

Washington County Service Authority Board of Commissioners
March 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. Ken Taylor, Vice Chairman
Mr. Jim McCall
Mr. Dwain Miller
Mr. Frank Stephon, IV

Commissioners Absent:

Mr. Devere Hutchinson
Mr. Mark Nelson

WCSA Staff Present:

Robbie Cornett, General Manager
Dave Cheek, Operations Manager
Kimberly Harold, Controller
Mark Osborne, Technical Manager
April Helbert, Engineering Manager
Bobby Gobble, Assistant Maintenance Manager
Carol Ann Shaffer, Administrative Assistant

Also Present:

Mrs. Dawn Figueiras, Legal Counsel

3. Approval of the Agenda

There were no additions or corrections to the Agenda. Mr. Taylor motioned to approve the Agenda. Mr. Stephon seconded the motion and the Board approval voting 5-0-0-2.

4. Public Query & Comment

Mitzi Schrader, owner of 16355, 16371 and 16391 Pine Hill Road, addressed the Board.

Mrs. Schrader said there were 26 residences on Pine Hill Road. A couple of years ago about 20 residents signed a petition for water. Mrs. Schrader said she was 3 of those signatures. When

WCSA sent out a user agreement, only 10 residents signed the agreements. Mrs. Schrader said she was 3 of the 10 that signed.

Mrs. Schrader said there was not water on Pine Hill Road, none to even carry. The living conditions and community behavior is very poor. Mrs. Schrader thought poor living conditions and poor behavior went hand in hand.

Mrs. Schrader said she spoke to a WCSA employee that told her user agreements were going re-send user agreements to Pine Hill Road community. Mrs. Schrader said the residence of Pine Hill could not afford the connection fees. Mrs. Schrader said there was a water line within a half a mile of that community. Mrs. Schrader said she has not lived in that community for years because the issue of no water.

The people that do live on Pine Hill have use jugs of water for bathing and cooking

Mrs. Schrader asked if there was something in the budget that would allow WCSA to provide water to the Pine Hill community, even if there isn't enough participation.

Mr. Chase asked if staff had any comments or updates on this issue.

Mrs. Helbert said this project was discontinued a couple of years ago due lack of participation.

Mr. Cornett said WCSA would double their efforts and work with the community to evaluate their interest. He said we would do all we can to get water to the Pine Hill Road community.

Mr. Chase said the requirement was now 50%.

Mrs. Schrader felt 50% participation was possible. Mrs. Schrader said "people have always lived there and are always going to live there."

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5. Approval of the Consent Agenda

- Minutes for February 26, 2014 Regular Meeting and February 26, 2014 Recessed meeting (held February 27, 2014).
- Routine Reports for February 2014.
- Financial Reports for February 2014.
- Check Register and General Manager Financial Report for January 2014.

Mr. Stephon motioned to approve the Consent Agenda. Mr. McCall seconded the motion and the Board approved voting 5-0-0-2.

6. Engineer's Report and Update

Mr. Bobby Lane on behalf of Adams-Heath Engineering (AHE):

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

Mr. Lane reported this project was about 35% to 40% complete. October 24th is the completion date and Mr. Lane expects the contractor to meet the completion date.

McCall asked said King Construction was doing sup contracting work for Tipton at Whites Mill Road. Mr. McCall said these two projects overlapped in design and construction. King had to go back and disturb the same ground and if there had been a gate valve and a piece of connecting pipe installed in that area, it would have saved a lot of time, he said.

Mr. McCall said with 2 projects that close, he did not know how the gate need for a gate valve was missed. It was missed on GPS. Mr. McCall said some workers thought the valve was there and some did not think it was installed. Mr. McCall said there was a lot of extra work that could have been avoided since both projects were designed at the same time.

Mr. Lane said as a general rule, we try to end pipes with a valve and extra pipe.

Mr. Lane said all the engineers; Anderson, Maxim, Heath and TLG; all work closely with WCSA and they all do a good job of locating pipe and keep good records of what is in the ground. We all find things in we don't know about and are trying to get better at that and will try to end all our line extensions with a valve and pipe extension, said Mr. Lane.

- **Route 58 Water Supply Improvements Project**

Mr. Lane said they were still waiting to purchase options for the tank site.

- **Abingdon Water Storage Improvements Study**

AHE is working to submit the updated PER to the VDH.

- **Smyth Chapel Area Water Improvements Study**

AHE is working to submit the updated PER to the VDH, Mr. Lane reported.

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

Mr. Lane said that work was completed. Mr. Lane said as soon as the 30-day public comment period is up, DEQ will issue the final Permit.

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

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

Mr. Heath said their part of that project was on hold pending the results of the funding offer from DEQ.

Chase on hold pending on results to find out how many are interested in service in that area.

The Exit 13 Phase 3 Project is currently on hold pending community participation in the project.

Mr. Chase asked if letters for the Phase 3 Project have been mailed.

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Mrs. Helbert said the letters went out today.

Mr. Miller asked if letters were mailed to everyone in the project area.

Mrs. Helbert said letters were mailed to only those who declined or did not respond.

