

Washington County Service Authority Board of Commissioners
August 22, 2016 Regular Meeting Minutes

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:01 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Wayne Campbell
Mr. Jim McCall
Mr. Dwain Miller
Mr. Vernon Smith
Mr. Mike White

Commissioners Absent:

Mr. Mark Nelson, Vice Chairman

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager
Kimberly Boyd; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant
Dave Cheek; Operations Manager
Mark Osborne; Technical Manager
Holly Edwards, Customer Service Manager
Don Cole, Water Treatment Plant Manager
Kenneth Perrigan, Meter Manager

Consultants Present:

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

General Counsel Present:

Dawn Figueiras; Elliott, Lawson & Minor

3. Approval of the Agenda

Mr. Cornett requested the Agenda be adjusted to reflect Dave Cheek as the presenter for Item 8 and Robbie Cornett for Item 9. Mr. Taylor asked that Item 11 be discussed before Item 6.

Mr. Campbell motioned to approve the Agenda reflecting the requested adjustments, Mr. Miller seconded and the Board approved voting 6-0-0-1.

4. Public Query and Comment

Mr. Howell Chaney of 21065 Nassau Drive in Abingdon made yet another request to relocate meters from Buckhaven to Nassau Drive.

Mr. Chaney said he showed Mr. Cornett and Mr. Kiser another option to install the water line. Mr. Chaney said he would still have to install about 800 foot of line, shortening the line about 100 feet.

Mr. Chaney said there was a right of way and he didn't understand why the county couldn't move the meters to Nassau Drive but the county said they couldn't get a right of way to move the lines. Mr. Chaney said he didn't see what the problem in moving the meters to the top of Nassau Drive would be as it would save WCSA money and the resident's money.

If the meters are moved to Cedarwood, Mr. Chaney said he would have 900 to 1,000 more feet of line to install.

Mr. Cornett said at last month's meeting the Board approved looking into two different options. One was to move the meters from Buckhaven to Cedarwood and allow residents the opportunity to install service lines on Nassau Drive. The second option was do a water line extension project together with the residents providing construction and WCSA providing materials and engineering services.

Mr. Chaney contacted Mr. Cornett and Mr. Kiser and asked about moving the meters from Buckhaven to Nassau with a short line extension of about 200 feet. Mr. Cornett said what the team has been looking into since that time is a right of

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way between the two points. From the mapping WCSA has available, it appears the right of way is in Buckhaven. From a right of way standpoint, particularly given the controversy over access, we wanted to be sure from an easement standpoint we are safe. The team looked at a shorter route through a field that would be easy for a line installation on a neighboring property but the land owner declined the easement, explained Mr. Cornett.

Mr. Cornett said he wanted to verify the right of way so they could obtain the proper easements, if the Board wanted to pursue that route before moving forward. Mr. Taylor asked if there was a workable solution.

Mr. Cornett said from a technical standpoint there is but he has to check the easements and it would be up to the Board to what roll WCSA would play in the project.

Mr. Cornett said the water line came near the driveways of the Miller and Ryan property to Nassau Drive. Mr. Cornett said he didn't know who owns the property where the lines are located.

Mr. Chaney said Ms. Stenson told him she owned the property Mr. Chaney said he tried to pay an association fee to Buckhaven so he could access his meter and Buckhaven refused. The residents already have water lines and Mr. Chaney said he did not see what the problem is in running lines and setting meters on Nassau Drive.

Mr. Cornett said he hoped to confirm ownership of the right of way with Ms. Stenson, secure an easement from her and bring back to the Board at the September meeting.

Mr. Bill Hurley of Nassau Drive was the next to address the Board requesting the meters be moved from Buckhaven to Nassau Drive.

Mr. Hurley said he recently bought a home in that area and his wife teaches in the area. If we have a busted water line, I don't know what I will do about a water bill; teachers do not make a lot of money, said Mr. Hurley. He said he could not access his meter without a police escort. "If you were in my shoes, what would you do", he asked? Surly, something can be done to move the meters about 200 feet to property where we have access.

What is the Board's pleasure at this time, asked Mr. Taylor.

Mr. McCall said he thought things were moving in the right direction. Staff needs a few more days and I think we can get something done, stated Mr. McCall.

The Board agreed.

