

**Washington County Service Authority Board of Commissioners**  
**April 23, 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 6:00 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  
Mark Osborne, Technical Manager  
April Helbert, Engineering Manager  
Johnny Lester, Maintenance Manager  
Bobby Gobble, Assistant Maintenance Manager  
Carol Ann Shaffer, Administrative Assistant

Also Present:

Mr. Mark Lawson, Legal Counsel

**3. Approval of the Agenda**

There were no additions or corrections to the Agenda. Mr. Nelson motioned to approve the Agenda. Mr. McCall seconded the motion and the Board approval voting 6-0-0-1.

**4. Public Query & Comment**

Mitzi Schrader, owner of 16355, 16371 and 16391 Pine Hill Road, addressed the Board asking if there was any further consideration to provide water to the Pine Hill Road community.

Mr. Chase said it would be discussed later tonight as an agenda item.

Ms. Jan Reeves of 247 Valley Street Northwest in Abingdon addressed the Board about fracking for natural gas and the problems it will cause.

Ms. Reeves said the Planning Commission and the Board of Supervisors was considering an ordinance that would allow fracking in Washington County within the Marcellus Shell Layer that runs from Benhams to Saltville. Ms. Reeves said the biggest concern with fracking was the contaminated wastewater. Ms. Reeves then discussed some statistics associated with fracking. In Pennsylvania, there was 1.3 billion gallons of wastewater produced when fracking in 2011 and 2012. Mrs. Reeves said she was concerned about how Washington County would be able to deal with all the wastewater associated with fracking in the county. She continued saying, in Pennsylvania, large amounts of state wastewater was released in different bodies of water including those that supplied drinking water as a result of poor treatment practices. More than half of all fracking wastewater was sent to treatment plants. Fracking wastewater contains a variety of harmful pollutants toxic to humans and aquatic life and radioactive and corrosive if released into the environment and to those that are exposed. These toxins can damage eco systems and health of drinking water stated Ms. Reeves.

Another concern, said Ms. Reeves, is the toxins can interact with disinfectants at drinking water treatment plants to form cancer causing chemicals. These pollutants include salts, oil, grease, metals, naturally occurring radioactive materials and a cocktail or cocktails of chemicals used in fracking because there may be more than one company

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

fracking, she explained. Ms. Reeves said she was very concerned how fracking would impact Washington County. She asked what plans the Service Authority may have to treat the wastewater. In her opinion, WCSA will certainly be impacted with treating the wastewater from fracking. Mrs. Reeves said the wastewater produced from fracking could not be injected back into the Marcellus Shell because of the risk it would produce systemic activity within the shell.

Ms. Reeves said she wanted to be sure the Board was aware of the fracking in Washington County and the issues associated with it. Ms. Reeves said fracking in Washington County seemed to be on the fast track and was concerned about the impact fracking would have on the work WCSA did for the county.

Mr. Chase said he hoped WCSA staff and engineers were aware of fracking and were looking out for our water's best interest.

**5. Approval of the Consent Agenda**

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

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

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

**Mr. Bill Skeen of Maxim Engineering**

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

Mr. Skeen said as of today, the contractors have about 500 feet of water line installed.

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

This Study is under staff review and Mr. Taylor evaluating possible sources of funding.

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

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

Mr. Heath said the Public Notice period is completed and the VPDES Permit has been issued by VDH.

- **Smyth Chapel Area Water Improvements Study**

AHE revised the PER and submitted it to WCSA for review.

- **Abingdon Water Storage Improvements Study**

Staff comments on the PER have been addressed.

- **Route 58 Water Supply Improvements Project**

Mr. Heath reported negotiations with property owners are proceeding.

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

Mr. Heath said construction was about 40% complete with over 15,000 feet of line installed. Earlier this week, the contractor did have short construction shutdown by the county Erosion Control Official who issued a Work Stop Order. The contractor came back into compliance later that day and construction resumed.

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

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

Mr. Amos said A&A was gearing up for the Phase 2A portion of the Exit 13 Wastewater Project. A&A is coordinating the mapping of the project with WCSA staff. The environmental portion of Phase 2A and Phase 3 has been approved by Rural Development.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

**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 substantial completion of the Intake, the Contractor has remobilized at the Treatment Plant and is finishing work that could not be done until the Intake was complete. The energy turbines and the valving are being readied to accept flow from the South Fork Intake. The Contractor is focusing efforts in completing the punch list developed when the Project reached substantial completion.

As previously reported, said Mr. Lane, the South Fork Intake is substantially complete. Since the last meeting, the Contractor has successfully started the emergency generator, the raw water pumps are functioning well and South Fork water is being treated at the Water Treatment Plant. Mr. Lane expects the Raw Water Intake Project to be finalized in the next 30 days.

- **Damascus Sewer System PER Update**

Mr. Lane reported the Draft PER has been submitted to WCSA staff for review.

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

TLG is working with WCSA staff and Legal Counsel to resolve an issue that Rural Development has raised regarding prescriptive easements that will be discussed as an agenda item later tonight.

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

Mr. Lane said TLG was close to completing preliminary plans and

specifications for Phase III and plan to have that complete by the end of June 2014.

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

A community meeting has been arranged and is to be held at Hidden Valley on Thursday, May 1<sup>st</sup>. TLG will focus on obtaining as many easements as possible and to describe the Hidden Valley Project during that meeting.