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**

Mr. Lane was pleased to report the Raw Water Intake was substantially complete. Mr. Lane said they went through comp startup and the pumps performed very well. They had a trial run at the WTP and Mr. Cole is in the process of making the necessary adjustments to treat the South Fork water. Currently, the contractor is finishing work in the wet well. Mr. Lane hopes to be pumping water to the treatment plant on Friday, March 28, 2014. Mr. Lane said the contractor has started on punch list items. Over the next 30 days, the contractor will be completing the project at the Intake. Mr. Lane said Judy Construction, the contractor at the Intake, did an admirable job. It was a tough project and Judy Construction did a very well in getting to this point.

Mr. Lane expects the superintendent, Mr. Steve Sutherland, to begin work on the WTP in the next week or so.

- **Oak Park Sewer Project**

Matthew Lane met with Tobacco Commission representatives and they requested the final pay request be submitted so the project can be closed out.

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

The Contractor, Tipton Construction, is about 60% complete, reported Mr. Lane

- **Mill creek Water System Source Improvements**

Mr. Lane presented a resolution for Board Consideration. He said the Steering Committee meeting was held this past Monday, thus, the late item. The Steering Committee did agree to accept the recommendations of the Preliminary Engineering Report (PER) and asked that the recommendation be presented to WCSA and to the Chilhowie Town Council.

Mr. Lane asked the Board to take action to accept the recommendation of the Steering Committee and agree with the Town of Chilhowie to implement the recommendation of the PER for the construction and renovation of the Water Treatment Plant.

Mr. Lane said the Steering Committee discussed funding for the project. The Town of Chilhowie is submitting a funding application to the VDH which is due April 1st.

Mr. Lane said the Resolution would support the Town of Chilhowie's application to the VDH and authorize WCSA's General Manager to pursue funding from other sources such as the Tobacco Commission. Mr. Lane said he felt the Mill Creek Project was a good candidate for funding.

Mr. Cornett said Mr. Nelson asked that his concurrence with the recommendations and findings in the report be relayed to the Board. Mr. Nelson also recommended WCSA proceed with securing suitable funding for the Project. Mr. Cornett said they also discussed a permanent inter-connection between WCSA's system and Town of Chilhowie's distribution

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system so that in case of emergency when the plant is under renovation, WCSA has the ability to back feed the Town's system through a plan and systematic approach instead of doing it manually. Part of the work going forward will be the evaluation of the best place to tie in to the Town's system and seeking funding for that as well.

Mr. Taylor motioned to approve the PER recommendations. Mr. Stephon seconded the motion and the Board approved voting 5-0-0-2.

- **Mendota Water System Source Improvements**

Mr. Lane said Scott County has completed their water sampling. TLG Received the first round of samples which were very good but have not received lab results from the 2nd, 3rd or 4th round of samples.

Mr. Lane said TLG continues to work on water treatment alternatives for Mendota.

Mr. Miller asked if the other samples results are favorable, will the system be "turned on".

Mr. Lane said that would be up to the General Manager. He continued saying the main goal was to be sure everything is done to ensure the water supply is consistent and reliable water supply and felt the General Manager would be "turn on" the system. Mr. Lane felt they were getting close to being able to do that especially if all four samples were favorable.

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

TLG is working to finalize plans and specifications for the Hidden Valley project.

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

TLG continues working toward the completion of Preliminary Design for Phase III.

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

Mr. Lane said they are waiting on Rural Development to authorize the project for advertisement.

Mr. Chase asked if there were any decisions made regarding the water shed at Mill Creek.

Mr. Lane said the Town of Chilhowie was in the process of contacting property owners.

Mr. Bill Skeen of Maxim Engineering

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

Mr. Skeen said the contractor has mobilized and has equipment and pipe on site ready to begin work. The contractor has not provided the builders risk insurance certificate. Mr. Skeen expects that information in the next couple of days and the contractor expects to start work this coming Monday, March 31st.

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

Maxim met with WCSA and is waiting on their feedback for the draft review of the Study.

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

Construction on the Sutherland Project continues. Contract 1 will not be completed by the original date for substantial completion. The contractor issued a letter to Mrs. Helbert requesting additional time. Mrs. Helbert said Contract 2 is on time.

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Mrs. Helbert then reported on the Childress Hollow Project saying staff is wrapping up design and plans are substantially complete. All the environmental agencies have been contacted in accordance with the general review process. That information was submitted to VDH. Mrs. Helbert expects VDH to grant the categorical exclusion. Staff obtained all but one easement. Once that easement is obtained, the project will be advertised. Once the Childress Hollow Project is advertised, staff will begin design work for Haskel Station, Mrs. Helbert said.

Mr. McCall asked Mrs. Helbert if she had any indication what the contractor for the Sutherland Project was basing their extension request on.

Mrs. Helbert said they were basing it on not being able to get the equipment on site in a timely manner.

Mrs. Helbert said she requested the contractor make an official request detailing the reasons for the delays.

Mr. McCall asked if the contractors request would go before the Board.

Mr. Cornett said yes sir. Mr. Cornett, Mrs. Helbert and staff will review the request so they can make a recommendation to the Board but the Board will vote on the request, said Mr. Cornett.

