

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

The Annual 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. Kenneth Taylor, Vice Chairman
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mark Nelson
Mr. Frank Stephon, IV

WCSA Staff Present:

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

Consultants Present:

Bobby Lane, PE, The Lane Group, Inc.
Matthew Lane, PE, The Lane Group, Inc.
Jessica Nichols, Anderson and Associates, Inc.
Bill Skeen, Maxim Engineering

Also Present:

Mrs. Dawn Figueiras, General Counsel

3. Approval of the Agenda

There were no additions or corrections to the Agenda. Mr. Nelson motioned to approve the Agenda, Mr. Stephon seconded and the Board approval voting 7-0-0-0.

4. Public Query and Comment

Robert Shortridge of Cleveland Road spoke during public query and comment and said he has tried to contact someone at WCSA about a fire hydrant since May and had not heard from anyone from WCSA.

Mr. Cornett said this was the first he knew about the request and would look into it and get back with Mr. Shortridge as soon as possible.

5. Approval of the Consent Agenda

- Minutes: June 23, 2014 Regular Meeting Minutes
- Routine Reports for June 2014.
- Financial Reports for June 2014.
- Check Register and General Manager Financial Report for June 2014.

Mr. Harold had a correction to the June 2014 financials. Health Insurance was re-classified to Administration and was re-classified to production for the Wastewater.

Mr. Nelson motioned to approve the Consent Agenda. The motion was seconded by Mr. Stephon and approved by a 7-0-1-0 Board vote. Mr. McCall abstained from the vote.

6. Engineer's Report and Update

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

- **Route 58 Water Supply Improvements Project**

A portion of the work on Fisher Hollow was incorporated in the plans for the Galvanized Phase II Project. AHE continues to work with WCSA staff to obtain a purchase easement for the tank site location. Upon the request of WCSA, AHE is also reviewing additional tank site locations.

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

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

According to Mr. Lane, as of July 17th, construction is about 80% complete with about 30,485 linear feet of 8 inch line installed. The next project meeting is scheduled for August 6th and the targeted completion date is October 24, 2014.

- **Smyth Chapel Area Water Improvements Study**

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

- **Abingdon Water Storage Improvements Study**

AHE completed and submitted initial responses to WCSA staff for review and is waiting on additional PER comments from WCSA.

Jessica Nichols of Anderson and Associates (A&A):

- **Exit 13 Sewer Project PER**

A&A received all the financial information and Mrs. Nichols said work continues to finalize the draft PER for review.

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

According to Mrs. Nichols, Mrs. Helbert was provided with an updated cost estimate that was to accompany the Tobacco Commission application submitted in the past two weeks. Mrs. Helbert and A&A held meetings with two land owners asking for their approval to move forward with the alignment so they may begin on base mapping and proceed with the design.

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**

The plant is doing well with the treatment of a blend of South and Middle Fork water, Mr. Lane reported. TLG is working on Change Order # 11 and expects to present it at the August Board Meeting. Testing and start-up of the energy recovery system is the last item that needs to be accomplished. Appalachian Power is requiring testing of the energy recovery system and TLG is working to secure a company to perform the testing.

The DWP Dedication is scheduled for August 19th.

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

Contract documents were submitted to EL&M for review and approval. Mrs. Figueiras and Mr. Lawson have reviewed and commented on the documents and TLG is working to respond to their comments. Mr. Lane hopes to issue Notice to Proceed with Phase II by the August meeting.

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

TLG continues to work to finalize the preliminary design of the Project and hopes to submit the preliminary design to the Authority by the end of August.

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

TLG received comments from the VDH on final plans and specifications of the Project and are working to response to those comments. There are only a few easements lacking...

- **Mendota Water System Source Improvements**

TLG completed treatment of the disinfection byproducts. Mr. Lane reported after further review, they determined the cost of operating the granular activated carbon system was more expensive than flushing the system to get the disinfection

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

byproducts to an acceptable level, and so flushing the line will be the practice going forward.

In the process of turning on the system, TLG noted the point of residual at the Scott County line was not at a sufficient level and so are not able to use Scott County water. TLG explained the issue to the Scott County Public Service Authority (SCPSA). SCPSA is in the process of increasing chlorination. Mr. Lane said SCPSA were going to move forward with a re-chlorination station which would be located at the county line. The contractor has the finished plans and is in the process of costing that work. Mr. Lane said they would be in a position to turn on the water as soon as the re-chlorination system was in place and operating. Mr. Lane said this was the reason the water was not turned on, as reported on July 17th.

Mr. Hutchinson asked if the Mendota citizens were knew about the reasons for the delays.