- **Mendota Water System Source Improvements**

Scott County completed their 4 weeks of sampling and analysis shows the water quality to be well within limits as established by VDH, stated Mr. Lane. TLG and WCSA met with VDH to discuss pilot testing, design and construction administration for carbon treatment of the water at the county line.

- **Mill Creek Water System Source Improvements**

Mr. Lane said TLG met with the US Department of Agriculture Rural Development concerning funding for the Mill Creek Project. TLG continues to work with WCSA staff to obtain funding for the Project. They have been in contact with the Rural Development, the VDH, the Department of Housing and Community Development Tobacco Commission and the Tobacco Commission regarding funding.

- **Nordyke Road Water System Project**

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

- **Oak Park Sewer Project**

Mr. Lane said Matthew Lane has a Board presentation on the Oak Park Sewer Project as an Agenda Item tonight.

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

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

TLG is working with WCSA to prepare and an application for the Special Exception and participate in meeting with County Planning Commission in May and the Board of Supervisors in June. Mr. Lane said work with DEQ continues on riparian landowner notification.

Mr. Hutchinson asked Mr. Lane to explain the zoning ordinance for the Western Washington County Sewer Study

Mr. Lane said they were asked to provide for DEQ a potential identification of property where the WWTP would be constructed and where the discharge will be in Beaver Creek. TLG selected what they think will be a nice piece of property for that treatment plant. Washington County has obtained an option easement for that property. The property is zoned agricultural. In reviewing the requirements from the Planning Commission and the Board of Supervisors, a Special Exceptions Permit is needed if a WWTP is constructed on land zoned for agricultural use. Mr. Lane understands, the Special Exceptions Permit has to be recommended by the Planning Commission before being granted by the Board of Supervisors.

DEQ is requiring we have the Permit in place before they finalize funding for the Project.

Do you see any problems obtaining that, asked Mr. Hutchinson.

Mr. Lane said he did not foresee any opposition but thought anytime there was a discussion about WWTPs and discharge permits there was that possibility.

Mr. Cornett said he and Mrs. Helbert met with the

RC: April and I met with the County Administrator and the County Planning and Zoning management and discussed

the material that would be provided to the Board of Supervisors and Planning Commission and submitted some draft material for their review and consideration; they seem to be positive about the Special Exception Permit and plan to get the completed package to them this Friday. The Planning Commission meets on May 19<sup>th</sup> and the Board of Supervisors meet the first of June and that is the target for their consideration, said Mr. Cornett.

Mr. Miller asked about Mendota and if they were going to turn it on.

Mr. Lane said they were very close to turning on water in Mendota. TLG met with VDH about water treatment they proposed to do at the county line as a safety guard. Mr. Lane reported the meeting with VDH went well and TLG has answered their concerns. Mr. Lane's opinion is they are close to obtaining VDH approval. Once VDH approval is granted, TLG will recommend usage of the Scott County water in Mendota.

Mr. Miller asked how long after VDH approval would construction begin.

Mrs. Helbert said no construction was needed in order to turn the water on. AH don't need construction to turn the water on.

Mr. Lane said his concern in making a final recommendation was once they begin to utilize the water, they be able to continue to use the water from Scott County under all conditions. Mr. Lane said his feeling was they need to provide some form of partial treatment for the entry of Scott County water into the WCSA system in the event of an issue.

Mr. Hutchinson asked if there was a process that could address that immediately.

Mr. Lane said treating the Scott County water at the point it enters the WCSA line.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Mr. Cornett said the months of July, August, September and potentially October are problematic months. If we are approved for this system it can be installed in a short time frame and the plan is to use that system as needed through those months to be sure we maintain compliance. There is about 8 additional days of residency in our system once it crosses the county line and that is where we have the potential for issues. Even if the water is compliant at the county line, as the water gets more aged, if we do not do something to improve quality it could create regulatory issues for WCSA at the end of our system. We have a lot of confidence in the unit TLG is recommending, we just need to get VDH approval for that system, added Mr. Cornett.

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

Construction on the Sutherland Project continues. Mrs. Helbert will be requesting additional time for Contract 1 later tonight as an Agenda Item.

Mrs. Helbert then reported on the Childress Hollow Project. The contacts to the various Environmental Agencies have been made in accordance with the required Environmental Review process. Staff submitted a request for a Categorical Exclusion to VDH. The next step before approval is to issue a Public Notice of Public Hearing.

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

- Financials
  - Over Budget Items
- Department Highlights
- Forward Looking Statement

**2014 February Performance Against Plan:**

Maintenance, wastewater and operations went over budget in March, Mr. Cheek said.

**How Does the \$13,198 Over Budget Break Down?**

- 81% for Fuel and Electricity
- 19% for Materials

Each Department is under budget for the year, totaling \$235,000 under budget year to date.