5. Approval of the Consent Agenda

A. Approval of Minutes:

- July 25, 2016 Annual Meeting Minutes

B. Routine Reports: July 2016

- Water Production
- Water Distribution
- Meter Department
- Wastewater Operations
- Customer Service
- Maintenance
- Engineering
- Accounting
- Health & Safety Report

C. Financial Reports: July 2016

- Balance Sheet
- Income Statement

D. Consideration of a Request to Pursue Funding From Mount Rogers Planning District Commissioner for a Water Line Extension Along Chip Ridge Road - *Kim Boyd*

E. Consideration of Amendment No. 2 to the WCSA The Lane Group Engineering Agreement for Sewer Use Rules and Regulations and

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Industrial/Commercial pretreatment
Program Development - *Dave Cheek*

F. Consideration of Amendment #2
to the Engineering Agreement between
WCSA and The Lane Group for Mill
Creek Regional Water Treatment Plant
Improvements Project - *Dave Cheek*

Mr. Miller made a motion to approve the
Consent Agenda with the requested
adjustment, Mr. Campbell seconded and
the Board approved voting 6-0-0-1.

**11. Consideration of Requested
Attorney General Opinion – Board of
Commissioners, Elliott, Lawson &
Minor**

Mrs. Figueiras offered to answer any
questions the Board may have.

Mr. McCall asked if WCSA was in
agreement. The county actually has to
request the Attorney General's opinion,
correct? The county has to request the
opinion on our behalf because we are an
Authority, said Mr. McCall.

Yes, answered Mrs. Figueiras. Another
option is the COIA Advisory Council
opinion. The COIA Advisory Council
was put into place by the General
Assembly about a year ago and they can
get opinions from the Attorney General
as well. When Elliott, Lawson & Minor
(EL&M) brought the request to Ms.
Lucy Phillip's attention, she suggested
she would like to request the opinion,
stated Mrs. Figueiras.

Mr. McCall asked if WCSA was in
agreement with the county's opinion and
with Ms. Phillip's opinion.

From discussions with Ms. Phillips, Mrs.
Figueiras said she believes we do share
the same opinion now.

Mr. Smith said he talked with Ms.
Phillips a few times about the issue. Mr.
Smith said Ms. Phillips told him as long
as the Check Register was on the
Consent Agenda, everyone could vote. If

the Check Register is on single item,
that's where it gets hairy, stated Mr.
Smith.

Mr. Smith said he agreed with the
conclusion on the memo EL&M
provided the Board. EL&M added in the
conclusion; check registers that include a
payment request from a business that
employees, provided the check register
contains payment requests from at least
two other unrelated businesses. Mr.
Smith said he did not know if that was
right because he said when he read the
law, he thought the law says something
different. Mr. Smith said there is no
reason to pull one item (the Check
Register) off the Consent Agenda to vote
on as long as there are two items on the
Consent Agenda.

Mr. Smith said you have exemptions.
The first exemption is if it is a single
item and you are the sole owner then you
have to disqualify. If there are three
Commissioners that own a business,
item two says you may participate in the
transaction if a member of the business,
professional occupation or a group of
three or more persons which are affected
by the transaction. Mr. Smith said the
way he read it is if you have three people
that own a business, you can still vote
because of an exemption.

Mr. Smith again said he agreed with the
conclusion from EL&M but on the
Consent Agenda, didn't understand
about the two unrelated businesses.

If I can respond, said Mrs. Figueiras.

Mr. Smith said in talking with Ms.
Phillips, she saw no reason to pull the
Check Register off the Consent Agenda
just because a Commissioner works for a
certain company; there was no reason to
do that.

Mr. Smith said Rebecca who works for
COIA said the same thing, I confirmed

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that. Ms. Phillips talked with Rebecca and confirmed it too, said Mr. Smith.

As long as you do the declaration that is required stated Mrs. Figueiras. You are exactly right said Mr. Smith. On the Board of Supervisors, we have a form to fill out (to declare conflict of interests).

Mrs. Figueiras said she had a sample form for the Commissioners.

I want to respond to how you (Mr. Smith) characterized the issue of is it two or more businesses or three or more businesses. Mrs. Figueiras said that was very much an open question within the law. That is very unclear under all the Attorney General's opinions and under everything EL&M could find. Mrs. Figueiras said that is why EL&M wrote the memo to the Board the way they did. If there are at least two other businesses for a total of three, there is not a problem. If it is the only business on the Check Register, that is definitely a problem. If there are two, I think it is an open question under the law, and that is why we wrote it (the memo) the way we did, explained Mrs. Figueiras.

Essentially, you look at it in three steps; that is our (EL&M) recommendation. Is there a personal interest in the transaction? Do you own more than 3% of the company and or do you earn more than \$5,000 a year from the company? Do you have a personal interest in the transaction? Mrs. Figueiras said the answer in both cases was yes, you do have a personal interest in the transaction. The next step, and we did not go to the next step last month, EL&M recommended at that point the most conservative option was to abstain. There is a personal interest so abstain and you can never go wrong by abstaining, explained Mrs. Figueiras. If you look at the exception the next step is

does that transaction apply solely to the Commissioners business you have a personal interest in. If there are several items on the Check Register, then no; it does not apply solely to you. If you pull that one item from the Check Register to consider it solely, then yes, that transaction is applicable solely to you so you could not move on, explained Mrs. Figueiras.