Mr. Lane said he thought some citizens were aware but it has been difficult to advise all of the citizens because the issue came to light very recently, around July 17th.

Mr. Cornett said periodic reports and updates have been provided to the Mendota citizens throughout the course of the Project. The most recent report went out in early July and indicated the intent to turn on the Scott County water on July 17th. Mr. Cornett would like to wait a few days to send another report to allow Scott County time to identify any opportunities they may have to boost residual back to what has been historically. If SCPSA is unable to find anything that may be helpful, Mr. Cornett plans to notify the Mendota community of the most recent findings and solutions.

- **Mid –Mountain (Zone 108) Water System Improvements**

WCSA and TLG submitted a second funding application to the Tobacco Commission for the Zone 108 Water System Improvements Project, reported Mr. Lane.

- **Mill Creek Water System Source Improvements**

The Town of Chilhowie submitted a final application to Rural Development for money to improve the Mill Creek Water System. Mr. Lane is very encouraged by the preliminary response from Rural Development. TLG has answered comments Rural Development requested and they hope Rural Development will announce soon that the Project has been grant funded.

- **Nordyke Road Water System Project**

This Project is complete and TLG is working to collect final clean-up items to be presented to the Board for action at the August meeting.

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

Mr. Lane will discuss this item in more detail later in the meeting.

Mr. Bill Skeen of Maxim Engineering

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

Mr. Skeen said Contract 1 was complete. The contractor for Contract 2 needs three to four consecutive dry days to complete the stream crossing.

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

Mr. Skeen said this Study is under staff review.

7. Water and Waste Construction Projects Update – April Helbert

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

Mrs. Helbert discussed Sutherland Project issues. The contractors broke a drill bit while trying to bore under the stream through rock. For that reason, the contractor asked WCSA to consider alternatives to boring under the stream. Mrs. Helbert told the contractors WCSA would consider alternative options, specifically attaching the water line to the bridge. Mrs. Helbert gave detailed information to the contractors what would need to occur in order to attach the line to the bridge. She also gave detailed information to the contractor on what is required in order to open cut the stream. Mrs. Helbert offered to answer any questions about the Sutherland Project.

McCall said he received complaints from the Sutherland Project contractor. According to Mr. McCall, the contractor planned to perform pressure and back-t testing on 7-24-14 at 8:00 am. The contractor told Mr. McCall, WCSA's inspector arrived at 10:00 am. "If he had a doctor appointment or something like that, that's fine, but they need to get on with this testing" said Mr. McCall.

Mr. McCall then mentioned the contractor also reported a leak on the project.

Mrs. Helbert said the contractor had a major leak on a section of line installed by one of their sub-contractors. According to Mr. Amos, the contractor had to hire a professional to locate the leak. The contractor plans to recoup the leak location from the sub-contractor.

Mr. Miller mentioned the stream crossing and said as far as WCSA was concerned, we were tapped out on funds for the Project.

Mrs. Helbert confirmed Mr. Miller's statement.

Mr. Miller asked if changing the stream crossing would affect the approvals and plans required for the Project.

Mrs. Helbert said the contractor indicated there would be no additional cost for WCSA for a change in the stream crossing. The cost to obtain permits is the responsibility of the contractor said Mrs. Helbert. Mrs. Helbert said she did not have a cost estimate for stream crossing work. Mr. Stanley of Tipton Construction is to contact Johnson County Roads and TDEC to request a cost estimate for stream crossing alternatives and asked that Mrs. Helbert will contact the Army Corps of Engineers for estimates.

Mr. Matthew Lane thought it would take some time to receive an estimate from TDEC.

McCall asked how many feet the contractor was able to drill before the bit broke.

Mrs. Helbert thought the contractor was able to drill 11 feet through what the contractor considered solid rock before the bit broke.

Mr. Miller thought there could be some issues with the project because that same contractor also had issues in Damascus.

Mrs. Helbert said WCSA staff met with the previous Johnson County Roads Superintendent on at least two occasions, requesting permission to hang the line on the bridge and he absolutely denied their request.

Mr. Miller said time was of the essence and the contractor needed to proceed.

At the last meeting, the Board voted to send correspondence to the contractor, said Mr. Chase and asked it that was done.

Mrs. Helbert said WCSA Legal Counsel did send correspondence to the contractor. That correspondence was followed by a very large request from

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

the contractor's bonding company. WCSA had to provide the bonding company with many documents related to the Project and to date, have not heard back from the bonding company, stated Mrs. Helbert.

Mr. McCall asked Mr. Cheek if WCSA was in a position to rotate inspectors. Mr. McCall then referred to overtime saying, "it is eating us up and it is uncalled for. These other projects are not doing it but that one still is."

