. McCall asked about the cost to install a 6 inch line instead the 8 inch line.

Mrs. Helbert said regardless of the 6 inch or 8 inch line, we would have to have participation.

Mr. Cornett said they would consider ways to increase participation levels. One way could be to expand the Project area. One thing that hurts participation levels is the first five residents in the Project have a plentiful water supply and are not interested in service.

Mr. White said increasing the project area one additional mile will add six potential customers.

Mrs. Helbert said some of the residents that agreed, only did so at the reduced connection fee, bringing participations levels down more.

There was a brief discussion about the increasing the Project area and the number of customers it could add.

Mr. Cornett said April 1<sup>st</sup> is the deadline for funding for Washington County. He suggested looking into other funding opportunities for Mendota in the coming months. Mr. Taylor agreed with Mr. Cornett's suggestion.

Next, Mrs. Helbert discussed the Pine Hill Road Project. Participation levels for Pine Hill have not changed. Mrs. Helbert said a new letter was issued to the residents of Pine Hill asking them to contact WCSA. We have not had good response; Gail Flannery was the only resident to contact us, she stated.

Mrs. Helbert said she called residents today and talked to all residents but two and they all declined service if they had to pay for a connection.

Mr. McCall asked if the wells on Pine Hill have been tested and suggested

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getting the Health Department involved with well testing. Mr. Cornett said that Health Department was a different branch than the VDH we receive funding from. Mr. Cornett thought if the Health Department came involved they could be a good source of information regarding the importance of clean water.

Mr. Miller said the residents that are not interested in service at this point all seem to be happy with well water.

Mr. McCall said he saw the same issue in Alverado. After water testing was performed in that community, it made a world of difference in participation levels.

A lot of work has gone into this Project, stated Mr. Nelson. If you consider the time lines provided, residents seem to be set in their decisions and it doesn't seem we have gained any more participation. Mr. Nelson said he would love to help the residents of Pine Hill but does not know what else WCSA can do.

Ms. Flannery is the only resident who has been vocally in favor of the project, stated Mr. Miller. Mr. Miller said Ms. Flannery's homes were located at the far end of Pine Hill. Mr. Miller asked if we had information about the need for clean water that we could provide to the residents of Pine Hill.

One option Mr. Nelson offered was to provide well testing and discuss those results with the residents of Pine Hill.

Mr. Cornett offered to see if any existing information was on file for Pine Hill regarding water quality. If so, that could be an opportunity for one-on-one talks with residents.

Mr. McCall asked what requirements the Health Department had for testing wells. Mrs. Helbert said the Health Department did not require well testing.

Mr. Lawson said he looked at that issue years ago for Tazwell Virginia. At that time, the Health Department at that time shut wells down because people were using creeks and not springs.

Mr. Hutchinson mentioned the health issues Gail Flannery discussed. He said if residents were having gall and kidney stones and related issues, the residents would recognize the need for clean safe drinking water and would agree to service. Mr. Hutchinson said it seemed to him the residents have not been educated on the relationship with clean drinking water and their health related issues. He said he agreed with Mr. Miller and thought those issues should be addressed in a community meeting. But, Mr. Hutchinson wondered if anyone would attend as he thought residents were set in their decision. Mr. Hutchinson said everyone deserves to have clean, safe drinking water and said the Board should exhaust every avenue and do everything in their power to get water to the Pine Hill community. It also seems they think their tax dollars have something to do with water service and wanted residents to have a better understanding how these projects are funded.

Mrs. Helbert said they explained that to the residents.

Mr. Nelson thought it was hard for people to understand their tax dollars do not extend to water service. It is hard for people to separate Washington County and WCSA as two different entities. Mr. Nelson said he could understand their point that the residents of Pine Hill thought they should have the same part as other places in the county.

It is also obvious there are some that want to be self-sustaining and do not want to be part of our system. They view

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there wells as a tool to help them be self-sustaining, stated Mr. Nelson.

Mr. Nelson asked what the cost would be if WCSA paid for the Project.

Mrs. Helbert said the cost to do this Project internally would be approximately \$505,000.

Mr. McCall asked if that cost was to include Peacock Drive.

Mrs. Helbert did not have that information with her but offered to provide it to the Board.

Mr. Cornett said he spoke with Mr. Miller before the meeting and offered to have a second community meeting on a Saturday for Pine Hill residents to see if there is any additional interest and discuss those results with the Board at a future meeting.