Mrs. Figueiras continued to explain saying if the transaction does not apply solely then you move to the next step and look at whether you are a member of a profession or group of three or more persons. If you meet that; you have personal interest in a company by virtue of being an employee. Are there three or more employees in the company; yes, then you a member of a group of three or more, so you are permitted to vote on the transaction if you go through the detailed declaration and have your written statement on file. Mrs. Figueiras said that is EL&M's conclusion.

Mr. Smith said he thought the three or more persons referred to three or more persons owning a business together.

Mr. Smith thought there probably would never be only two checks being approved on the Check Register.

On a Check Register, that would be extremely unlikely. It would be more likely there would be a different kind of transaction under consideration other than payment or approval of a transaction, said Mrs. Figueiras.

Mrs. Figueiras gave some examples the Attorney General used in their opinion of a group of three or more were a group of three siblings owned property and the entity was looking to buy that property. The Attorney General said if that is the only property under consideration, the transaction applies solely to the siblings and you cannot move forward.

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If the transaction is a joint application to purchase several different parcels, one of which is owned by you and your siblings, it does not apply solely to you. You then must ask if they were in a group of three or more. There were three siblings that owned the property so you can move forward with the transaction, said Mrs. Figueiras.

Another example Mrs. Figueiras gave was the Board of Supervisors had to approve the School Board's budget. A Board of Supervisors member's spouse works for the School Board. The spouse is a member of a group of three or more so the transaction does not apply solely to the spouse so it is permitted.

"From what I see, I think we are doing it right", said Mr. Smith

Except for the declaration, stated Mrs. Figueiras.

If that one transaction affects you solely, you have to abstain, stated Mr. Smith
Mrs. Figueiras agreed.

If WCSA buys 500 tons of stone on five different dates, is that five different transactions, Mr. Taylor asked?

In that case, the transaction is not the purchase. The transaction is what the Board is doing. What the Board is doing is approving payments so that is the transaction. If the Board is approving it by virtue of the Check Register, that is a transaction that covers approving the checks for the whole month so that would not apply solely, explained Mrs. Figueiras.

What is the proper way to resolve this, asked Mr. Taylor?

Mr. Smith said he did not believe the Board needed the Attorney General's opinion.

In the situation last month where there were checks written to the companies Mr. Taylor and Mr. White worked for, Mrs. Figueiras said EL&M's advice now

would be yes you do have a personal interest in that transaction but the transaction was not applicable solely to your company and you are both members of groups of three or more so you could participate and vote in that transaction; but you both have to do both the written declaration and the verbal declaration on record.

Mrs. Figueiras said to think of it in three steps. First, what is your personal interest in the transaction? Second, does that transaction apply only to the business you have a personal interest in? If so, you stop there (abstain). If it does not, you can look at the other exceptions. If you are a member of a group of three or more that is equally affected by the transaction, you are permitted to vote and make that declaration that you can be fair and objective and the other things stated in the declaration examples. Mrs. Figueiras said she wished the Statute was very clear.

Mr. Smith agreed.

You will never go wrong by abstaining, said Mrs. Figueiras.

Mr. Taylor asked that the Check Register be added back to the Consent Agenda.

Mr. White said the county could do the declaration for the Commissioners when the filled out the annual packet.

The declaration is different from the disclosure statement, said Mrs. Figueiras.

Mr. Taylor asked if it was the Board's decision not to request the Attorney General's opinion. He asked if the Board should make a motion on that matter.

Mrs. Figueiras said she thought so since the Board made a motion in July to obtain the Attorney General's opinion.

Mr. Smith made a motion not to obtain the Attorney General's opinion of COIA.

Mr. White seconded. Mr. Taylor asked if

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there was any more discussion. Mr. McCall asked how much it would have cost if the Board did continue with the request for the Attorney General's opinion. We spent \$1,646 and we were supposed to get the Attorney General's opinion and we didn't get it. If we would have gotten the opinion, what would it have cost?

Mrs. Figueiras asked if she should respond.

Mr. Taylor asked Mr. McCall if he wanted an answer.

No, said Mr. McCall.

Mr. Taylor called for a vote. The Board approved the motion voting 6-0-0-1.

6. Approval of the Check Register / General Manager Financial Report: July 2016 – Chairman

Mr. Smith made a motion to approve the Check Register / General Manager's Report. Mr. Miller seconded and the Board approved voting 5-0-1-1 with Mr. Taylor abstaining.

