

Washington County Service Authority Board of Commissioners
September 25, 2013 Regular Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Vice Chairman at 6:02 pm.

ROLL CALL

Commissioners Present:

Mr. Ken Taylor, Vice Chairman
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mark Nelson

Commissioners Absent:

Mr. Joe Chase, Chairman
Mr. Frank Stephon, IV

WCSA Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
April Helbert, Engineering Manager

Consultants Present:

Kevin Heath, PE; Adams-Heath Engineering, Inc.
Bobby Lane, PE; The Lane Group, Inc.
Bill Skeen, Maxim Engineering, Inc.
Dennis Amos, Anderson and Associates

Also Present:

Mr. Mark Lawson, General Counsel

3. Approval of the Agenda

Mr. Cornett asked that Item 16 be stricken from the Agenda since there would be no Closed Meeting.

Mr. Nelson motioned to approve the Agenda. Mr. Miller seconded the motion and the Board approval voting 4-0-0-3.

4. Public Query & Comment

There was no public query or comment.

5. Approval of the Consent Agenda

- Minutes for July 22, 2013 Regular Meeting; July 22, 2013 Recessed

Meeting (held August 29, 2013) and August 22, 2013 Regular Meeting.

- Routine Reports for August 2013.
- Financial Reports for August 2013.
- Check Register and General Manager Financial Report for August 2013.

Mr. Nelson motioned to approve the Consent Agenda. Mr. McCall seconded the motion and the Board approved voting 4-0-0-3.

6. Engineer's Report and Update

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

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

Mr. Lane reported funding has been acquired for this project. The execution of the water sales agreement with Russell County PSA will be discussed later as an agenda item.

- **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 water plant is moving to completion with exception of intake items. Change Order 9 will be discussed later tonight which addresses several items and allows additional time to the contract to allow time for intake completion.

The contractor has completed most everything that can be completed on dry land. The contractor is developing plans for sheet pile coffer dam and plans to start construction when lake reaches a level of 17.15. Elevation level last night was 17.23, stated Mr. Lane meaning we are less than 10 feet away from level needed. The level has dropped 6.5 feet since Labor Day, reported Mr. Lane.

Mr. Taylor asked if the rate of decrease would allow the project to be on time.

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Mr. Lane said it would be later this year than last when the contractor could begin work; about the end of October; unless TVA increases amount of withdrawal. The lake has about 5 feet more water than this time last year.

Mr. Taylor asked what the contractor could get done in 60 days before winter sets in.

Mr. Lane said the contractor projected about 60 days to complete the bore and 20 to 30 days to install and seal the coffer dam a total of 60 to 90 days. The contractor is proposing to set the height of the coffer dam at 17.21 which was higher than it was before to give us more time in spring to work.

Mr. Taylor's said this was a critical portion of the project and he was concerned there would be a repeat of last year.

Mr. Lane said TLG, the contractor and sub-contractors were doing everything they could to be sure it does succeed. The way the current contractor was going about construction was better than previous attempts and would be less troublesome, added Mr. Lane.

Mr. Lawson asked if the expectation was the lake would rise again in mid or late March.

Mr. Lane answered saying he did not know if the lake would raise in mid-March or late March. TVA says they plan to operate within the operating guide and the operating guide presents a wide area of operation. We can't assume anything but hope things go well. TVA is aware of our project and goals and they will work with us as much as they can, stated Mr. Lane.

Mr. Taylor asked how much time we had to get everything sealed at the coffer dam.

We need 90 days; we need November, December and January, said Mr. Lane.

Mr. McCall asked, if it gets colder will they pull the river down quicker?

Mr. Lane said if there is a demand for power, it could indirectly help us in getting the lake levels down by TVA pulling water from the river to generate more power.

Mr. Lane said the contractor is optimistic. He continues saying TLG understands the criticalness of the project and are working hard to make sure it happens.

Mr. Taylor asked what the projected work schedule for the contractors was once the once the coffer dam is in.

Mr. Lane said "24 - 7."

• Galvanized Waterline Replacement Project – Phase 2

There were 80 to 85 easements that were needed and are only lacking 3 easements for this Phase 2. We have talked with those individuals and expect to execute those easements shortly; hopefully before the October meeting, reported Mr. Lane. TLG is also updating environmental assessment and believes they can be in a position to advertise this project before the October meeting. Mr. For that reason, Mr. Lane asked the Boards permission to advertise the project subject to obtaining the remaining easements and subject to approval from the General Manager and Rural Development.

Mr. Miller motioned to allow TLG to advertise Phase 2 pending them obtaining all needed easements and pending approval from the General Manager and Rural Development.

Mr. McCall seconded and the Board approved voting 5-0-0-2.

• Mendota Water System Source Improvements

Mr. Lane reported work on the Mendota Water System to be complete. The TLG continues to sample the water and work

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with Scott County to reduce disinfection by-product levels. Mr. Lane said they were not prepared to bring the system on line at this time but said Scott County was close to having a solution for the problem.

Mr. Taylor asked if this was the line that was installed by Crosspoint.

Mr. Land and Mr. Cornett confirmed the line was the line installed by Crosspoint.

Mr. Taylor asked if the issue was that the water was not acceptable for use.

Mr. Cornett said Scott County disinfection by-product levels, according to the Water Works Regulations, would put our system in violation if we turned the system on now. Scott County has made great strides to resolve that problem. The most recent sample results were higher than anticipated. We plan to meet with them soon to help them find the cause of the problem and to remedy the issue before we use the water. We hope to have that issue resolved in the next month, stated Mr. Cornett.

