

**Washington County Service Authority Board of Commissioners
June 27, 2016 Regular Meeting Minutes**

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 5:59 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Wayne Campbell
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mike White

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager
Kimberly Boyd; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant
Dave Cheek; Operations Manager
Mark Osborne; Technical Manager
Holly Edwards, Customer Service Manager
Johnny Lester, Maintenance Manager
Ken Perrigan, Meter Manager
George Thomas, Utility Coordinator

Consultants Present:

Dennis Amos; Anderson and Associates, Inc.
Bobby Lane, PE; The Lane Group, Inc.

General Counsel Present:

Dawn Figueiras; Elliott, Lawson & Minor

3. Approval of the Agenda

Mr. Cornett presented an Amended Agenda for consideration. Mr. Nelson motioned to approve the Agenda as presented. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

4. Public Query and Comment

There was no public query or comment.

5. Consideration of a Request by the Smyth-Washington Industrial Facilities Authority – Henry Snodgrass

Mr. Snodgrass, on behalf of SWIFFA, requested the Board's consideration to extend the agreement for wastewater treatment capacity for the Highlands Business Park.

When there is a prospective business coming to the Highlands Business Park, the site selector has criteria they are looking for and wastewater capacity is certainly one of those items. If the agreement runs ends and there is no wastewater capacity, it is a deal closer for businesses. It is very important for SWIFFA and to both counties we keep wastewater capacity in our tool box as things we can use to market the Business Park, said Mr. Snodgrass.

We do expect Core, as announced last June, to be operational this year and will greatly expand the demand for wastewater treatment in the Park, stated Mr. Snodgrass. Core will employ 130 to 140 people. Mr. Snodgrass offered to answer questions.

How long of an extension do you think you need, asked Mr. Hutchinson.

Mr. Snodgrass said 5 to 10 years.

Mr. Hutchinson made a motion to extend the agreement for wastewater treatment capacity at the Highlands Business Park for an additional 5 years. Mr. McCall seconded and the Board unanimously approved voting 7-0-0-0.

6. Approval of the Consent Agenda

A. Approval of Minutes: None

B. Routine Reports: May 2016

- Water Production
- Water Distribution
- Meter Department

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- Wastewater Operations
 - Customer Service
 - Maintenance
 - Engineering
 - Accounting
 - Health & Safety Report
 - C. Financial Reports: May 2016
 - Balance Sheet
 - Income Statement
 - Check Register / General Manager Financial Report
 - D. Consideration of Change Order No. 2 for the Childress Hollow Road Water Line Extension Project - *Robbie Cornett*
 - E. Consideration of the Galvanized Line Phase 2 Water Project Change Order No. 5 for Division 2 - *The Lane Group*
 - F. Consideration of Amendment #1 to the Engineering Agreement between WCSA and Anderson & Associates for the Exit 13 Phase 2A Sewer Project - *Anderson & Associates, Robbie Cornett*
 - G. Consideration of Virginia Retirement System Contribution Rate Election - *Kim Boyd*
- Mr. Nelson motioned to approve the Consent Agenda. Mr. Miller seconded and the motion carried with a 7-0-0 Board vote.

7. General Manager's Report & Update - *Robbie Cornett*

Mr. Cornett discussed the following information for May, 2016.

Introduction:

- Safety
- Financials
- Customer Service
- Accounting
- Notables
- Looking Ahead

Safety:

- May 2016
 - 11,495 Hours Worked
 - OSHA Recordable Incidents

- Cut Finger While Cleaning Mesh Screen
 - Insect Bite
- Preventable Vehicular Accidents
 - Mirror Tag
 - Hit Mailbox
- Safety Training
 - Defensive Driving - Maintenance and Meter
 - PPE - Wastewater)
 - None - Water Plant and Administration

Financials - New Water Connections:

There were 9 new water connections, one was project related.

Financials - Water Revenue

Water revenue year to date is \$269,393 above projections.