Mr. Taylor asked that the Check Register / General Manager's Report be included in the Consent Agenda

7. Water and Wastewater Construction Projects Update – Ryan Kiser

Mr. Kiser updated the Board on the following projects.

Inside Engineering Projects:

- Haskell Station Road - 4,700' of line work

The Project has been submitted to VDH for review. After receiving clearance from VDH, project will be advertised for bids and those bids will be reported to the WCSA Board. Project is VDH funded with \$114,000 loan at 2% for 30yr and \$120,000 principal forgiveness. Mr. McCall asked if this project was in the Rate Model.

Yes sir, said Mr. Cornett.

- **Ritchie Road Water Line Project**

WCSA is working with landowner from the Old Saltworks side and has sent landowner an easement to review. The hydraulics is being evaluated to see if this option is feasible.

- **Bradley Sewer Relocation in Glade Spring**

WCSA has reached an agreement with Mr. Bradley. Staff will be working on easements and design of the sewer line relocation. Mr. Kiser plans to meet with Mr. Bradley next week.

Potential New Water Line Extensions:

- **Rattle Creek Road**

Staff is working to schedule a community meeting to discuss the project with residents. Staff is also working on the alignment of the water line. Staff has received 12 out of 16 User Agreements. Mount Rodgers has interviewed the area for low to moderate income for the availability of those funds from Mount Rodgers.

- **Archery Range and Mary's Chapel Road**

Staff has been working with members of the community with the help of Mr. Miller to gauge interest from residents about their interest in public water. To date we have received interest surveys that confirm 10 out of 25 residents have agreed to connect if there was a project. Mr. Miller said he recently received one additional User Agreement.

Mr. Kiser thanked Mr. Miller for his help.

- **Chip Ridge**

In the Consent Agenda, Staff requested permission to apply for funding with Mount Rogers Planning District and The Board approved that request. Applications are due August 31, 2016.

Private Development Projects:

- **Love's Travel Stop**

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Staff is working on closing out the project.

- Exit 19 Development

Construction continues onsite and RPR continues to monitor work.

- Pippin Sewer Phase 5

Construction is complete. Once testing is complete, Staff will begin closing out the project.

- Legacy Village

No further development on the project.

- Meadows Project (Abingdon Exit 17)

Staff received revised plans today.

- Green Springs Road Re-Alignment
Staff has reviewed plans and approved project for construction. Construction will begin in the next few weeks.

- Dollar General Store Watauga Road
Project is complete, Staff is closing out project.

- Chris Renee Cosmetics Oak Park
RPR will continue to monitor work as project progresses.

- Highlands Community Services
Baugh Lane

No changes. Staff is waiting on revised plans.

- Restaurant Exit 19

Staff received revised plans and has approved project for construction.

- Virginian Water Line Extension

Staff is waiting on revised plans.

- Emory and Henry Villages

Staff has provided fire flow and pressure results to Engineer and is waiting on revised plans.

- Fairfield Inn Project

Contractor is working on a couple punch list items. Once that work is complete, Staff will begin closing out the project.

- Farm Credit

Staff has requested as-builts and project closeout paperwork. Once that is received project will be closed out.

Mr. Miller asked about if Mr. Kiser could obtain the as-builts for the Virginian Water Line Extension Project so the project could be closed out and removed from the update. It has been on there a long time, stated Mr. Miller.

Mr. Kiser will work on obtaining the as-builts so the project can be closed out.

8. Operations Report and Update – Dave Cheek

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

Discussion Items:

- Financials less Compensation and Benefits
- Department Highlights
- Forward Looking Statement

Year to Date We are Tracking Under Budget

Mr. Cheek reported all departments are under budget year to date. Mr. Cheek said overtime was looking really good in all departments.

2016 July Water Production Highlights:

- South Fork Intake (SFI) & Middle Fork Drinking Water Plant (MFDWP) Issue Resolution
 - Placed Purchase Order for Raw Water Pump Rebuild
 - Placed Purchase Order for additional 1,000 gallon air receiver tank
 - Tank was received today. This tank is for the airburst system.
- System Operation
 - Addressing System Time, Temperature Relationship as it Impacts Quality
 - Just Received VDH Results for Q3 which are very good
 - Addressing lower than desired Chlorine Residuals in certain lines

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Mr. Cole said Chlorine Residuals was a seasonal issue. As water moves from tank to tank it warms up causing a depletion of the chlorine. Due to the record heat in July, this is a bit amplified this year. We are staying on top of it and having to flush a lot of water because of this issue, stated Mr. Cole.

Brumley Gap Tank – Discharge HAA5:

Mr. Cole discussed the HAA5 results saying he was very pleased with the third quarter results. The numbers are significantly lower than in previous years. Mr. Cole said he made some operational changes at the plant and on the system and things are headed in the right direction.