**2014 March Water Production Highlights:**

- Drinking Water Production Month:
  - Middle Fork: 141,819,000 gallons
  - Taylor's Valley: 31,785,461 gallons
  - Chilhowie for WCSA: 34,524,120 gallons
  - Chilhowie for Chilhowie: 33,338,920 gallons
  - Mendota: 166,000 gallons
- Total: 241,633,501 gallons
- Successfully Started Up both the Equipment and the Water Treatment Process for South Fork Water
- Maintained VDH Gold Standard at Middle Fork

**2014 March Waste Water Process Highlights**

- Damascus Within Daily Influent Control Limit, Actual 0.15 MGD, Control Limit 0.25 MGD
- Process Control:
  - Hall Creek: +99% Removal Rates
- All Reporting within Control Limits
- Identified & Corrected Hall Creek I&I Issue
- Identified & Correcting Significant Damascus I&I Issues

Significant BVU Waste Water Increase, Suspect I&I between last pump station and BVU meter

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

**2014 March Maintenance Highlights:**

- Getting Back to Normal
  - Leaks: 26 (2013 avg. 33)
  - Break: 1 (2013 avg. 3)
  - After Hours Responses: 28 (2013 avg. 34)
  - 165 Regular Hour Work Orders
  - Water Taps: 4 (2013 avg. 3)
  - Waste Water Taps: 0 (2013 avg. 1)
- Galvanized Line Replacement
  - Through switching meters and making tie ins, able to remove about 3,000' of galvanized line from service
- Baugh Lane Fire PRV/PSV Installation
  - All but 2 Fire Hydrants back in Service
- Post Project Video Inspection of Ramey Sewer Project
  - Reviewed Results with Engineering and TLG

**2014 March Distribution Highlights:**

- Water Purchases:
  - BVU 8,420,000 gallons (Take or Pay 9 MM gallons)
  - Saltville 900,000 gallons
- Drove the design & installation of a PRV/PSV along Baugh Lane
  - Provides water feed from the White's Mill Zone into Mid-Mountain Zone for high flow events such as fire flow
    - Able to Remove Bags from 14 Fire Hydrants
    - (Still have 2 Bagged, 1 on Watauga & 1 in Meadowview)
- Worked with Colony Lane Residents to install 2 Fire Hydrants
  - Design Complete, April Installation
- Executed Design & Completed Installation of 1,164' of 8" waterline along Route 75 (Green Springs Rd)

- Formulating Programs for Routine Inspection & Operation of Fire Hydrants, Gate Valves, Pressure Regulating Valves (PSV/PRV) & Air Release Valves
- Real Estate Acquisitions
  - Western Washington Waste Water – Land Option – 100%
  - Damascus Water Tank – In Process

**2014 March Metering Highlights:**

- 76 customers were telephoned following unusually high usage
- 354 customers were notified that their water was to be turned off for nonpayment
- 86 meters lifted for non-payment
- 99.5% (22,050) of all (22,157) meters read with radio with the remainder (107) requiring a manual read
- Completed Mill Creek Billing Meter Calibration
  - Developed and Executed On-Line Method that saved over \$11,000

**Forward Looking Statement:**

- Closer tie between Operating Departments and Customer Service
  - 3 times per week, focused meeting on customer issues
- 2014/15 Final Budget Work in Progress

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

**Administrative Activities to Highlight:**

Active water accounts increased by 3 to a total of 20,996 accounts (we saw an increase a year ago of 18 active water accounts)

Active wastewater accounts increased by 13 to a total of 2,334 accounts

10 water taps applied for with 6 of those being related to extension projects (2013

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

average 8/month and 2007 average 33/month)

1 wastewater taps applied for with 0 of those being related to an extension project (2013 average 1/month 2007 average 3/month)

177 reconnection/transfers of service (2013 average 188)

86 disconnect for nonpayment notices were processed (2013 average 112)

\$43,851.96 was abated for 260 customer water leaks (2013 average 89 abatements/month at \$11,084.76). The highest single month on record previously was \$31,272 set in April 2010.

\$2,920.31 was written off as bad debt three years old (2013 average \$4,654)

**February Active Water Accounts:**

During February 2014, active water accounts decreased by 176 to a total of 20,933. Though the number of active accounts may increase/decrease, a 176 decrease in active accounts is abnormally high. Curious as to why there was a decrease, Staff investigated. We learned that 134 accounts were requested to be disconnected by customers, 26 were lifts for nonpayment, 1 was due to a fire for a combined total of 161 of the 176 accounts. The remaining 15 accounts are still under review. We also learned that 104 of the 176 accounts are landlord tenant properties. Our records show that of our 21,000 accounts, 1,468 are landlord tenant accounts, and we believe there are more.

**Abatements:**

As noted by the Board before, except for last year, we continue to see increases in our abatements from year to year. The below table shows that, except for 2013, both the total amount and the number of abatements have increased each year since 2007. The amount (~\$170,000) is

relatively small compared to our annual revenue (\$12 million) however we will continue to monitor this trend.

2007	\$75,658	628
2008	\$84,068	677
2009	\$133,207	727
2010	\$147,803	839
2011	\$159,057	897
2012	\$179,741	1,100
2013	\$149,495	1,018

**Lift for Nonpayment Trends:**

In response to questions about trends with lift for nonpayment, Staff is working to develop a report that might help us identify trends (like names/service addresses).

**Customer Service:**

Last month I mentioned efforts by Staff to enhance customer service. One thing we are looking at is our response time to some inquiries. For example, we received a call last month regarding a fire hydrant that was marked as "out of service" three years ago. After looking into the call, we confirmed that it was three years ago that we labeled the hydrant as "out of service."

This example is an "exception" not the "norm." However, it is an example of how we can get better. To get better, we plan to put our Work Order software to good use. Since our beginning 100 years ago, we have relied on employee memory, paper work orders, post-it notes, e-mails and the like to remind ourselves of things that need to be accomplished. Our billing and accounting software provides for automated work orders. By creating a work order for every customer call, and monitoring the "age" of work order, we should no longer have things falling through the cracks.

