

Washington County Service Authority Board of Commissioners
February 26, 2014 Regular Board Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:04 pm.

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Chairman
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mark Nelson
Mr. Frank Stephon, IV

Commissioners Absent:

Mr. Ken Taylor, Vice Chairman

WCSA Staff Present:

Robbie Cornett, General Manager
Dave Cheek, Operations Manager
Kimberly Harold, Controller
April Helbert, Engineering Manager
Johnny Lester, Maintenance Manager
Carol Ann Shaffer, Administrative Assistant

Also Present:

Mr. Mark Lawson, Legal Counsel

3. Approval of the Agenda

Mr. Cornett felt there would be need to meet in Closed Meeting this evening. With that change, Mr. Nelson motioned to approve the Agenda. Mr. Miller seconded the motion and the Board approval voting 6-0-0-1.

4. Public Query & Comment

There was not public query and comment.

5. Approval of the Consent Agenda

- Minutes for January 22, 2014 Regular Meeting and January 22, 2014 Recessed meeting (held January 23, 2014).
- Routine Reports for January 2014.

- Financial Reports for January 2014.
- Check Register and General Manager Financial Report for January 2014.

Mr. Nelson motioned to approve the Consent Agenda. Mr. McCall seconded the motion and the Board approved voting 6-0-0-1.

6. Engineer's Report and Update

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

• **Exit 13 Sewer Project Phases 2A**

The Environmental Review for Phase 2 and Phase 3 has been forwarded to RD for review.

WCSA Staff has requested assistance from the Health Department in compiling the list of failing septic systems within the Phase 3 project area that was requested by the Board at the November meeting. A final project scope will need to be determined based on an analysis of this data prior to final completion of the PER.

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

• **New Raw Water Intake & Water Treatment Plant- Task Order 9 Final Design of 12 MGD Water Plant Expansion, Raw Water Intake and Raw Water Line Improvements**

The Contractor is finished with all the work that can be completed before the South Fork Intake is finished, reported Mr. Lane.

The Steel Cofferdam is in place at the Intake and the earthen cofferdam has been removed. The three screen vaults have been constructed and the contractor has completed piping for these screens. The valve vault has also been constructed. On February 10th, the Contractor lacked 74 feet of 154 feet in

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their bore tunnel. Mr. Lane was happy to report the tunneling is expected to be complete on February 27, 2014 with only 9 feet to go. Once the tunneling is complete, Judy Construction will start working 24/7 the next couple of weeks. The pump and electrical start-up is scheduled for March 17th.

Mr. Lane could not say enough about the contractors and sub-contractors efforts and the efforts of TLG and WCSA staff to get this project complete.

- **Oak Park Sewer Project**

With the exception of some clean-up paperwork, the Oak Park Project is complete, said Mr. Lane.

- **2B. Nordyke Road Water System Project**

Construction work has begun and is moving forward satisfactorily considering the weather. The Contractor is about 25% complete, reported Mr. Lane

- **Mill creek Water System Source Improvements**

The Steering Committee is scheduling a meeting in March to discuss further alternatives and we are waiting on direction from the Steering Committee.

- **Mendota Water System Source Improvements**

Scott County started their water sampling process and we wait on lab results from the first round of samples, said Mr. Lane. TLG has prepared a draft proposal for pilot testing, design and construction administration for carbon treatment of the water at the County line. This treatment process may be used in the future if Scott County water does not meet limits.

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

WCSA staff is reviewing plans and specifications from TLG for the Hidden Valley project.

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

TLG continues working toward the completion of Preliminary Plans and Specifications for submittal to WCSA.

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

Our target date for advertisement is March 23, 2014, said Mr. Lane.

- **Damascus Sewer System PER Update**

TLG is working to complete the update to the PER.

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

Mr. Lane reported on the TMDL Revision saying MapTech has finished the draft report. TLG has completed their review draft of the TMDL and submitted it to DEQ.

Mr. Chase asked about the water shed at Mill Creek and asked if there was any new discussion about that.

Mr. Lane said the Town of Chilhowie was conducting preliminary contact with property owners.

Mr. Tom Taylor of Maxim Engineering

- **Tumbling Creek South & North Fork River Road Water Projects**

Mr. Taylor said a Proceed to Work can be issued to the Contractor no later than this coming Monday. The Contractor plans to begin work on this Project on March 15th.

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

Maxim plans to meet with WCSA the second week in March to review a draft copy of the Study with findings and recommendations.

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

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

The Notice to Proceed was issued and construction began January 27, 2014. Contractor (Tipton Construction) has mobilized and started installing pipe. They have installed 3700 feet of 8 inch line.