Financials - Expenses

Excluding compensation and benefits but includes overtime, year to date Mr. Cornett reported Non-Departmental, Administration and Customer Service were all under budget. Mr. Cornett said some one-time expenses would hit the books the month of June.

Overall, do you think the Authority will come in under or below the projected budget, Mr. Nelson asked Mr. Cornett.

Yes, said Mr. Cornett.

Financials - New Wastewater Connections

There was one new wastewater connection for the month of May, reported Mr. Cornett.

Financials - Wastewater Revenue

Wastewater revenue year to date is \$10,948 below projections.

Financials - Expenses

Excludes \$150,000 Local Limits

- \$1,262 Under Budget

Customer Service

- 21,267 Active Water Accounts
 - Increase of 52 from April
- 2,365 Active Wastewater Accounts
 - Increase of 10 from April

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- About 1,500 Inactive Water and Wastewater Accounts

Mr. Cornett said those accounts are inactive for one reason or another.

- Customer Policy Under Consideration:
 - Leak Abatement: Proof of Leak Repair
 - High Bill Financing
 - Meter on/off Fee During Working Hours
 - Meter on/off Fee Outside Working Hours
 - Meter Resets After 3:00 PM

Meter resets are mostly due to lift for non-payment. Meters are turned off typically on Wednesday morning. The Authority does not reset meters after 3:00 pm. There has been some thought and question whether it is appropriate to reset meters after 3:00 pm. If so, how far into the afternoon or evening do we want to reset meters, particularly considering employee safety late at night? There have been a number of encounters late at night we would like to avoid, explained Mr. Cornett.

- Website Outage Notification Feature

Many times, customers go directly to the website in cases of outages before calling the utility. We are looking at modifications to the website to make outages more prominent on our website, explained Mr. Cornett.

Accounting

- Debt Set-off Collection
 - Began 2009
 - Collected \$192,035
 - Average Annual Collection \$24,004
- 2016-2017 Budget Preparations
- Fiscal Year End Preparations
 - Inventory
 - Accounts Payable

- Internal Controls and Fringe Benefit Audit

- Currently Reviewing Final Draft
- Preferred Presentation to Board?
 - Blackburn Childress & Steagall
 - WCSA Staff
 - Hardcopy
 - Combination
 - Developing and Prioritizing an Implementation Plan

Mr. Nelson asked if there were any material findings in the report or were there only recommendations.

Mr. Cornett said they were all recommendations.

If there aren't any findings, Mr. Nelson said he would like an electronic copy to read and can ask questions. Unless there is something Blackburn Childress & Stegall feel they need to emphasize.

I did not sense that from the auditors or in reading the report, stated Mr. Cornett. Mr. Cornett offered to share the report with the Board and Mrs. Boyd, Mr. Cornett or the auditors can discuss any questions the Board may have.

Mr. Cornett the discussed a graph showing the number of meters per District as follows:

Mr. Osborne prepared this information below.

- Total Addressed Buildings:

The addresses are both residential and business along with WCSA existing pump stations as they also have a physical address.

- Harrison – 5,825
- Jefferson – 2,441
- Madison – 6,387
- Monroe – 3,584
- Taylor – 3,404
- Tyler – 2,973
- Wilson – 4,012
- Total – 28,626

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- Total Water Meters:
 - Harrison – 5,023
 - Jefferson – 1,335
 - Madison – 5,639
 - Monroe – 3,350
 - Taylor – 2,454
 - Tyler – 1,551
 - Wilson – 3,402
 - Total – 22,754
- Addressed Buildings Serviceable but not Connected:
 - Harrison – 401
 - Jefferson – 335
 - Madison – 518
 - Monroe - 135
 - Taylor – 71
 - Tyler – 223
 - Wilson – 415
 - Total – 2,098
- Addressed Buildings Currently not Serviceable:
 - Harrison – 401
 - Jefferson – 771
 - Madison – 230
 - Monroe - 63
 - Taylor – 868
 - Tyler – 1,199
 - Wilson – 195
 - Total – 3,727

Mr. Nelson said it gives you a good idea of where the opportunities are moving forward.

