

**Washington County Service Authority Board of Commissioners
July 22, 2013 Annual Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman, Mr. Stephon at 6:58 pm.

ROLL CALL

Commissioners Present:

Mr. Frank Stephon, IV, Acting Chairman

Mr. Devere Hutchinson

Mr. Jim McCall

Mr. Mark Nelson

Mr. Dwain Miller

Mr. Kenneth Taylor

Commissioners Absent:

Mr. Joe Chase, Chairman

WCSA Staff Present:

Robbie Cornett, General Manager

Kimberly Harold, Controller

April Helbert, Engineering Manager

Mark Osborne, Technical Manager

Johnny Lester, Maintenance Manager

Bobby Gobble, Assistant Maintenance Manager

Carol Ann Shaffer, Administrative Assistant

Consultants Present:

Kevin Heath, PE; Adams-Heath Engineering, Inc.

Dennis Amos, Anderson and Associates

Matthew Lane, PE; The Lane Group, Inc.

Bill Skeen, Maxim Engineering, Inc.

Also Present:

Mr. Mark Lawson, General Counsel

3. Approval of the Agenda

Mr. Cornett had no additions or corrections to the Agenda. Mr. Nelson motioned the approval of the Agenda as presented. Mr. Taylor seconded the

motion and the Board approval voting 6-0-0-1.

4. Public Query & Comment

Judy Smith of Pleasant View Drive in Abingdon, Virginia was the first to address the Board. She began saying she was charged \$40.14 for sewer, a service I am not receiving. "I am asking for a refund of the overcharge. I had to pay that amount because they threatened to turn my water off if I didn't" she said. Under VA Code 15.2537C, it states a person has the right to keep their existing septic system as long as it meets VDH standards, we will not be required to discontinue use and will not be charged a monthly non-user fee. The monthly non user fee was set at \$23.11 based on this code. Non user is specifically defined as a person who does not connect, she added. "This non user fee, Robbie Cornett responded, was calculated by using this code. He says this code provides for the imposition of a connection fee", stated Mrs. Smith. The Washington County Code of ordinances adopted by the Washington County Board of Supervisors includes Chapter 62, Article 1, Section 1; a mirrored statutory language included in Virginia Code 15.2 saying, WCSA is charged with enforcement of this county ordinance according to the statutory authority of the county service authority's connection fee and monthly non user fee is set forth. "It is not permissible under Virginia law or the Washington County Code to change this fee or to not abide by this code. It is a legal code, if I violate this legal code it is criminal", offered Ms. Smith.

She went on to say, "If WCSA does not allow me to not be connected because I can't afford it, under this code, it is criminal."

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Ms. Smith then referred to a letter sent by Robbie Cornett that stated the fee would be \$23.11. "Since the beginning I have stayed very informed in this project for my own rights", said Ms. Smith.

Ms. Smith then referred to two additional letters sent on March 20, stating "a separate letter was sent to me versus what was sent to my neighbor. When we went around and compared letters, my letter is strong language, bold and underlined, because he (referring to Mr. Cornett) has had a vendetta against me since the beginning. In their letter they were sent an application for residential service in March because that was when we were going to decide are you connecting or not connecting; user or non-user. I did not get that, it was not offered to me; discrimination", said Mrs. Smith. She continued saying, when she saw the two different letters, she then came to the Authority and asked for a copy of the application for residential service. Ms. Smith stated she plainly marked on the application to be non user and was told "we will get back to you in a couple of days to let you know if we approve you", she stated.

Ms. Smith said "My guess is, if you look in your computer system, everybody else that sent it got approved; again discrimination. I hope this can be resolved, this code must be honored. If it is not honored, then I think we have to question, is it criminal to violate the Virginia code?" She then asked, "Is it criminal to charge me for services not rendered? Is it criminal that some neighbors got charged \$3,800 for connection and I was charged \$2,400? When that was contested by a neighbor, we found it illegal and they had to go back and refund them. Is it criminal with the easement law, that I and everybody else knew that we were to get accessed

property tax value for our property for the easement but they strong armed us and they said you take \$1.00, that's all we are giving you or we are going to take it by eminent domain." Neighbors who could afford a lawyer received the tax assessed value for their property, stated Ms. Smith.

Mrs. Smith said she requested general information from Mrs. Shaffer asking who was on the WCSA Board and Mrs. Shaffer said I can't give that. Mrs. Smith said she told Mrs. Shaffer that under the Freedom of Information Act I am due that information. Mrs. Smith said Mrs. Shaffer sent me an email that was meant for Robbie saying "what do we do? I know this is sensitive; again because it's Judy Smith. Later it came out in the brochure and I found out who you were", Ms. Smith stated. "Is it criminal that when I was on the phone with Rosa and asked for the name of the law firm that represented the Board; she said, I can't give you that?" Ms. Smith stated. According to Ms Smith, she told Rosa that under the Freedom of Information Act, she wants to know who our lawyer is. And Rosa said "I can't give you that. Ms. Smith again claimed discrimination. Ms. Smith said she talked to Nicole Price and aksed "If we go the criminal route, will an audit show any misuse of funding; grant monies"?

She said there were people in her neighborhood, like herself, that only had one income, and said she did not have \$2,200 to "connect in" and can't pay \$500 per year for sewage.

Neighbors have lost jobs and are down to one income homes, and according to Ms. Smith, one third of her neighborhood could not connect because they did not have the money.