• **Route 58 Water Supply Improvements Project**

AHE completed the draft plan sheets for all project components other than the water storage tank site.

Once the purchase site for the tank has been acquired, a survey will need to be completed to establish the tank lot boundary and easement locations, and geotechnical investigations. Adams Heath will then complete the draft plan sheets for the tank and related work then submit draft plans for entire project to WCSA staff for review.

• **Abingdon Water Storage Improvements Study**

AHE has addressed WCSA staff comments to the Draft PER and re-submitted it for review.

• **Smyth Chapel Area Water Improvements Study**

AHE addressed WCSA staff review comments and submit the PER to Health Department, Mr. Heath reported.

• **Town of Damascus WWTP VPDES Permit Renewal**

The draft Permit was issued by DEQ and has been reviewed. There were no significant changes from previous Permit issuance.

Mr. Heath said they now await completion of the 30-day public comment period and DEQ issuance of final Permit.

7. Water & Wastewater Construction Projects Report and Update April Helbert

Mrs. Helbert reported on the Childress Hollow Road Project saying all the Environmental Agencies have responded and the Mr. Kiser resubmitted the request to VDH for categorical exclusion. Mrs. Helbert expects plans will be submitted to VDH in mid-March. Mr. McCall asked if the Sutherland Project was still on schedule. He said he knew they were pulling crews in and out. Mrs. Helbert said the Contractor recently switched crews and thought they were still on time if they are able to get all the materials in.

Mr. McCall then asked about the directional bore and said WCSA needed an answer on the directional bore.

Mrs. Helbert said "we have asked for an answer". Mrs. Helbert said right now, the status of ordering some items was still unknown.

Mr. Cornett asked when substantial completion for the Project was.

Contract 1 (Virginia) is in April and Contract 2 (Tennessee) is in June, said Mrs. Helbert.

Mr. Hutchinson asked if they have heard from the Board of Supervisors regarding the volunteer fire department's request that a hydrant be relocated.

Mr. Cornett reported the Board of Supervisors provided their portion of the funding and the hydrant has been relocated to the volunteer fire department's satisfaction.

8. Operations Manager's Report & Update Presentation Dave Cheek

Discussion Items:

- Financials
- Over Budget Items
- Department Highlights
- Mill Creek Membrane Plant

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• Forward Looking Statement
How Does the \$66,208 Over Budget Break Down?

- Materials – 45%
- Fuel – 36%
- Overtime – 19%

Year to Date we are \$277,000 Under Budget excluding Salaries and Benefits

- Each Department tracking close to their Budget

2014 January Water Production Highlights

- Record Production Month:
 - Middle Fork: 152,589,000 gallons,
 - Taylor's Valley: 32,401,029 gallons,
 - Chilhowie for WCSA: 37,627,610 gallons,
 - Chilhowie for Chilhowie: 35,438,000 gallons,
 - Mendota: 301,000 gallons.
- Total: 258,356,639 gallons.
- Maintained VDH Gold Standard at Middle Fork.

Mr. Cheek said the traveling screen at the WTP was still problematic and could fail. In the event the screen does fail, we have a plan b and plan c, said Mr. Cheek. Once the South Fork Intake is on line, they will be able to take the screen down for repair with the parts on hand, he said.

2014 January Waste Water Process Highlights

- Damascus just within our Daily Influent Limit, (December was Above this Limit).
- Minimal Freeze Damage.
- Process Control:
 - Hall Creek: over 99% Removal Rates,
 - Damascus: Continuing to develop Biological Base.
- All Reporting within Control Limits.

- Starting to See Hall Creek Inflow & Infiltration (I & I) Issues.

Mr. Cheek said crews went out on foot and found the cause of the I & I; a broken pipe which allowed water to inflow.

2014 January Maintenance Highlights

- Busy Month
 - Leaks: 28 (2013 avg. 33)
 - Break: 12 (2013 avg. 3)
 - After Hours Responses: 123 (2013 avg. 34)
 - Over 380 Work Orders
 - Water Taps: 3 (2013 avg. 3)
- Waste Water Taps: 0 (2013 avg. 1).
- Awaiting Tags for Sewer Camera Trailer.

Mr. McCall asked how employees at the WTP were doing evaluating after hours calls.

Mr. Cheek said they were doing a good job. Mr. Cole has been working on the process with employees to get the information needed to identify the problem when customers call so they can determine if a crew needs to be sent out. Maintenance is working to determine how many crew members to send out to address the issue.

Mr. Cheek said they were still waiting on tags for the sewer camera trailer.

What is the hold up on the tags, asked Mr. McCall.