Mr. Taylor said just because your well water looks good doesn't mean it is.

Mr. McCall said some people do not want their water tested because it may be bad.

Mr. Miller said \$505,000 must not include Peacock Drive because he found in his email a cost of \$634,000.

Mrs. Helbert said the \$634,000 included engineering costs but was not sure if the cost included Peacock Drive.

The Board had a brief discussion regarding the quality of well water on Pine Hill.

Mr. Cornett said he wasn't sure if the residence told why they said no to the Pine Hill Project.

Mr. Miller said some told him their well was bad.

Mrs. Helbert said some say their well is good and some residents said they simply could not afford the connection fee.

Mr. Hutchinson said, one of the first things Mitzi Flannery said was WCSA would not get any more to agree to service because the Project was not free.

He thought the issue was residents could not afford the connection fee and not an issue of water quality. Mrs. Helbert said she has seen this issue on past projects and found that residents did not want their wells tested because they were afraid who we may share that information with.

Mr. Cornett offered to look into reliable information about water quality and quantity associated with private wells and any specific information related to Pine Hill to share with residents at the community meeting.

Lastly, Mrs. Helbert referred to the update regarding insurance coverage for consulting engineering firms at the Board Stations and offered to answer questions offline.

Mr. Nelson said he appreciated all the effort that went into understanding potential liability. "You have done a great job...to determine what the potential risks are", stated Mr. Nelson.

#### **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

##### **2015 January Performance Against Plan (\$56,302 Under Budget):**

Mr. Cheek group is working to replace fire hydrant and meters and to expect spending to increase. .

##### **Year to Date we are \$255,100 Under Budget:**

Mr. Cheek said all departments were under budget for the year.

##### **2014/2015 Operation Capital Update**

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- Maintenance – 83% of Budget Remaining.
  - Items to Purchase: Shop Vac Truck and Mini
- Middle Fork – 58% of Budget Remaining
  - Items to Purchase: Paving and Computer Equipment
- Mill Creek – 38% of Budget Remaining
  - Items to Purchase: Cartridge Replacement
- Distribution – 45% of Budget Remaining
  - Items to Purchase: Manhaim Valve and Fire Flow
- Metering – 51% of Budget Remaining
  - Items to Purchase: Large Meter Replacement
- Hall Creek – 81% of Budget Remaining
  - Items to Purchase: Local Limits
- Damascus – 95% of Budget Remaining
  - Items to Purchase: Tractor and Mower

**2015 January Water Production Highlights:**

- South Fork Intake
  - Continued to Work Through Operational Issues with Level Controls, Flushing & Initial Icing
- Middle Fork Drinking Water Plant
  - Continued to Work Through Operational Issues
  - Hydro-Turbine Start-Up
    - Issues with Water Flow Regulation & Possible Bearing

Awaiting Trip Report

- Mill Creek Membrane Plant
  - Quiet Month
  - Working with TOC & TLG on New Plant Design

In an effort to save replacement costs, Mr. Cole is doing all he can to make the existing cartridges at Mill Creek last until the new plant is built.

**2015 January Wastewater Process Highlights:**

- System Operation
  - Both Plants Operating Well Within Control Limits
  - Have Designated Damascus Capital Improvements
    - Making Extra Effort to confirm that we have a Solid Spec.
- Inflow and Infiltration
  - Team Approach with Maintenance
  - Developing Spring Rain Inspection and Reaction Plan
  - Focus Areas
    - Oak Park Industrial Park
    - Damascus
- Capital Improvements
  - Will Piggy Back with Metering on Energy Reduction Program

**2015 January 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
- System Operation
  - Water Leaks 49 (above average)

Mr. Cheek said the amount of water leaks was above average and was to be expected due to the cold temperatures.

