

Washington County Service Authority Board of Commissioners
May 19, 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 6:01 pm.

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Chairman
Mr. Ken Taylor, Vice Chairman
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Frank Stephon, IV

Commissioners Absent:

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
Johnny Lester, Maintenance Manager
Bobby Gobble, Assistant Maintenance Manager
Carol Ann Shaffer, Administrative Assistant

Also Present:

Mrs. Dawn Figueiras, Legal Counsel

3. Approval of the Agenda

Mr. Cornett presented an Amended Agenda for Board consideration. Mr. Taylor motioned to approve the Agenda. Mr. McCall seconded the motion and the Board approval voting 6-0-0-1.

4. Public Query & Comment

There was no public query or comment.

5. Approval of the Consent Agenda

- Minutes for March 26, 2014 Regular Meeting; March 26, 2014 Recessed Meeting (April 10, 2004) and May 5, 2014 Public Hearing.

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

Mr. Miller 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. 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 reported the Intake to be substantial complete and operational. Mr. Lane said from a construction standpoint the Intake was complete and TLG continues to address paperwork to close out the project. Mr. Lane and Mrs. Helbert are working to schedule a date for final inspection of the Intake.

The Water Treatment Plant is treating water from the South Fork Intake. The Contractor has remobilized at the Treatment Plant and been able to complete work that needed to be done on the Middle Fork Intake. Mr. Lane said Mr. Cheek worked with TLG and the Contractor on testing and start-up of the energy recovery turbines and Mr. Lane expects that work to be complete in the near future.

- **Damascus Sewer System PER Update**

Mr. Lane reported the Draft PER was submitted to WCSA staff for review and he plans to address staff comments as soon as they are received.

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

Mr. Lane was pleased to report WCSA staff and legal counsel was able to work with RD to resolve the issues that was preventing the advertisement process. The project has been advertised for bid. Mr. Lane said there were four divisions to the project and bids would be opened on June 17, 2014 at 1:00, 2:00, 3:00 and 4:00 pm for each division. Mr. Lane hopes to have bid results for Board consideration at the June meeting.

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

Mr. Lane said TLG continues to work on preliminary plans and specifications for Phase III and plan to have those completed by the end of June 2014.

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

WCSA Staff convened a community meeting for the Hidden Valley Community. Mr. Taylor also attended the meeting. Mr. Lane said it was a good meeting, allowing staff to obtain several easements needed for that project. Mr. Lane said they were getting close to have all necessary easements for the Hidden Valley Project; with less than 10 of 45 easements still outstanding. Mr. Lane hopes to advertise the Hidden Valley Project for bids in June or July.

- **Mendota Water System Source Improvements**

WCSA collected additional samples at Mendota which have been sent to the lab for analysis. Mr. Lane hopes these samples will be the last samples they are required to take at Mendota. TLG continues to work with WCSA staff, specifically, Mrs. Helbert and Mr. Cheek, to develop a carbon treatment that can be used, if needed, in the future.

- **Mill Creek Water System Source Improvements**

TLG continues to seek funding for Mill Creek. TLG has talked with the Tobacco Commission, Mount Rodgers and applications have been filed with the VDH for a planning grant and construction grant; they have yet to talk with Rural Development.

Mr. Lane discussed membrane treatment technology. Currently, the Mill Creek plant uses Koch membranes to treat the water. Koch membranes are ultra-filtration membranes and filters particles that are equal to or larger than 1/10 of a micron. Mr. Lane explained a micron was one millionth the size of a meter. TLG is proposing to use a micro-filtration system through a different manufacturer at Mill Creek. Mr. Lane said a micro-filtration system would remove particles down to one micron. The Pall membrane, the micro-membrane TLG is proposing for the Mill Creek Plant, is approved by the VDH and meets all the criteria set forth by the VDH and does a very good job of water filtration. The Koch membrane does filter smaller particles. In Mr. Lanes opinion, having particles one micron in size does not really matter.

- **Nordyke Road Water System Project**

Mr. Lane reported all the main line has been installed and tested. The Contractor is working to installing meters and make connections. Mr. Lane expects this project to be complete by the June Board meeting.

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

TLG has met with staff and property owners in the area of the Wastewater Treatment Plant site and are making every to address the property owner's concerns. TLG postponed the meeting with the Board of Supervisors and the

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Planning Commission to have more time to talk with property owners about their concerns.

Mr. Chase asked if lowering the connection fees had any impact on the number of user agreements for the Hidden Valley Project.

Mrs. Helbert said notices were sent out for the Hidden Valley Project customers that were low income informing them their connection fee would be covered. Also, notices were sent to the other residents informing them of the recently approved reduced connection fees.

Mr. Bill Skeen of Maxim Engineering

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

Mr. Skeen said about 1,500 feet of water line and the pressure reducing valves have been installed. Mr. Skeen expects the project to be complete around the end of June or first of July.

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

This Study is under staff review and Mr. Taylor continues the evaluation of possible funding sources.

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

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

Mr. Heath said construction was about 50% complete with over 18,000 feet of 8 inch line installed.

- **Route 58 Water Supply Improvements Project**

AHE is waiting on the tank site purchase option to be secured in order to finish the remainder of the preliminary design.

- **Smyth Chapel Area Water Improvements Study**

Mr. Heath has addressed and submitted responses to WCSA staff review comments on the PER.

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

AHE submitted a response to WCSA staff PER comments and is waiting for staff to comment on the response.