Mrs. Helbert explained WCSA would not cut the company a check until the office software was received. The company would not release the certificate of origin until they received a check from us and we can't get the tags without the certificate of origin. We have received the office software and mailed the check which they have received said Mrs. Helbert.

Mr. McCall asked if the warranty would run out before the work is complete.

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Mrs. Helbert said it would take about 2 weeks to camera the area.

Mr. McCall said the issue was not being able to use the equipment before the 12 month warranty ran out.

Mr. Cornett said WCSA employees were ready to go as soon as they get the tags.

Mr. Cornett said it would take about 2 weeks or less for the camera work and until mid-April for documentation and thought it the work would be completed well within the time frame.

Mr. Cheek asked Mr. Dotson, Mr. Gobble and Mr. Lester if they had anything to add. They did not have anything additional.

Mr. Cheek then discussed:

2014 Distribution Highlights

- Record Water Distribution: 8.7 MGD.
- Outside Water Purchases: 11.8MG.
- Design/Specify and Procure PRV/PSV for Baugh Lane to activate existing bagged fire hydrants. Hydrants should be on line by April 22, 2014.
- Western Washington County Waste Water Facility – Secured Land Purchase Option.
- Damascus Wastewater, installed temporary flow meters to start identifying hot I & I areas.
- Coordinated a fire hydrant project to install two fire hydrants in the Colony Lane community.

Mr. Cheek asked Mr. Osborne if he had anything to add. Mr. Osborne had nothing additional.

2014 Metering Highlights

- Provided 24 hour coverage to assist customers with freeze damage during Polar Vortex.
- 209 customers were telephoned following unusually high usage.

- 425 customers were notified that their water was to be turned off for nonpayment.

- 106 meters lifted for non-payment.
- 99.48% of all meters read with radio.

Mr. Cheek welcomed additional thought from Mr. Perrigan; he had nothing additional.

The last item discussed was the:

Forward Looking Statement

- As we all know, had the Mill Creek Membrane Plant Event in February that will impact February Costs.
- Separate Presentation on Mill Creek.
- Each Department fleshing out a 5 Year Plan for People, Equipment and Direction.

Mr. Chase mentioned seeing some of the WCSA employees working at Mill Creek on TV. He thanked them for their hard work and congratulated them on a job well done.

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

Mr. Cornett referred to his General Manager's Report and Update at the Board's stations. He reported on the following noteworthy WCSA performance & accomplishments from all departments during the month of January:

Administrative Activities

- 21,169 active water accounts (20,863 Jan. 2013, an increase of 306 and 93 new connections)
- 2,333 active sewer accounts (2,072 one year ago for an increase of 261 with 6 new connections excluding Exit 13 Phase 1)
- 7 water taps applied for
- 0 wastewater taps applied for
- 156 reconnection/transfers of service
- 90 disconnect for nonpayment notices were processed

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- Over \$20,000 was abated for 94 customer water leaks
- \$4,744.44 was written off as bad debt three years old (2013 average \$4,654)

2013 Debt Set-off

1,605 Inactive Accounts \$225,135.04
(\$140/account)

1,223 Accounts Submitted \$211,437.23

Water Billed Consumption vs. Active Accounts:

Over the last six years, the total number of active water accounts has risen steadily however, except for 2010, billed consumption has declined each year. The decline in billed consumption could be due to fixtures that consume less water, economic conditions and weather among other things. A decline in billed consumption also means, if there are no adjustments, a decline in revenue.

In 2008, WCSA had 1.58 Million Billed Consumption with 20,513 active Accounts.

2009 had 1.475 Million Billed Consumption with 20,526 Active Accounts.

In 2010, there were 1.477 million in Billed Consumption with 20,714 Active Accounts.

2011 shows 1.462 Billed Consumption with 20,796 Active Accounts

1.409 million Billed Consumption in 2012 with 20,863 Active Accounts

2013 shows 1.392 million in Billed Consumption with 21,169 Active Accounts.

License Achievement:

We are pleased to report that Tommy Orfield has obtained his Class 3 Wastewater License.

1st Annual WCSA Chili Cook-Off:

We are pleased to report that our 1st Annual Chili Cook-off was a success. The camaraderie was great. We had 10 entries some of which included wild

game. There were 26 taste testers and April Helbert had the winning chili. We received voluntary donations for the winner to direct to the charity of their choice and \$100 was raised. Special thanks to Kim Harold for coordinating and to all who participated to make this a fun and engaging event!

Safety:

Thanks to the dedication of WCSA employees, we only had one minor OSHA recordable accident/injury during 2013. While our goal is 0 accidents/injuries, considering what many of our employees do, one minor injury is very good.