Additionally, by recording information in our work order software, we will have secured in one place ALL of the

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

information we have about a particular customer, event, problem, service address in one location. In the future, this will help us easily identify repeat or reoccurring problems before they have gone on for months/years resulting in an unsatisfied customer. We are currently assessing the adequacy of the existing software to meet our needs.

**License Achievement:**

For the third month in a row, we have had a Water/Wastewater Operator licenses achieve. Drinking Water Plant Operator, Jerry Fields, obtained a Class 3 License, March 18th.

**Technology Tour:**

As the Board is aware, WCSA and the Town of Chilhowie are moving forward with upgrading the Regional Drinking Water Plant at Mill Creek from a Koch to a Pall system. In preparation for this transition, WCSA, Town of Chilhowie and The Lane Group Staff toured one of Augusta County's six Pal membrane plants on April 7th. This allowed our team to talk to the Operators of not one but six Pall membrane plants. From this, and potentially other tours, we can learn what we should avoid and what we want to employ.

**VDH Award:**

I would like to congratulate WCSA's Drinking Water Production Staff for receiving the Virginia Department of Health's 2013 Excellence in Waterworks Operations/Performance Award. We believe this is the tenth year in a row our Drinking Water Plant Staff has won this award. This is a prestigious award for any Virginia Drinking Water Plant but is especially so for a Plant that cannot shut down during high turbidity events and which has been under construction for the past four years.

**Funding:**

At your March Meeting, the Board asked that we approach the Washington County Industrial Development Authority about applying to the Tobacco Commission for funds for the Exit 13 Phase 2A Project and the Zone 108 Water Storage Tank Project. Respectively, we are working with Anderson & Associates and The Lane Group to develop the technical information needed to make the best case possible for funding. We propose to offer to prepare the applications for both projects and plan to schedule a meeting with IDA/SWIFA Chairman, Henry Snodgrass soon. Applications are due in October and we should receive notice of funding in January 2015.

**10. Consideration of the WCSA Regular and Annual Board of Commissioner Meeting Schedule Through July 2015 – Robbie Cornett**

Traditionally, the WCSA Board of Commissioners, Regular and Annual Meetings, except for Holidays, were the fourth Monday of each month, said Mr. Cornett. The consensus was, except for Holidays, to revert back to the fourth Monday of each month. If so desired, we now have the opportunity to make that change. The fourth Monday meeting schedule through July 2015, except as noted, would be as follows:

May 19, 2014 (May 26 is Memorial Day)

June 23, 2014

July 28, 2014

August 25, 2014

September 22, 2014

October 27, 2014

November 24, 2014

December 22, 2014 (could be Dec. 15 to avoid the week of Christmas)

January 26, 2015

February 23, 2015



**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

March 23, 2015

April 27, 2015

May 18, 2015 (May 25 is Memorial Day)

June 22, 2015

July 27, 2015

Mr. Nelson motioned to approve the Board meeting schedule listed above. Mr. McCall seconded and the Board approved voting 6-0-0-1.

**11. Public Hearing Regarding the Disposition of WCSA Property *Mark Osborne***

The Chairman announced the purpose of the Public Hearing, the Disposition of WCSA Property.

The Chairman asked Mr. Mark Osborne to make a short presentation.

In Mr. Osborne's presentation, he first discussed background information. As you are aware, WCSA accessed the South Fork Intake and share a right of way with several property owners. Originally, the right of way cut below the Whitley property. Mr. Osborne learned it would be advantageous to relocate the shared access across WCSA's property. Mr. Cornett, Mr. Osborne and Legal Counsel met with several property owners to discuss the new location of the right of way and adjusted easement area. Recently, one of the property owners requested their easement be located at the far eastern side of the property. This would also benefit the Authority since it is not problematic and instead of having access through the middle of our property going to the river, it moves access to the outside property boundary. As part of that discussion, another property owner asked to be part of that same easement.

To do any dispersal of property by Public Body, WCSA is required by Virginia Code to have a Public

Advertisement of the Public Hearing. Mr. Osborne said the Public Hearing that was held this evening was Publically Advertised. The minimum requirement for Public Advertisement of public Hearing is 7 days prior to the hearing. Tonight's Public Hearing was advertised on April 13, 2014. Mr. Osborne asked if there were any questions from the Board or the audience.

The Chairman, Mr. Chase, then Opened the Public Hearing for discussion asking if anyone was present to speak in favor of the sale of the property. No one spoke.

The Chairman asked if there is anyone present to speak in opposition of the sale of the property. No one spoke.

At that time, the Chairman Closed the Public Hearing. Mr. Chase then asked if the Board had any questions. The Board had no questions.

Mr. Osborne said WCSA staff and Legal Counsel recommended the Board favorably consider the proposed easement relocation and dedication.

Mr. Stephon motioned to approve the disposition of WCSA property, Mr. Nelson seconded and the Board unanimously approved voting 6-0-0-1.

**12. Consideration of Chemical Bids – *Kim Harold***

Due to the volatile cost of these chemicals, most vendors will only providing pricing for up to one year, explained Mrs. Harold. For this reason, we procure annually. The Bid Opening was held on April 14, 2014 with 7 active bidders.

Mrs. Harold referred to the tabulation sheet at the Board's stations that outlined chemical bids and recommendations (see attached).

Mr. Nelson motioned to approve the chemical bid recommendations as

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

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

**13. Consideration of Auditing Services Contract *Kim Harold***

Auditing standards now require that our auditors (Robinson, Farmer, Cox Associates) get a signed engagement letter from the client each year documenting their and the Board's understanding of what the engagement entails. Staff recommends the Board favorably consider the engagement of Robinson, Farmer Cox Associates.