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

- **Exit 13 Sewer Project PER**

According to Mr. Amos, the PER was approved on April 16. Copies of the approved report were sent to WCSA staff and DEQ. WCSA staff completed the re-solicitation of the Phase 3A area. Those results were submitted to A&A on April 30 then resubmitted to WCSA on May 2 with revised mapping.

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

Mr. Amos met with WCSA staff on April 30 and discussed preliminary project goals and procedures. Mrs. Helbert and Mr. Osborne were very helpful to provide information on moving forward as this is A&A's first design project with WCSA, said Mr. Amos.

Mrs. Helbert and Mr. Amos met with Mr. Cozart, the owner of the mobile home park along the Phase 2 Project area. A preliminary line was agreed upon by all parties in that meeting.

Mr. Miller asked if anyone new signed up for the Phase 3 Project.

Mrs. Helbert said she though there were 5 or 6 who had signed new user agreements.

Mr. Cornett said he thought it would be discussed later as an Agenda Item.

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

Mrs. Helbert first requested permission to apply for funding from Mount Rodgers Planning District Commission for planning and or construction funding

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for the interconnection with the Town of Chilhowie.

Mrs. Helbert also requested permission to apply for funding for the Damascus Wastewater Treatment Plant Operational Improvements Project. Last year WCSA applied for \$100,000 and Mrs. Helbert thought this request would also be for \$100,000. The Damascus Wastewater Treatment Plant Project is projected to cost \$440,000 and is categorized in the Budget as a cash funded project.

Mr. Stephon motioned to approve Mrs. Helbert's request to apply for applying for funding for planning and or construction of the interconnection with the Town of Chilhowie and the Damascus Wastewater Treatment Plant. Mr. McCall seconded and the Board approved voting 6-0-0-1.

Mrs. Helbert then updated the Board on the Sutherland Project. She thought it would be highly unlikely the project would be completed on time. Mrs. Helbert said this project was very different because there were contracts with Tennessee funding agencies. Contract 1 Final and Substantial Completion dates are June 1 and Mrs. Helbert did not think there would be an issue making the June 1 deadline for Contract 1. The completion date for Contract 2, the construction that has to be done in Tennessee, is June 10. Mrs. Helbert expects there to be about 15 weather days, moving the completion date for Contract 2 to June 25. The Contractor still has to complete one large bore and several smaller bores. They have not started working on the hydro-pneumatic tank station. About 1,300 feet of main line still needs to be installed along with the installation of all the meters and service line. Then clean up, paving, testing and disinfection will have to be completed, Mrs. Helbert stated.

WCSA continues work to obtain permits for Childress Hollow. All the easements for this project have been obtained. The advertisement for the Categorical Exclusion ran on May 17 and the comment period will expire on June 7, 2014.

Mr. Taylor asked who the contractor on the Sutherland Project was.

Tipton, said Mrs. Helbert.

Mr. Miller asked how much the daily damages were.

Mrs. Helbert said \$200.00 per day.

Mr. Taylor asked if Mrs. Helbert thought Tipton would make the June 25th time line.

Mrs. Helbert said her opinion was it would be the end of June before they were complete, best case.

Mr. McCall said on issue was Tipton would place Tee's for bores and said no boing contractor could hit a Tee and according to Tim, said Mr. McCall, they have not corrected this.

Mr. McCall said the Contractor was doing a good job on Whites Mill and Nordyke, just not on Sutherland. Mr. McCall though the Engineer should send a strongly worded letter to the Contractor about Sutherland.

It is Mr. McCall's opinion that Sutherland has to be finished or pay damages. "If they keep floating around, we; King Contractors; will be doing some bores for them" stated Mr. McCall. Mrs. Figueiras asked if WCSA advertised for bids for Galvanized Line Phase 2.

Mr. Lane said, yes.

Mrs. Figueiras asked if there was anything in the bid about contractors being a responsible bidder and not being behind on other projects.

Mr. Lane said that was part of general conditions.

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Mr. Hutchinson said in some cases, the cheapest bid is not always your best bid and though that should be considered going forward. Mr. Hutchinson thought it was important to consider what a contractor could bring to the table and not only consider the cheapest bid.

Mrs. Figueiras said WCSA had to follow bidding guidelines. If a bid is received from a responsible bidder and is a responsible bid, we must accept the lowest bid, said Mrs. Figueiras. She recommended WCSA use caution when declaring what a responsible bid is.

Mr. McCall stated, if we have something in writing we have something to fall back on.

Mr. Hutchinson's view was it was important to protect the Authority, not only in this instance but in future instances as well. We need to make the adjustments that are necessary to protect WCSA because these things could be expensive in more ways than one, stated Mr. Hutchinson.

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

Discussion Items:

- Financials (All Excluding Salaries & Benefits, Does Include Over Time)
 - Over Budget Items
- Department Highlights
- Forward Looking Statement

2014 April Performance Against Plan:

Mr. Cheek said Maintenance went over budget while Production, Distribution, Metering, Wastewater and Operations all fell under Budget.

Maintenance went \$13,168 over budget. Mr. Cheek discussed the reasons they were over Budget.