Economic Development:

Washington County has hired an Economic Development Consultant to assist in the recruitment of new industry to the County. Staff met with the Consultant on February 11th to talk about the availability of water (domestic, process and fire flow) and sewer (including pretreatment). From this meeting, we learned that it would be helpful if 1) the sites were "certified," 2) what it would cost to provide additional capacity and the timeframe for providing it, and 3) the capital, operation and maintenance cost of wastewater pretreatment (would we provide it and what would it cost). This is essentially the information we asked The Lane Group to help us with last year. The WCSA Board of Commissioners asked that we request the IDA help with the cost but have not received a response. We plan to revise the scope of the work with The Lane Group and present to the IDA.

Rate and Financial Plan Study:

The third and final Citizens Advisory Task Force Meeting was held on February 11, 2014. The Task Force was unanimous in its recommendation to the

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WCSA Board of Commissioners. WCSA Staff and Raftelis are working together to finalize a report and update to the Board. Our goal is to forward this package to you the week of March 10th in preparation for the March 27th Rate and Financial

Plan Workshop. If the Board adopts Preliminary Rates at the March 27th Meeting, we would also propose to schedule the required Public Hearing and consider further a possible implementation date other than July 1, 2014.

Lift for Nonpayment:

Traditionally, WCSA has been concerned about turning water "off" for nonpayment during extremely cold weather. Customer pipes as well as WCSA's service lines are more susceptible to freezing and damage once the meter lid is accessed. A team of WCSA Staff reviewed and decided that if the temperature is above 25 degrees, we will turn water "off" and if it is below 25 degrees, we will not. This is an administrative change that we believe is in WCSA's best interest hope it meets with Board approval. I would like to recognize the teamwork of Holly Edwards, Ken Perrigan and Dave Cheek for their work on this issue.

Customer Communication:

The extreme cold weather in January resulted in not only a lot of broken pipes for WCSA due to ground shifting and some freezing but customer line breaks as well. Many calls were received by customers whose line was broke but they could not find their cut-off. We were able to talk some customers through cutting the water "off" and sent employees out to cut others "off." Staff thought it would be a good idea to communicate with our customers about customer cut-offs, leak abatements and

other tips that might prevent or be of service to them in the future. You may have received this information in your bill (if you are a WCSA customer). If you did not and would like a copy, please let me know.

Training:

WCSA provides training in every area of our utility. Recently, Staff evaluated training opportunities in the area of Microsoft WORD, EXCEL, and PowerPoint as well as OSHA, Welding and Leadership.

We have long used Bailey Computing Technologies, Inc, in Johnson City, TN for our Microsoft training and a variety of resources (DVD, on/off-campus, etc.) for OSHA and Leadership courses. We recently learned that Virginia Highlands Community College (VHCC) offers a similar Microsoft curriculum, will train at our facility and sessions are broken into 4 hour segments all at a lower cost. Additionally, VHCC offers OSHA for Supervisors, Welding and 10 different Leadership Development Training courses. And, it gets even better; there may be grant money available for the training. We are excited about the opportunity to grow and develop our workforce and wanted to make you aware not only of our efforts but this exciting partnership with VHCC. I would like to recognize Sheila Poston and Dave Cheek for their teamwork on this project.

Stewardship:

The Hall Creek Wastewater Plant Staff wanted a tractor with a blade on it to maintain the half mile gravel road to the plant. They realized that purchasing a new tractor for this one basic purpose was not appropriate. When an old and inoperable Ford Tractor in Maintenance was to be sold at surplus auction, Wastewater Staff asked if they could

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have and remodel it. Over the winter, when it was too cold to perform outside work, they did just that. This is one many examples of WCSA Staff recognizing the importance of being frugal with WCSA funds. Tommy Dotson, Gene Rolen and Tommy Orfield are to be commended for their work on this project.

Joint Utilities Meeting:

Reminder: the next Joint Utilities Meeting is scheduled for Monday, March 3, 2014 at 4:30 PM and is to be held at the County Administration Building in the small Conference Room.

10. Consideration of 1 Ton vs. ¾ Ton Service Trucks Johnny Lester and Dave Cheek

Mr. Lester reviewed the following presentation regarding the 1 ton truck versus a ¾ ton service truck.

Mr. Lester began his discussion describing how cramped the current service trucks were. He also discussed the amount of weight that was hauled in the trucks causing it to squat.

Scope of the Change:

- Currently we have an Approved 2013/14 Budget with 2 x ¾ Ton Service Trucks with utility beds & gas engines.
- We are proposing to purchase a single 1 Ton dual rear, crew cab, diesel with heavy spring package. Appropriate Utility Bed for the frame and wheel package.