Mr. Nelson asked if there was a reason they do not start the audit until August. June 30 is the Fiscal year end and the auditors are not starting the audit for another 1.5 to 2 months, leading us to November until we receive their results. Mr. Nelson asked if that was part of the original negotiation. It takes WCSA staff until the end of July to get accounts payable invoices in hand and entered from fiscal year end, then an independent auditor, Mr. Fern, reviews the books before the auditor's review.

Mr. Nelson said Mr. Fern is putting the financial statements together, right?

Mrs. Harold said WCSA staff prepares the financial statements and Mr. Fern reviews them.

Mr. Nelson said Robinson, Farmer Cox Associates contract was for three years and asked if approving the contract would extend their contract.

Mrs. Harold said it would not extend their contract.

Mr. Nelson motioned to approve the contract as presented. Mr. Stephon seconded and the Board voted 6-0-0-1 approving the motion.

**14. Consideration of Vehicle Bids *Kim Harold***

According to Mrs. Harold, WCSA received bids on three (3) ½ ton pickups and one (1) ton pickup on April 4, 2014 at 2:00 pm. The 1 ton truck will be utilized in the Maintenance Department. One of the ½ ton trucks is to be used by the Operations Manager and the other two ½ ton trucks are to replace two trucks in the Meter Department.

Hall Automotive was the low bidder for the three ½ ton 4X4 Extended Cab trucks at \$24,223 each or \$72,669 for all three. We budgeted \$74,000 for the three trucks. Hall Automotive bid is about \$1,500 under budget, explained Mrs. Harold. Mrs. Harold reported the low bidder meeting all our specifications for the 1 ton service truck was Pioneer Chevrolet with a bid of \$37,500. Mrs. Harold recommended the trucks be purchased from the low bidders who met specifications.

Mr. Hutchinson motioned Mrs. Harold's recommendation. Mr. McCall seconded Board approved voting 6-0-0-1.

**15. Consideration of Amendment No. 4 to the Engineering Agreement between WCSA and The Lane Group for the Western Washington County Sewer Study *April Helbert***

Amendment No. 3 was approved in December 2013 and provided for additional field investigation work related to the TMDL due to a significant bacterial load that was discovered in the Bristol area and could not be accounted for by the TMDL model, said Mrs. Helbert.. Additional information can be found in the attached Amendment and report from MapTech.

Western Washington County Sewer Study will be a total, including estimated not to exceed amounts, \$223,920.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Amendment No. 4 would provide surveying and an engineering analysis for the property WCSA has a purchase option for. The analysis will look at whether the property is suitable for the location of the proposed wastewater treatment plant. Specifically, the Amendment will provide:

Phase 1 Environmental Assessment

\$3,500 Lump Sum

Aerial Mapping

\$6,000 Lump Sum

Boundary Survey

\$4,500 Estimated Budget NTE

Preliminary Site Plan

\$5,000 Estimated Budget NTE

Geotechnical Review of the site

\$5,000 Lump Sum

The total for all tasks is \$14,500 Lump Sum and \$9,500 Estimated Budget NTE, for a total estimated cost of \$24,000.

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

Mr. Miller asked if Amendment 4 would get us to the point we will have a permit in hand.

Mrs. Helbert said the VPDES permit from DEQ is completed. These items will be utilized in preparing the packet that will be submitted to the Planning Commission and the county.

Mr. Hutchinson asked if the analysis was to if that property will be a suitable for the WWTP.

Mr. Lane said yes.

Mr. Hutchinson asked if there was an alternative site if this is not approved. There are other sites that were reviewed and this site appears to be the most feasible due to location, accessibility costs.

Mrs. Helbert said there is a stream on this property and the 100 year flood

plain has been marked and looks favorable.

Mr. Cornett said TLG has also completed aerial mapping and the preliminary site plan to keep us moving forward with this project.

Mr. Hutchinson motioned to approve Amendment No. 4, Mr. Stephon seconded and the Board approved the motion voting 6-0-0-1.

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

This Change Order only includes the addition of time to Contract 1. WCSA was approached by Tipton Construction requesting additional time due to the delays in receiving pump station material.

Tipton claims there were delays in the ordering of the control panel due to the vendor's failure to notify them of required payments. Additionally, Tipton claims they were unable to make follow-up contact with the telemetry vendor and that company had sent important information to a Tipton employee who wasn't working at that time. There appears there may have been additional delays with other vendors for pump station parts as well.

It is the Engineer's opinion that Tipton did order the parts for the pump station early in the project; but they could have done a better job following up on some of the items. However, it does appear that the vendors for this project are at least partially at fault for the delays. WCSA will not incur any actual damages by having Contract 1 (VA portion of project, including the pump station) and Contract 2 (TN portion of project) completed at the same time. Contract 1 does not have any

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

connections associated with it. Contract 1 was originally bid with an earlier completion date to ensure Contract 2 wasn't delayed in completion since Contract 2 relies on Contract 1 for water. Since one contractor was the successful low bidder for both contractors, this became less of an issue.

Additionally, the contractor is currently awaiting a Plan of Action for required asphalt repair from VDOT, which we expect to take approximately 30 days to receive and finalize.