Mrs. Smith said she was Chairman of the Cancer Outreach Foundation and was

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“out there all the time raising money to help people in financial straits and I don’t understand where Christianity comes in here; how you people can say we are going to suck people like Judy Smith and her neighbors or others who are in financial straits; we are going to suck the blood out of them. We are going to ignore the Virginia code and charge them out the yin yang”, stated Ms. Smith.

Ms. Smith then said her sewer bill was 1.5 times the amount of her water bill because WCSA “had to bump that water usage up to increase the water bills”.

She then said she was out of town in July, visiting her son in Utah, visiting another son near Richmond and taking care of her parents. She said she was home only 12 days in July and her “usage doubled”. “Why” she asked. “Because I was going to get billed 1.5 times my water usage for sewer”, she answered.

“I am asking you tonight to honor this Virginia code. To give us who were overcharged...the \$23.11 charge each month that is designated by that code and most of all to remember the golden rule. I would not think that I would not do unto others as I have them do unto me and not expect some repercussions from that”, stated Ms. Smith.

Mr. Stephon asked Mr. Mark Lawson if the “criminal” matter should be discussed in Closed Meeting with Mrs. Smith. Mr. Lawson said in respect to the criminal matter; yes, but Ms. Smith had the right to contest her bill and that can’t be communicated during the meeting.

Mr. Stephon asked Ms. Smith if she filed an extension. Ms. Smith said she paid her bill in full and did not file an extension because “I know I would never get it straightened out again if I

filed to have my account frozen”, she stated.

She went on to say, “I don’t understand why it’s not black and white because if you read the code, the code plainly says I have the right to keep my septic. It plainly defines me as a non-user. It plainly says I just pay the non-user fee. I don’t know why that’s so hard to comprehend.”

Mr. Stephon thanked Ms. Smith and asked Mr. Cornett if they should review their records.

Mr. Cornett said he would encourage the Board to do that.

Mr. Hutchinson made a motion to review records pertaining to the accusations Ms. Smith brought to the Board.

Ms. Smith interrupted the Board saying “one thing I need to stress that Robbie keeps going back to, this is erroneous and my neighbors here will all attest to that. In 2008 and 2009 we were required to sign a form that said we would commit \$2,400 to this project. And, on that form we gave permission for the line, the main line to come to our property. We were not in any way discussing who’s going to connect and who isn’t going to connect. We had to pay the connection fee but in March of 2013 was our first opportunity to make the decision if we were going to connect or not connect.”

Mr. Stephon thanked Ms. Smith stating he though she had spoken for five minutes (Ms. Smith spoke for 11 minutes).

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

Mr. Garnet Harold of 16472 Childress Hollow Road was the next to address the Board discussing the water line on Childress Hollow Road.

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He said Childress Hollow was only 1.7 miles long. The residents on the last mile have been informed they are not going receive water service. "We think that is very wrong", stated Mr. Harold.

A petition was presented to everyone on the road. Mr. Harold explained that the road was gravel and tar and felt they were now getting half a water line. "We think it is very unfair that the Board or anyone would decide to put the water line half way on a short road like that and I am asking (the Board) to reconsider the whole road as a project rather than just a short distance.", said Mr. Harold. He said there were six or eight individuals that would connect to the water line if it extended the entire length of Childress Hollow. Mr. Harold felt it was very unfair to only offer service to one end of Childress Hollow when residents on both ends agreed to connect. Mr. Harold said "it would cost very little to run the whole 1.7 mile line and there was no reason to stop it at the point where it is proposed now."

Mr. Harold said he received a letter stating; if the water line was put through, the connection fee would be \$1,600. Are you proposing to charge the residents on the other end of the Childress Hollow \$4,500 or \$1,600 to connect asked Mr. Harold.

Mr. Harold said he saw where there was a proposal (Agenda Item 19) to change the connection from \$4,560 to \$1,200 and \$1,200 was much more reasonable, saying very few people could afford \$4,500 for connect to a water line.

Mr. Harold said, personally, he did not need to connect to the line as he has a well but was at the meeting tonight on behalf of all the others that had contaminated water and needed water.

Mr. Harold said the wells were in a geological simcline and the water was

gradually eating away at the limestone causing the wells to sink and the springs are going dry.

"Why you would propose to run water to part of the road and not furnish everybody with water is beyond me", stated Mr. Harold.

Putting water lines in where there is money coming in immediately is not good business for the County and I think the Supervisors need to be a part of that, stated Mr. Harold. If you don't put in water lines, people can't develop property. In Childress Hollow, there is 500 acres of potential residential land that would generate revenue for WCSA, that no one will buy or build on because there is no water there, he explained.

Mr. Harold said, you should put the line all the way through Childress Hollow, while you have the opportunity.

Mr. Harold said he was told the money wasn't proposed for that. He continues saying, the state of Virginia and County have tobacco money they are spending on things like Hartwood, when they should spend it on helping people develop their property and provide non contaminated water to drink. Mr. Harold stated he was "very upset by the whole deal."

The next to address the Board was Harvey Mitchell of Pleasant View in Abingdon. "There is not much need to reiterate the facts that Judy Smith just laid onto the table, regarding users versus non-users", charging non-users the full fee as if they were injecting sewer into the line. Mr. Mitchell said he did agree to pay the \$2,400 to become a user and will connect to the sewer, but not until he pays off the initial \$2,400. Mr. Mitchell did not feel he should have to pay the full amount since "you are

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rendering no service to me, not treating any sewage”.