Justification for the Change:

- Safety:
 - Almost Impossible to Wear a Seat Belt
 - Keep Spare Work Clothes Warm & Dry
 - Heavier Springs for Load Stability
- Process

- Keep Electronics Warm & Dry
- Possible 4 Man Crews in 1 Ton Trucks, 2 Man in ¾ Ton Trucks
- Trailering Capacity
- Diesels for Fuel Usage and Longevity

Due Diligence:

- Developed 5 Year Plan
- Talked to Abingdon on Their Experiences
- Met with Mr. Miller & Mr. McCall to review our 5 Year Plan and Service Truck Situation
- Budgetary Pricing
- Initial Specification

Financial Summary

- 2 - ¾ Ton Service Truck as Approved will cost \$30,000 each totaling \$60,000.
- 1 Ton Crew Cab, Diesel with Duals will cost \$43,000 each.
 - The Utility Body will be \$8,000.
 - Total for the 1 Ton Crew Cab Diesel with Utility Body - \$51,000 (a savings of \$9,000)

Mr. McCall said the average on a gas truck now was about 100,000 miles. With a diesel truck, you should be able to get 250,000 to 300,000 miles. Employees need to take extra items; boots and clothes in the event it is cold and they get wet, and it is tight and very uncomfortable in the current trucks.

Mr. Hutchinson asked why Mr. Lester, they decided on a diesel and dully as opposed to a crew cab gas engine?

Mr. Lester said because of the longevity of a diesel.

Mr. Hutchinson said insurance, repair and maintenance costs were higher for diesel trucks than for gas trucks.

Mr. Cheek said the added expense was something they did consider. He said trailering and hauling capacity. In looking at the 5 Year Plan, we are looking into purchasing mini excavators

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and a dually diesel can pull those easily allowing employees to stay out in the field and be more efficient.

Mr. Miller agreed saying, it would be more efficient to use a ton diesel to pull equipment than a dump truck to pull equipment.

Mr. Chase asked if 4 men could fit comfortably in a ton truck.

They can in a crew cab, answered Mr. Hutchinson.

Mr. Hutchinson strongly recommended they consider is the engine and the power transmission in the truck and be sure the transmission will be heavy enough for the amount of weight the truck will be hauling and/or towing. Mr. Hutchinson thought Cummings seemed to be the most reliable and cost effective diesel offered. Mr. Hutchinson asked if they were looking at an automatic or manual transmission in the ton truck.

Mr. Lester said an automatic.

Mr. Hutchinson said some manufacturers offered the same transmission in a gas and a diesel, recommending the heavy duty transmission.

Mr. Miller said most transmission currently, are made to support the engines.

Mr. Nelson asked why they requested two trucks last year but changed it to one service truck and asked if they would need another truck in the near future

Mr. Cheek said they were looking into using 4 men crews instead of 3 men crews. Mr. Cheek said they were also looking into adding more of the larger service trucks into the budget. The 4 men crews will work in conjunction with 2 men crews.

Mr. Chase asked what the typical life in years was for their current trucks.

Mr. Lester said about 100,000 miles in 5 to 6 years.

Mr. McCall said his company averaged 8 to 10 years and 250,000 to 300,000 miles on their diesels.

Due to the cost savings and everyone's efforts to reduce the request from two trucks to one truck, Mr. Nelson motioned to approve the 1 ton dually diesel requested. Mr. Stephon seconded and the Board voted 6-0-0-1 approving the motion.

11. Consideration of Funding Offer from the Department of Environmental Quality for Exit 13 Phase 2A April Helbert

At the Regular January Meeting, the DEQ offer of funding for the Exit 13 Phase 2A Project was presented, said Mrs. Helbert. The Board asked Staff to request that the remaining \$650,000 in Tobacco Commission funds from the Oak Park Sewer System Extension Project be transferred to this project. A request was made to IDA Chair, Mr. Henry Snodgrass, the following day (January 23, 2014). A follow-up call with Mr. Snodgrass did not sound promising. However, as of this report and update, we have not received official word yet.

Mr. Cornett said he heard from Mr. Snodgrass today and there is still no official word from the Tobacco Commission regarding the transfer of those funds. Mr. Cornett offered the following options: 1. Continue to wait on a response from the Tobacco Commission. 2. Accept the funding offer from DEQ.