- Wastewater 5
- Breaks 6
- After Hours Responses 43
- System Inspections
  - Hydrants
    - Implemented Hydrant Standard Inspection Process
  - Tank Sites



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- Developed Process
- Train & Implement in February

**2015 January Distribution Highlights:**

- Conducted Fire Hydrant Training with Field Demonstrations
  - Will Begin Additional Training and Inspections in April (Better Weather)
  - Working on in-house Data Management
- Developing System to align District Meters with District Billable Metering to identify Water Loss Areas
- Executing PSV/PRV Preventive Maintenance Program
- Real Estate Acquisitions/Easements

**2015 January Metering Highlights:**

- Analyzing Meters for End of Life Replacement
- Analyzing ROI for Remote Meter Read
  - Completed Initial Zone Map (1 Vendor, want another)
  - Completed Presentation by Johnson Controls to Design/Build
    - Will Obtain Other Proposals
    - Will Meet with Division of Mines & Minerals on Energy Reduction Program
- Analyzing Billable Water Reductions from 2008 to Present

**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 gal
  - How Each Department Contributes to this
- Working to Build Better Relationships to help minimize issues, especially with Fire Departments and Waste Water

- Departmental Capital Spending Plan – Continually Review & Execute per our Schedule will Update at February Meeting

**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
- Financials
- Customer Service
- Notable
- What’s Ahead

**Safety:**

- January: Two Accidents
  - Accident 1: no fault
  - Accident 2: backed trailer into a tree stub.
    - Counter Measure: Always ensure door is closed and someone watching.
  - No Injuries

**Water - New Connections:**

For the month of January, there were three new walk-in connections and that number is to be expected in January, stated Mr. Cornett.

**Monthly Water Revenue: Budget vs. Actual:**

Water Revenue is \$25,231 or 2.4% under budget. Mr. Cornett said that was normal for this time of year and expects water revenue will increase in February.

**Year to Date Water Revenue: Budget versus Actual:**

Water Revenue is \$116,818 or about 1.58% below the year-to-date projection.

**Water – Monthly Expenses:**

Excluding depreciation, compensation and benefits but including overtime, each department was under budget in January, stated Mr. Cornett.

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**Water – Year to Date Expenses:**

Excluding depreciation, compensation and benefits but including overtime, Non-Departmental, Administration and Customer Service are performing better than projected.

**New Wastewater Connections:**

For the month of January, there were no new wastewater connections. That is expected this time of year stated Mr. Cornett.

**Monthly Wastewater Revenue:**

**Budget vs. Actual:**

Wastewater revenue was 5,189 below January projections, but was an improvement from last month said Mr. Cornett.

**Year to Date Wastewater Revenue - Budget versus Actual:**

January's revenue was \$16,641 below projection.

**Wastewater - Monthly Expenses:**

Excluding planning expenses, wastewater expenses are under budget for the month.

**Wastewater – Year to Date Expenses:**

Excluding planning expenses, wastewater expenses are under budget year to date as well.

**Customer Service:**

- Active water accounts increased by 14 to 21,066.
- Active wastewater accounts remain the same at 2,333.
- 155 reconnections or transfers of service.
- 114 disconnect for nonpayment.

Customer Service calls with about 200 customers each week to inform them of disconnects, explained Mr. Cornett. Customer Service calls those customers, they are contacted with an auto calling process and the Meter department also calls the customers that are to be disconnected. This week, they were able

to get the number of disconnects from about 200 to 114.

Mr. Nelson asked if the same customers were being called each week.

Mrs. Edwards said it is mostly the same customers that are called regarding disconnects.

Mr. Nelson asked what percent of customers called regularly for disconnects were renters.

Mr. Cornett said about 90% were renters.

- \$14,953 was abated for 96 customer water leaks
- \$6,765.83 bad debt written-off

**Accounting – Bad Debt Collection:**

Mr. Cornet discussed bad debt collection saying; each month we outline how much bad debt we are writing off. This is done after three years of trying to collect it. What we don't talk a lot about is what we are trying to do to collect monies owed. At the time service is rendered, we submit a bill. If the bill goes past due, we issue a second bill. If the second notice/bill goes unpaid, we turn the water "off" and do not establish service again for that customer without first paying the outstanding debt. It's at this point that we see a lot of things happen. If service was in the husband's name the first time, they will apply in the wife's name the second time and on it goes. This is most common in rental property. And, once there is no one else to apply, they move out of our service area. If they rent, they don't have real-estate so we can't get the County's help in collecting through personal property taxes nor can we place a lien if they own no property. We looked at deposits but that was met unfavorably by our landlords. So, we use the debt set-off collection process made available to us through the Commonwealth.

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This program began in 2011 and since collected we have more than \$100,000 (\$100,875.66), stated Mr. Cornett. Mrs. Boyd and Mrs. Edwards along with their respective staffs work hard to try and collect monies owed WCSA.

For 2015 WCSA has 1712 inactive accounts with \$266,942 in bad debt associated with them. If the trend continues, said Mr. Cornett, we expect to collect about \$30,000 of this debt this year.