Mr. Mitchell said he came to the office and the “ladies out front” gave him an application, which he completed. He was then given a document advising that once he completed the installation, to call back and speak to Steve Sproles. Mr. Mitchell said “Steve would then come out and bless the line” and would alert WCSA that Mr. Mitchell was now a user and would at that point, be charged the full amount.

Mr. Mitchell asked that his bill be calculated as a non-user until he is certified as a user.

Mr. Mitchell then discussed the information required on the application, specifically a social security number. Mr. Mitchell asked customer service what was done with the applications once the information was entered in the system and was told the applications went in the file cabinet.

Mr. Mitchell said the last GAO report he read in 2004 said there were over 635,000 identity theft cases reported. Since then steps have been taken by both the state and federal government to protect an individual’s information. In asking customers to record their Social Security number on paper then storing it in a non-secure; non encrypted fashion is against about 11 federal statutes, said Mr. Mitchell, specifically referring to GAO-05-1016T which discusses identify theft and the statutes regarding collection of information.

In closing, Mr. Mitchell requested he be “charged the appropriate amount” until he begins to receive service.

David Jones of Pleasant View Drive in Abingdon was the next to address the Board. Mr. Jones expressed his disappointment “with the process”. Mr.

Mitchell said people told different things and claimed he was “lied to”.

Mr. Jones said “I told the ladies out front a couple weeks ago; my intention when Phase 2 comes is that they have a very good understanding of how this process works and they won’t get hoodwinked like the people in Phase 1.

5. Approval of the Consent Agenda

- Minutes for: June 24, 2013 Regular Meeting
- Routine Reports for June 2013.
- Financial Reports for June 2013.
- Check Register and General Manager Financial Report for June 2013.

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

6. Engineer’s Report and Update

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

- **Abingdon Water Storage Improvements Study**

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

- **Green Springs Road Water Line Replacement Project**

Construction is about 63% complete. Tipton is working on the section of line between the railroad track and the main street.

- **Route 58 Water Supply Improvements Project**

WCSA gave authorization to begin the design process. AHE received aerial base mapping for the Project, Reported Mr. Heath.

- **Rich Valley Road/Whites Mill Road/ Hillandale Road/ Red Fox Land Water Extension Project**

Notice to proceed has been issued for Hillandale Road/Red Fox Lane and AHE

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is waiting on contractors to mobilize and start construction.

AHE will advertise for construction bids for Rich Valley Road / Whites Mill Road Project upon securing all the easements. Mr. Heath said they were lacking 2 easements.

He reported the first progress meeting for Hillandale Road/Red Fox Lane is scheduled for August 13th from 11:00 am to 1:00 pm.

- **Monte Vista/Crescent Drive Water Line Improvements**

This project has been temporarily placed on hold at WCSA's request.

- **Eastern Washington County Water Study**

At the request of WCSA, this project has also been placed on hold temporarily.

- **Smyth Chapel Area Water Improvements Study**

AHE continues to work on the Draft PER for WCSA review.

- **Damascus WWTP VPDES Permit Renewal**

Test results are in and the application has been drafted and expect to have a draft permit for WCSA Staff review by the middle of August, Mr. Heath reported.

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

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

Work on the PER revision for the Exit 13 Phase is continues. A&A assisted WCSA Staff to provide backup data in support of a DEQ funding application. A&A has also completed a draft environmental review document that was delivered to WCSA Staff for review.

Mr. Amos said A&A was currently working on mapping the Phase 3 portion of the project to outline a revised project area that will meet Project criteria and

scheduled to be presented to the Board at the August meeting.

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

- **Exit 13 Wastewater Project Phase 1 & Exit 13 Force Main Project**

Contractors are substantially complete on Contract 1; the Pump Station; Contract 2A and 2B; the Gravity Line and Force main. Mr. Lane hopes to have final Clean-up Change Orders for Board review at the July meeting.

S.B. Construction is substantially complete on the Exit 13 Force main Project and is working to address punch list and clean-up issues. Change Order #1 which was approved at your May meeting is being processed.

- **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 first reported on the 12 MGD Water Plant Expansion Project saying TLG was preparing substantial completion documents for Staff review. Mr. Lane expects there to be another Change Order associated with this project that will be presented to the Board at the August meeting.

Mr. Lane reported the contractor at the New Water Intake has mobilized and done some site work. The contractor is preparing to bore as soon as lake levels drop.

- **Emory Meadowview Sewer Study**

The complete Sewer Model and Final Report has been submitted to WCSA Staff for review, reported Mr. Lane.

- **Exit 13 Wastewater Project**

Mr. Lane said substantial completion has been issued to Mendon and Ramey and will be issued to Frizzell very soon.

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Mendon and Ramey have been back to take care of some clean-up items.

Substantial completion has been issued to S.B. Construction for the Exit 13 Force Main Project.

- **Galvanized Waterline Replacement Project – Phase 2**

Mr. Lane reported that a section in the Taylors Valley area was added because the lines needed to be replaced. Mr. Lane said they continue to work on acquiring the easements necessary for this project and will advertise the project as soon as those easements are acquired.

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

The PER has now been approved by Staff and the VDH.

- **Mendota Water System Source Improvements**

Line construction is complete and the contractor is testing the line, reported Mr. Lane.

- **Mid-Mountain Water System Improvements**

Mr. Lane said WCSA Staff and VDH have approved the PER. TLG stands ready to assist in WCSA in obtaining funding for this project.