Mr. Cheek said Steve Barton was just promoted to the third RPR Inspector position and is now in training. Mr. Boyd has just been officially moved to the RPR Inspectors position. According to Mr. Cheek, Mr. Barton is not ready to be put in the rotation yet. Mr. Cheek said he spoke with the acting Superintendent a couple of times to make sure things were moving as they should be. He asked the Superintendent to immediately make WCSA aware of any issues so the issues could be addressed promptly without slowing the Project.

"These other projects... and this guy; he works for Lane and Associates, and he doesn't cost that much overtime and it is a bigger job and he is getting a good product", said Mr. McCall.

"With more planning and using common sense, like these other guys are doing... I will point to one right there in the back; he just pretty well finished the 58 (Route 58 Water Supply Improvements Project) job." Mr. McCall said. He might have an hour or so overtime occasionally that is justified, but not the amount we are getting with Sutherland, stated Mr. McCall. Mr. McCall then asked that the overtime be looked into.

Mrs. Helbert said Contract 1 has been approved but there are no connections on Contract 1. Back T testing has been

performed on Contract 1 with no issues, added Mr. Cornett.

Mrs. Helbert then discussed Childress Hollow Road saying that project is being wrapped up. Everything is a go with the exception of the Storm Water Discharge Permit, she said. On July 1st, the Storm Water Discharge Permit must be provided by Washington County instead of the DEQ, as before. Regulations have changed and they now require addition work on the Authorities part for the Discharge Permit Mrs. Helbert believes this is the first project being submitted to Washington County for the Storm Water Discharge Permit and hopes to have that completed soon. She also expects to have all other approvals by the August meeting. Mrs. Helbert hopes to request advertising approval from the Board at the August meeting, with Haskell Station to follow.

Mrs. Helbert said residences of the Mendota Phase 2 area, adjacent to the Phase 1 area from Route 19, and a resident from Chip Ridge Road requested service. Staff is evaluating those two areas and they plan to present recommendations regarding those areas at the August meeting.

Procurement documents for general surveying services and engineering services were completed and presented to Mr. Cornett. Mrs. Helbert asked if Board would like to have representation on the Procurement Committee. Mrs. Helbert expects to have three meetings associated with procurement for surveying and engineering services. Mr. Taylor and Mr. McCall volunteered to serve on the Procurement Committee.

Mr. Miller asked if line installation was complete on the Sutherland Project.

Mrs. Helbert thought the line was completely installed, except the section of line located at the stream. The

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

Contractor still lacks various clean up items and they have not started work on the tank station, said Mrs. Helbert.

8. Operations Report and Update – Dave Cheek

Discussion Items:

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

2014 June Performance Against Plan:

Maintenance, Production, Metering and Wastewater were over budget. Distribution was under budget for the month of June.

Over Budget Item Discussion:

- Inventory \$55,325
 - Cause: Misallocated Costs & Additional Lead Free Costs
 - Countermeasure: Retrained on How to Enter Usage
 - Adjusted 2014/15 Budget to Reflect Correct Cost Centers and Additional Lead Free Costs

Mr. Cheek said Mr. Lester and Mr. Gobble have done a significant amount of work on inventory control. One item they are focusing on is inventory of the maintenance trucks. Mr. Lester and Mr. Gobble would like to implement a bar code inventory system in the future.

- Electricity \$66,309
 - Cause: Year End Cost Accrual + Additional June Payment
 - Countermeasure: None Taken
- BVU Sewer: \$45,546
 - Cause: Year End Cost Accrual and Clear Creek High Usage Issue
 - Countermeasure: Correct Clear Creek Issue

Mr. Nelson said he preferred the accrual basis accounting style, and added; accruals are being adjusted at year end

referring back to a cash basis versus an accrual basis.

Mrs. Harold confirmed Mr. Nelson's statement.

Mr. Nelson said accruing the last month of the fiscal year distorts things. Mr. Nelson encouraged Mrs. Harold to use the accrual basis saying, you will have a much better feel for what the true expenses are and it will eliminate the big adjustments done in June each year.

Mr. Nelson said he was glad the BVU sewer bill was being reviewed saying the amount did not make sense.

Year to Date we are \$229,000 Under Budget;

All departments fell under budget for the year.

2014 June Water Production Highlights:

- Drinking Water Production Month:
 - Middle Fork: 157,505,000 gallons
 - Taylor's Valley: 29,000,150 gallons
 - Chilhowie for WCSA: 32,625,520 gallons
 - Chilhowie for Chilhowie: 35,428,480 gallons
 - Mendota: 161,000 gallons
- Total: 254,720,150 gallons
- Working on Final South Fork Intake (SFI) and Middle Fork Intake (MFI) Punch List Items
 - Lightening Damage at SFI
 - Completed MFI Repair, Rebuild

2014 June Wastewater Process Highlights:

- Damascus Within Daily Influent Control Limit, Actual 0.08 MGD, Control Limit 0.25 MGD

Mr. Cheek said the Damascus Sewer Plant made it through Trail Days without exceeding I & I limits.