**Accounting – Interest Reimbursement:**

Mr. Cornett explained that much of WCSA financing over the past five years has been with the USDA Rural Development. In 2010, the feds offered a 35% reimbursement on interest. This has since been reduced by 8.7%, which changed to 7.2% on 10/1/2013, and now it is a 7.3% reduction until further notice. So far we have netted \$277,000 in interest savings since 2011. These savings are not automatic and require Mrs. Boyd to apply for the interest savings monthly, explained Mr. Cornett.

**Notable Items:**

- Congratulations Joey Forster  
Water Operator Joey Forster joined our team in July 2013 and earned his Class 3 Operators license in record time, stated Mr. Cornett. He has since earned his Class 5 and 4 licenses and is well on his way to attaining his Class 1.

- WCSA's Request for Special Exception Permit Tabled

The Special Exception Permit was tabled until March 24. Mr. Bobby Lane did an outstanding job, stated Mr. Cornett.

- 2015 Legislative Season
- CDGB Program Requirements
  - Water 50% to 80% participation
  - Sewer 50% to 75% participation

Regrettably, said Mr. Cornett, it seems like we continue to see unfavorable

changes with State funding opportunities. As Mrs. Helbert pointed out in recent correspondence, CDBG participation requirements increased last year from 50% to 80% for water projects and from 50% to 75% for sewer projects; LMI participation requirements remain at 60%.

- \$10 Million to about \$14.3 Million  
TLG and staff are working hard on a refinance package that if successful, will result in no additional loan but add about \$4.3 million in grant for at least two capital projects. April 1, 2015 is the deadline and we are working hard to try and make that deadline< stated Mr. Cornett. He hopes to report good news at the April or May meeting.

**What's Ahead:**

- 2015-2016 Fiscal Year Budget
  - Board Workshop March 9, 2015.
- Employee Development/Engagement
  - Bi-Annual Meeting – To Be Determined
  - Chili Cook-off – To Be Determined
- Western Washington County Wastewater Options and Opportunity
- Joint Utilities Community meeting
  - March 2, 2015

**10. Consideration of Vehicle Bid Opening – Kim Boyd**

Bids for a one ton truck and two extended cab ½ ton trucks, approved in the 2014-2015 Budget have been advertised. The invitation to bid and specifications were emailed to ten and faxed to four vendors as well as listed on the WCSA website. We received seven responses. Bids were opened Wednesday, February 11, 2015 at 2:00 p.m.

Mrs. Boyd recommended the Bid be awarded to the lowest bidder that met all vehicle specifications, Dominion Dodge,

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with a bid of \$47,510 for two ½ ton 4X4 extended cab pickups and the bid from Crabtree GMC of \$37,195 for a 1 ton 4X6 truck.

Mr. Stephon motioned to approve the bids as recommended. Mr. White seconded the motion and the Board approved voting 7-0-0-0.

**11. Customer Bill Paying Options Presentation – Holly Edwards**

Over the past several years, Staff has expanded our customer's bill paying options. In addition to the traditional teller counter, drive-thru window, and US Mail, we now offer auto-draft by check, telephone for credit or debit card and internet for credit/debit card options. (We wanted to take a few minutes to breakdown a months' worth of transactions and show you how much each of these six options are being used. Mrs. Edwards thought the Board might be interested to know how much is cash, check or charge or debit.

Mrs. Edwards then discussed the items in her presentation listed below:

**What Options do WCSA Customers Have 24/7?**

- Night drop: Customers can drop their payment off after office hours in our drop box through the drive thru window. Payments will be processed next business day.
- Phone: Customers can call WCSA 24/7 to make a payment by phone. (March 2013)
- Profile: Customers can set up an account on WCSA website to make a payment by credit/debit card. (March 2013)
- Quick Pay: Customers can log on to WCSA website, enter their name, address, e-mail address, account number, credit card information, and

payment amount without creating an actual account. (March 2013)

**What Options do WCSA Customers Have Monday-Friday 8:00am-4:30pm**

- Mail: Customers can mail their payment by mail to WCSA office.
- Drive Thru: Customers can choose to come through drive thru rather than come into the office to make payment.
- Teller: Customers can choose to come in the office to make a payment.