For clarification, Mr. Chase asked if the decision to transfer those funds was the Tobacco Commission's decision and not a decision from the IDA. Mr. Cornett said yes sir. The IDA made our request know to the Tobacco Commission who has not rendered a

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decision. According to Mr. Snodgrass the initial response from the Tobacco Commission was not favorable, said Mr. Cornett.

Mr. Nelson asked if the response was unfavorable from the Tobacco Commission for from the IDA.

Mr. Snodgrass said he did move forward in making the request to the Tobacco Commission and a gentleman named Ned at the Tobacco Commissions was not favorable.

Mr. Miller asked if we do take this offer, can we pay it off with the Tobacco Commission monies if it does go through. He continued saying he would like to see the Exit 13 Phase 2A go through since there has been a lot of interest. Mr. Miller felt this Project would cash flow in the future.

Mr. Nelson said his concern was how this would impact the debt services coverage. We know we aren't going to meet the coverage this year and how will this impact us? He asked if this Project was included in the current Rate Study. What's the effect and how will we pay for the Project, he asked.

Mr. Nelson said he was if favor of growth in Washington County but it came back to making sure WCSA had a plan to have adequate reserves for emergencies, like Mill Creek. If we feel comfortable we can do this Project and not affect the overall, I do not have an issue taking the money, stated Mr. Nelson. Mr. Nelson said "my problem is adding all these different things we keep doing into the overall picture". Mr. Nelson said if the numbers for this Project work and there will not be an issue with debt service coverage; I am fine doing the project.

Mrs. Helbert said this Project was included the 2009 Rate Study.

Mr. Nelson said there were a lot of things that were not included in the 2009 Study that we have taken on.

Mr. Cornett said in the current Study, coverage ratios are to improve over 5 years and this Project is a part of that Plan. Mr. Cornett shared Mr. Nelson's concern to be careful with the number of new projects that we take on that do not cash flow, such as this one. If there is any are in the county that would be best for development, it should be this area said Mr. Cornett.

Mr. Chase said he saw staff recommended this Project.

Mr. Cornett said we do recommend the Board approve this project.

Mr. McCall asked if there would be any reason the Board couldn't wait 30 days and give the Tobacco Commission time to respond.

Mr. Nelson said he would like an audience with the Tobacco Commission to show how this Project ties in with the Oak Park Project.

Mr. Chase suggested getting an audience with the local Tobacco Commission representatives.

Mr. Cornett offered to set up that meeting.

Mr. Nelson thought it was important the Tobacco Commission knows how this connects to the Oak Park Project; the Project the Tobacco Commission wanted to support growth.

Mr. Hutchinson mentioned a request the Governor made of the Tobacco Commission and thought the governor's request may have delayed their response made by the IDA. Mr. Hutchinson was in favor of explaining our position to the Tobacco Commission in requesting those funds.

Mr. Hutchinson motioned to delay action on this item for an additional 30 days.

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

12. Consideration of an Engineering Agreement Between WCSA and Anderson & Associates for the Exit 13 Phase 2A Project April Helbert

At the Regular January Meeting, the proposed Engineer Agreement was presented said Mrs. Helbert. The Board tabled action on the Agreement until funding for the project is finalized. Based on the decision to delay action on Item 11, Mrs. Helbert recommended this item be tabled until a decision on funding is made.

Mr. Nelson motioned this item be tabled for 30 days, Mr. Hutchinson seconded and the Board approved voting 6-0-0-1.

13. Consideration of the Exit 13 Phase 3 Project Update and Discontinuation of User Agreements April Helbert

Mr. Chase said thought there were some residence that had a change of heart and some residence thought they would have another opportunity to vote on the Project. Mr. Chase suggested the Board table this item to allow WCSA staff time to re-solicit this Project for those reasons.

Mr. Nelson motioned to table this item to allow time to re-solicit user agreements for this Project. Mr. Stephon seconded and the Board voted 6-0-0-1 approving the motion.

14. Consideration of Amendment #1 to the Engineering Agreement Between WCSA and The Lane Group Engineering for the Mendota Community Water Supply Project April Helbert

As you are aware, said Mrs. Helbert, the Project was to interconnect WCSA's Mendota system with the Scott County

Public Service Authority (SCPSA) system. SCPSA is experiencing high concentrations of Trihalomethanes (THMs) and Halo acetic acids (HAA5) exceeding the MCL (maximum contaminant level) concentrations. This has prevented us from transitioning from the WCSA well to the SCPSA source.