That is correct, said Mr. Dotson, they did very well. We've come a long way, and

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

the hard work is paying off, Mr. Dotson stated.

- Process Control:
 - Hall Creek: +98% Removal Rates
- All Reporting within Control Limits
- Identified & Correcting Significant Damascus I&I Issues
- Significant BVU & Abingdon Waste Water Increase
 - Still Working to Identify the Source of Surges at the Regional Jail

2014 June Maintenance Highlights:

- Getting Back to Normal
 - Leaks: 33 (2013 avg. 33)
 - Break: 2 (2013 avg. 3)
 - After Hours Responses: 50 (Well Above 2013 avg. 34)

Mr. McCall asked if the system currently being used to log after hours calls was really working to determine which customer issues could wait until the next day and which issues have been going on for days.

Mr. Cheek said we are digging into customer issues more and more. The team has developed a spreadsheet and we are coming together three days a week to talk about issues. Mr. Cheek said they were also working to develop customer surveys.

"What about the treatment plant guys, are they with us 100%, because they are the ones that are screening the calls (after hour calls)", Mr. McCall asked Mr. Cheek.

There is room to improve in that area. We have to look into all the calls and what the issues are, stated Mr. Cheek. People are going to call about issues when they recognize an issue. Typically, customers notice issues when they come home from work or get up early in the morning, said Mr. Cheek. We are trying to determine if issues are related in

certain areas. If so, what are the root causes for issues in those areas?

We are also working with staff to determine what issues can wait until tomorrow, said Mr. Cheek. As you know as a customer, when you come home and discover an issue, it is important to you too. Mr. Cheek said, we are walking a thin line to determine what issues need attention now and what issues can wait.

Mr. Nelson asked if there was a system in place that logged all customer calls and what type of calls came in. He asked if there was an automated system that logged the incoming after hour's calls.

Mr. Cheek said it was all on a spreadsheet.

Mr. Cheek asked Mr. Osborne if he would like to speak about the collective efforts in working with the Abingdon Fire Department.

Mr. Osborne said WCSA was working collectively with all the area fire departments. WCSA is systematically providing mapping so we can coordinate with area fire departments how to best operate a fire hydrant in how to open and close a hydrant without creating negative impacts on the Authorities system. WCSA was approached by Abingdon Fire Department and asked to work with them in this area, which led to us to extend our efforts to other area fire departments, explained Mr. Osborne. These efforts have been well received; we will be meeting with the Brumley Gap Fire Department soon. Mr. Osborne hopes this work leads to an Operation and Flood Testing program.

- Water Taps: 22 (2013 avg. 3)
 - Waste Water Taps: 0 (2013 avg. 1)
 - Sewer Camera focused on Oak Park Project Completion and BVU I&I
- 2014 June Distribution Highlights:**
- Water Purchases:

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

- BVU - ZERO gallons
- Saltville - 1,002,000 gallons
- Formulating Programs for Routine Inspection & Operation of Fire Hydrants, Gate Valves, Pressure Regulating Valves (PSV/PRV) & Air Release Valves
- Developing System to align District Meters with District Billable Metering to identify Water Loss Areas
- 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
 - Added Fisher Hollow (EL&M performing RD Required Title Search)
 - 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 37 of 39 easements.

2014 June Metering Highlights:

- 156 customers were telephoned following unusually high usage
- 414 customers were notified that their water was to be turned off for nonpayment
- 106 meters lifted for non-payment
- 99.3% of all meters read with radio with the remainder requiring a manual read

Forward Looking Statement:

- Closer tie between Operating Departments and Customer Service
 - 3 times per week, focused meeting on customer issues
 - Starting to Develop Root Cause Action Items
- Instituting more formal Preventive Maintenance Routines
- Restructured RPR to Maintenance
 - Developing Systems and Training

Mr. Miller asked if some Damascus items could be delayed.

Mr. Cheek said the equipment in Damascus was getting old and needed to be replaced or needed attention. Also, the clarifiers are chain driven and needed to be upgraded. Mr. Cheek said, if we get those things taken care of we should be in good shape.

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

Mr. Cornett discussed his General Managers Report & Update. Listed below are the discussion points as outlined in his presentation.

Review Items:

- Safety
- Financials
- Customer Service
- Notables
- What's Ahead

Safety:

- **Zero Accidents and or Injuries in June:**

- Thankful to report zero accidents or injuries!
- Training:
 - Microsoft Basic EXCEL in lieu of safety training during June.