Mr. Cheek explained 60 was the upper control limit. Traditionally in the third quarter, the numbers have been above 60 but this third quarter was below the control limit. The key is taking data, evaluating the data and making adjustments based on the data, stated Mr. Cheek.

Mr. Cornett said the third quarter control limits for this year are better than the control limits for the past three years. That is a significant improvement in HAA5, stated Mr. Cornett.

Mr. Cheek said HAA5 was something all utilities were struggling with and he was very pleased with the current numbers. The first two quarters this year, HAA5 control limits tracked low as well. It is a big deal, stated Mr. Cheek.

2016 July Water Maintenance Highlights:

- Galvanized Phase II Support
 - Tuesday Morning Meetings with TLG
 - Good Progress, Minimal Issues
- Routine Activities
 - Leaks –17 (2015 Avg. 30

- Main Line Breaks – 6 (2015 Avg. 6)
- After Hours Responses – 43 (2015 Avg. 38)
 - After Hours Responses a Target Area for Improvement
- Costs
 - Preventative Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations

The replacement of galvanized line contributes to the reduction in leaks. There are still multiple leaks in parts of Hawthorne Drive which is an area we are looking to replace lines. Another area we are giving attention to is the transite line on Lee Highway near the BVU's office.

Mr. Cheek then discussed recent fire hydrant testing. Fire hydrant testing results in a flurry of phone calls from customers about discolored water in the particular areas. Mr. Cheek worked with Mrs. Browning and Mr. Kiser to develop a card to be passed out and or mailed to customers when hydrants are being tested or flushed in their area. The card will explain to customers that work or testing is being done in the area and what they can expect as a result of the work or testing. Mr. Cheek explained the team is working to on ways to communicate with customers and keep them informed. This also helps ensure the customer service team stays informed of work being done so they can better serve our customers when they call with questions, explained Mr. Cheek.

2016 July Distribution Highlights:

- Non-Revenue Water
 - Focusing on Fundamentals

Mr. Osborne has spent a lot of time in Taylor's Valley for the past several

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weeks locating several significant leaks totaling about 500,000 gallons per day.

- Executing PSV/PRV Preventive Maintenance Program
- Establishing Preventive Maintenance Programs for Pump Stations, Tanks, Gate Valves, & Fire Hydrants
- Continued with Customer Education & Inspections of Cross Connections and Back Flow Prevention
- Investigating and Correcting System Pressure/Flow Issues
- Providing Technical Support to SFI and MFDWP Issues

Mr. Cheek said because the water has a lot of grit, we would be using mechanical seals on the new pumps. There happens to be a well at the SFI so we can bring fresh water to the pumps to ensure we have the correct pressure and flow for the seals, stated Mr. Cheek.

Forward Looking Statement:

- Customer Relationships
 - Fire Departments
 - Hydrants & Training
 - Water & Sewer Customers
 - More Customer Engagement at Time of Contact
- Costs
 - Production Costs (Water Loss and I&I)
 - After Hours Call In

Are employees comfortable asking customers if their issue can wait until the next day instead of call out a crew in the middle of the night, asked Mr. Cheek?
- Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests
 - Executing DBP System Aging Analysis

Mr. Miller said he heard an announcement on the radio from a local

utility company notifying customers they were flushing lines and testing hydrants. Mr. Cheek said in the modern world, we have access to multi media outlets and are looking into the benefits of using social media for customer notification. He is also looking into using cell phones and radios for customer communication. Mr. White said Emergency Management and the county purchased a system they use to communicate work being done in the county with residents. County residents can sign up to be alerted via text message or email of work being done in the county. That service is free of charge. WCSA can call dispatch and tell them of testing and work being done and dispatch will send out a county wide message to those who sign up for the service, free of charge, said Mr. White. Mr. Osborne said they work directly with Fire Chief's about hydrant testing being done and thought using that system would be very helpful for customers.

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

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

Introduction:

- Safety
- Financials
- Customer Service
- Accounting
- Field communications
- Notables
- Looking Ahead
- Cash Reserves – *Kim Boyd*

Safety:

- July 2016
 - 11,119 Hours Worked
 - OSHA Recordable Incidents
 - Poison Ivy
 - Back Strain
- Preventable Vehicular Accidents

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- None
- Safety Training
 - Chlorine Safety-Wastewater
 - Working Outdoors in Warm Weather-Maintenance, Meter and Distribution

Financials - New Water Connections:

There were 11 new water connections in July. There were 100 new water connections for 2015.

Financials - Water Revenue:

For July, water revenue about \$121,000 above projections.