- **Nordyke Road Water System Project**

Mr. Lane said they were having issues obtaining some necessary easements so TLG was able to redesign the project around those areas. TLG plans to advertise this project for bids in July.

- **Oak Park Sewer Project**

Contractors have made nice progress given the amount of rain in this area reported Mr. Lane. Contractors are working directly under the Exit 13 overpass on that section of line; which is the hardest section of line on the whole project, said Mr. Lane.

The Pump Station package is on site and is ready to be set up.

Mr. Lane said if the weather breaks, they hope to finish the line work portion of the Project by early August.

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

Mr. Lane said they were on track to submit the WWTP Permit Application to DEQ by the September 1, 2013 deadline.

Mr. Bill Skeen of Maxim Engineering

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

Mr. Skeen said plans were drafted to relocate the Pressure Reducing Valve due to problems securing an easement. Mr. Skeen was informed today the landowner has agreed with the easement so the Project will be advertised very soon.

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

Maxim has an upcoming meeting with Staff to discuss Larwood Acres. Mr. Skeen said they were looking into a heat centralized wastewater system allowing the treatment of wastewater on site and disposing it back into the ground. We have been given permission by a property owner to do soil work so they can determine if the ground can accommodate the wastewater. Mr. Skeen said there were about 125 homes so the treatment and disposal system would be fairly large, but he feels like it would be the most economical solution for Larwood Acres.

The surrounding Exit 1 area will be the conventional gravity collection system, said Mr. Skeen.

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

Mrs. Helbert reported that Sutherland Bids were opened and will be presented later as an agenda item.

Mr. Hutchinson asked if it would be feasible to service Childress Hollow Road from Black Hollow Road.

Mrs. Helbert said the design is was for the portion we have funding on, coming in from the Spring Valley side. Mrs. Helbert said she has evaluated the possibility of servicing the area from Black Hollow Road and added, it would work hydraulically through either side. Agenda Item 11 will discuss the cost analysis.

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

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

Water Production

- Produced more than 205 million gallons of drinking water from WCSA and more than 29 million gallons for the Town of Chilhowie.

Distribution

- Coordinated the outside purchase of more than 10 million gallons of drinking water.
- 6.962 million gallons per day of water was distributed to our customers for the month.

Meter Department

- 204 customers were telephoned following unusually high usage.
- 558 customers were notified that their water was to be turned off for nonpayment.

- 113 meters were lifted for non-payment.
- 99.15% of all meters were read by radio.

Customer Service

- More than \$6,987.51 was adapted for 65 customer water leaks.
- More than \$3,400 was written off as bad debt three years old; current water sales revenue results in a loss of .039%.
- 12 water taps applied for.
- 1 wastewater tap applied for.
- 199 reconnections / transfers of service.
- 4,373 accounts with late charges added.
- 1,135 disconnect notices processed.
- 113 disconnects for non-payment.
- 21,030 active water accounts.
- 2,173 active sewer accounts.

Maintenance

- 32 leaks.
- 3 major breaks.
- 8 water tap.
- 33 after hour maintenance call-outs.

Wastewater

- Treated 9.3 million gallons of wastewater at Hall Creek.
- Treated 5.4 million gallons of wastewater at Damascus.
- Staff continues to address Inflow & Infiltration in the King Mill Pike system and prepare specifications for the purchase of equipment that will enable us to address I & I in the Damascus system.

Administrative Items

- Reminder: the next Joint Utilities Meeting is scheduled for August 5, 2013 beginning at 4:00 pm.
- I am pleased to report that WCSA is the recipient of grant monies from the Mount Rogers Planning District Commission for the Hidden Valley

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and Smyth Chapel projects. The Hidden Valley project received \$39,875 in construction money and Smyth Chapel received \$3,750 for the preliminary engineering report that is intended to identify and quantify deficiencies in this part of our distribution system along with recommendations for correcting any deficiencies.

- It is my pleasure to announce that Kenneth (Whitey) Perrigan has accepted a promotion to become Meter Manager in the Meter Department. Whitey has been employed with WCSA for 16 years in the meter department as a Meter Technician and we look forward to his contributions in this new role.
- It's also my pleasure to announce that Bobby Gobble has accepted a promotion to become Assistant Maintenance Manager in the Maintenance Department. Bobby has been employed with WCSA for 18 years most recently as a Crew Chief.
- Please join me in welcoming Joey Forster as our Water Treatment Plant Trainee. Joey's background is very diverse.
- WCSA and Russell County PSA met again regarding water for the Hidden Valley area and RCPSA remains interested in providing water for that area.

9. Consideration of a Resolution Commending D.L. Stout – *Chairman*

Mr. McCall made a motion commending Mr. D.L Stout's service on the WCSA Board of Commissioners. Mr. Stephon read the following:

WHEREAS, D.L. Stout, esteemed citizen of Washington County, Virginia, served with dedication and diligence as a Commissioner of the Washington

County Service Authority from July 2005 to June 2013; and

WHEREAS, Commissioner Stout represented the customers of the Service Authority in the Taylor Magisterial District of Washington County in a worthwhile and capable manner; and

WHEREAS, Commissioner Stout contributed to the expressed purpose and goals of the Service Authority by serving in the finest tradition as commissioner,

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of said Washington County Service Authority, duly assembled to conduct business on this the 22nd day of July, 2013, does hereby unanimously adopt this RESOLUTION OF COMMENDATION, in full recognition of, and in gratitude for, the above enumerated services and contributions, and wish Mr. Stout well in all future endeavors.