**What Other Options do WCSA Customers Have?**

- MARS: Customers can pay their bill online through their bank account. (March 2011)
- Check Free: Customers can pay their bill online through their bank account. (March 2010)
- Auto Draft: Customers can have account to automatically have balance drafted from checking account on due date. (May 1997)

**So Many Options...Let's Look at January 2015 as an Example**

Mrs. Edwards referred to a graph showing payment options. The graph showed more payments were received through the mail than any other form of payment.

Mr. Nelson asked how much effort has gone into moving customers from mail to other electronic means of payment. Mr. Nelson said the more you move to auto draft the fewer are calling for payment each month.

Mr. Cornett agreed.

Mr. Nelson asked if there was ever any thought to offering an incentive to move to auto draft.

Mr. Cornett said she and Holly were thinking more about how to move customers to auto draft. Payments through the mail would be significantly

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more if we did not offer options such as 24/7 deposit option, the drive through and the tellers.

Mrs. Boyd said for years the only type of payment online was auto draft and customers were very hesitant to allow us to draft payment from their account. Now that we offer quick pay and the online profile were customers control their account and can use a credit card instead of checking account, we find many customers have gone that route to pay their bill.

Mrs. Edwards said when customer service calls customers for things like disconnects, they explain the different payment options. Customer Service also explains the different payment options to customers when they come in to pay a bill.

Mr. Lawson thought it was a demographic issue as well. The older generation likes to mail payments.

Mr. Nelson asked how much in cash payments we received.

Ms. Edwards said it was very rare to receive cash in the mail. She said cash payments were made in the drive through window, at the teller windows and in the night drop box.

Mr. Cornett said in January, we received \$73,000 in cash.

Mr. Nelson said, cash payments equate to about 12% to 15% of your total monthly payments.

Mrs. Edwards confirmed his statement. The percent of monthly cash payments are a small compared to monthly check payments, stated Mr. Nelson.

Yes sir, said Mrs. Edwards.

Mr. McCall commented on the statement Mr. Lawson made earlier about the older generation utilizing the mail most for payments.

Mr. Nelson said you would be surprised. In the studies conducted by Mr. Nelson's

employer, they found customers from age 25 to 65 mostly use an internet option to pay their bills to eliminate postage.

Mr. Hutchinson said he read the younger generation is more leery of electronic payment options because of the hacking possibility.

Mr. Nelson said the youth understand that possibility and others take that risk.

Mr. Taylor asked how many drop boxes we had.

Mrs. Edwards said we had one drop box at the drive through window.

There was a brief discussion about adding drop boxes.

Mr. Nelson thought the long term focus should be adding customers to auto draft. Customers would not have to be concerned with paying late fees using auto draft, he stated. Convincing customers we have the security to maintain their information is important because many people are concerned with internet security. He also suggested offering an incentive to customers so they would move to the auto draft payment option.

Mr. Nelson said moving customers to auto draft would reduce the time it takes to process all the checks every month.

Mr. Taylor said many customers wanted to come in the office to pay just to see people.

Mr. Nelson said studies show that 67% of customers want to do just that, walk in and talk to someone.

In Mr. Lane's experience working with other water departments, they are trying to move customers to auto pay. Mr. Lane said for some reason, people like to bring their water or sewer bill in the office to pay.

Mr. Nelson said it is an essential service and people want to be sure their bill is paid.

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Mr. Cornett said WCSA tried to give customers every option possible to pay their bill on time and that is why we have so many payment options. If the customer lives out of the county, they can access the online payment options and pay their bill on time.

Mr. Hutchins addressed Mrs. Holly Edwards. Mr. Hutchinson said for the past several months he and Mr. McCall had the privilege of working with Mrs. Edwards on several dispute hearings. "I would like to publically compliment her on the job she does in trying to address issues people have concerning their bill", stated Mr. Hutchinson. Mr. Hutchinson commended Mrs. Edwards for making his job and Mr. McCall's job on the Dispute Committee easier. Mr. Hutchinson said because of all the information she provides at a dispute hearing, he and Mr. McCall can make good, sound decisions and help people. Mrs. Edwards thanked Mr. Hutchinson and said she loved her job.

**12. Consideration of Clinch Mountain Volunteer Fire Department Water Service Request – Joe Wilson**

Joe Wilson, Fire Chief at Clinch Mountain Fire Department addressed the Board. Mr. Wilson said the water the Fire Department now uses is overflow from a spring located behind the Fire Department, and it does not produce enough water.

Mr. Wilson asked the Board to consider reduced the price of a meter or donating a meter to the Clinch Mountain Fire Department.