Water - New Connections:

There were 18 new water connections associated with Projects and 17 walk in

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

connections in June, Mr. Cornett reported.

Monthly Water Revenue - Budget vs. Actual:

The actual revenue amount in June was better than projected, said Mr. Cornett

Year to Date Water Revenue - Budget vs. Actual:

Mr. Cornett said WCSA showed a surplus of \$370,000 or 3% for the year.

Water - Monthly Expenses:

Non-Departmental was over budget \$181,864 for the month. Mr. Cornett discussed the following reasons for the overage:

- Banking Service Charges - \$1,327
- Legal Fees - \$97,557
- Refunds - \$54,167
- Health Insurance - \$78,176
 - o Vacation and Sick Leave Year End Accruals
- Customer Service was also over budget \$10,874.
- Outsource Mailing - \$10,422
- Print/Draft Supply, (for customer folders) - \$2,208
- Telephone - \$7,459
- Electricity - \$2,217

The Administration Department was under budget for the year, reported Mr. Cornett.

Water – Year to Date Expenses:

Non-Departmental is over budget \$312,034 for the year. Reasons for the overage discussed by Mr. Cornett are as follows:

- Banking Services - \$13,076
- Legal Fees - \$525,158
- Refunds - \$76,174
- Health Insurance - \$78,176

Mr. Cornett reported the Administrative and Customer Service Departments were both under budget for the year.

New Wastewater Connections:

There were no new wastewater connections in June.

Monthly Wastewater Revenue - Budget vs. Actual:

User revenue was above budget while connections fell under budget but combined were above budget for June.

YTD Wastewater Revenue - Budget vs. Actual:

The same scenario holds true for year to date revenue. User revenue was above budget, connections were under budget but the two combined are above budget year to date.

Wastewater - Monthly Expenses:

Monthly wastewater expenses were \$3,402 above the budgeted amount. This is because of health insurance which totaled \$4,989.

Wastewater - Monthly Expenses:

Year to date, the wastewater department is well under budget.

Cash/Reserve Status:

Mr. Cornett said this was under development.

Customer Service:

- Active water accounts increased by 27, above average
- Active wastewater accounts decreased by 8
- 141 customer requested disconnections; 90 were landlord/tenant accounts
- 213 reconnection/transfers of service
- disconnect for nonpayment were average
- The amount of Abatements was below average
- The Bad Debt write off was below average

Customer Opportunities:

- Most, hundreds are addressed at time of call.
- Excellent collaboration with Maintenance, Customer Service, and Engineering; folks are putting together a good plan for taking care

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

of our customers the right way, said Mr. Cornett.

Notables:

- Billing/Accounting Software Upgrades:

- We are now live.

Mr. Cornett thanked Mrs. Harold, Mrs. Edwards and Mrs. Ball for their labors with the software upgrade. There have been a lot of extra hours and effort put into the software upgrade, he stated.

- Celebration
 - Drinking Water Plant luncheon to recognize the VDH Gold Award for 4th years in a row!!!

Mr. Cornett congratulated the Water Treatment Plant for achieving the VDH Gold Award for the fourth year in a row, and gave special accolades for achieving the award during plant construction.

- Procuring for Health/Dental/Vision Insurance
 - Proposals due August 18, 2014
- The first Company Picnic to be held on August 9, 2014 from 10:00 am to 2:00 pm

Mr. Cornett thanked the Board for their willingness to allow WCSA to organize the first company picnic.

- Microsoft Training
 - Basic EXCEL in June – 37 Employees participated
 - Basic WORD in July – 31 Employees participated
 - Basic PowerPoint July – 16 Employees participated
 - Great attendance and response from Staff!
- 2014/2015 Budget Final Form
 - Includes 13/14 actual vs. budget compensation
 - Changed \$1,068,860 from cash to debt funded and moved to principal & interest

- New South Fork Intake & Middle Fork Drinking Water Plant Dedication and Tour

- Tuesday, August 19, 2014 @ 11:00

- Speakers:

- Dr. Basil Gooden USDA, RD, State Director, Virginia
 - Others speakers pending
 - Tumblers

- Public Relations/Outreach

- Quarterly Newsletter
 - Facility Tours
 - Civic Engagement
 - Volunteer
 - Project Signs
 - Landlords
 - In Development...

- Exit 24 Extension

- Love's confirms plans to open-cut
 - Negotiating a Contract for design now

- Succession Planning

- Who may retire over five years?
 - Who may leave?
 - Training possible replacements

- Consumption Decline

- Still in process
 - Rainfall
 - Meter accuracy

- Infrastructure Forum – August 21, 2014 at 11:00 am in Roanoke.