Though the SCPSA is supposed to provide water that is in compliance with the waterworks regulations, they have not yet. We remain optimistic that SCPSA will resolve their problem in time. Until that time, we believe that it is in WCSA's best interest to ensure that any water we purchase from them meets the regulations. In other words, a belt and suspenders approach. WCSA Staff has been working with The Lane Group (TLG) and believe that we have identified a solution to the problem: Granular Activated Carbon (GAC) adsorption. GAC is expected to result in water quality that exceeds the waterworks regulations. Additionally, GAC technology may have application for us in other parts of our water system where we blow water "off" in order to comply with the regulations.

TLG has been evaluating the various options and this appears to be the best available technology with low construction costs, easy maintenance, and lower maintenance costs. This Amendment allows TLG to continue forward with a pilot study for the proposed treatment and final design and construction administration for the proposed treatment facility. Both the pilot study and design are required by VDH.

The project was included in our most recent rate study as \$50,000 in cash funding. Currently the project is partially funded by outside agencies, including \$356,800 in grant from DHCD; \$50,000

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in grant from MRPDC and \$50,000 in WCSA Cash Contribution.

Currently the total project budget including engineering, construction and the change order is \$220,235.10. No additional cash contributions by WCSA are expected at this time for the pilot study, design or construction of the GAC system.

WCSA Staff negotiated this Agreement with TLG over the past month. WCSA Legal Counsel have also reviewed, commented, and approved this Agreement.

Staff kindly recommends the Board favorably consider the proposed Amendment.

Mr. Miller asked about the maintenance of the system.

Mr. Lane said it is basically replacing a cartridge and we estimate maintenance will be relatively low.

Mr. Miller asked about bypassing the system if we connect to Scott County.

Mrs. Helbert said this system would be installed on a bypass system. Mrs. Helbert said they planned to always bypass the system during colder months.

Mr. Miller motioned to approve Amendment # 1 for \$4,200, Mr. Nelson seconded and the Board approved voting 6-0-0-1.

15. Consideration of the Submission of a Funding Application for the proposed Ritchie Road Water Line Extension Area
April Helbert

In 2012 WCSA was approached concerning water service on Ritchie Road near Meadowview. Residents were solicited for user agreements during that time and 2 of 3 existing residents signed up for water service.

The Ritchie Road Water Line Extension Project would extend approximately 3,200 linear feet along Ritchie Road.

The project would consist of approximately 3,200 linear feet of 4-inch water line, plus between 975 linear feet of 4-inch water line to replace existing line, and all related appurtenances. The project costs are estimated to be \$155,000 in construction costs and \$175,000 in total Project costs; assume WCSA provides the engineering and inspection services.

The purpose of the projects is to provide water service to those who requested service from WCSA (signed user agreements). Of the 3 potential connections, 2 agreed to water service and 1 declined.

The project is not part of our 2009 financial and rate plan. For that reason, this project, if funded by loan, will create a new revenue requirement (demand).

The project does meet participation levels of greater than 50%, but exceeds the maximum cost per committed connection of \$20,000. Tentatively, the cost per committed connection is \$56,500 and \$87,000 and would be reduced some if we exclude the existing water line replacement costs.

To meet the \$20,000 per committed connection cap, considerable grant money would have to be obtained for this project. For that reason, this Project is on the agenda tonight to ask the Boards to consider submitting this Project to VDH for funding and to ask consideration to contribute \$1,500 per committed connection.

Mr. McCall asked why they were recommending a 4 inch line instead of a 2 inch line for this Project.

Mr. Cornett said VDH will not allow us to run 2 inch line more than 300 feet.

Mr. Nelson made a motion to apply for grant funding for this Project, Mr.

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Hutchinson seconded and the Board approved voting 6-0-0-1.

16. Consideration of Oak Park Sewer Project—Contract 1—Change Order No. 1 *Matthew Lane*

Mr. Lane said this change order was for an additional \$ 37,893.62 to the contract price. Mr. Lane offered to discuss this in more detail if the Board so desired.

Mr. Lane said WCSA staff has reviewed and concurs with Change Order and recommends the Board favorably consider the Change Order and offered to answer questions.

Mr. Nelson motioned to approve the Change Order, Mr. Miller seconded and the Board voted 6-0-0-1 approving the motion.

17. Consideration of Oak Park Sewer Project - Contract 2B - Change Order No. 3 *Matthew Lane*

The total increase for this change order was \$39,267.50. Staff has reviewed and recommends approval of this change order. Mr. Lane offered to answer any questions from the Board.

Mr. Miller asked how that amount of asphalt was overlooked.

Mr. Lane said he missed it when the quantities were estimated at the beginning of the job. The asphalt was used on Spring Creek Road due the amount of rock the contractors had to remove, thus tearing up the road much more than expected. That section of road had to be repaved because of the damage incurred removing the rock, explained Mr. Lane.