8. Operations Manager's Report & Update Presentation *Dave Cheek*
Discussion Items:

- Financials
- Over Budget Items
- Department Highlights
- Mill Creek Membrane Plant
- Sewer Camera Demonstration
- Forward Looking Statement

2014 February Performance Against Plan:

All departments were under budget for February except the Distribution Department. Mr. Check said that was due to the failure at Mill Creek.

How Does the \$8,845 Over Budget Break Down?

- Additional Pump Station Operation to Support Mill Creek
 - 44% for Fuel and Electricity
- Additional Water Purchases to Support Mill Creek
 - 56% for Materials

Year to Date we are \$296k Under Budget.

2014 February Water Production Highlights:

- Drinking Water Production Month:
 - Middle Fork: 145,779,000 gallons
 - Taylor's Valley: 29,613,358 gallons
 - Chilhowie for WCSA: 25,893,240 gallons
 - Chilhowie for Chilhowie: 29,639,460 gallons
 - Mendota: 184,000 gallons
- Total: 231,109,058 gallons
- Maintained VDH Gold Standard at Middle Fork

2014 February Waste Water Process Highlights

- Damascus Within Daily Influent Control Limit, Actual 0.22 MGD, Control Limit 0.25 MGD
- Process Control:
 - Hall Creek: +99% Removal Rates
 - Damascus: Continuing to develop Biological base
 - Investigating Improved Oxidation Process Control
- All Reporting within Control Limits
- Identified & Corrected Hall Creek I&I Issue

2014 February Maintenance Highlights:

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- Busy Month
 - Leaks: 31 (2013 avg. 33)
 - Break: 9 (2013 avg. 3)
 - After Hours Responses: 45 (2013 avg. 34)
 - 165 Regular Hour Work Orders
 - Water Taps: 2 (2013 avg. 3)
 - Waste Water Taps: 0 (2013 avg. 1)
- Mill Creek Repairs
- Galvanized Line Replacement
 - Through switching meters and making tie ins, able to remove about 1,650' of galvanized line from service

2014 February Distribution Highlights:

- Record Water Distribution: 8.7MM Gal/Day
- Outside Water Purchases: 11.8MM gallons
- 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 Waste Water, 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.
- Assisted with Mill Creek WTP Repairs and coordinated the emergency interconnection with the Town of Chilhowie.

2014 February Metering Highlights:

- 196 customers were telephoned following unusually high usage

- 569 customers were notified that their water was to be turned off for nonpayment
- 112 meters lifted for non-payment
- 99.16% (21,945) of all (22,153) meters read with radio with the remainder (144) requiring a manual read

Forward Looking Statement:

- South Fork Intake Start-Up in March
- Closer tie between Operating Departments and Customer Service
- 2014/15 Final Budget Work in Progress

Mr. Cheek then discussed the following presentation on the:

Mill Creek Membrane Plant Failure:



The picture below shows the a leak in one of the pipes at Mill Creek.



Mr. Cheek then discussed the time line of the project.

Plant Down, Initial 10" Raw Water Line Repair, Line did not hold:

- Start Time: 2-19-14 at 8:00 am

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- Stop Time: 2-19-14 at 2:00 pm
Repaired with Spare Tees, Did not hold on pressure test:
- Start Time: 2-19-14 at 2:00 pm
- Stop Time: 2-20-14 at 12:00 am
Repaired with Uniflanges/C900, This held but downstream 45's failed:
- Start Time: 2-20-14 at 12:00 am
- Stop Time: 2-20-14 at 10:00 pm
WCSA 14" Main tied into Chlorine Contact Tank Feed Line:
- Start Time: 2-20-14 at 8:00 am
- Stop Time: 2-20-14 at 10:00 pm
Replaced Failed 45's with Uniflanges/C900, Decision to Replace all Raw Water Feed Lines:
- Start Time: 2-21-14 at 8:00 am
- Stop Time: 2-22-14 at 11:30 am
The slide below shows one of the newly installed pipes.



Below shows WCSA crews working on the pipe into the night.



Important Facts Learned from this Experience:

- WCSA Able to Assemble an Outstanding Team to Correct & Solve the Issue
 - Technical
 - Hydraulic
 - Civil
 - Mechanical, Pump & Piping System
 - Controls
 - Trade
 - Six Crews
 - Pipe Fitters
 - Welders
 - Electricians
 - Operational
 - Class I Operators
- WCSA validated the Middle Fork Plant, Wise Pump Station, Lee Highway Pump Station and Seven Springs Storage Tank Upgrades
 - Able to Meet WCSA's Customer Needs without the Membrane Plant's Operation
 - Able to Meet Chilhowie's Needs without the Membrane Plant's Operation for short period of time. More upgrades are needed to maintain long term provisions in this manner.
- May have Determined a Core Design/Construction Issue with the Membrane Plant (Raw Water Pump Suction is not Flooded)

Mr. Bobby Gobble discussed the following presentation on the WCSA's **Sewer Camera.**

Justification:

- With WCSA's increasing Waste Water Collection System:
 - Imperative that we be able to Locate Issues
 - Identify Installation Issues

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- Perform System Preventive Maintenance Activities