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

10. Consideration of a Resolution Commending Prince Coleman – *Chairman*

Mr. Nelson motioned to commend Mr. Prince Coleman's service on the WCSA Board of Commissioners and read:

WHEREAS, Prince Coleman, esteemed citizen of Washington County, Virginia, served with dedication and diligence as a Commissioner of the Washington County Service Authority from July 2009 to June 2013; and

WHEREAS, Commissioner Coleman represented the customers of the Service Authority in the Monroe Magisterial District of Washington County in a worthwhile and capable manner; and

WHEREAS, Commissioner Coleman contributed to the expressed purpose and

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goals of the Service Authority by serving in the finest tradition as commissioner, NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of said Washington County Service Authority, duly assembled to conduct business on this the 22nd day of July, 2013, does hereby unanimously adopt this RESOLUTION OF COMMENDATION, in full recognition of, and in gratitude for, the above enumerated services and contributions, and wish Mr. Coleman well in all future endeavors.

Mr. Miller seconded the motion and with a 6-0-0-1 vote, the Board approved.

11. Reconsideration of Discontinuing Solicitation of Water Service to a Portion of Childress Hollow Road – April Helbertt

Mrs. Helbert began saying, to summarize what we discussed during the June meeting, the total number of existing homes counted in 2010 along Childress Hollow Road was 21. Now there appear to be approximately 24 homes.

In 2007/2008, a petition was provided by Mr. White with 11 of 19 signatures on it (57%). WCSA attempted to get residents who signed the petition to sign user agreements. Six residents who signed the petition did not sign user agreements.

In December 2010 we evaluated user agreement responses for a proposed Childress Hollow Road Project. Only 9 out of the potential 21 (42.8%) signed a user agreement indicating that they would purchase a connection if the proposed water line was constructed. Certified letters were sent to all residents in 2010, informing them of a potential project and the importance of their

response. No additional user agreements were received.

During the 2012 funding cycle we recognized that we could downsize the project area to get participation levels up to funding agency minimum requirements of 1 more than 50%; vacant lots may not be counted. The project was downsized to the area between 17457 and 18121 Childress Hollow Road and WCSA was awarded a grant in 2012.

Because the attempt to convert petition signatures to user agreements in 2010 was unsuccessful, we asked the Board in June 2013 to consider taking action to formally discontinue the four user agreements received for the area that will not be served, located between 16473 to 17445 Childress Hollow Road.

Mrs. Helbert said, we looked at five different options and cost analysis for those. The first was the project as it stands now, in green on the map (see attached). The second was to install a 4 inch line to the entire Childress Hollow Road. Another option was to install a 6 inch line along the entire length of Childress Hollow Road, which was recommended in the Western Washington County Water Study.

The last two options would serve a portion of each side without creating a loop.

One of the last options, explained Mrs. Helbert, would serve all the Childress Hollow Road residents but not the land in the middle. The last option would provide service from each side up to the residents that originally signed user agreements; up to the purple dots on the map.

We attempted to contact the three residents who signed Mr. Hearl's petition, but did not sign a user agreement in 2010. We were unable to

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find contact numbers for two of the residents. We did contact one resident who said they would have to discuss with their spouse and as of this report they have still not made a decision. We continue to try and reach the other two residents by distributing flyers. One resident responded saying they were not interested and the other resident has not responded, added Mrs. Helbert.

Mr. Hutchinson asked if the project cost to accommodate the residents on both ends of Childress Hollow, who have signed, would cost \$199,237.30.

Mrs. Helbert said, "yes".

The other estimate to run line the entire length of the Project is \$223,472.50?

Mrs. Helbert said, that estimate would bring the line up further and serve all the residents on Childress Hollow Road. It would serve everyone who signed the user agreement or signed the petition, except the blank space in the middle, she answered.

Mr. Hutchinson then directed a question to Mr. Harold saying, the area that is blank space in the middle, I assume is possible the area that Mr. Harold spoke of that could potentially be developed.

Mr. Harold said; that area is owned by the Watson family and is about 500 acres. It was put up for sale, but due to the fact there was no water in there it did not sale. Mr. Harold continued saying, I'm sure if water was available to that area, a developer would probably develop it. Mr. Harold said the water line would definitely pay for itself.

Hutchinson: Typically, in a situation like that, if a developer is interested in the property and water or utilities in the area, they contact the utility to provide service Once they approach the utility, the utility would generally provide service to such an area. I am interested in trying to provide service to residents

that live on both ends of Childress Hollow.

Mr. Harold said from the Black Hollow Main connection to the Spring Valley connection is 1.7 miles long. Mr. Harold said residents that lived below him did need water and the rasonality rationality of not providing water to all the residents on Childress Hollow escapes me because the costs quoted earlier is not a lot of money for such a small project.

Putting the line all the way through would give access to the land in the middle for development, said Mr. Harold.

Mr. Hutchinson asked Mr. Harold if he was aware that the only two sources of revenue WCSA had available for projects, to rebuild infrastructure and service existing lines comes from user fees and connection fees?

Mr. Harold said he understood. And said he would put two water connections on his property if available and most other residents would too. He said doing that would almost finance the project.

Mrs. Helbert said the reason the Project was scaled down was to meet funding agency requirements. The remaining part of the Project, with the number of user agreements signed as of now, is not fundable, she added.

Mr. Harold said I understand that but the reason to not completing the whole project escapes me. It's right in the middle of the county, not in a remote area. Mr. Harold went on to say "I don't think we should be treated as some remote hollow, we are right in the middle of the county."