Based on the above, the Engineer recommends a time extension on Contract 1 of 60 days. An addition of 60 days will provide for a completion date (both substantial and final) of June 4, 2014. This date corresponds with the original completion date of that of Contract 2.

WCSA Staff has reviewed and recommends approval of this Change Order.

Staff recommends the Board favorably consider Change Order No. 1 to Contract 1 of the Sutherland Community Water Line Extension Project.

Mr. Miller asked if the Contractor would complete the contract in 60 days.

Mr. Helbert believes they will and said the Contractor has been setting pump station control panels and have been receiving parts this week so that shouldn't be an issue.

Mr. Miller said it will not be an issue if they are not complete before June 4<sup>th</sup> as long as they are complete by June 4<sup>th</sup>.

Correct; said Mrs. Helbert. Mr. Nelson said he thought WCSA should "hold their fee to the fire". The Contractor entered into the contract and were in control of their employees. WCSA has done nothing to create the situation, he stated.

Mr. McCall said he would like to have one thing added to the contract; if the Contractor works over 40 hours per week, there not be more than 40 hours a week for inspection services because we are spending too much. He continues saying "I know what I am talking about because I am a registered professional..." "The job can be done and that will minimize it too, if they go over", stated Mr. McCall.

Mr. Miller asked what the liquidated damages for that contract were.

Mrs. Helbert said she did not have that information with her.

That is fine, said Mr. Miller, as long as the Contractor finishes the Virginia side before the Tennessee side.

Mr. McCall said

Mr. Miller asked if the Contractor had 2 crew working on each contract.

Mrs. Helbert said they have had 2 crews but did not yesterday.

They are bouncing their crew on Whites Mill to the Sutherland project and back; so they are sending extra employees to the Sutherland Project stated Mr. McCall.

Mr. Miller motioned to award an additional 60 days to Contract 1. Mr. Hutchinson seconded and the Board approved voting 4-1-1-1 with Mr. Nelson opposed and Mr. McCall abstaining from the vote.

**17. Consideration of a Request to Extend Water to Pine Hill Road April Helbert**

Last month, Ms. Schrader, representing Pine Hill Road, approached the Board about providing public water. As Ms. Schrader indicated, earlier efforts to obtain 50% interest in water were unsuccessful.

We know from the Western Washington County Water Study that a hydro-

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

pneumatic pump station will be required. The project is estimated to cost \$634,760 and serve approximately 26 homes assuming 100% participation.

After review by Staff, we think the best opportunity for a successful project is to seek DHCD grant funding. If we qualify for DHCD grant funding, they will provide \$12,500/connection (\$325,000 with 100% participation). Based on these assumptions, \$309,760 in loan or grant would need to come from another source(s). We could also apply to VDH, Mount Rogers, and Southeast Rural Community Assistants Program. If all 26 residents became users of the system and paid a 5,000 gallon monthly bill, we would generate \$12,511 in annual revenue (not including operation and maintenance costs) which would finance approximately \$261,760 in loan (assuming 2.5% interest for 30 years). From this initial analysis, in addition to DHCD grant, \$48,000 in additional grant is necessary for the project to cash flow. With the Board's approval, outlined here is how we propose to proceed:

1. Contact Mount Rogers Planning District Commission (MRPDC) to let them know of the interest in water and see if they can assess the area for DHCD Program Guidelines (estimated at \$1,500).
2. Contact someone in the area, former Project Champion, to try and coordinate a Project Information Meeting (PIM).
  - a. Conduct a PIM in the community.
  - b. Mail invitations to everyone in the area and the WCSA (Mr. Miller) and Supervisor (Mr. Owens) Member for the area.
  - c. Involve MRPDC in the PIM.
  - d. MRPDC goes door-to-door after the PIM to collect income

surveys and possibly User Agreements (UA).

- i. If UAs are not solicited with income surveys, solicit after surveys are complete.

3. Assuming all is positive, ask Washington County to apply for DHCD for funding by March 2015 and WCSA would apply to VDH, MRPDC and SERCAP.

We bring this proposed project to your attention at the earliest possible stage to provide a sense of the potential financial feasibility. Resident participation (which we are unsure of at this time) and financial feasibility are two key factors for continuing with a project. Financially, as is outlined above, this project is going to be challenging. Before we proceed, we wanted to report what we know and gauge the Board's interest in pursuing funding, conducting project meetings and securing user agreements as outlined above.

Staff recommends the Board favorably consider authorizing Staff to take the steps necessary to proceed with securing User Agreements and soliciting funding for the proposed Pine Hill Water System Extension Project.

Mr. Chase asked Ms. Schrader is she had any idea if the 26 residents were interested.

Mrs. Schrader said 10 residents committed previously. She felt the cost of the connection fee residents would have to pay would be a determining factor.

Mrs. Helbert said residents that qualify as low income to moderate income per the funding agency's guidelines, would not pay a connection fee.

Ms. Schrader thought 80% of the residents of Pine Hill would qualify as low to moderate income.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Ms. Schrader said this project would be a good place to spend money for people that truly could not do any better on their own. She said it would not be immediate relief for those carrying water in gallon jugs but felt it was hope for the future of the Pine Hill community. Mrs. Schrader said she appreciated the effort.

Mr. Nelson said from his prospective, he did not problem making a motion to move forward authorizing WCSA to take the steps necessary to proceed with user agreements and to solicit for funding as quickly as possible.

Mr. Miller asked how long it would be before we could get water to Pine Hill.