Mr. Cornett and Mr. Taylor plan to attend the Infrastructure Forum and invited the other Commissioners to attend.

What's Ahead:

- Go Live with the Billing/Accounting Software
- Financial Audit
- Insurance Procurement
- Middle Fork Dedication
- Employee Development
 - Training and or Coaching and Encouragement

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

- Succession Planning
- Consumption Decline

Mr. Taylor discussed the picnic saying, it looks like there is a lot of support. Mr. Taylor asked Mrs. Shaffer how many employees signed up to attend.

Mrs. Shaffer said a sign-up sheet distributed throughout the departments to get an idea of the number of employees and family members that plan to attend the picnic. There were 109 employees and spouses or guests and 30 children that signed up.

Mr. Taylor said he finds the more employees are able to get together, the better it is. Employees and spouses know each other better and so, they form a better team. Mr. Taylor also said something special should be done for the children. You want employees to come back next year, he stated.

At Mr. Taylor's request, Mrs. Shaffer reviewed the cost of the picnic as follows:

- Food cost for 190 people - \$2,120
- Ratliff Hall - \$180 for
- Russell Hall - \$125 for
- Pool rental - \$80 including life guards
- A few additional items
- Total cost to date about \$2,600.

Mr. Taylor said he would like to have some extra money to purchase gifts, especially for the children. Mr. Taylor said he wanted to be able to buy some gifts for the kids and give away some small gifts for Bingo. In Mr. Taylor's opinion, this is money well spent; it pays off.

Mr. Chase thought \$3,000 should be enough.

Mr. McCall motioned to approve a \$3,000 budget for the picnic. Mr. Hutchinson motioned to approve a budget of \$3,500 for the company picnic.

Mr. McCall agreed with Mr. Hutchinson and amended his motion to allow a \$3,500 budget for the company picnic. Mr. Stephon seconded and the Board approved voting 7-0-0-0.

Mr. Chase commented on the Civitan's group tour of the Water Treatment Plant. He said it was very interesting and WCSA staff did a really good job. Several members of the Civitan's group said it was the best meeting or tour of that type they had been on. Mr. Chase commended Mr. Cornett and staff for having such a good program and thanked Mr. Cornett.

Mr. Cornett said he was very pleased to do so.

10. Consideration of a Personnel Policy Revision - Robbie Cornett

Section 5.5 of the WCSA Personnel Policy and Procedures Manual reads as follows:

5.5 PROMOTIONS

When an employee is promoted to a position in a lower Pay Band (i.e., promoted from Pay Band IV to Pay Band III), the salary shall be at the minimum rate in that Pay Band. In the case of overlapping ranges, the promoted employee shall be increased above his/her then-current pay rate. Promotional increases may be delayed for a period not to exceed 90 days, pending evidence of the ability to perform the job to which promoted.

Our practice differs from the policy in the following ways:

- When an employee is promoted to a lower Pay Band, their salary is typically not at the minimum rate. In almost every case, to move the promoted employee to the minimum rate would result in a decrease in pay.

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

- We are not sure what is intended by the second sentence. First, all Pay Bands, sequentially speaking (from Pay Band IV to Pay Band V for example), overlap.
- Depending on experience and qualifications (evidence of the ability to perform the job), promotional increases are typically implemented between the effective date of the promotion or within one year of the promotion; not within 90 days.

For the above reasons, Mr. Cornett proposes the following revision in the policy:

5.5 PROMOTIONS

Promotional increases may be delayed for a period not to exceed One year, pending evidence of the ability to perform the job to which promoted.

Mr. Cornett asked the Board consideration to amend the policy to align with our established practice.

Mr. Nelson motioned to approve the above recommendation, Mr. Stephon seconded and the motion carried with a 7-0-0-0 vote.

11. Consideration of Global Positioning System Location Technology – Dave Cheek and Mark Osborne

WCSA Accurate GIS/GPS Data:

- Technology is Continually Evolving
 - Goal is to Provide the Most Cost Effective, Efficient Solution for Data Collection & Mapping
- WCSA Staff Continually Training and Evolving to Keep Pace
 - Attended Training in July where new techniques were discovered that allow our present technology to locate within 5 feet.

Long Term Vision:

Mr. Cheek referred to a chart that shows all the different field personnel that will

benefit from having the GIS technology available to them while in the field. Those include crew leaders, the utility coordinator, the RPR inspectors, Engineers and field personnel in distribution. Mr. Cheek said field personnel will also be able to collect mapping dimensions and feed those dimensions back to the GIS system. The GIS information that has been collected then goes to the GIS/GPS Specialist who will enter the information into GIS mapping program.