Mr. Hutchinson told Mr. Harold he appreciated his concern. He then said, the only way we can get monies other than to two sources of revenue we have is to get funding. The only way we can

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get funding is to meet those qualifications set forth by funding agencies. We must have a certain number of residents agree to connect to the system. We did not have enough people in that area to be able to service it. Funding agencies do not consider vacant land as a qualifier for funding, explained Mr. Hutchinson.

Mr. Harold said, "If I can get the money and assign it to WCSA, could I get the water line through there?"

Mr. Hutchinson said he was not in any position to answer that but appreciated his offer and candor.

Mr. Harold said he thought residents really did not understand that the letter they received was sign up letter, as some thought it was a survey. Mr. Harold said it was miscommunication.

Mr. Hutchinson asked Mr. Harold if he had good contact with the community.

Mr. Harold said yes, and said there were several residents in the audience.

WCSA was doing what they could to address the issue and provide water to the entire Childress Hollow Road community, but must follow guidelines and stipulations set forth by the funding agencies, said Mr. Hutchinson.

If there was confusion as to what the residents were asked to sign, do we know why they were not interested in signing up for water; did we ask them any questions so we could understand their concern, asked Mr. Nelson.

Mrs. Helbert said she did not think anyone was contacted and asked why they did not sign but felt WCSA was very clear in the final mailing and what we were asking of the residents.

Mr. Nelson asked if there was any possibility of additional funding from any other source to be able to consider the last option? It appears the net would be \$118,000 for that option, he added.

He asked, if there were any other sources of funding that could help with the contaminated water situation?

Mrs. Helbert said she was not aware of any additional funding sources that would not require the participation of at least 50% plus one.

Mr. McCall asked if a committee was working with the residents in that area.

Someone typically speaks with each homeowner when they go out with a petition, but was not sure if that had been the case with this project, as it she was not employed by WCSA when it began.

Mr. Harold presented a copy of the signed petition to the Board.

Do you think you could get three or four more to sign agreements by going to your neighbors and telling them how serious it is, Mr. McCall asked Mrs. Helbert?

The resident of 17796 Childress Hollow Road spoke up and said he was never offered a user agreement.

Mr. McCall thought it would be good if someone from WCSA met with the residents that did not sign agreements.

Mr. Harold offered to accompany WCSA Staff in meeting and talking with residents. Mr. Harold then asked if residents would be charged a tap fee and a meter fee.

Mrs. Helbert said the connection fee consisted of two parts, the tap fee and system fee. There was a brief discussion about when the connection fee and system fees were due.

Mr. Harold asked if the connection fee was considered when WCSA applied for project funding.

Mr. Stephon said the entire connection fee was due whether you had a meter installed or not.

If I install two meters, pay the connection fees and user fees for both

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but only use one, do the funding agencies consider that when approving funding, asked Mr. Harold.

Mrs. Helbert said "no". Funding agencies only consider property with homes.

Mr. Harold then asked for the agencies name and address so he could contact them.

Mrs. Helbert agreed to give Mr. Harold the contact information for the agency that funded the project.

Mr. Harold said, someone who pays \$5,000 for a well that provides good water, would not pay to be connected to a water line.

There was a brief discussion regarding the cost of digging a well and how reliable a well is.

Mr. Harold said residents were not going to spend the money to drill a well then spend the \$4,500 to connect to WCSA water. He asked the Board to reconsider the project at Childress Hollow before residents started the process to drill wells.

Mr. Hutchinson said, \$4,500 was a bargain to be able to connect to a water source that provides clean, safe water.

Mr. Hutchinson insured Mr. Harold that WCSA was working to address the needs of the residents on Childress Hollow and thanked Mr. Harold for his comments and candor.

In light of the comments heard, Mr. Nelson made a motion that a representative from WCSA would meet with citizens on Childress Hollow Road and give them every opportunity to agree or disagree to be part of the project before the Board takes formal action to discontinue this Project.

Mr. Taylor and Mr. Hutchinson both volunteered to meet with residence.

Mr. Hutchinson seconded the motion made by Mr. Nelson.

Mrs. Helbert asked the Board to consider what connection fees would be offered to those who signed user agreements and what the participation requirements would be. She said the participation requirement offered to residence when the project began was 50% plus one, and WCSA's current participation requirement is 75%.

Mr. Nelson said his position was first to get the facts and see if residence wanted to move forward with the project, and not make decisions until they have the facts.

The Chairman then asked the Board to vote on the motion. The Board approved Mr. Nelson motion voting 6-0-0-1.

12. Consider Discontinuing Solicitation of Sewer Service in the Exit 24 Area – April Helbert

In 2012 WCSA solicited sewer user agreements from residents of the Exit 24 area between Interstate 81 and Meadowview Elementary School, stated Mrs. Helbert. This solicitation was prompted by a proposed sewer project initiated by Loves Travel Center that could make sewer service available to area residents if desired.

Of the 14 existing homes in the project area, only 5 (or 35%) submitted user agreements indicating their commitment to purchasing a sewer connection.

Moreover, we wish to inform you that the proposed project if constructed by Loves Travel Center may impact one area resident. Washington County maintains a connection ordinance and WCSA is obligated to enforce it. The Ordinance requires a resident within 300 feet of a sewer system to pay a onetime connection fee followed by a monthly non-user fee if they elect not to connect to the sewer system or the monthly user fee if they elect to connect to the sewer

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system. This resident was not one of the five who wished to have sewer service.