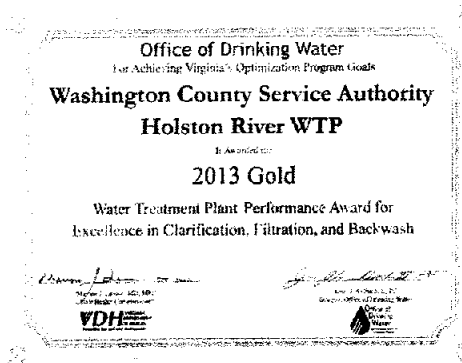
- Pump Maintenance made up 29% of the overage
- Pipe installation made up 28%
- Valve installation was 10%

- Other inventory items were 33% of the overage.
- No Lead cost \$4,171
- Baugh Lane improvements were made at a cost of \$4,097

• 58 Extension at a cost of \$5,276
Year to date Operations is under Budget \$301,000 with all departments under Budget for the year explained Mr. Cheek.

2014 April Water Production Highlights:

- Drinking Water Production Month:
 - Middle Fork: 140,372,000 gallons
 - Taylor's Valley: 30,293,178 gallons
 - Chilhowie for WCSA: 32,730,990 gallons
 - Chilhowie for Chilhowie: 32,918,700 gallons
 - Mendota: 235,000 gallons
- Total: 236,549,868 gallons
- Working on Final South Fork Intake and Middle Fork Intake Punch List Items
 - Started Middle Fork Intake Screen Repair
- Maintained VDH Gold Standard at Middle Fork



2014 April Wastewater Process Highlights:

- Damascus Within Daily Influent Control Limit, Actual 0.13 MGD, Control Limit 0.25 MGD

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- Provided Final DEQ Progress Report for Inflow Violation
- Process Control:
 - Hall Creek: +99% Removal Rates
- All Reporting within Control Limits
- Identified & Correcting Significant Damascus I&I Issues
- Significant BVU Waste Water Increase, Suspect I&I between last pump station and BVU meter
 - Still Working to Identify the Source

2014 April Maintenance Highlights:

- Getting Back to Normal
 - Leaks: 34 (2013 avg. 33)
 - Break: 3 (2013 avg. 3)
 - After Hours Responses: 29 (2013 avg. 34)
 - 96 Regular Hour Work Orders
 - Water Taps: 6 (2013 avg. 3)
 - Waste Water Taps: 0 (2013 avg. 1)
- Galvanized Line Replacement
 - Through switching meters and making tie ins, able to remove about 3,100' of galvanized line from service
- Baugh Lane Fire PRV/PSV Installation
 - All but 2 Fire Hydrants back in Service
- Sewer Camera focused on BVU and Damascus I&I

2014 April Distribution Highlights:

- Water Purchases:
 - BVU ZERO gallons
 - Saltville 900,000 gallons
- Drove the design & installation of a PRV/PSV along Baugh Lane (Completed)
- Worked with Colony Lane Residents to install 2 Fire Hydrants
- Formulating Programs for Routine Inspection & Operation of Fire

Hydrants, Gate Valves, Pressure Regulating Valves (PSV/PRV) & Air Release Valves

- Real Estate Acquisitions/Easements
 - Western Washington Waste Water – Land Option – 100%
 - Damascus Water Tank – In Process
 - Stonegate Project 9 of 18 Easements
 - Galvanized Line Phase 2: 66 of 66 Easements
 - Childress Hollow Road Water Line Extension: 18 of 18 Easements
 - Haskell Station Road Water Line Extension: Will start on the 20 Easements Required
 - Hidden Valley Road Water Line Extension: Started on May 1 with a Community Meeting to start obtaining easements. Staff has obtained 31 of 42 easements.

2014 April Metering Highlights:

- 92 customers were telephoned following unusually high usage
- 503 customers were notified that their water was to be turned off for nonpayment
- 86 meters lifted for non-payment
- 99.6% (22,063) of all (22,157) meters read with radio with the remainder (107) requiring a manual read

Forward Looking Statement:

- With a 40% Increase in “Lead Free” materials, Maintenance Budget will be a Challenge
- Closer tie between Operating Departments and Customer Service
 - 3 times per week, focused meeting on customer issues
- 2014/15 Final Budget Work in Progress

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

Administrative Activities to Highlight:

- Active water accounts decreased by 21 to a total of 20,975 account
- Active wastewater accounts decreased by 1 to a total of 2,330 accounts
- 101 disconnections were requested of which 98 were customer requested and 58 were landlord/tenant accounts.
- 12 water taps applied for with 2 of those being related to extension projects
- 1 wastewater tap applied for with Q of those being related to an extension project
- 152 reconnection/transfers of service
- 85 disconnect for nonpayment notices were processed
- \$37,252.45 was abated for 135 customer water leaks (2013 average 89 abatements/month at (\$11,084.76).
- \$4,509.68 was written off as bad debt three years old

Safety:

Two accidents during April: (1) we parked a pickup in the blind spot of a dump truck and hit the door of the pickup resulting in about \$1,000 damage. (2) While stopped at a traffic light, we rolled into a 2 x 4 that was sticking out of the truck in front of us resulting in minimal damage. Accident reports were performed and included preventive instruction going forward.

Take Shelter training was conducted in Maintenance and Water Production and Emergency Response training was conducted in the Distribution, Meter and Wastewater Departments.

Financial Highlights:

Monthly Expenses:

- Non-Departmental rose above Budget
- Administration fell under Budget
- Customer Service fell under Budget

Annual Expenses:

- Non-Departmental rose above Budget
- Administration was close to Budget
- Customer Service was close to Budget

In reviewing expenses (excluding salaries, benefits and depreciation but including overtime) the following stands out:

- Legal fees due to the M.B. Kahn litigation were higher than budget for the month and year.
- Computer software maintenance was higher than budget due to a one-time customer billing and accounting (INHANCE) software upgrade.
- Propane was higher than budget due to the average price of propane increasing from \$1.52 per gallon last year to \$2.07 per gallon this year. Long-term we are looking into natural gas which is typically less than propane.