Timing and Cost:

- Brainstorming
 - Session Held
 - Assessing Current Technologies
 - Cost Benefits
 - Next Meeting Thursday this Week
- We Do Have \$7,560 in Maintenance Budget for GIS Field Compatible Devices in 2014/15 Budget

Mr. Osborne then spoke about the GIS system. At the last meeting, Mr. McCall mentioned that we have a GIS Specialist that go out with these units and find a meter that may not have shown up in the field or may have been covered over. Something that will be beneficial with this kind of approach, said Mr. Osborne, is that it is not only the GIS that would have access to this technology, but the RPR's in the field with the contractor will also have access to the GIS technology. The utility coordinator, who handles Miss Utility locates and One Calls, will also have access to this technology while in the field. If there is any additional request from a contractor, a meter locate for example, the utility coordinator will have access to the technology in the field and that information will not be limited to only one person. The cost for the system will

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

also be distributed, and will not be solely for locating infrastructure. Mr. Osborne talked about using iPads for other sources of communicating and linking with antennas so the data collection is more accurate. Mr. Osborne is also looking into the possibility of having work orders transferred on the system. At that point, we may be able to forgo the mi-fi card since the information is linking with the antennas and becomes wireless communication.

Mr. Taylor said this kind of thing changes so quick.

Mr. Osborne said we are trying to take that in consideration. Fortunately, this kind of system has gone down dramatically in price.

McCall the contractor is responsible if they break something. We found out on Reedy Creek and in Highlands Sub Divisions that employees that have been with WCSA for some time may know where lines, valves or meters are located but no one else does. If those things for example are in the system and we know where they are located, it keeps from breaking the water lines and interrupting service to customers. Knowing where the gate valves are saves a lot of time and headache.

Mr. Osborne said the Distribution Department was working on a graphical flow chart of how the system operates with various control valves, isolation valves, and pump stations. Mr. Osborne said he was working to create within the GIS Mapping layers that show traveling points within the system including alternative routes. Mr. Osborne hopes to have that information available to all employees, not on available to Distribution, in the next few months.

Mr. Hutchinson asked how the locating devise distinguished between a water line and gas line within the GIS system.

Mr. Osborne said there were different frequencies on the locating device. Mr. Osborne said PVC was more difficult to locate because it did not put out as much frequency. Duct wire, cast iron or copper as for example, can be isolated within a few feet with the locating device. Mr. Osborne said they just purchased four different locating devices that are far superior to the ones available in the past. If you have gas and water lines within a couple of feet of each other, it is hard to distinguish between them, added Mr. Osborne.

12. Consideration of Amendment No. 1 to the Engineering Agreement Between WCSA and The Lane Group for the Oak Park Sewer Project - April Helbert

The original Engineering Agreement with The Lane Group provided for \$75,000 in Additional Engineering and \$146,400 in Resident Project Representation (RPR) services, stated Mrs. Helbert. This Amendment provides for a net decrease in Additional Engineering and RPR costs totaling \$67,542.50.

Mr. Nelson motioned to approve the Amendment. His motion was seconded by Mr. Hutchinson and unanimously approved by a 7-0-0-0 Board vote.

Mrs. Helbert will continue to present change orders showing a decrease in project cost.

13. Consideration of the Western Washington County Water Reclamation Facility Special Exception Permit Resolution Bobby Lane

Mr. Lane reported that Kevin Heath and Kayla Thacker of The Lane Group (TLG) along with Mr. Chase, Mrs. Helbert and Mr. Cornett met with Mr.

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

Large on July 10, 2014 to present the site selection analysis that was presented to the Board on June 23, 2014. Mr. Large thanked WCSA for hearing his concerns, presenting the site selection analysis and said the revised location was better than the previous site. When asked, Mr. Large did not say that he was no longer opposed but said he had to weigh his position, but he seemed to be much more at peace with the new site proposal.

The next step is to present this site to the Washington County Planning Commission and the Board of Supervisors and request the Special Exception Permit. Prior to the Discharge Permit moving forward, we must request the Special Exception Permit. Mr. Lane feels everything they have done everything they can to inform the community of the plans for a new Wastewater Treatment Plant and Mr. Lane asked the Board's approval to move forward with the Planning Commission and Board of Supervisors meeting. Mr. Lane said he continued to ask the Board to solicit support with their counterparts on the Board of Supervisors and Planning Commission because receipt of the Special Exceptions Permit is critical to secure the Discharge Permit.

Mr. Hutchinson made a motion to proceed with the Special Exception Permit. The motion was seconded by Mr. Miller and approved by a 7-0-0-0 Board vote.