Mr. Cornett said 2 to 3 years. March of 2015 is the earliest we can apply for funding to the VDH and DHCD then will be fall before we know about funding. Then start the design and easement acquisition process at that point.

Mrs. Helbert said about fall of 2015.

Mr. Nelson said if we had the money today, how long take to design the project.

Mr. Cornett said it would take 12 to 18 months.

Mr. McCall said the key to the whole project is the Mount Rogers survey.

Mrs. Helbert agreed.

Mr. McCall said since Mount Rodgers survey was so critical, if they could move quicker it would help push this Project along.

Mrs. Helbert said the reason MRPDC gave a fall time frame is because funding application are due next spring.

Mr. Chase offered, it may not be quick but at least we can get started on the Project and will give residents hope for the future.

Mr. Chase asked if any of the Commissioners would like to second the motion. Mr. Miller seconded Mr.

Nelson's motion and the Board approved voting 6-0-0-1.

**18. Consideration of an extension of the General Engineering Agreement between WCSA and Adams Heath Engineering (now The Lane Group)**  
*April Helbert*

From time to time, WCSA has a need for general engineering services for smaller issues that arise. These may range from a simple hydraulic calculation on a portion of the existing water or sewer system to a study of water or sewer needs in a large portion of our service area. For this reason, in late 2011 WCSA procured for General Engineering Services and selected the three most qualified firms. In 2012 we signed General Engineering Services Agreements with three firms (The Lane Group, Adams-Heath Engineering, and Maxim Engineering). The original Agreements with The Lane Group and Maxim Engineering were for one year, and have since expired. The Agreement with Adams-Health Engineering (which was conveyed to The Lane Group last year when the two firms merged) was for a two-year term, with options for renewal.

A General Engineering Services Agreement can only be utilized for non-construction-related services. Approving this agreement does not mean that the Board has no further approval of engineering fees related to any notable project. For example, if the proposed project requires a new Task Order be issued under this General Engineering Services Agreement, the Task Order would be brought back to the Board for approval. If a task is simple and can be completed under a previously approved Task Order, the Staff with the approval of the General Manager could authorize that.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Staff recommends renewing the Agreement with The Lane Group (formerly the Adams-Health Engineering Agreement) for a term of 2 additional years. This would extend the Agreement to May 21, 2016.

Staff is currently considering outside Engineering Services that may be needed by WCSA in the coming years. Our goal is to conclude this evaluation and present our thoughts and recommendation at the May meeting.

WCSA Staff has confirmed with The Lane Group that they wish to renew the General Engineering Services Agreement. WCSA Legal Counsel have also reviewed, commented, and approved the renewal process.

Subject to answering any questions you may have, said Mrs. Helbert, Staff recommends the Board favorably consider renewing the agreement.

Mr. Nelson asked why the Agreement from Adams-Heath was for 2 year term.

Mr. Lane said it was the way the Agreements were drafted. Mr. Heath drafter his agreement for 2 years and TLG's agreement was drafted for 1 year.

Mr. Miller motioned to approve the extension of The Lane Group's Engineering Contract. Mr. Hutchinson seconded and the Board approved with a 5-1-0-1 vote. Mr. Nelson was opposed.

**19. Consideration of Task Order #2014-1 between WCSA and The Lane Group for Services Related to the WCSA Withdraw Permit from DEQ April Helbert**

The Middle Fork Water Treatment Plant is permitted to withdraw water from the Middle and the South Forks Holston River in accordance with the provisions of Virginia Water Protection (VWP) Permit No. 02-1007, said Mrs. Helbert. This permit was effective August 2,

2004, modified on September 4, 2008, and expires August 2, 2019. The permit goes on to include a limitation of 12.0 million gallons per day (MGD) "from all sources" including the South and Middle Fork Holston Rivers, Cole Spring (Mill Creek Water Treatment Plant WCSA Source), Reservation Spring, Mendota Well and purchases from Bristol Virginia Utilities Board, Saltville and Smyth County. The permit does not mention purchases from Scott and Russell County PSA since they postdate the permit, explained Mrs. Helbert.

Mrs. Helbert said staff believes it is in WCSA's best interest to seek modification of the permit to allow for a total of 12.0 MGD combined withdrawal from the Middle and South Forks Holston River and exclude mention of all the other sources.

Since the term of the current VWP permit is within five years of expiration, we believe it's also in our best interest to consider revoking the current permit and reissuing the VWP with a new fifteen-year term. To support the development of a new VWP permit, WCSA must prepare and submit to the Virginia Department of Environmental Quality a Joint Permit Application (JPA).

Task Order # 2014-1 will provide work associated with revising the terms of the VWP permit and making the request to modify its terms. This work includes preparation of a JPA and review of the VWP permit.

Mrs. Helbert then reviewed the costs associated with the Task Order would be a lump sum of \$30,300 for the JPA Preparation and Submittal. If approved, said Mrs. Helbert, this work and its related costs will be added to our ongoing rate model/study. WCSA Staff negotiated this Task Order with The

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Lane Group over the past month. WCSA Legal Counsel have also reviewed, commented, and approved this Agreement stated Mrs. Helbert.

Subject to answering any question the Board may have, Staff recommends the Board favorably consider this Task Order.

Mr. McCall made the motion to approve the Task Order. Mr. Stephon seconded and the Board voted 6-0-0-1 approving the motion.