Mrs. Helbert asked the Board's consideration to formally discontinue this solicitation. This means that the user agreements solicited will become null and void. Residents were informed ahead of the meeting and will be notified after Board approval.

Mr. Nelson asked, if we choose to discontinue we can go back and re-solicit residents again? All we are doing now is taking action that relates to this point in time.

Mrs. Helbert said, "yes sir."

Based on the fact that the Board can decide to re-solicit, Mr. Nelson motioned to move forward as recommended to discontinue solicitation of sewer service in the Exit 24 area. Mr. Hutchinson seconded and the Board approved with a 6-0-0-1 vote.

13. Consider Discontinuing Solicitation of Water Service on Ritchie Road – April Helbert

In 2012 WCSA received user agreements from residents along Ritchie Road located off Hillman Highway approximately ½ mile west of Meadowview. Of the 3 existing homes in the project area, only 2 (or 66%) submitted user agreements indicating their commitment to purchasing a water connection. The third resident has made it clear that they are not interested in water and do not want nor will they allow a waterline on their land. Because this resident is at the beginning, and not the end of the proposed project, the service area cannot be downsized to serve the other residents. According to WCSA policy, in order for a project to be considered further, 75% of residents must commit to becoming users. Therefore, the Board should consider

taking action to formally discontinue this solicitation. Residents were informed ahead of the meeting and will be notified after Board action.

Mr. Nelson asked how long ago did the third resident make it clear they did not want water?

Mrs. Helbert said it was in the last 6 months. The resident wrote us a note and sent it to WCSA.

Mr. Nelson motioned to table this Agenda Item until the Board was provided the information.

Mr. Hutchinson asked if there was any way that property could be bypassed in order to provide service to the other residence.

Mrs. Helbert said no.

Mr. Cornett asked if that resident owned land on both sides of the road.

Mrs. Helbert said she did not know.

Mr. Nelson's motion was seconded by Mr. Taylor and approved by Board vote of 6-0-0-1.

14. WCSA Health Insurance Renewal Report and Update – Kim Harold

During the 2013-2014 budget presentation, WCSA Staff presented the budget with the anticipated Anthem renewal rates. Due to the uncertainty of the healthcare industry and the lack of renewal information, Staff budgeted a 10% increase in health care premiums. Additionally, the Compensation and Benefits Committee recommended and the Board approved a decrease in benefit coverage from the KeyCare 25 to the KeyCare 30/1000 plan and the addition of \$500/employee to an HRA (health reimbursement account).

We have received our 2013-2014 renewal rates which reflect the changes outlined above. The net savings is approximately \$27,000 dollars this year or a 2.3% decrease in medical premiums

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compared to current plan year premiums. Once the employee's 20% of dependent coverage premiums are implemented, if premiums did not change, this would result in \$127,000/year in annual recurring savings to WCSA. \$91,000 in annual savings was the earlier projection provided to the Board. Mrs. Harold said no action was required since this was for informational purposes only.

15. Consideration of the Exit 13 Phase 1 Sewer Project Contract 2A – Change Order No. 3 – Matthew Lane

This Change Order provides for a final "clean-up" for all quantities of items installed vs. quantities bid.

There were three items that needed to be adjusted on the Change Order. Due to a reduction in the amount of asphalt needed, there is a decrease amounting to \$8,147.45. The landscape allowance was increased by \$700.00 to cover additional items. Mr. Lane said the number of driveway crossings was underestimated so those driveway crossings were added for a

total increase of \$30,000. The net increase for Change Order 3 is \$22,552.55. With Change Order 2, the total construction price was about \$21,000 or less than 1% higher than the original bid.

WCSA Staff has reviewed and concurs with this Change Order and TLG recommends its approval.

Mr. Nelson said it appears the increase is not in additional driveways but because of crossing those driveways twice.

driveways, 8 driveways were missed.

There was a 6 inch force main and a 15 inch gravity line that crossed the same 12 driveways. The driveway crossings were for two lines instead of one so the driveways had to be cut twice.

The bid was \$1,500 per driveway the contractor had to cross. The number of driveways that had to be crossed was more than estimated.

Mr. Nelson asked if it ended up being more driveways or more crossings.

Mr. Lane said there were 12 driveways that were crossed with both the force main and the gravity line that were initially counted as only one crossing. What we thought was fair after the project was billed was to give the contractor two crossings for those 12 driveways since they cut those 12 driveways two times; once for the force main and once for the gravity line.

Mr. Hutchinson asked if that accounted for the savings in asphalt.

Mr. Lane said the driveways were only paved one time. Mr. Lane said the cost for paving the driveways did not come from the asphalt budget. That paving cost was included in the budget for the driveway crossings.

Mr. Miller motioned and Mr. Hutchinson seconded the approval of Change Order 3. The Board approved with a vote of 5-0-1-1, with Mr. Nelson abstaining.

16. Consideration of Task Order No. 3 – 2013 to the WCSA The Lane Group, General Engineering Agreement – April Helbert

Mrs. Helbert first answered a question asked earlier regarding the receipt of a letter from a resident on Ritchie Road declining water service, saying the letter was received on June 14th.