Mr. Taylor asked if the Fire Department was connected to the Brumley Gap water line located in front of the Fire Department.

"No", answered Mr. Wilson.

Mr. Cornett said the water line is located in front of the Fire Department.

Mr. Nelson asked what the total cost of a meter would be.

Mr. Cornett said a new water tap is \$1,628 for a standard 5/8 inch by 3/4 inch tap.

Have we ever donated a meter before, asked Mr. Nelson.

Mr. Cornett said not to his knowledge. There was a brief discussion about the actual cost of a meter.

Mr. Lawson asked if WCSA moved a line for the Brumley Gap Fire Department.

Mr. Cornett said we relocated a fire hydrant and split the cost of that relocation with Washington County.

Mr. Wilson did say he was helping with the maintenance of and painting of hydrants, said Mr. White.

Mr. Nelson concern with the donation is it is a "slippery slope". The people on Pine Hill need water and there are lots of great causes. If the Clinch Mountain Fire Department is doing something on WCSA's behalf, we could work out an arrangement, said Mr. Nelson.

Mr. Cornett said all the Fire Departments help maintain fire hydrants. Mr. Wilson said Clinch Mountain was the only Fire Department in the county that did not have water service.

Mr. Hutchinson asked Mr. Wilson if the department has done any fund raisers for the water meter.

Mr. Wilson said they were in such a rural area and "money is tight".

The Clinch Mountain Fire Department is in a tough location. They are located in Hyders Gap, said Mr. Taylor.

Mr. McCall made a motion to donate and install a meter to the Clinch Mountain Fire Department. Mr. White seconded the motion.

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Mr. Cornett thought donating a meter was would be a violation of Bond Covenants.

Mr. Hutchinson said there had to be another avenue to be able to help the Fire Department.

Mr. McCall withdrew his motion to allow Mr. Cornett to explore alternative options to help the fire department and discuss at the March meeting.

It is a question of the Board appropriating funds for a specific use or purpose. Mr. Cornett said they would look into other options and present at the March meeting for Board consideration.

Mr. Nelson said "we can all (Board members) write a check."

Several Board members offered to write a personal check to the Fire Department for the purchase of a meter.

Mr. Taylor asked how many were on the Clinch Mountain Volunteer Fire Department.

Mr. Wilson said they had 26 members.

If you save one house fire, said Mr. Taylor, the donation is worth it.

Mr. Cornett said he should know what the different options by the March 23<sup>rd</sup> Board Meeting.

### **16. Closed Meeting**

At 7:50 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) (5): prospective business; 1. Discussions concerning a prospective business where there has been no previous announcement made of the business in the community.

Code of Virginia Section 2.2-3711 Paragraph (A) (6): investment of public funds; 2. To discuss various inter-municipal agreements and potential agreements.

Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice; 3. To discuss various inter-municipal and other agreements and potential agreements.

4. Consultation with Legal Counsel and Staff regarding specific legal matters requiring the provision of legal advice by Legal Counsel.

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

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

### **Return to Public Session:**

Mr. Nelson motioned to Return to Public Session at 9:18 pm. Mr. Stephon seconded the motion and the Board approved voting 7-0-0-0.

Mr. Nelson then read the following:

### **Certification of Closed Meeting;**

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

And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia Law. 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.

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Hutchinson, Mr. Stephon, Mr. Taylor, Mr. Nelson, Mr. White and Mr. McCall confirming no outside discussion took place other than Closed Meeting topics.

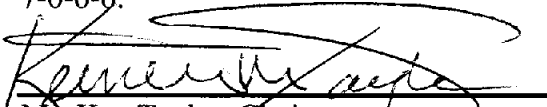
**17. Late Items**

Mr. Cornett asked the Board to consider adopting the Procedure for Debarment and Other Declarations of Ineligibility for Contracting with WCSA.

Mr. Nelson motioned to adopt the Policy of Debarment as recommended by Legal Counsel. Mr. Hutchinson seconded and the Board approved voting 7-0-0-0.

**18. Recess until Monday, March 9, 2015 at 6:00 pm for a Budget Workshop – 9:25 pm.**

Mr. Nelson motioned to recess the meeting until March 9, 2015. Mr. Miller seconded and the Board approved voting 7-0-0-0.

  
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Mr. Ken Taylor, Chairman

  
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Carol Ann Shaffer, Assistant Secretary