Financials – Expenses:

- Non-Departmental \$42,441 Over Budget due to Onetime Water Withdrawal, Flood Insurance and Software Maintenance Fees.
- Administration \$45,052 Under Budget After Adding Back Sick and Vacation Accruals.
- Customer Service \$31,976 Under Budget After Adding Back Sick and Vacation Accruals.

Financials - New Wastewater Connections:

There was 1 new wastewater connection in the month of July. In 2015, we had a total of 10 new connections.

Financials - Wastewater Revenue:

- Wastewater Revenue for July was \$10,864 above projections.

Financials – Wastewater Expenses:

- Non-Departmental \$10,048 Under Budget After Deducting \$5,000 Local Limits Expense.

Customer Service:

- 21,291 Active Water Accounts
 - Increase of 15 from June
- 2,361 Active Wastewater Accounts
 - Decrease of 7 from June
- 224 Reconnection/Transfers of Service
 - 2015 Average 183
- 110 Disconnects for Nonpayment
 - 54 were Owned Properties

- 56 were Rental Properties
 - 2015 Average 99
 - 2,647 Rental Accounts 12% of Total but Account for About Half of Disconnects for Nonpayment
- 50 for \$7,761.33 Abatements
 - 2015: Average 108 for \$19,256
- Remit Plus (Check and Bill Scanning) in Testing
 - This system scans the bill and the check
 - Confirms the bill amount and check amount match
 - Confirms the check is not on the bad check list
 - Confirms the amount in the box and the written amount on the check match
 - Posts the amount to the customer's account.
 - Post's payments about one day sooner
 - Saves Customer Service a great deal of time!
- Customer Policy Under Consideration:
 - Leak Abatement: Proof of Leak Repair
 - High Bill Financing
 - Meter on/off Fee During Working Hours
 - Meter on/off Fee Outside Working Hours
 - Meter Resets After 3:00 PM
 - Website Outage Notification Feature
- Water and Sewer Service Line Insurance Request for Proposals
 - Home Serve
 - Utility Service Partners

Accounting

- Controller Search
 - Interviewing Soon
- Audit Preparations
 - Jim Fern-Financial Statement (August 16)

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- RFC-Audit (August 30 Start)
- Internal Controls and Fringe Benefit Audit
 - Developing and Prioritizing an Implementation Plan
- Build America Bond Refund
 - Received \$360,062.98 Since 2013

Field Communications Timeline:

Mr. Cornett expressed his appreciation to the entire Field Communications Team, particularly to Mr. White and Mr. Cheek, for their hard work.

- 1970's WCSA's First (Low Band) Two Way Radio System
- 2002 WCSA Engages AEP Regarding (Improved; Better than Current System) Radio Service
 - Great System but too Expensive
- 2011 Radio System Didn't Work Well Due to Outdated Equipment
 - Sought Improved Radio System for Decade Without Success.
 - Planned to try and use Cellular Phones and Hope Service and or Coverage Would Improve Over Time However there has been No Real Improvement
- 2013 FCC Took Steps to Discontinue Low Band Frequencies; All Systems Must be P25 Compliant and Must be VHF or UHF (High Band Frequencies).
- 2015 WCSA Forms Field Communication Team
 - Mike White, Wayne Campbell (2016), Dave Cheek, Johnny Lester, Jennifer Ball, Don Cole, Ken Perrigan, Mark Osborne and Robbie Cornett
- Considered VERIZON (Cellular), STARS (Virginia State Police), and WCSA Radio System
 - VERIZON Suggested Hybrid System (VERIZON and WCSA Owned Two Way Radio)

- STARS Expensive and Ineligible
- Team Conclusion: Hybrid System; VERIZON Plus WCSA Owned Radio System to Promote Safety and Production for Employees and Customers
- WCSA Owned Radio System Goals
 - Update System to Comply With 2013 FCC Regulation
 - Ensure Inoperability With Police, Fire, EMS, Public Works (Abingdon and Bristol) and BVU in the Event of Natural or Domestic Disaster
 - Purchase Site on Brumley Mountain
 - Lease Extra Space on Tower to Others (Recover Cost)
- July 2016 Board Approves:
 - Epperson Tower and Trailer Purchase (August 3, 2016)
 - DGIF Lease Application (July 27, 2016)
 - Frequency Application
- August 25, 2016 Proposals Due
 - Question for the Board Tonight?
 - Recess Tonight's Meeting and Consider Proposals Next Week
 - Delegate Decision on Proposals to Field Communications Committee

Mr. Miller asked if there was any reason the Board couldn't consider the proposals at the September Board meeting. We haven't had a system in 5 years, waiting 4 more weeks wouldn't be an issue. Considering the dollar amount being spent on the radio system, Mr. Miller felt it should be brought before the full Board for consideration.