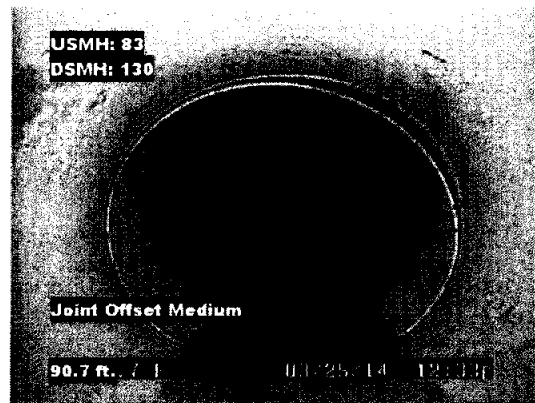
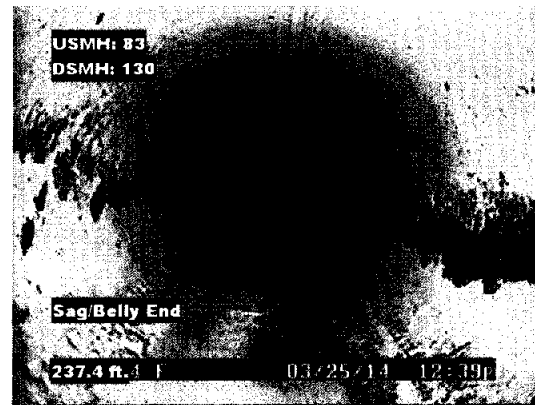
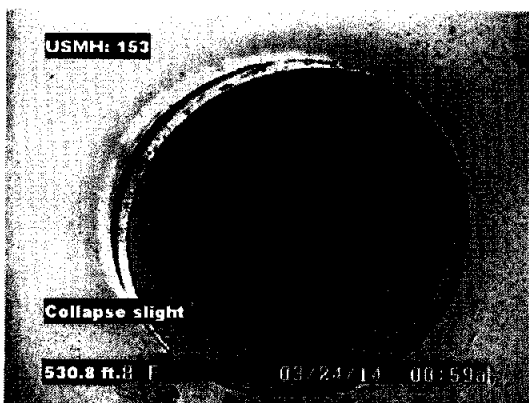
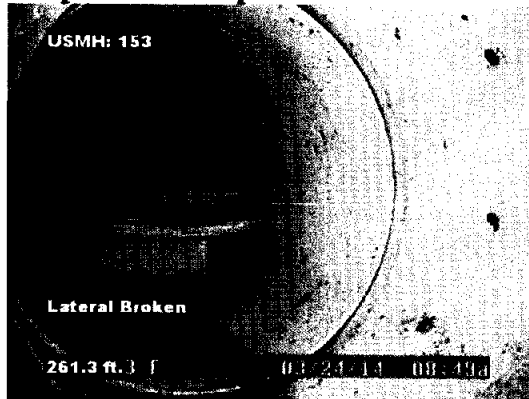
Procurement:

- Competitively Bid
- Winning Bid to Aries for \$87,960
 - Trailer
 - Camera Tractor with Remote Position Control
 - Camera Recording
 - System Generator
 - Training

Initial Results:

- Have Scoped about 5,000' of pipe this week
 - Started at Exit 13 to inspect prior to Warranty Expiration
- Finding and Cataloging Issues
 - Will Meet with Engineering, Lane Group to:
 - Review each Issue to Determine if a Claim Should be filed

Snap Shot Examples:



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 February:

Administrative Activities

- Mr. Cornett referred to the updated Customer Service Report for February located at the Board's stations. The "yellow" highlighted information is corrected from the Report in your book he explained.
- Active water accounts decreased by 176 to a total of 20,933 accounts (we

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saw a decrease a year ago of 47 active water accounts). Mr. Cornett is looking into why there was such a decrease in water accounts.

- Active wastewater accounts decreased by 12 to a total of 2,321 accounts
- 18 water taps applied for with 16 of those being related to extension projects
- 9 wastewater taps applied for with 8 of those being related to an extension projects.
- 159 reconnection/transfers of service
- 112 disconnect for nonpayment notices were processed
- \$25,604.91 was abated for 125 customer water leaks. Mr. Cornett thinks that high amount is related to the Polar Vortex.
- \$4,744.44 was written off as bad debt three years old

License Achievement:

Drinking Water Plant Operator Trainee, Joey Foster, obtained is Class 4 License, February 7th. Joey began work with WCSA July 2, 2013 and in short order obtained his first license. Joey is a sharp talented young man.

Self Help (\$1500) Projects:

Until about 2004, many small water line extension projects were constructed by residents who wanted water by pooling their resources. We are unsure why there hasn't been interest in this type of extension for a while. We propose to try and revitalize this method of extension project. Some small projects (like Ritchie Road) may not be feasible without it. We also propose to look at engaging civic groups to see if they are willing to lend support. And, we may seek volunteers from among WCSA Staff who could participate as well. This method of Project coupled with Staff

volunteers and the community coming together should show a commitment on WCSA's part to do all we can to provide a safe, dependable supply of drinking water.

Customer Service:

We have heard from some people, and you may have too, that we are a monopoly. Residents can't go anywhere else for public water or sewer service.