Regulatory:

As the Board is aware, since 2013, WCSA's Damascus Waste Water Plant is in violation of its VPDES Permit for influent flow. We were required to respond to the notice of violation with a plan of action in April 2013. Since that time, we have made good progress in identifying and abating inflow & infiltration (1&1). Thanks to the Board for allowing us to purchase the sewer camera equipment, we recently found and repaired a significant leak on the Damascus system. On May 1, 2014, we provided a mandatory one year response letter to DEQ detailing our efforts to address 1&1. We are awaiting DEQ's response.

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BVU Water Purchases:

As of April 1, 2014, WCSA is no longer purchasing water from BVU. For the past 15 months, WCSA purchases averaged about \$27,000 per month through a purchase or pay contract.

Earth Day:

WCSA employees, Carol Ann Shaffer, Don Cole, Angie Burke and Jimmy Mullins, participated in Earth Day held on April 26th in Abingdon. The theme this year was "water" which we thought was very fitting. We provided material related to payment and billing, leak detection, pressure reducing valves, and fluoride. Our most popular exhibit was a microscope setup by Jimmy Mullins of the wastewater plant.

Representative Project Representation (Inspector):

In February, during our Budget Workshop, we revealed a new approach to RPR that would eliminate overtime and optimize employee's time when RPR work is slow. Summarized, we proposed to move our one fulltime RPR from the Engineering Department to the Maintenance Department. In the Maintenance Department, we will have three employees trained to perform RPR work. This will require updating the job description, advertising, interviewing and training. Our goal is to have our three person RPR team ready by mid June 2014.

Engineering will issue an order for RPR to Maintenance who will then allocate the needed team members accordingly. In addition to ensuring that our projects are being properly inspected, the three person team will allow us to develop work schedules that will keep employee time to 40 hours per week. Then, if we do not have projects to inspect, our RPRs will be assigned other work within the maintenance department.

Employee Engagement:

In January this year, Mr. Cornett reported on several employee engagement initiatives here at WCSA. One item mentioned was the issuance of gift cards for employees who have gone above and beyond. Perhaps they have obtained a license that benefits WCSA but may not result in a promotion or increased compensation. Or maybe they took the initiative to consider and recommend measures that save WCSA money (converting from copper to HDPE service line). Saying thank you on these occasions means a lot. Additionally, we provide a \$25 gift card to an area restaurant. Our employees have responded very favorably to this. This is considered taxable income and will be reported on box 14 of W-2s. Annually, we estimate gift card distribution to run about \$2,000.

Bad Debt Collection:

Thus far in 2014, we have been able to collect \$25,219.85 in bad debt through the debt set-off collection program, stated Mr. Cornett.

Lift for Nonpayment Trends:

In response to questions about trends with lift for nonpayment, we have developed a report that will allow us to see how many times a particular customer or service address has been turned "off" for nonpayment. Initial results for the past 11 years are as follows:

- 10,416 customers were notified that service was to be turned "off" or 79/month
- Some customers have been notified as many as 51 times over the period
- 4,780 customers have been turned "off" of 36/month
- One customer has been turned off 32 times over the period

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- Upcoming analysis will include coloration of similar service addresses
- We plan to provide the Board with a report when review is complete

Funding:

In March, the Board passed a resolution asking the Washington County, Industrial Development Authority (IDA), to consider making application to the Tobacco Commission for the Exit 13 Phase 2A Project. That request was made on April 29, 2014.

Also in March, the Board passed a resolution to allocate 15,000 GPO of water capacity to SWIFA (Smyth Washington Industrial Facilities Authority) for a prospective industry and asked SWIFA to consider making application to the Tobacco Commission for the Mid-Mountain Zone 108 Water Storage Project and if successful, we would reserve 100,000 GPO of water capacity at no cost to SWIFA. That request was made on March 27. At a meeting with SWIFA on May 81 we received a DRAFT agreement for the 15,000 GPO of water capacity that is under review by Staff and Legal Counsel. A presentation was made to SWIFA concerning the needed water improvements. SWIFA unanimously took action to apply for funding from the Tobacco Commission. The Lane Group (TLG) and Staff are currently working on the application which is due in July. Further, TLG is coordinating a meeting with Tobacco Commission and Mount Rogers Planning District Commission in an effort to optimize our opportunity for Tobacco Commission funding.

Forward Looking:

- More closely coordinated Customer Service efforts among departments
- 2014-2015 Budget Continues

10. Consideration of Sludge Removal Bids – Kim Harold

Mrs. Harold referred to the bid tabulation sheet at the Board's stations (see attached). The bid opening was held May 12, 2014 at 2:00 pm. There were three bidders, one submitted no bid. Mrs. Harold recommended the bid be awarded to Robert Montgomery as detailed on the tabulation sheet.

Mr. Hutchinson motioned to award the bid to Robert Montgomery as recommended. Mr. Stephon seconded and the Board approved with a 6-0-0-1 vote.

11. Consideration of Fuel Bids - Kim Harold

Mrs. Harold referred to the Fuel Bid tabulation sheet at the Boards station (see attached). Bids were opened on Monday, May 19th at 2:00 pm.