**20. Oak Park Sewer System Extension Report and Presentation *Matthew Lane***

The first topic of Mr. Lanes presentation was:

**Project Conception** which included:

- The "Oak Park Sewer Project" has been contemplated for many years and has been included in several studies
- The WCSA commissioned a Preliminary Engineering Report (PER) to evaluate the extension of public sewer service to the I-81, Exit 13 area of Washington County in response to citizen inquiries dating back to the 1980s. Draper Aden Associates completed the PER in January 2008. The "Exit 13 Wastewater Project" was identified as Phase 1. The "Oak Park Area" was identified as a Phase 2 project.
- The Western Washington County sewer study prepared by The Lane Group also identified construction of a sewer line along Spring Creek Road and Lee Highway as a "backbone" for providing sewer service to the entire Western Washington County area.
- The Washington County IDA completed construction of the Oak Park Mega Site. The site provided

ample developable property, but did not have ample available sewer capacity.

- Sewer from the Oak Park site flows by gravity west along the railroad tracks, through the City of Bristol / Washington County Industrial Park and into the Bristol Virginia Utilities sewer system.
- The agreement between BVUA and the County allocated a total capacity of 0.572 MGD from all sources that could be discharged into BVUA's Sewer System much of which was currently being utilized.
- Additional sewer capacity for Oak Park was a critical need for the IDA.
- After the Western Washington County Sewer Study was completed, Mr. Cornett hosted a meeting of funding agency representatives from USDA-Rural Development, DHCD, DEQ and the Tobacco Commission.
- During the meeting, the findings of the Sewer Study were presented to the agency representatives with the goal of establishing a funding strategy for the project.
- Ms. Sara Williams with the Tobacco Commission noted that funds were available and ear marked for improvements to existing Mega Sites throughout the Commonwealth.
- Ms. Williams suggested that the WCSA consider applying to the Tobacco Commission for funding the portion of the work relating to the Oak Park Mega Site.

**Project Challenges:**

- The project involved the construction of gravity sewer line along Lee Highway adjacent to many existing businesses and existing utilities.
- Much of the project was constructed outside of public rights-of-way and required easements.



**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

- Construction required crossing beneath the Interstate 81, Exit 13 interchange. This presented a design and permitting challenge in addition to the construction related issues.
- The topography along Spring Creek road necessitated several crossings of the creek and involved a substantial amount of rock.
- The project timeline was critical because of the construction of a business within Oak Park.

**Project Bids** were then next item discussed by Mr. Lane.

- The necessary easements and permits were secured, the design was completed and the project was advertised for construction on September 30, 2012.
- Bids were received on October 19, 2012. The responsible low bidders were:
  - Contract 1 – Boring Contractors - Pump Station - \$879,500.00
  - Contract 2A – Tipton Construction – Force Main - \$316,616.00
  - Contract 2B – Boring Contractors – Gravity Line - \$1,325,500.00
- The total construction cost of \$2,521,516.00 was well below the estimated amount.
- The project was awarded to the low bidders on October 22, 2012 and construction began on December 26, 2012.

Mr. Lane presented items of **Project Construction**:

- Both Boring Contractors and Tipton Construction performed well in the face of adverse construction conditions:
  - Rock
  - Work on private property
  - Existing utility conflicts

- Work adjacent to streams and heavily traveled roadways
- Substantial Completion was issued for Contract 1 on December 17, 2013; Contract 2A on April 26, 2013 and Contract 2B on October 3, 2013.
- Total Project Construction Cost - \$2,686,872.62
- Project is Complete and fully operational!

Lastly, Mr. Lane reviewed **Project Accomplishments**:

- Provided 500,000 gallons per day of sewer capacity to the Oak Park Industrial Park greatly enhancing the ability of the IDA to market the property to industrial customers.
- Provided gravity sewer service to portions of Lee Highway and Spring Creek Road.
- Replaced 3,000 L.F. of existing deteriorating gravity sewer line adjacent to Oak Park.
- Provided the backbone for future sewer system extensions not only along Lee Highway, but throughout the entire Western Washington County area.
- The entire project was designed and constructed with 100% grant funds.

Mr. Lane thanked WCSA for the opportunity to work on the Oak Park Sewer System Project and said he was proud to have served as the WCSA's engineer for this important project.

## **21. Closed Meeting**

At 7:46 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) (3): acquisition and disposition of property; 1. To discuss the disposition of real property.

**Washington County Service Authority Board of Commissioners**  
**April 23, 2014 Regular Board Meeting Minutes**

Code of Virginia Section 2.2-3711 Paragraph (A) (6): investment of public funds; 2. 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; 3. 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, was requested.

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

**Return to Public Session:**

Mr. Miller motioned to Return to Public Session at 8:22 pm. Mr. Stephon 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.

**16. Late Items:**

1. Mrs. Harold explained the Benefits Committee met at the Board's request to consider changes to new hire benefits. Mr. Stephon and Mr. Nelson, Mr. Cornett and Mrs. Harold; all of the Benefits Committee; met today. The Benefits Committee recommended the Board change the sick leave accrual cap for new hires to 60 days with no payout upon termination. Mr. Stephon motioned to approve the recommendation, Mr. Nelson seconded and the Board approved voting 6-0-0-1.

**17. Recess**

At 9:10 pm, Mr. Nelson made a motion to recess until Monday, May 12, 2014 at 5:30 pm for a Closed Meeting. Mr. Stephon seconded and the Board approved voting 6-0-0-1.



Mr. Joe Chase Chairman



Carol Ann Shaffer, Assistant Secretary