Customer Service involves more than the ladies who work in the front office. It involves each WCSA employee as they come in contact with the public, not just our customers, every day. Whether the public sees them driving down the road, working on a line, talking to them over the phone, or speaking with them in the field, we "all" connect with the public. For that reason, it is important that we approach Customer Service as if the customer has other utilities from which to choose and our jobs depend on retaining them as a valued customer.

Another area is the appearance of our facilities, vehicles and equipment. If Customers see that our restrooms are dirty, our tanks are shabby looking, our vehicles are dirty or appear unsafe, it impacts what the Customer thinks about WCSA.

After coming in contact with WCSA, we hope most of our Customers would "recommend" us to someone else. We have no expectation that every customer will be satisfied. However, if we focus on key areas, we believe most customers would recommend us.

1. Quality (the water/sewer service must be great),
2. Common sense (sound practical judgment),
3. Friendly (compassionate, helpful, and supportive)

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Cross Connection / Backflow Implementation:

As many of you know, WCSA was out of compliance with the waterworks regulations in the area of cross connection control and backflow. More than a year ago, the Board adopted a policy that complies with the waterworks regulations. Staff believes a step-by-step approach to implementation was preferred to requiring compliance day one. For that reason, we spent the first year educating our customers. Over the past year, we have been working with customers to have their devices inspected and brought up to standard. Some customers have to spend thousands to comply with the regulations. Recently, we have worked with two high profile customers and so far, the results have been fantastic. In other words, we've tried to apply the common sense and friendly approach to otherwise sensitive issues and the customers have provided positive feedback. I would like to thank Wayne Smith and Mark Osborne for their work in this area.

Dispute Committee:

Staff is responding to two disputes in the Wilson District. One or both of these disputes may be appealed to a two person committee of the Board of Commissioners. For that reason, we would ask the Board to consider two volunteers to serve on the committee to hear one or both of the disputes.

Mr. Chase and Mr. McCall volunteered to serve on the Committee.

10. 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, Mrs. Helbert said. 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). In the weeks that followed, additional requests were made by WCSA Commissioners and Staff to the Tobacco Commission. We received notification in March that our request was not approved. However, they said we could apply to them for funds from the Southwest Economic Development Fund. In doing so, the County would have to be the applicant for TIC money. This would require the application by the County by October 2014. The TIC would most likely notify applicants of potential funding in January 2015 (based on the schedule of the previous funding cycle), and there is no guarantee of TIC funding.

To comply with DEQ's schedule, the Board needs to make a decision on their funding offer at the March meeting. Otherwise, we are going to lose the funding offer. If we do not accept funding and go after the TIC and are not successful, would have to reapply to DEQ for funding if we wanted to be reconsidered for DEQ funding. Based on their current schedule, we would most likely be reapplying during July 2015. We should hear from DEQ in late 2015 which would push us out by about 2 years. There would be no guarantee we would receive an offer in 2015.

We could accept the DEQ offer of funding and apply to TIC in Oct 2014 for funding. If we receive TIC grant funding, we could request DEQ redirected their funding offer to the Exit 13 Phase 3 Project. If we do not get TIC

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funding, we proceed to use DEQ funding for Exit 13 Phase 2A. This option would allow us to accept the current offer and move forward with the project, but we would still plan to apply for TIC money and see if we could obtain grant funding for the Phase 2A Project.

Mrs. Helbert said staff recommendation is to accept the DEQ funding offer and request Washington County apply on our behalf for the Tobacco Commission funding for Phase 2A.

Mr. Cornett added the DEQ funding offer is included in the ongoing Rate and Financial Plan and factored into the rates that will be considered in the near future. Mr. McCall felt this project should be approved to attract new business to the area. Mr. McCall also said he thought Washington County should help to fund this project and the TIC may be inclined to approve funding if the project was in progress.

Mr. Chase agreed.

Mr. Miller asked what the cash shortfall would be for this project.

Mr. Cornett said it would be \$9,555 per year.

Recently, Mr. Miller was in a meeting with local business owners and those business owners said they wanted to see this project go through. Mr. Miller said this project would provide the opportunity growth and the potential for more revenue from both water and sewer and thought this project should be approved.

Mr. Chase said there was potential for growth in that area.

Mr. Miller motioned to approve the funding offer from DEQ for the Exit 13 Phase 2A Project and apply for TIC funding.

Mr. McCall requested the motion to be amended to include funding requests from the IDA and Washington County

for this project. He would like to see both the IDA and the county pay for a part of the project.

Mr. Miller amended his motion to include the IDA and Washington County as requested by Mr. McCall. Mr. Stephon seconded the amended motion and the Board approved voting 5-0-0-2.

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

Specifics related to the proposed Agreement are as follows:

Engineering costs, as detailed in the enclosed Agreement are:

Basic Services – \$84,200.00 (lump sum)

Additional Services – \$25,000.00
(hourly not-to-exceed)

RPR Services – \$62,400.00 (hourly not-to-exceed)

Total Engineering – \$171,600.00

Mr. Miller asked if there was any way to save in money in RPR services. He said this amount seems like a big expense for a small project.

Mrs. Helbert said it is a big expense for all projects. We try to use internal RPR services when possible.

Mr. McCall asked what the hourly rate was.

Mr. Amos said the RPR services were \$60.00 per hour.