Mrs. Harold recommended awarding the fuel bids to the low bidders. Those are as follows:

1. Addington Oil for over the rack unleaded gas bid at \$.1098 to the low bidder
2. Buck Oil for over the rack diesel at \$.0889.

Mr. Stephon motioned to approve the low bids as recommended, Mr. Hutchinson seconded and the Board approved with a 6-0-0-1 vote.

Mrs. Harold said staff reviewed the opportunity to procure fuel through the state but that option did not garner any benefits for WCSA.

12. Consideration of Lawn Services Bids – Kim Harold

Lawn care bids were opened on May 2, 2014 at 2:00 pm, stated Mrs. Harold. There were three bidders submitted for lawn care services. Randy Doss bid a total of \$17,580, Syphers Lawn & Car

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Care bid \$45,000 and our current lawn care service, J & B Lawn Care, bid a total of \$16,450. Mrs. Helbert recommended the bid be awarded to the low bidder, J & B Lawn Care. Mr. Hutchinson motioned to award the bid to J & B Lawn Care for a total of \$16,450. Mr. McCall seconded and the Board approved voting 6-0-0-1.

**13. Consideration of Uniform Bids -
*Kim Harold***

Mrs. Harold referred to a detailed bid tabulation sheet (see attached) for uniform bids. This bid opening was held May 12th at 2:00 pm. We advertised this in the paper and called to solicit uniform bidders, said Mrs. Harold. Cintas submitted a bid of no bid. Coyne and G & K Services submitted bids but some items were only direct purchase, indicated on the sheet by "DP". Unifirst was the low bidder and were able to provide all the items on the list. Mrs. Harold said a committee including Karen Lester, Dave Cheek the several Department Heads met this year to discuss employees uniform needs and whether to rent or lease.

Mrs. Harold said, the current uniforms cost is about \$22,000 per year.

Employees will be given a choice of the items pants, shirts and jackets listed. Employees may decide if they would like overalls or not and whether to rent (the laundry service washes their uniforms) or lease their uniforms (the employee washes their uniforms).

Mr. Hutchinson asked if some of the uniform options have changed. Mrs. Harold said yes.

Mr. Hutchinson motioned to accept the bid from Unifirst for uniform services, Mr. Miller seconded and the Board voted 6-0-0-1 approving the motion.

**14. Consideration of Procurement of
General Engineering Services and
General Surveying Services -
*April Helbert***

From time to time, WCSA has a need for general engineering services for smaller issues that arise. WCSA currently has one active General Engineering Services Agreement with The Lane Group (formally with Adams-Health Engineering before being conveyed). That contract was renewed during that meeting for a period of 2 years (or until May 21, 2016), stated Mrs. Helbert.

In 2010, WCSA procured for General Surveying Services. Specifically, to have a General Surveying Services Agreement with one or more firms to allow surveying services on an as-needed basis. Surveying services, including but not limited to, property and easement acquisition, location of proposed and/or existing utility lines and establishing vertical elevations to a high degree of accuracy using the most cost effective means. Following the procurement, a Contract with The Lane Group was entered in to. That contract recently expired.

Staff asks the Board consider procuring for general engineering services to select additional firms in which to negotiate a General Engineering Services Agreement. A General Engineering Services Agreement can only be utilized for non-construction-related general engineering services.

Staff also asks the Board consider procuring for general surveying services to select one or more firms in which to negotiate at General Surveying Services Agreement.

As was done during the most recent procurements (2011 and 2012), Staff would like to request we streamline the Board established procurement process.

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Staff would recommend we again streamline the process by allowing the Procurement Committee (PC) to shortlist, interview, and negotiate a contract before the information is presented to the Board for consideration. Additionally, the Board elected to not to serve on the PC during these recent procurements. Staff would ask the Board consider whether or not they would like to have two volunteers to serve on the PC for these services. Presently, the PC is made up of Robbie Cornett, April Helbert, Dave Cheek, Mark Osborne, Ryan Kiser, and Lisa Browning.

Subject to answering any questions, stated Mrs. Helbert, Staff recommends the Board favorably consider:

1. Advertising for General Engineering and General Surveying Services;
2. Streamlining the Board established procurement process; and
3. Consider whether or not they would like to have up to 2 representatives on the Procurement Committee.

Mr. Taylor asked how many firms we would have to choose from. Mr. Cornett said it would depend on who applies. In addition to running an ad in the paper, staff generally directly solicits firms in Southwestern VA.

Mr. Taylor motioned to approve the recommendations made by Mrs. Helbert, Mr. Stephon seconded and the Board approved with a 6-0-0-1 vote. The Board will decide at a later date whether they would like to have Board representation on the Procurement Committee.

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

In February 2014, Staff along with Anderson & Associates (A&A) presented the Board with a follow-up report on the Exit 13 Phase 3 Wastewater Project. The request was also made in February 2014, to discontinue all Exit 13 Phase 3 User Agreements except those in the "Option 1 - Lower Pump Station Location" service area and allow A&A and Staff to proceed forward the "Option 1 - Lower Pump Station Location" service area. For convenience, your packets from the November 2013 and February 2014 Board Meetings are enclosed, stated Mrs. Helbert.

During the February 2014 meeting, the Board took action to revisit the residents who had declined service or originally did not respond. The Board thought some of the residents had a change of heart and now wished to receive sewer service.