Mr. Cornett as time moves along, information like this would be helpful.

Mr. Nelson thought the number would be higher. And he liked the number was where it was.

We have come a long way in 100 years but at the same time there are roughly 3,700 residences that do not have access to public water. There are about 2.4 people per household, stated Mr. Cornett.

Mr. McCall thought it would be interesting to compare that to where we were in 1976, 1977.

We may be able to find some numbers in old documents about the number of connections, said Mr. Cornett.

Mr. Nelson thought the more powerful information is the number of water meters existing now. It showed what has been accomplished. Mr. Nelson was more interested in looking at how to accomplish water service to those that do not have it versus looking back in time.

Notables

- June 30th Designated as Water and Wastewater Professional Day
 - Planning a Cookout at Three Locations:
 - Maintenance, Water and Wastewater Plants
 - Thank you for Recognizing our Employees!!!
 - Please Join us if you can!
- Water Withdraw Permit
 - June 21: Responded to DEQ Request for Additional Information
 - DEQ Rethinking Confluence Proximity
 - Awaiting Meeting Date with Program Manager and DGIF

The modeling work done by DEQ up to this point, only looked at the flow from the South Fork. We thought it may be more appropriate of they look at the flow from both the South Fork and Middle Fork in their analysis; DEQ agrees.

- Beaver Creek Discharge Permit
 - DRAFT Discharge Permit Public Comment Process
 - May 24th and 31st Advertisement Dates
 - 30 Day Comment Period Over; or is it?
 - No Comments
 - DEQ Inadvertently Failed to Post on DEQ Website
 - Second, New 30 Day Comment Period Required

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Mr. Hutchinson complimented Mr. Cornett and staff and those involved in the meetings held to address the discharge into Beaver Creek. You have done an outstanding job to accommodate and address the concerns of the residents.

Looking Ahead

- Water Quality
 - Disinfection Byproducts (Ongoing)
 - Latest Round of Sampling: April 2016 (Improved)
 - Chlorine Dosing and Flushing Revisions Made
 - Meeting With VDH, Town of Lebanon and Russell County PSA
- Energy Performance
 - Committee to Consider Merit of Investment Grade Audit
- Fringe Benefit and Internal Controls Audit
 - Finalize July 2016
 - Develop Implementation Plan
- Water Withdrawal Permit
 - DEQ VWP (Virginia Water Protection) Permit

Public Query and Comment

Mr. Howell Chaney of 21065 Nassau Drive in Abingdon made a second request to have his meter relocated from Buckhaven to his property as he does not have access to Buckhaven due to a Cease and Desist notice.

Mr. Chaney said he was not asking for a freebie. Mr. Chaney showed Mr. Cornett where the meters were. Mr. Chaney asked why he would have to pay to have the meters moved when they have been trying for years to get the meters relocated to his property. Mr. Chaney asked what the problem was in relocating the meters. Mr. Chaney said he could not afford to relocate his meter.

Mr. Chaney said he wanted to talk to the Board directly to ask what needed to be done to resolve this issue.

Mr. Cornett said he tried to find any prior correspondence between Mr. Farmer and he was unable to find anything. According to Mr. Chaney, Mr. Farmer offered to install the line if WCSA would take it over and WCSA declined the offer. Ms. Stenson also tried engaged WCSA about a year ago with a similar offer. Mr. Cornett understands she was unable to make contact with the engineering group at that time. Mr. Cornett said he was unable to find any information other than previous applications from Mr. Farmer, Mr. Stenson and there is a third meter. All three meters are located in Buckhaven. Mr. Cornett said he did not know what transpired in the past as he was unable to find any documentation or any correspondence with the Stenson's or the Farmer's.