Mr. McCall thought that hourly rate was high and thought they should start trimming it down; negotiate to get a lower rate for RPR.

Typically, we pay \$55.00 to \$65.00 per hour for RPR services on most projects and that includes everything for the inspector, said Mrs. Helbert.

Mr. Amos said they have been successful in the past in working with clients who like to provide RPR. If the Authority has a qualified person they can

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dedicate to a project and someone who can be on the project on a daily basis that is more than acceptable to us. We really do not make any money on RPR. Traditionally, if we have the resources available at the start of a project, we assign our own resources to a project, stated Mr. Cornett. We have also looked into independent RPR providers that provide freelance RPR services, said Mr. Cornett. As we get closer to construction time, if we can use internal resources that is an option we can provide. If we can find better pricing that meets with Anderson and Associates approval, that is another option; or we can exclude RPR services for now and address that later.

Mr. Miller said he was not saying we need to exclude RPR for this project but may need to think about RPR services in the future. He questioned the necessity of paying someone to be on site every day throughout the entire project.

Mr. Miller referred to the sewer project saying the sewer line could be evaluated using our new sewer camera. He thought having a person on one site all day everyday was not necessary because there was equipment available the inspector could use to check the contractors work. Mr. Miller said he was talking more into the future and not necessarily for this project.

Mr. Chase asked what the pleasure of the Board was.

If we do approve it, Mr. Cornett, you say inside inspectors can be used if available. Mr. Cornett said yes.

Mr. Miller motioned to approve the Engineering Agreement with Anderson and Associates for the Exit 13 Phase 2A Project. Mr. McCall seconded and the Board voted 5-0-0-2 approving the motion.

12. Consideration of Amendment No. 1 to the WCSA Maxim Engineering Task Order for Tumbling Creek South and North Fork River Road Water System Extension Projects
April Helbert, Bill Skeen

Task Orders M-1 and M-2 allow for RPR services at the standard hourly rate of \$55/hour with an estimated cost of \$8,000, for each project totaling \$16,000.

Mrs. Helbert explained after Maxim designed the project, they concluded that construction time needed to be increased from 45 to 75 days for each project due to the amount of expected rock and the installation of a pressure reducing valve. It was also thought that additional construction time should result in better bid prices.

For the reasons stated above, Maxim is requesting an increase in the RPR budget for each project from \$8,000 to \$13,000. The estimated total cost for RPR services for the two projects combined would be \$26,000. RPR services would remain as an hourly item and WCSA would only pay for the hours expended at a rate of \$55.00 per hour.

At this time, Mrs. Helbert explained, WCSA does not have an in-house inspector that could be dedicated to this project so Maxim will need to provide the RPR services.

As presented during the January Board Meeting, these projects as a whole do not cash flow during the 30 year loan period. The Amendment presented tonight will increase the overall deficit at the end of the 30 year loan period on the two projects combined from \$37,315 to \$47,315.

The projects (combined) were included in our ongoing rate study as \$72,911 in loan funding, 100,980 in grant funding, and \$64,654 in cash funding from

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WCSA. The funding for the project, factoring in the two proposed Amendments, if approved, will consist of a WCSA cash contribution of up to \$74,328, a VDH grant in the amount of \$100,980 and a VDH loan in the amount of \$72,911. Thus, in order to move forward with these project Amendments, no new revenue requirements are necessary as part of the ongoing rate study. If approved, the updated contributions will be included in the ongoing rate model/study

WCSA RPR is currently occupied on other Projects and unavailable to serve here. For this reason, Staff recommends the Board favorably consider Amendment No. 1 to Task Order M-1 and Amendment No. 1 to Task Order M-2.

Tumbling Creek South and North Fork Me. McCall asked about the "where significant areas of rock which would impact the contractors time for installation for the water line." Mr. McCall said we do not have a rock clause and asked what was causing the problem. Mr. McCall said when "we bid a job we eat a lot of rock."

Mrs. Helbert said the time was increased before the project was bid; this is not a post bid issue.

Mr. Skeen said based on the amount of rock we changed the contract time to 75 days before bidding. It was changed from 45 to 75 days during the design phase.

Mr. McCall asked if everyone bid on the same thing, on 75 days.

Mrs. Helbert said yes.

Mr. McCall said based on the amount of rock, there will be many days the contractor isn't able to lay pipe.

Mr. Skeen said we realize an inspector would not have to be on site every day and said we will use judgment on that.

Also, we typically coordinate between the inspector and contractor as far as weather delays so the inspector doesn't make unnecessary trips. Mr. Skeen said they would minimize RPR hours.

Mr. Taylor motioned to approve the Amendment No. 1. Mr. Stephon seconded and the Board approved voting 5-0-0-2.

13. Consideration of the Sutherland Community Water Line Extension Project, Contract 2 – Change Order No. 1 April Helbert

The proposed Change Order includes the addition of four 2-inch main line road crossings (of Highway 133) and all related changes associated, explained Mrs. Helbert. The project was originally designed to serve the customers opposite the water line along Highway 133 with the typical ¾" off-side residential water connection. We had planned to install those by "thumping" under the road as we do on our other projects. However, TDOT would not approve this method and required us to bore all road crossings. With this requirement, staff changed the design to allow three main line road crossings to serve those residents who had signed up for service and were opposite the water line along Highway 133.