Mrs. Helbert said, staff sent out a mailing on March 25, 2014 to all residents in the overall project area who either originally did not respond or declined service. The due date to respond to the re-solicitation was April 25, 2014. In total, 5 residents have changed from "Decline" to "Agree". The latest summary of the user agreements solicitations is -

- Total - 110
- Agree - 57 (52%)
- Decline - 44 (40%)
- No response - 9 (8%)

The project area still has substantially less than the current required participation level of 75%. However, due to the increased response, WCSA staff and A&A did reevaluate the project area to see if additional areas to those presented during the November 2013 and February 2014 meetings could be served. The result is that a portion of

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Fox Fire, in the Hunt Club Road and Stirrup Drive areas can be added to the scaled back project area while maintaining at least 75% participation levels.

Service will be provided to 42 residential connections. Of those 42 connections, 32 Agreed to service, 8 Declined Service, and 2 did not respond to the solicitations. The proposal keeps the pump station at the "lower" location which will allow future expansions of the Fox Fire area if ever desired, explained Mrs. Helbert.

Information regarding the history, purpose, and goal of the Phase 3 Project can be found in the enclosed essays from prior Board Meetings.

The project was included in our previous rate study as \$1,024,614 in debt funding, stated Mrs. Helbert. The revised project costs would need to be added to our 2014 rate and financial plan.

Mrs. Helbert then discussed the financial feasibility analysis below. She said in summary, the project area has a negative net income over a 20-year or a 40-year loan period. Below is a summary of the attached documents:

- DEQ funding (20-year loan; 1% interest)
 - Scenario 1 (scaled back project area; as presented in February 2014)
 - Total deficit over 20 year loan period - \$694,438
 - To make project cash flow on an annual basis, based on the average annual income revenue, WCSA would need to cash fund \$702,544 and could take a DEQ loan for \$349,906 OR increase customer rates to overcome the shortfall.

- Scenario 2 (scaled back project area; as presented as a recommendation this month)
 - Total deficit over 20 year loan period - \$606,116
 - To make project cash flow on an annual basis, based on the average annual income revenue, WCSA would need to cash fund \$660,428 and could take a DEQ loan for \$511,122.
- Scenario 3 (entire project area)
 - Total deficit over 20 year loan period - \$1,306,944
 - To make project cash flow on an annual basis, based on the average annual income revenue, WCSA would need to cash fund \$1,478,579 and could take a DEQ loan for \$1,126,584.
- RD funding (40-year loan; 2.75% interest); 0 grant
 - Scenario 1 (scaled back project area; as presented in February 2014) would also be a deficit, stated Mrs. Helbert.

Though the proposed Project does not cash flow, due to the advanced stage of the proposed Project, the Board decided in November 2013 to proceed, Mrs. Harold said. For that reason, the financial feasibility analysis presented here is for informational purposes, except that the total project cost to pick up the additional customer is \$119,100.

Mrs. Helbert offered to answer any questions from the Board.

Mr. Chase said essentially, we are going from 29 to 42 residents on the project area. Mrs. Helbert said correct.

Mr. Chase asked what staff recommended.

Mr. Cornett said as far as far as the rate and financial plan, this project is in the

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model at a 20 year loan at 5% interest. Mr. Cornett said staff could ask Rural Development to extend the terms to lower the payment with an option for early payoff.

Mr. McCall asked Mr. Chase what the opinion of the Fox Fire residents was regarding the project.

There were a few residents that contacted Mr. Chase saying they wanted to change their mind and sign a user agreement.

Mr. Chase thought future development and adding new users to the project would come over time. Mr. Chase said "I am for it."

Mr. Hutchinson asked if the recommendation was Scenario 2.

Staff kindly recommends the Board consider the following:

1. Revising its November 25, 2013 decision to proceed forward with the Option 1 – "Lower Pump Station Location" service area presented during that meeting to proceeding with the updated "Lower Pump Station Location" service area presented tonight (Scenario 2 the Financial Feasibility Analysis).
2. The discontinuation of all Exit 13 Phase 3 User Agreements except those presented tonight in the updated "Lower Pump Station Location" service area (dated May 1, 2014).

Mrs. Helbert said assuming the loan conditions discussed, the overall loan amount paid would be less.

Mr. McCall asked if there was any opposition to the lower pump station. No one knew of any opposition.

Mr. Cornett said the Hagy's indicated early on, they may be interested in relocating the pump station to the lower end of their property and paying the cost

to do so. Mr. Cornett attempted to contact Mr. Hagy on two occasions and also mailed him a letter. So far, Mr. Hagy has not responded to Mr. Cornett. Mr. Cornett said the Hagy's expressed interest a few years ago but understands they now have no interest in developing the property due to the current housing market. Mr. Cornett plans to try and contact Mr. Hagy again.

Mr. Cornett said spending \$119,000 to extend the line for those six additional customers now will make it much easier to extend service to additional customers in the future.

Mrs. Helbert said service would be provided to an additional 13 customers. Only 6 of the 13 have signed user agreements.

Mrs. Figueiras asked for clarification saying, this would serve an additional 13 customers, 6 of those have signed user agreements and 7 would be subject to mandatory connection.

Mrs. Helbert said 6 residents changed their mind. The recommendation would provide service for 13 residents; of which, 10 have agreed to service leaving 3 residents subject to mandatory connection. There are now 42 potential customers; of which, 32 have agreed to service, explained Mrs. Helbert.

Mr. Chase asked if there was any possibility to receive monies from Rural Development at a 1% interest rate.