Mr. Chase said he spoke with Mr. Large after the meeting and Mr. Large seemed to be very satisfied. Mr. Chase does not think Mr. Large will oppose the new site. Mr. Chase said Mr. Heath and Mrs. Huff did a good job presenting the information to Mr. Large.

14. Consideration of Oak Park Sewer – Contract 1 – Change Order No. 2 – Matthew Lane

Construction of the Oak Park Sewer Project is complete reported Mr. Lane This Change Order provides for a final "clean-up" for all quantities of items installed vs. quantities bid. The net effect of this Change Order is a decrease of Contract Price by \$4,452.50.

Mr. Nelson motioned to approve Change Order No. 2. Mr. Hutchinson seconded and the Board voted 7-0-0-0 approving the motion.

15. Consideration of Oak Park – Contract 2A – Change Order No. 1 – Matthew Lane

This Change Order provides for a final "clean-up" for all quantities of items installed vs. quantities bid, explained Mr. Lane. The net effect of Change Order No. 1 is a decrease in Contract Price of \$8,017.

Mr. Stephon motioned to approve Change Order No. 1. His motion was seconded by Mr. McCall and the motion carried with a 7-0-0-0 Board vote.

16. Consideration of Various Project Funding Offers Consideration of Tumbling Creek South – Change Order No. 1 - Bill Skeen

Mr. Skeen said the contractor located a sewer line on the same side of the road as the line installation. The water line had to be on the left side, the same side of the road as the sewer line, because there was no shoulder on the right side of the road, explained Mr. Skeen. There was not enough room for the proper separation between the sewer and water line as required by VDH. We recommended the sewer line be reinstalled with water line for a total increase of \$2,775.

Washington County Service Authority Board of Commissioners
July 28, 2014 Annual Meeting Minutes

Mr. Taylor motioned to approve Change Order No. 1 in the amount of \$2,775.

Mr. Chase asked if there would also be an increase of 8 calendar days associated with the Change Order.

Mr. Skeen confirmed the Change Order would also increase the contract time by 8 calendar days.

Mrs. Helbert said it would this Change Order would increase contract time by 15 calendar days.

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

17. Election of Officers for August 2014 through July 2015 – Chairman; Mr. Chase

Mr. Stephon made a motion to nominate Mr. Taylor as Chairman. Mr. Nelson seconded the motion and the Board approved with a unanimous vote of 7-0-0-0.

Mr. Stephon made a motion to nominate Mr. Nelson as Vice-Chairman. His motion was seconded by Mr. McCall and approved with a unanimous Board vote of 7-0-0-0.

Mr. Nelson motioned to approve Mr. Cornett as Secretary, Mrs. Harold as Treasurer and Mrs. Shaffer as Assistant Secretary. Mr. Stephon seconded the motion which was approved with a unanimous Board vote of 7-0-0-0.

18. Agenda Item 18: Consideration of Committee Appointments for the 2014-2015 Fiscal Year – Chairman; Mr. Chase

Mr. Hutchinson and Mr. Nelson volunteered to represent WCSA on the Washington County Joint Utilities Committee.

Mr. Nelson volunteered to serve on the Chilhowie/WCSA Regional Water Treatment Plant Steering Committee.

19. Agenda Item 19: Consideration of the 2013-2014 Fiscal Year Banking Resolutions - Chairman; Mr. Chase

Mr. Nelson motioned to approve Mrs. Harold and Mr. Cornett in Resolutions 1, 2, 4 and 6 (open new accounts, borrow money, safe deposit boxes and "all powers").

Mr. Nelson said this resolution only allowed Mr. Cornett and Mrs. Harold the authority to sign documents approved by the Board; and does not give Mr. Cornett or Mrs. Harold the authority to actually borrow money.

Mr. Hutchinson seconded and the Board approved with a unanimous vote of 7-0-0-0.

Mr. Stephon motioned to approve the Controller (Mrs. Harold), General Manager (Mr. Cornett), Customer Service Manager (Mrs. Edwards), the Chairman and Vice-Chairman the authority to sign checks; HUB resolutions 3 and 5. Mr. Hutchinson seconded and the Board unanimously approved with a 7-0-0-0 vote.

20. Late Items

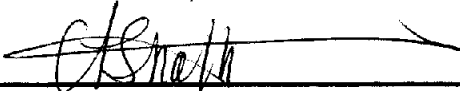
There were no late items to be discussed.

19. Adjourn or Recess

At 8:04 pm, Mr. Stephon motioned to Adjourn. Mr. Taylor seconded the motion and the Board approved voting 7-0-0-0.



Mr. Joe Chase, Chairman



Carol Ann Shaffer, Assistant Secretary