Mr. Taylor asked if there was anything that could be done to reconcile the issue. Mr. Chaney said a few weeks ago, there was a case of vandalism where someone ran through the gates. The police were called. There was a lot of damage to the gates and the signs were down.

Mr. Chaney said he went to clean out his meter and a resident of Buckhaven asked him not to come on their property. Mr. Chaney said it was going to come down to having to call the police to go with him to check his meter.

Mr. Chaney said he had to drive about 2.5 miles to get to his meter. The meter is only about 960 feet away if he could access it through Buckhaven.

Mr. Chaney said he bought the property from Mr. Farmer and Mr. Farmer said he tried to get the water meters moved. Mr. Chaney said he could not afford to install the line needed to move the meter.

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Mr. Miller asked to see a map showing Mr. Chaney's property, where the meters are located at Buckhaven and where the line to relocate the meters would need to be.

Yes, said Mr. Cornett.

Mr. Chaney told the Board the route he had to travel to get to his meter. He said there was no way to go through Buckhaven as it was fenced off.

Mr. White asked how many feet it was from the end of the water line on Browing to Mr. Chaney's property.

There is an existing 6 inch line west of Cedar Wood. That 6 inch line runs through Mr. Chaney's brother in laws property. From that 6 inch line to the last property on Nassau Drive is 950 to 1,000 feet.

Mr. White asked what the estimated cost would be to accommodate Mr. Chaney's request.

Mr. Cornett said he has not done a cost estimate.

Mr. Chaney said he was tired of arguing and fighting with people to access his water meter. It is a crying shame I cannot get to my water meter, said Mr. Chaney.

Mr. Chaney thanked Mr. Cornett for all his help and thanked the Board for Board for their attention.

Mr. Cornett will provide a map and cost estimates to the Board.

8. Operations Report and Update – Dave Cheek

Mr. Cheek's reviewed the following Operations Update for May 2016:

Discussion Items:

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

Year to Date – Tracking Under Budget

- All departments are tracking under budget.

Overtime Hours Year to Year

- There was a peak in overtime hours in 2011 and 2012.
- Overtime hours were lower in 2013
- 2014 and 2015 there was a slight increase in overtime hours

Overtime Focus Points

- **Department Head Approval**
- **Most of Overtime is due to a Crisis**
 - After Hours Call In
 - Customer Issues
 - Low Pressure
 - Discolored Water
 - Leaks/Breaks
 - Focus on Establishing PM Building Blocks to Reduce Crisis Events

Fiscal Year 2015/2016 Department Overtime vs Budget

- Maintenance - 91.9%
- Water Treatment Plant – 94.7%
- Distribution – 97.5%
- Meter – 51.2%
- Wastewater 134.1%
 - This department is running shorthanded and employees are working overtime to cover shifts.
- Total of all Departments – 93.8%

2016 May Water Production Highlights

- South Fork Intake (SFI) & Middle Fork Drinking Water Plant (MFDWP) Issue Resolution
 - Working with all to Place Pump Rebuild Orders
 - Sized and Obtaining Quotes on Larger Air Tanks
- Mill Creek Membrane Plant – Koch Restart

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- Have Taken Some downtime due to high Turbidity more than 0.5 NTU
- Even though Taking Many Precautions still having to Pin Cartridges
- System Operation
 - Addressing System Time, Temperature Relationship as it Impacts Quality
 - Completed Phase I Water Aging Study
 - Have Installed Small flush valves on 2 points in the line to balance
 - Have Defined and Following a different Chlorine Injection Procedure
 - Plant CT, closer to Theoretical
 - Route 19 closer to Theoretical
 - Pulling 3time per week samples to confirm system performance
 - Pulled sample for internal test, results by mid-next week.
- Upon 1st Notice WCSA contacted VDH for Guidance
 - “You are not required by the Waterworks Regulations to give the Russell County public notice because Hidden Valley will do its’ own TTHM and HAA5 monitoring in August of this year.”
- While Not Required WCSA has:
 - Initiated its own pre-August Sampling Program
 - Reached out to RCPSA – Mr. Harvey Hart, Operations Manager
 - Requesting a Meeting to help WCSA understand their process and their strategy going forward
 - VDH has reached out to WCSA to Meet with Town of Lebanon on their Process
 - WCSA has agreed to meet at any time and followed up with VDH on this
- Once we have a good understanding of Town of Lebanon’s and RCPSA’s process we can develop a communication plan with our customers well ahead of the Waterworks Regulations:

Brumley Gap Tank - Discharge HAA5
 Mr. Check then referred to a graph of HAA5 levels as Brumley Gap (see attached)

Mr. Check said the rolling average should below 60. In looking at the HAA5 Mr. Check plans to develop a process to get a better understand and control disinfection by products.

2016 April Water Production Highlights – Russel County Public Service Authority (RCPSA) Disinfections By Products (DBP)

- Received our 2nd Notice of Violation from Russell County Public Service Authority
 - Please reference your handouts

2016 May Metering Highlights

- Meter Replacement
 - Conducted Meeting with WCSA/Board Team and Charlie Barksdale
 - Soliciting additional Applicable References from Johnson Controls and Honeywell
 - Goal is to Visit to Determine:
 - How Well the Project was Managed

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- What were the Actual Time Requirements
- What would you do Differently if you did a 2nd Project

2016 May Wastewater Process Highlights

- System Operation
 - Continue to Focus on Process Stability
 - Both Hall Creek & Damascus well within Control Limits
- Inflow and Infiltration (I & I)
 - Team Approach with Maintenance
 - Prioritized and Categorized I & I Issues
 - Suitable for Pipe Lining – Have Quotes (Damascus River Crossing)
 - Manhole Sealing – Met on Site and Delivering
 - Internal Slip Lining
- Capital Improvements
 - Developing a Procurement Strategy to Obtain Competitive Concepts and Costs
 - WCSA Attended DBIA Conference and Seeing if we can apply gained knowledge here

2016 May Water Maintenance Highlights

- Galvanized Phase II Support
 - Wrapped up G2 Divisions 1-4
 - Starting G2 Division 5
 - Looking Forward to a Well Communicated and Well Managed Project
- Routine Activities
 - Leaks – 12 (2015 Avg. 30)
 - Main Line Breaks – 3 (2015 Avg. 6)
 - After Hours Responses – 17 (2015 Avg. 38)

- After Hours Responses a Target Area for Improvement

- Cost
 - Preventative Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations

2016 May Distribution Highlights

- Exit 14 Work to have Minimal Impact on Construction and Customers
- Non-Revenue Water
 - Focusing on Fundamentals
- Customer Liaison with Multiple Development Projects
- Executing PSV/PRV Preventive Maintenance Program
- Establishing Preventive Maintenance Programs for Pump Stations, Tanks, Gate Valves, & Fire Hydrants
- Continued with Customer Education & Inspections of Cross Connections and Back Flow Prevention
- Assisting with DBP Water Age Study
- Investigating and Correcting System Pressure/Flow Issues
- Providing Technical Support to SFI and MFDWP Issues

Forward Looking Statement

- Customer Relationships
 - Working with Customer Service for more In House Training & Processes to Assist Both our Customers and Our Teams Understand Each Other's Concerns and Issues Better
 - Meter Side 1 Year Warranty Process
 - Consent Agreements on some meter relocates
- Costs
- Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests

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- o Executing DBP System Aging Analysis

Mr. Miller asked if WCSA was contracting the slip lining work.

Mr. Cheek said WCSA employees were doing the slip lining. Reliant America will probably be slip lining areas across the river. Another contractor may be working on the manholes.

9. Engineer's Report and Update

Bobby Lane of The Lane Group (TLG)

- **Mill Creek Water System Improvements**

The WCSA staff, the Town of Chilhowie and Mrs. Figueiras and Mr. Cassel work very hard and Mr. Lane was happy to report the property accusation was complete.