Mr. Cornett did not think that would be possible. When it is time to apply for funding, we will talk with Rural Development and DEQ and will go with the agency that will give us the best rate, or we can apply to both agencies and take the best option, he explained.

Mr. Hutchinson made a motion to:

1. Revise the November 25, 2013 decision to proceed forward with the Option 1 – "Lower Pump Station

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Location" service area presented during that meeting to proceeding with the updated "Lower Pump Station Location" service area as presented in Scenario 2 with DEQ's loan for 20 years at 1%.

2. To discontinue all the Exit 13 Phase 3 User Agreements except those presented tonight in the updated "Lower Pump Station Location" service area, dated May 1, 2014.

Mr. Stephon seconded and the Motion carried with a 6-0-0-1 Board vote.

16. Consideration of Amendment No. 1 to the Engineering Agreement between WCSA Anderson & Associates for Exit 13 Phase 2A & 3 Preliminary Engineering Report and Environmental Assessment – Denis Amos

Mr. Amos asked the Board to consider an Amendment to the original design agreement for the PER. The original agreement was to amend a PER that was completed in 2008. As part of that work, user agreements were solicited for the area and the participation percentages were not favorable for the project, explained Mr. Amos. As a result multiple iterations have come and gone with various options to service the area while maintaining the required participation percentages. Mr. Amos asked the Board's consideration for additional compensation for work that needs to be done in order to complete the PER for WCSA review and submission to Rural Development for review.

Mr. Chase asked if the amount requested was \$6,140.

Mr. Amos said, yes sir.

Mr. McCall motioned to approve Amendment No. 1, the motion was seconded by Mr. Miller and approved by 6-0-0-1 Board vote.

17. Consideration of the South Fork Intake Completion Project—Change Order No. 3 – Kevin Heath

In Mr. Lane's absence, Mr. Heath discussed the Change Order.

The first item, stated Mr. Heath. The Change Order is for final Clean-Up Change Order that for the adjustment of some final payment items, deletes some allowances included in the contract for warranty work, provides for additional compensation for the addition bore length and adds money for programing at the low and high level pressure cut-outs for the raw water pumps, explained Mr. Heath. This Change Order will increase the Contract price by \$35,989 and a time increase of 25 days. Total increases to date in contract price are just under 1.9% during the course of construction. The original construction contract amount was \$2,656,000.

Mr. Taylor motioned to approve Change Order No. 3. Mr. Hutchinson seconded and the motion carried with a 6-0-0-1 vote.

18. Consideration of the Nordyke Water System Extension Project—Change Order No. 1 – Kevin Heath

Mr. Heath said this project is funded by the Virginia Department of Health (VDH). As part of the construction contracts, there is a wage decision by the Davis Bacon Act that applies to the project. During the bidding of the project, there is a wage decision that is part of contract materials and during the course of construction the Department of Labor adjusted the wage decision which led to some changes in the allotted wage rates. In total, this Change Order is for an increase of \$62.12 with respect to the wage rates changed during the course of construction, explained Mr. Heath.

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Mr. McCall motioned to approve Change Order No. 1 in the amount of \$ 62.12. Mr. Stephon seconded and the Board approved with a 6-0-0-1 vote.

19. Consideration of WCSA 12 MGD Water Plant Expansion Project— Change Order No. 10 – Kevin Heath

This Change Order includes a request for additional money for the installation of an air supply grill and wiring of a fluoride control panel. Additional compensation is requested to provide a reducing flange with offset drilling for Filter # 4. The largest cost item is a remobilization cost for Judy Construction to hold construction at the Water Treatment Plant until the Intake was operational which amounts to \$19,432.00, said Mr. Heath. Additional funds are requested for the change of wall tile in the bathrooms totaling \$921.00, which is being paid for by others. There is a request for \$584.75 for a strainer required at the Raw Water Pump Station, which is also being paid for by others.

The total amount requested for Change Order No. 10 is \$30,350.75. Of that amount, \$1,505 is being paid for by others; and a net increase to WCSA in the amount of \$28,845 and an increase in construction contract time of 31 calendar days.

Mr. McCall motioned to approve Change Order No. 10. Mr. Stephon seconded the motion and the Board approved voting 6-0-0-1.

20. Western Washington County Water Reclamation Facility Presentation - Bobby Lane

Due to an emergency, Mr. Lane dismissed himself from the meeting early. For that reason, this item was tabled.

21. Closed Meeting

At 7:45 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 proposed related to the South Fork Intake.

Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice; 4. 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, was requested.

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

Return to Public Session:

Mr. Stephon motioned to Return to Public Session at 8:57 pm. Mr. Hutchinson seconded and the Board approved voting 6-0-0-1. 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,

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

16. Late Items:

1. Dispute Committee Volunteers:

The purpose of the Dispute Committee is to hear disputes from customers who have paid the higher connection fee and are requesting refunds, stated Mr. Cornett.

After a brief discussion, Mr. McCall and Mr. Hutchinson volunteered to serve on the Dispute Committee.

2. Staff continues to work on the 2014-2015 budget which will be available including actual May figures on June 6, 2014.

Mr. Cornett offered to schedule a Budget Work Shop prior to the June meeting to allow the Board an opportunity to review the budget. Another option discussed by Mr. Cornett is for the board to review the budget at the June 23rd meeting.

After a brief discussion, the Board decided to review the budget at the June 23rd meeting.

Mrs. Harold offered to provide a copy of the budget for their review in the Board packets. The Board approved.