Mr. Campbell agreed with Mr. Miller. Mr. White said the team has worked on this for over a year, and didn't see the problem meeting one day next week. We are trying to get insight on equipment

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and get the process started. He continued saying if you want to delay another 30 days, that is up to the Board. We are trying to get the process started; we have worked on this for a year now and we continue with getting the infrastructure going and things on the tower. In 30 days we could have everything installed on the tower. We have to install radios in 52 vehicles and have things to install on the tower. A lot of that could be done in 30 days.

We are still 6 months out on getting the licensing, correct, asked Mr. Campbell.

That was the projected time, it could be sooner than that, said Mr. White.

We have time, even if licensing only takes 3 months, we have time stated Mr. Miller.

The Board agreed to discuss proposals at the September meeting.

Notables:

- Congressman Griffith/USDA Rural Development Roundtable Discussion
 - September 1, 2016
 - SWVA Higher Education Center
 - 8:15 AM to Noon
- Water Withdraw Permit
 - Pending:
 - Revised Modeling
 - Richmond Meeting
- Beaver Creek Wastewater Discharge Permit
- Exit 13 Phase 2A Easement
 - Secured Final Easement

Mr. Cornett thanked Mr. Taylor for his work in securing the easement.

Looking Ahead

- Annual Audit
- Water Quality

Mr. Cornett expressed his appreciation to the operations group for the fine work they have done and the results of it.

- Field Communications
- Water Withdrawal Permit
- Beaver Creek Discharge Permit

- Energy Performance (Meter Replacement)

Mr. McCall commented on a document Mrs. Edwards presented to the Board saying it is well written, to the point and has some good information that everyone can understand. Thank you, said Mr. McCall to Mrs. Edwards.

Mr. Cornett echoed Mr. McCall's comment. Customers do not understand the complexity of how the billing cycle works; it could be 27 days one month and 35 days the next. Mr. Cornett said Mrs. Edwards did a very good job explaining that.

10. Engineer's Report and Update

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

• Exit 13 Sewer Project Phase 2A

On July 26th, A&A received confirmation from DEQ the additional funding needed for the project was available.

On July 28th, WCSA issued the notice of award to the contractors.

On August 1, Mr. Amos sent the Notice of Award and associated contractor documents to Boring Contractors for their execution.

On August 18th, Boring delivered bonds and agreements to WCSA and have been reviewed by WCSA legal counsel. Review comments have been sent to Boring for their consideration.

• Exit 13 Sewer Project Phase 3

A&A delivered a pump station site plan to WCSA staff for review.

WCSA staff coordinated and met with the power company on site to determine the kind of power available for use in the design of the pump station

Mr. Kiser reported to Mr. Amos they had 70% of the necessary project easements in hand. There are 15 easements still needed for the project.

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Mr. Kiser said there were two easements that would be difficult to obtain. One person requested compensation for an easement that is to be used for a main sewer line. Mr. Kiser continues to work with that property owner.

Bobby Lane of The Lane Group (TLG)

• Galvanized Waterline Replacement Project – Phase II, Division 5

The money remaining after the completion of the first 4 Divisions has been awarded to Division 5.

Little B Construction's work continues to pick up as they have two crews working and are making good progress.

• Galvanized Waterline Replacement Project – Phase III

TLG is working to complete hydraulic modeling and is working on design of Phase III.

• Mill Creek Water System Improvements

Rural Development granted permission to advertise this project for bids. The project was advertised on August 7th, the Pre-Bid meeting is August 23rd, and the bid opening is September 7th. The Town Council meeting is September 8th and TLG will have bid results for Board approval at the September meeting.

• Route 58 Water Supply Improvements Project

Mr. Lane submitted final plans for WCSA's review.

Mr. Lane said the Job Corps was still a potential customer and would use about 15,000 gallons per day. The Intermont Utility District and the Job Corps are on their third draft of the intermittent water sales agreement.

Mr. Lane then commented on WCSA's HAA5 results. Mr. Lane said every client he has was struggling with HAA5 limits. The work WCSA staff is doing with the fluoride tracer study and water

age work and sampling and their work with chlorine to get the numbers down the way they have is really outstanding.

Mr. Lane said he did not have another client that was anywhere close to the being in that good of shape with HAA5 results. Mr. Lane said he wanted to tell the Board the work WCSA staff is doing with disinfection by-products and HAA5's is really on the cutting edge.

12. Consideration of WCSA Employee Health Insurance Proposals – Kim Boyd

Mrs. Boyd began saying, as you know, we switched insurance agents to Health Care Choice. They have assured us, each year, they will work to get the most cost effective health care they can. This year, we received Anthem renewals in late July with a 9% increase from last year. Health Care Choice went back to Anthem asking them for a better quote. Anthem dropped their increase from 9% to 6%.