The letter of conditions is being addressed and including the request for proposal for interim financing. Mr. Lane expects to advertise the Mill Creek project for bids on July 24, 2016 with Rural Development's permission.

Mr. Lane requested the Board's consideration to approve the Mill Creek Project for bids pending approval from the Town of Chilhowie and permission from Rural Development.

Mr. McCall approved the request to advertise for bids. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

- **Route 58 Water Supply Improvements Project**

TLG sent revised plans to WCSA staff for review and will submit those plans to the VDH when upon WCSA staff approves the revisions.

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

Mr. Lane thanked the Board for their approval of the Clean-Up Change Order on Division 2 in the Consent Agenda.

Mr. Lane expects the Division 3 Clean-Up Change Order to be on Agenda next month. This closes out all the Divisions except Division 5 which is moving along well. To date, the Contractor has installed about 2,100 feet of 6 inch water line.

Mr. McCall said Thomas was "behind, behind, behind," and asked if they finished on schedule.

Mr. Lane said in his opinion the Contractor did provide justification for the additional time for both Substantial Completion and Final Completion. Mr. Lane hopes Final Completion will be on the July Agenda. Mr. Lane said there is a \$300,000 credit.

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

Mr. Amos thanked the Board for approving the Amendment included in the Consent Agenda.

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

This Project was rebid. The second Pre-Bid Conference on June 1, 2016. Bids were opened on June 21st and will be discussed later in the meeting.

- **Exit 13 Sewer Project Phase 3**

Mr. Amos and Mr. Kiser participated on a conference call with DEQ on June 23rd. Mr. Kiser and team are actively getting the necessary easements for this Project. DEQ was happy with the progress so far. Mr. Miller asked if easements were coming along well.

MR. Amos said Mr. Kiser estimated he has obtained about 20% of the easements.

10. Consideration of Leak Abatement Policy Amendment – *Holly Edwards*

At the May 23, 2016 Board Meeting, the Board resolved to amend its leak abatement policy. Enclosed is the current policy with what we believe are Board suggested amendments in bold and underlined text.

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Added to the Policy is to provide receipt from plumber or purchase of materials if self-repaired (material receipts need not be dated subsequent to the leak) and request abatement. Adjustment will be made only when the adjustment amount is over \$10 and WCSA can confirm with receipts or verification from WCSA staff inspection that leak has been repaired or both. WCSA reserves the right to inspect leak repairs for any reason.

If the revisions are approved, a couple things we may want to think about:

1. The effective date of the policy.
2. Advanced notice to customers before the effective date, if any.
3. Means of communication (note on bill, website, newsletter etc.).

Mr. Taylor thought customers should be made aware of the policy change but did not have any suggestions on how to do customers should be informed.

Mr. Nelson said if you are going to make the change you need to make customers aware of it. We had a lot of discussion about the receipts and went back and forth whether we needed the receipts.

Mr. Hutchinson said we need some type of acceptable confirmation. There will not be a one size fits all. Mr. Hutchinson asked if a policy change notification could be added to the statement.

Mrs. Edwards said we can add it to the statement but we are limited on how many characters we can add.

We should put it in the newsletter, suggested Mr. Campbell.

Mr. Hutchinson said, if the Board approves the changes, we need to decide on an effective date and asked when the newsletters would go out again. He asked what the next ending cycle for the upcoming month when the customers could be notified.

The next newsletters go out in August, said Mrs. Edwards.

Mr. Hutchinson suggested the policy go into effect in November, to allow ample time to make customers aware of the change.

Mr. Nelson suggested adding a brief notice of the policy change on customer's statements, and to refer customers to the website or come in the office to get a copy of the policy. We are doing this to accommodate customers who may hose with this issue and Mr. Nelson thought the sooner the policy is available to customers, the sooner these issues could be addressed.