Mr. Hutchinson motioned to approve the change order, Mr. Stephon seconded the motion.

Mr. Lawson pointed out a discrepancy in the number on the Change Order. Mr. Lane said it was a mistake and will

correct Change Order 3 to Change Order 2.

Mr. McCall asked about the contractor's process to remove the rock.

Mr. Lane explained a significant portion of the road was damaged because the contractor's had to go so deep (7 to 8 feet deep) to install the line. This additional cost is associated with the paving. There is no additional cost associated for the rock, said Mr. Bobby Lane.

Mr. Chase then asked for a Board vote. The Board voted 6-0-0-1 in favor of Mr. Hutchinson's motion approving the Change Order.

18. Consideration of South Fork Intake Completion Project—Change Order No. 2 *Bobby Lane*

The total increase for this Change Order was \$14,341.70, said Mr. Lane. Mr. Lane said an electric gate operator was deleted, reducing the cost of the Change Order by \$6,240. The items associated with this this Change Order include the addition of a control panel and the wiring and to a SCADA System modification for screen backwash at the South Fork Intake; totaling \$14,341.70.

Mr. Stephon motioned to approve the change order, Mr. Nelson seconded and the Board approved voting 6-0-0-1.

19. Consideration of Dump Truck Bids *Kim Harold*

Bids for one 2 ½ ton Dump Truck for the Maintenance Department that was approved in the 2013-2014 Budget was advertised in the Bristol Herald Courier on Sunday, February 2, 2014. Invitations to bid were faxed to five potential vendors on Monday, February 3. Bids are to be opened on February 19, 2014 at 2:00 p.m. and reviewed by staff. Mrs.

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Harold then referred to the bid tabulation sheet (see attached).

Mrs. Harold said staff recommends the Board approve Goodpasture's bid of \$75,681.00; as they were the low bidder and met all requirements. Mrs. Harold said the dump truck was in the budget for \$86,000 so the recommended bid is under budget.

Mr. Nelson asked if this was a replacement truck or a new truck. Mrs. Harold said it was a replacement truck

Mr. Stephon motioned to approve Goodpasture's bid of \$75,681. Mr. Hutchinson seconded and the Board approved voting 6-0-0-1.

20. Closed Meeting

Mr. Lawson recommended the Board adjourn to Closed Meeting to discuss a matter that came to light during the meeting.

At 7:56 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) (6): investment of public funds; 1. To discuss various agreements existing and proposed related to the South Fork Intake. Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice; 2. To discuss potential litigation, contract litigation or both related to the South Fork Intake.

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

Mr. McCall seconded the Motion of Closed Meeting and the Board approved voting 6-0-0-1.

Return to Public Session:

Mr. McCall motioned to Return to Public Session at 8:27 pm. Mr. Miller seconded and the Board approved voting

6-0-0-1. 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. Hutchinson, Mr. Stephon, Mr. Chase, Mr. Nelson and Mr. McCall confirming no outside discussion took place other than Closed Meeting topics.

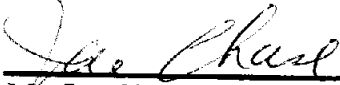
21. Late Items:

1. Nelson motioned that WCSA enter into a Joint Defense Agreement with The Lane Group concerning WCSA's litigation with M.B. Kahn Construction Co., Inc. subject to the Authorities Legal Counsel being satisfied with certain documentation to be received from Liberty Insurance Underwriters, Inc. Mr. Hutchinson seconded and the Board approved voting 6-0-0-1.

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22. Recess

At 8:29 pm, Mr. Miller made a motion to recess until Thursday, February 26, 2014 at 6:00 pm for a 2014-2015 Budget Workshop. Mr. Nelson seconded and the Board voted 6-0-0-1 approving the motion.



Mr. Joe Chase Chairman



Carol Ann Shaffer, Assistant Secretary

**Washington County Service Authority
 Dump Truck Bid Opening
 Wednesday, February 19, 2014 - 2:00 pm**



Bidder	Total
Performance Peterbilt of Bristol	\$84,842.00
Worldwide Equipment	\$79,222.00
Goodpasture	\$75,681.00
Goodpasture - Alternate bid **	\$73,668.00

All bids shown are unit prices.

Opened By: Karen Lester
 Witnessed By: Sheila Poston
 Date: 2/19/2014

We recommend accepting Goodpasture's bid as highlighted.

** Goodpasture's alternate bid did not meet specs: 210 HP instead of 230 HP
 5 speed transmission that is one size smaller than requested
 GCWR is 31K instead of 60K
 No compression brake
 An overall smaller truck that would not meet our needs.