WCSA's average insurance increase was 5% as Morgan White did not increase.

Health Care Choice offers an Option 1 and Option 2 if the Board was not favorable to the 5% increase in health insurance, stated Mrs. Boyd. Those options increase deductibles and out of pocket expenses for the employees.

Mrs. Boyd said WCSA budgeted for a 10% increase in health insurance and the increase is well below what was budgeted for health insurance. Vision insurance did not increase and there is a 3% increase in dental insurance. WCSA currently pays about \$1.2 million for employee health insurance; including health, dental, vision insurance and an employee FSA/HSA contribution. That amount will increase to \$1.318 million; an increase of about \$61,000.

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Option 1 would allow for an increase of about \$57,000 and \$7,000 for Option 2, explained Mrs. Boyd.

Staff recommends the Board stay with the current employee health insurance plan and continue contributions to employee FSA/HSA plans since it is well within the budgeted amount, stated Mrs. Boyd.

Mr. McCall asked if employees had issues with the insurance.

Mrs. Boyd said the new FSA/HSA company had some glitches in their system last year requiring additional documentation for payment. We have worked through those so money should flow better this year.

Mr. Cornett said there was confusion about the two insurance cards; Morgan White and Anthem.

Mrs. Boyd said WCSA had a follow up employee meeting to explain the two cards and both cards should be presented at the doctor office for payment. Health Care Choice provided WCSA employees with an information sheet and asked that employees call them directly if they had any questions or payment issues. Health Care Choice seems very willing to help work with providers if there are payment issues, stated Mrs. Boyd.

Mr. McCall made a motion to approve employee health insurance as recommended by staff. Mr. Campbell seconded. The Board voted 6-0-0-1 approving the motion.

Mr. Miller said at one time the Board agreed employees would have to start paying more. This is something we are going to have to look at hard. Unfortunately, we have a lot of people who need water. We need to look at this (employee health insurance) in the grand scheme of things and in ways we (the Board) can help people get water, stated Mr. Miller.

Mrs. Boys said she thought the ultimate goal was to find more reasonable options than being fully funded with a national carrier and that did not pan out. The goal was to move to that on January 1st but the pricing was not below Anthem's pricing. We are still exploring those options at each renewal to be sure Anthem is still the best choice; and currently, Anthem is the best choice, stated Mrs. Boyd.

13. Closed Meeting – 7:44 pm

Mr. Campbell moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

1. Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Public Funds:
 - a. Discussion and consideration of the acquisition of real property for a public purpose, where discussion of such acquisition of property in open meeting would adversely affect the bargaining position of WCSA.
 - i. Easement acquisition related to the Love's Travel Stop Project.
2. Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds:
 - a. Discussion and consideration of public funds where bargaining is involved and if made known publically at this time, would adversely impact the bargaining position of WCSA.
 - i. Easement and property acquisition related to the Love's Travel Stop Project.
3. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice:
 - a. Consultation with legal counsel and briefings by staff pertaining

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to possible litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of WCSA.

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

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

14. Return to Open Meeting – 8:58 pm

Mr. Campbell motioned to return to Public Session. Mr. White seconded and the Board approved voting 6-0-0-1.

Mr. Campbell read the following Certification of Closed Meeting;

Whereas, the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;

And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia Law. Now, therefore, be it resolved that the Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Authority. Aye by Mr. Miller, Mr. Smith, Mr. Campbell, Mr. Taylor, Mr. White and Mr. McCall confirming no

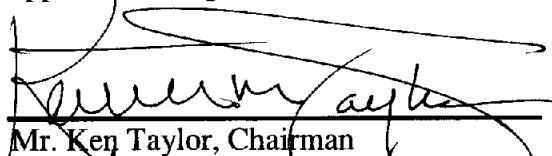
outside discussion took place other than Closed Meeting topics.

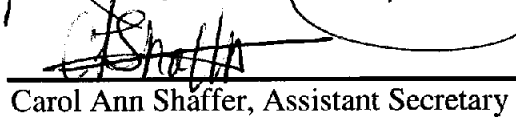
15. Late Items

On behalf of the Procurement Committee, Mr. McCall, recognized The Lane Group as the top ranked offeror and made a motion to negotiate engineering services contract with The Lane Group for the Abingdon Water Storage Tank Project and give the General Manager the authority to proceed with those negotiations. Mr. White seconded and the Board approved voting 6-0-0-1.

16. Adjourn – 9:02 pm

Mr. Miller made a motion to Adjourn, Mr. Campbell seconded and the Board approved voting 6-0-0-1.


Mr. Ken Taylor, Chairman


Carol Ann Shaffer, Assistant Secretary