Mr. Hutchinson thought it would be simple to make the policy effective on January 1, 2017. Adding the policy change in the August and December newsletters and have a brief statement on the statements in between and then make the effective date January 1 was Mr. Hutchinson's suggestion.

Mr. Hutchinson made a motion to accept the policy changes, have a written notification in the August and December newsletters and add a simple note in the statements the months in between with an effective date January 1, 2017 Mr. McCall seconded.

Mr. Nelson said his concern was waiting until January to make the policy effective. The policy change is going to advantageous to rate payers and he did not know why the Board would push it out that far when the website and statement can be used to put the notice out to customers. Mr. Nelson thought waiting 7 months to put the policy in place was too long.

Mr. Hutchinson said the reason he motioned to make the policy change effective January 1 was because all too often customers tell the customer service team, I wasn't aware of that change. He

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thought giving people plenty of notice it shows them the WCSA Board is looking to resolve issues customers may have. .

Mr. Nelson said in customer service, you are going to always have that issue. His concern was the opposite. Because we haven't adopted the policy until January 1, we can't do anything to help that person before the policy effective date.

Mr. Hutchinson offered to change the effective date to August.

There is a motion on the floor and Mrs. Figueiras advised the Board to vote on that exiting motion. The Board voted 0-7-0-0, all opposed the motion.

Mr. Hutchinson then motioned to accept the policy amendments, notifying customers in the August newsletter, on the website and in their bills and make the policy effective on September 1, 2016. Mr. McCall seconded.

Mr. White asked if there would be an issue for WCSA staff to come on a customer's property to perform a leak inspection as stated in the policy. Mr. White was concerned it would be a violation of a person's 4th Amendment Rights.

Mrs. Figueiras said it was not a violation of the 4th Amend Rights, because no one was there for search and seizure.

Mrs. Figueiras said if a customer is applying for this benefit, knowledgeable that is what the policy says; the customer will either consent to giving permission to come on their property or they do not receive the benefit of the policy.

The Chairman called for a Board vote.

The Board voted 7-0-0-0 unanimously approving the motion.

11. Consideration of Exit 13 Phase 2 A Construction Bids – Dennis Amos

Bids were opened on June 21, 2016. There were three bids. The lowest responsive bidder was Boring

Contractors, Inc. Their bid was \$996,815.

The Engineer's estimate for the work was \$945,316. The budget from the PER was \$654, 895. The result in the overall Project cost from the 2013 PER is \$884,895. As the Project stands now, the revised total Project cost is \$1,247,843.

The additional items that represent the difference it these costs are additional road bores, pavement overlays in the mobile home park and realignments requested by landlords to obtain easements.

The overall Project budget has a shortfall of \$ 362,948. DEQ has verbally pledged to fund if they if requested by WCSA.

Mr. Amos recommended awarding the contract to Boring Contractors contingent on the availability of funds.

Mr. Miller asked if the bid from Boring Contractors was the same as the last bid, except for the manhole covers.

Mr. Amos said not actually the same. Mr. Amos said there were a few other minor changes.

Mr. Miller said the bid was over budget but thought WCSA could overcome that due to the potential for growth in that Project area.

Mrs. Boyd looked at the additional funds needed in light of revenue requirements and Mr. Cornett and Mrs. Boyd believe WCSA can cover the additional debt without the need for any additional rate adjustments.

Mr. Taylor asked when DEQ would officially support the funds needed.

Mr. Spencer and Mr. Gills from DEQ said DEQ would need a written request from WCSA and indicated they had the funding available and would be approved upon receipt of the written request.

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Mrs. Boyd said the funding would be on the same terms; it is currently at 0% interest for 20 years.

Mr. Nelson motioned to approve the low bid from Boring Contractors, Inc., subject to DEQ providing funding in the amount of \$362, 948 at the same terms and conditions of their original award.

Mr. Hutchinson seconded and the motion passed with a 7-0-0-0 Board vote.