Mrs. Helbert said staff decided on 2 inch installations instead of ¾ inch so we could cut down on the number of crossings. We are also trying to group meters where it is possible to allow use of the 2 inch lines in the future. This is because VDOT said we would have to bore under the road for any future road crossings and will not allow us to thump the road for any future road crossings.

However, these changes were never incorporated into bid forms. We requested Tipton provide pricing for the

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crossings and they have provided - \$670.00 for each 2-inch gate valve (same unit price as original bid documents) and \$95/foot for the installation of the road bores with 6-inch steel casing and 2-inch aquamine pipe. These prices appear to be reasonable.

The Change Order also changes the actual taps for these residents from "off-side" to "line side". This Change Order removes seven "off-side residential water connections" that were bid and adds eight "line side residential water connections" for the same unit price as that bid. Staff left two "off-side residential water connections" in the contract (Contract 2 - Base Bid) for now, but we expect those to be removed with the final clean-up change order. The total increase of the proposed Change Order is \$16,425.00.

The contract price including this change order for Contract 2 is \$569,619.50.

The Change Order increases the construction costs from \$773,156.10 to \$789,581.10. Taking this Change Order into consideration, the project is left with \$5,976.00 in Project Contingency.

There Change Order increases contract time by 6 days. The substantial completion date is now June 10, 2014.

Staff kindly recommends the Board favorably consider Change Order No. 1 to Contract 2 of the Sutherland Community Water Line Extension Project, said Mrs. Helbert.

Mr. McCall asked if Tennessee required 6 inch since we were using aquamine pipe.

Mrs. Helbert said all that was part of the original bid document and we left all that the same since that is what VDOT originally approved.

After a brief discussion, Mr. McCall motioned to approve Contract 2. Mr.

Miller seconded and the Board voted 5-0-0-2 approving the motion.

14. Consideration of a Resolution Authorizing and Approving, Award, and Sale of Not to Exceed \$72,911 in Water System Revenue Bonds and Setting Forth the Form, Details, and Provisions for the Payment Thereof for the Tumbling Creek Road South Project *Kim Harold*

Mrs. Harold said background related to the Tumbling Creek Road South Project was discussed as Agenda Item 12. The Board took action to award the Tumbling Creek South Water Project previously based on a loan of \$72,911 provided by VDH through Virginia Resource Authority. To memorialize this commitment, the Board must adopt the enclosed loan resolution.

Consistent with the previously reported terms and conditions as well as action by the Board, Staff recommends the Board favorably consider adopting the enclosed resolution.

Mr. Taylor motioned to approve the Loan Resolution. Mr. McCall seconded and the Board approved voting 5-0-0-2.

15. Closed Meeting

At 7:50 pm, Mr. Stephon moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711 Paragraph (A) (3): acquisition and disposition of property; 1. To discuss the disposition of real property.

Code of Virginia Section 2.2-3711 Paragraph (A) (6): investment of public funds; 2. To discuss various inter-municipal and other agreements and potential agreements. 3. To discuss various agreements existing and

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proposed related to the South Fork Intake.

Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice; 4. To discuss potential litigation, contract litigation or both related to the South Fork Intake and 5. To discuss various inter-municipal and other agreements.

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

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

Return to Public Session:

Mr. Stephon motioned to Return to Public Session at 9:06 pm. Mr. McCall seconded and the Board approved voting 5-0-0-2. Mr. Stephon 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.

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

16. Late Items:

1. Mr. Taylor made a motion to allocate 15,000 GPD of water capacity to SWIFA for in the Highlands Business Park at no cost. Mr. Stephon seconded and the Board approved voting 5-0-0-2.


2. Mr. Taylor made a motion to approve SWIFA regarding its interest in all allocation of 100,000 GPD of water capacity for the Highlands Business Park and its support for obtaining funding from sources such as the Tobacco Commission. Mr. Miller seconded and the Board approved voting 5-0-0-2.

17. Recess

At 9:10 pm, Mr. Taylor made a motion to recess until Thursday, April 10, 2014 at 6:00 pm for a Rate and Financial Plan Workshop. Mr. McCall seconded and the Board voted 5-0-0-2 approving the motion.



Mr. Joe Chase Chairman



Carol Ann Shaffer, Assistant Secretary

CUSTOMER SERVICE DEPARTMENT ACTIVITY REPORT

ENDING FEBRUARY 28, 2014

TOTAL COLLECTIONS/DEPOSITS: \$1,268,524.55

CLASSES BILLED

CLASS 1

Accounts Billed: 5,602
Gallons Billed: 30,162,000
Water Charges: \$264,249.53
Sewer Charges: \$19,930.32

CLASS 2

Accounts Billed: 4,382
Gallons Billed: 33,398,000
Water Charges: \$231,532.42
Sewer Charges: \$117,418.39

CLASS 3

Accounts Billed: 3,384
Gallons Billed: 16,247,000
Water Charges: \$137,033.50
Sewer Charges: \$20,934.77

CLASS 4

Accounts Billed: 2,562
Gallons Billed: 9,709,000
Water Charges: \$102,536.09
Sewer Charges: \$42.60