Mrs. Helbert then discussed details of Task Order No. 3 saying, The Lane Group (TLG) completed the Damascus Wastewater Treatment Plant (WWTP) Study in December 2011 utilizing data through April 2011. Since that time, the wastewater treatment plant has exceeded

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the permitted average influent flow a total of 9 months. Additionally, limits on BOD₅ (Biochemical Oxygen Demand), TSS (Total Suspended Solids), and DO (Dissolved Oxygen) have been exceeded during various months. The data received by TLG from the Town of Damascus for the Study did not reveal any influent flow or wastewater chemistry violations, stated Mrs. Helbert. The data that we now have exceeds Study predictions therefore little if any of the Study recommendations will address the WWTP needs.

For the reasons mentioned above, Staff believes the Study should be updated as soon as possible. The 2011 Study recommended \$440,000 in short-term equipment upgrades followed by a long-term expansion later. The proposed Task Order will provide the engineering services to reevaluate both the short-term and long-term WWTP needs based on our most current data, explained Mrs. Helbert.

The update will consist of a written report of the findings. The cost will be on a lump sum basis and will be \$5,500. 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. Nelson asked the Chairman what the cost of the original study done in 2011 was.

Mr. Cornett and Mrs. Helbert said they did not recall the cost of the 2011 study.

Mr. Hutchinson asked if the 2011 data was provided by Damascus only and asked if WCSA did a study to verify their data.

Mrs. Helbert said Damascus did provide the 2011 data, and to our knowledge, the data was correct.

Mr. Nelson said he wanted to compare the cost of the entire study versus the cost of the update.

There was a brief discussion about the cost of the original study.

Mr. Miller said, two of three months the Damascus WWTP exceeded capacity.

Ms. Helbert said The Damascus WWTP exceeded capacity two months but it takes a third month to trigger a violation. A motion to approve Task Order No. 3 was made by Mr. Hutchinson, seconded by Mr. McCall and approved by Board vote of 6-0-0-1.

17. Consideration of Construction Bids for the Sutherland Water System Extension Project – April Helbert

Mrs. Helbert referred to a letter she presented to the Board discussing the Sutherland Project (see Attached).

She said five bids were received for Contract 1 and two bids were received for Contract 2. Contract 1 was structured to include a Base Bid and one Additive Alternate Bid. Contract 2 was structured to include a Base Bid and five Additive Alternate Bids. The Bid amounts are summarized on the letter. Based on the funding; \$287,000 from EPA, \$423,300 of construction funds from ECD, for a total of \$498,500 in grant funds; both are Johnson County's funding. \$65,577 came from the US Forest Service for construction funds, leaving a shortfall of approximately \$39,930. Based on the shortfall, Mrs. Helbert recommended accepting bids on Contract 1 Base Bid, Contract 2 Base Bid and the five Additive Alternates for Contract 2, leaving out Contract 1, Additive Alternate 1, at this time. Mrs. Helbert said Additive Alternate 1 for Contract 1 was for a generator at the Pump Station which would need reconsideration toward the end of the project.

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Mrs. Helbert said WCSA was responsible for the Engineering Services and Inspection Services for this project. ECB funded this Project in 2002, stated Mrs. Helbert.

Mr. Nelson made a motion to approve the Bids as recommended. Mr. Taylor seconded and the Board voted 6-0-0-1 to approve the motion.

18. Consideration of Haskell Station and Hidden Valley Water Project Financial Feasibility – Robbie Cornett/April Helbert

As part of the 2011 Water and Sewer Line Extension policy established by the Board, financial feasibility is a specific component that the Board reviews before proceeding with projects, explained Ms. Helbert.

Mrs. Helbert then referred to an email located at the Board's stations, sent from Mr. Cornett to Mr. Pellei concerning both Projects (see attached).

This year we recommended and you approved six (not including the DHCD Application submitted by Washington County for Hidden Valley) different projects for submission of funding applications for construction. According to Mrs. Helbert, so far, we have received an offer for construction funding from the Virginia Department of Health (VDH) for Hidden Valley Road Water Line Extension in the amount of \$496,475. We also received funding from MRPDC \$39,875.

We have also received a loan offer from VDH for Hidden Valley for \$496,475.

The loan was offered at 1% below the prevailing AA market rate for 20 years.

Additionally, Hidden Valley has been selected for \$337,500 in DHCD funding. Staff recently learned that the water line in Russell County does not extend to County Line, but instead stops short

about 3,000 feet from line. This would add approximately \$120,000 to project cost that is not presently accounted for in the CIP or project funding.

VDH has offered \$234,009 for the Haskell Station Road Water Line Extension Project. We did not receive funding from MRPDC for the Hidden Valley Project, stated Mrs. Helbert.

Mr. Cornett said he received an automated response from Mr. Pellei saying he would be out of the office and has not heard back from him yet.

In summary, Mr. Cornett asked Mr. Pellei to reconsider grant funding for at least a portion of these two Projects based on the financial feasibility of both projects, said Mrs. Helbert.

Mrs. Helbert continued saying, as the Board can see, neither project can pay for itself as funding currently stands. Even if current connection fees and user fees were combined, the Projects would still not pay for themselves, she stated.

Mrs. Helbert said, currently, Staff is unaware of any traditional agency funding that might fill the gap. Prior Boards have considered appeals to the Board of Supervisors for funding support, however concerns have arisen regarding the wisdom of such a request. Consideration of whether or not it is appropriate for the existing system to support system extensions is important. If this option is elected, careful thought should be given to the following:

- How much can the existing system sustain before a rate increase would be required?
- The plan should be repeatable for all future system extensions.

Mr. Cornett said with the pending request to VDH; though their pending deadline is July 26th to accept these funds, with the request into Mr. Pellei, Mr. Cornett encouraged the Board to