Mr. McCall then discussed a concern brought to his attention. Some of the "younger guys" are concerned about the increase in their insurance and said they would rather WCSA pay their insurance than have the 1.5% pay increase, explained Mr. McCall. Of course, said Mr. McCall, that would save on taxes and would be a whole lot for a little bit if it were done that way. He asked if that would be a possible.

Mr. Cornett said that mean WCSA pay the 5% increase on insurance versus a 1.5% increase in pay.

Mrs. Harold offered to analyze those figures and provide her findings in the budget.

Mr. Stephon said doing that would save the employees from paying taxes on their raises.

Mr. Cornett said the budget would be provided to the Board in the June Board packets.

Mr. McCall asked the status of selling used equipment. He asked if there was any way to include them in the state sale. Mr. Cheek said there would be a truck and trailer in that auction.

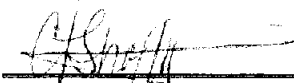
Mrs. Harold said one of WCSA's trucks was stolen from the auction houses lot before it was auctioned.

17. Adjourn

At 9:05 pm, Mr. Stephon made a motion to adjourn, Mr. Miller seconded and the Board approved voting 6-0-0-1.



Mr. Joe Chase Chairman



Carol Ann Shaffer, Assistant Secretary

**Washington County Service Authority
 Sludge Removal Bid Opening
 May 12, 2012 - 2:00 PM**



Bidder	Removal & disposal of residuals per ton	On Site transfer of residuals per hour
Robert Montgomery	\$45.00	\$138.00
Synagro	No Bid	No Bid
Baker's Construction & Excavation	\$55.00	No Bid

We recommend Robert Montgomery for our sludge removal services for fiscal years 2014 - 2016.

Opened By: Karen H Lester

Witnessed By: Sheila Poston

Date: 5/12/2014

**Washington County Service Authority
 Fuel Bid Tabulation
 Monday, May 19, 2014 at 2:00 p.m.**



Fuel Bidder	Unleaded Bid Over Rack	Diesel Bid Over Rack
ADDINGTON OIL	0.1098	0.0938
BUCK OIL	N/A	0.0889
ROGERS PETROLEUM	0.23	0.23
Last Year's Winning Bid	0.0899	0.0899

We recommend Addington Oil for our unleaded fuel and Buck Oil for our diesel fuel needs for fiscal year 2014-2015.

Opened By: KAREN LESTER

Witnessed By: HOLLY EDWARDS

Date: MAY 19 2014

**Washington County Service Authority
Uniform Bid Opening
Opened Monday, May 12, 2014, 1:00 pm**



Est. Qty. per Employee	Description	G&K Services			Unifirst			Coyne			Cintas		
		Weekly Rent Per Employee	Weekly Lease Per Employee	Weekly Rent Per Employee	Weekly Lease Per Employee	Weekly Rent Per Employee	Weekly Lease Per Employee	Weekly Rent Per Employee	Weekly Lease Per Employee	Weekly Rent Per Employee	Weekly Lease Per Employee		
11 each	100% Polyester Long Sleeve T-Shirt	DP	\$9.64	\$1.54	\$0.90	DP	DP						
11 each	100% Polyester Short Sleeve T-Shirt	\$2.53	\$2.07	\$1.21	\$0.66	\$1.54	\$1.26				NO		
11 each	60/40 Cotton/Poly Blend Button-Up Work Shirt - Long Sleeve	NA	NA	\$1.54	\$0.90	\$2.31	\$1.89				BID		
11 each	60/40 Cotton/Poly Blend Button-Up Work Shirt - Short Sleeve	NA	NA	\$1.54	\$0.90	\$2.09	\$1.71						
11 each	66/35 Polyester/Cotton Blend Button-Up Work Shirt - Long Sleeve	\$2.31	\$1.89	\$1.54	\$0.90	\$1.54	\$1.26						
11 each	65/35 Polyester/Cotton Blend Button-Up Work Shirt - Short Sleeve	\$2.31	\$1.89	\$1.54	\$0.90	\$1.32	\$1.08						
11 each	50/50 Cotton Poly Blend Short Sleeve Polo Shirt	\$3.52	\$2.80	\$1.54	\$0.90	\$2.97	\$2.43						
11 each	50/50 Cotton Poly Blend Long Sleeve Polo Shirt	DP	DP	\$2.75	\$1.50	DP	DP						
11 each	60/40 Cotton/Poly Blend Work Pants	\$2.31	\$1.89	\$2.20	\$1.20	\$1.98	\$1.62						
11 each	100% Cotton Work Pants	\$3.30	\$2.70	\$3.30	\$1.80	\$2.42	\$1.98						
11 each	Carpenter Denim Jeans - 100% Cotton Denim	\$3.63	\$2.97	\$3.30	\$1.80	\$2.53	\$2.07						
2 each	100% Cotton Duck Outer Shell Winter Coat **	DP	DP	\$1.50	\$0.75	\$1.66	\$1.66						
2 each	60/40 Cotton Poly Work Jacket **	\$0.60	\$0.60	\$0.80	\$0.40	\$0.76	\$0.76						
2 each	Insulated Bib Overalls - 100% Cotton Duck **	DP	DP	\$1.30	\$1.30	\$1.74	\$1.74						

Witness: Bobby Gobble

Opened by: Karen Lester

Date: 5/12/2014

We recommend Unifirst for our uniform needs as they are the only company responding capable of providing the uniforms we need as a rental/lease program.