CLASS 5

Accounts Billed: 2,751
Gallons Billed: 20,523,000
Water Charges: \$152,084.43
Sewer Charges: \$8,988.99

CLASS 6

Accounts Billed: 2,494
Gallons Billed: 10,460,000
Water Charges: \$100,095.45
Sewer Charges: \$22,770.12

FINAL BILLS/CLASS 990

Accounts Billed: 142
Gallons Billed: 637,000
Water Charges: \$6,946.36
Sewer Charges: \$717.44

TOTAL ACTIVE WATER CUSTOMER BASE (January)

21,169

TOTAL ACTIVE WATER CUSTOMER BASE (February)

20,993

TOTAL ACTIVE WATER CUSTOMER BASE (February)

Residential: 19,267

Non-Residential: 1,726

TOTAL ACTIVE SEWER CUSTOMER BASE (February)

Residential: 1,643

Commercial: 132

Industrial: 48

TOTAL SEWER GALLONS BILLED

Residential: 7,345,000

Commercial: 1,744,000

Industrial: 6,621,000

TOTAL SEWER GALLONS BILLED-TOWN OF DAMASCUS

Residential: 1,228,000
Commercial/Industrial: 619,000

TOTAL ACTIVE SEWER CUSTOMER BASE FOR TOWN OF DAMASCUS

Residential: 413
Industrial: 85

DELINQUENCY PROCESSING

Accounts with Late Charges Processed: 4,419
Total Disconnect Notices Processed: 1,377
Total Disconnection for Non-Payment: 112

GENERAL ACTIVITIES

New Connections Applied for: Water – 18 (16 Project) Sewer– 9 (8 Project)
Reconnections/Transfers of Service: 159

ABATEMENTS DUE TO LEAKS

Total Accounts Abated due to Leaks: 125
Total Dollar Amount Abated: \$25,604.91

BAD DEBT WRITE-OFFS: \$726.27

JANUARY 2011 REVENUE IN COMPARISON TO BAD DEBT

\$1,468,434.78

NEW WATER AND SEWER CONNECTIONS

SERVICE ADDRESS	CLASS	WATER/SEWER	PROJECT
9428 New Castle Road	Residential	Water	Yes
Loves Mill Road	Residential	Water	No
19369 Rich Valley Road	Residential	Water	Yes
19451 Rich Valley Road	Residential	Water	Yes
18261 Rich Valley Road	Residential	Water	Yes
18277 Rich Valley Rd	Residential	Water	Yes
Talon Crest Circle	Residential	Water/Sewer	No
21088 Rich Valley Rd	Residential	Water	Yes
20338 Rich Valley Rd	Residential	Water	Yes
19398 Rich Valley Rd	Residential	Water	Yes
19328 Rich Valley Rd	Residential	Water	Yes
19151 Rich Valley Rd	Residential	Water	Yes
13071 Rich Valley Rd	Residential	Water	Yes
18121 Nordyke Rd	Residential	Water	Yes
20491 Rich Valley Road	Residential	Water	Yes
20235 Rich Valley Rd	Residential	Water	Yes
Rich Valley Rd	Agricultural	Water	Yes
19346 Rich Valley Rd	Residential	Water	Yes
17353 Lee Highway	Commercial	Sewer	Yes
17550 Lee Highway	Residential	Sewer	Yes
17530 Lee Highway	Residential	Sewer	Yes
17510 Lee Highway	Commercial	Sewer	Yes
17529 Lee Highway	Commercial	Sewer	Yes
17572 Lee Highway	Commercial	Sewer	Yes
18014 Lee Highway	Commercial	Sewer	Yes
17586 Lee Highway	Residential	Sewer	Yes

WASHINGTON COUNTY SERVICE AUTHORITY
MILL CREEK WTP IMPROVEMENTS

RESOLUTION

WHEREAS, the Washington County Service Authority, wishes to support the Town of Chilhowie's application for funding from the Virginia Department of Health – Office of Drinking Water's Water Supply Assistance Grants Program, for the "MILL CREEK WTP IMPROVEMENTS";

WHEREAS, the Virginia Department of Health – Office of Drinking Water has funded projects for the Washington County Service Authority and Town of Chilhowie and this project meets the Water Supply Assistance Grants Program funding requirements;

WHEREAS, the project costs and additional information supporting the projects needs will be detailed in an application to be submitted on or before April 01, 2014; and,

WHEREAS, the "MILL CREEK WTP IMPROVEMENTS" will identify planning steps necessary to improve water system reliability and accountability to meet the requirements of the Virginia Department of Health.

THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Washington County Service Authority hereby votes and agrees to support the Town's funding application from the Office of Drinking Water for the project. Furthermore, the General Manager of the Washington County Service Authority is hereby authorized to pursue funding from other potential funding agencies including the Virginia Tobacco Commission, USDA Rural Development, and the Mt. Rogers Planning District Commission and sign and submit any and all appropriate documents on behalf of the Board of Commissioners relevant to funding for planning and/or construction of these improvements.

Motion by: TAYLOR Seconded by: STEPMON

Aye 5 Nay 0 Absent 2

Adopted this the 26th day of March 2014.

Attest:

Chairman

, Clerk