12. Consideration of The Lane Group Engineering Agreement for Galvanized Line Phase 3 – Robbie Cornett

In the board packet is some background information on this Agenda item. Mr. Cornett offered to answer any questions the Board may have.

Mr. Chairman, having received the information in the Board's June 27, 2016 packet and memorandum dated June 20, 2016 concerning the Galvanized Line Phase 3 Engineering Agreement between WCSA and The Lane Group, I move that the Board adopt Amendment No. 2 which modifies the original Agreement dated August 22, 2013 by superseding said original Agreement by adopting the new Agreement enclosed in the Board's June 27, 2016 packet, stated Mr. Nelson. Mr. White seconded the motion and the Board approved voting 7-0-0-0.

13. Consideration of Two Commissioners to Serve on the Field Communications Committee – Robbie Cornett

With the help from Mr. White, staff has been exploring communication improvements for WCSA ranging from cell service improvements to a new two way radio system. As we continue to move forward with efforts, we are

moving toward the Request for Proposal stage.

Though Mr. White has been instrumental, Mr. Cornett thought it would be helpful if a second Board member were able to participate with those efforts moving forward.

Mr. White and Mr. Campbell agreed to serve on the Field Communications Committee.

14. Abingdon Water Storage Tank Project Considerations – Robbie Cornett

- Up to Two Commissioners to Serve on the Procurement Committee to Authorize Committee to Shortlist, Interview and Make Recommendation of Top Ranked Firm to the Board.

Mr. Taylor and Mr. McCall volunteered to serve on the committee.

Mr. Cornett said this project has been on WCSA's radar since the late 1990's and is long past due. We now have the funding in place to accomplish the Project.

15. Consideration of 2016-2017 WCSA Budget

Mr. Chairman, in light of having two chances to talk about the Budget I make motion to move forward with the diligent work done by all the members of WCSA to ensure the rate payers monies is spent in an organized fashion and the Budget be approved as presented, stated Mr. Nelson.

Mr. Hutchinson seconded and the Board unanimously approved voting 7-0-0-0.

16. Closed Meeting

At 7:39 pm, Mr. Nelson moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

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1. Code of Virginia Section 2.2-3711 Paragraph (A) (1): Personnel
 - a. To consider and discuss the performance and salary of the General Manager
2. Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Public Funds:
 - a. Discussion and consideration of the acquisition of real property for a public purpose, where discussion of such acquisition of property in open meeting would adversely affect the bargaining position of WCSA.
 - i. Easement acquisition related to the Exit 13 Project.
3. Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds:
 - a. Discussion and consideration of public funds where bargaining is involved and if made known publically at this time, would adversely impact the bargaining position of WCSA.
 - i. Easement acquisition related to the Exit 13 Project.
 - ii. WCSA SWIFA Wastewater Capacity Contract
4. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice:
 - a. Consultation with legal counsel and briefings by staff pertaining to possible litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigation posture of WCSA.

In addition to the Board the presence of Dawn Figueiras, WCSA Legal Counsel and Robbie Cornett, WCSA General Manager was requested.

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

17. Return to Open Meeting

At 9:11pm, Mr. Nelson motioned to return to Public Session, Mr. Hutchinson seconded and the Board approved voting 7-0-0-0.

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

18. Late Items

Mr. Nelson motioned to proceed with the acquisition of property for the location of a pump station and provide the General Manager the authority to negotiate on behalf of the Authority. Mr. Hutchinson seconded and the Board approved voting 7-0-0-0.

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Mr. Nelson made a motion that Mr. Cornett's employment contract be extended for one year, that he be awarded a performance bonus in the amount of \$1,800 and the Board would like to commend Mr. Cornett on the excellent job and performance over the past year and prior years with the Service Authority. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

19. Adjourn – 9:13 pm

Mr. Nelson made a motion to Adjourn, Mr. Miller seconded and the Board approved voting 7-0-0-0.



Mr. Ken Taylor, Chairman



Carol Ann Shaffer, Assistant Secretary