Mr. Taylor asked if that water was being used in Scott County.

It is, said Mr. Cornett.

Mr. Taylor asked why we were not using it if Scott County was.

Mr. Cornett said Scott County had been in violation in the past and they have recently satisfied their violation. Mr. Cornett said the older the water, the higher the disinfection by-products. Once the water goes through the meter, the Health Department considers it a new system and we so cannot average it with the rest of our system. The Mendota system stands alone and the added water age will put us out of range, added Mr. Cornett.

Mr. Taylor asked if it was a time issue.

Mr. Lane said it was a time issue, adding Scott County is making improvements in their treatment process to decrease water

age. Since we do not have to have access to their water yet, it is TLG and WCSA's desire that Scott County's water be as good as it can be before we access it, added Mr. Lane.

- **Nordyke Road Water System Project**

This Project has been advertised for bids which will be presented to the Board for consideration later tonight, said Mr. Lane.

- **Oak Park Sewer Project**

The contractor is substantial complete and a change order will be presented to the Board later tonight.

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

The total daily load analysis shows a concentration of ecoli and bacteria in Beaver Creek within the Bristol City limits. Although that does not impact our discharge point, DEQ would like us to define the source of the contamination, said Mr. Lane. He continued saying TLG asked MapTech to perform a stream walk and sample collection. The impact is we have, in cooperation DEQ, delayed the second tact meeting to late October allowing us time to have an answer for the next tact meeting, said Mr. Lane.

This should not have an impact on obtaining a permit, scheduled for early next year, he added.

Mr. Miller had a question pertaining to Hidden Valley. He asked if the meter our meter in Russell County would extend to their county line.

Mr. Lane said it would not extend past the Russell County line since Russell County maintains meters on their side of the line.

Mr. McCall asked what the price per connection was for the Hidden Valley Project.

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Mrs. Helbert said customers signed user agreements in 2009 for a \$2640 connection fee.

Mr. McCall asked what the cost per connection would be for Hidden Valley connections if customers connected now.

Mr. Cornett said they would be charged the current connection fee of \$4560.00.

Mrs. Helbert elaborated on the Hidden Valley project saying there were 48 potential customers for Phase 1, 36 have signed user agreements and 12 have not.

Mr. Bill Skeen of Maxim Engineering

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

The contractors are at the point of substantial completion for Red Fox Hillandale and have received a release from the VDH to begin operating those systems. was approximately 90% complete. The lines have been tested and have been released to be placed in service.

Red Fox Lane is about 40% complete. Advertisements were issued for construction bids on the Rich Valley/Whites Mill Road project. The Pre-Bid Conference for the Rich Valley/Whites Mill Road project was held on August 20th with the bid opening scheduled for September 10th.

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

All VDH approvals have been received and environmental approvals are complete. Maxim is lacking one easement from an out of state property owner who has promised to sign the easement. Once that easement is obtained, the project will be ready for advertisement, added Mr. Skeen.

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

Mr. Skeen expects to have a draft copy of Feasibility Study and recommendations for WCSA review within the next 30 days.

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

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

The contractors are at the point of substantial completion for Red Fox Hillandale and have received a release from the VDH to begin operating those systems. AHE is working with contractors on punch list items and plan to have a Clean-Up Change Order for the above mentioned contracts for Board consideration at the October meeting.

Bids were opened for Rich Valley Road/Whites Mill Road which will be discussed later this evening.

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

Mr. Heath reported that Tipton Construction has reached substantial completion and are working through punch list items for this project. Mr. Heath said they anticipate having a final Close-Out Change Order for Board consideration at the October meeting.

- **Route 58 Water Supply Improvements Project**

AHE is working on the first round of design for this project and on the preliminary layout of the tank located near the Town of Damascus.

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

The Discharge Permit Renewal has been prepared and submitted to DEQ and is under review, stated Mr. Heath.

- **Smyth Chapel Area Water Improvements Study**

AHE continues to work on a draft PER for this project, reported Mr. Heath.

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- **Abingdon Water Storage Improvements Study**

AHE has received comments on the Draft PER and are working to address those comments.

- **Eastern Washington County Water Study**

This Project has temporarily been placed on hold by WCSA.

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

At the request of WCSA, stated Mr. Heath, this project has been temporarily placed on hold.

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

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

A&A continues to work with WCSA to evaluate potential project areas for Phase 3. Mr. Amos reported having some suggestions that meet the criteria for 75% participation and another with 95% participation for the Phase 3 area. A&A continues to provide funding assistance for Phase 2A area.

Mr. Miller asked if McCray Drive would be included in the updated area of Phase 3.

Mr. Cornett said McCray would be included in both scenarios. Once A&A's evaluation is complete, they will present a presentation to the Board showing the possible service areas for the Board's consideration.

Mr. Taylor welcomed Mr. Hutchinson to the meeting who arrived at 6:08 pm.

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

Mrs. Helbert reported on the Sutherland Project saying a pre-construction meeting was held. We plan to issue the Notice to Precede effective October 7th

pending the submission of bonds by the contractor, stated Mrs. Helbert.

Mr. Miller asked how many days the contractors were awarded for the contracts.

Mrs. Helbert said they had 180 days on Contract 1 and 240 days on Contract 2.

Final Completion for Contract 1 is April 3rd and Final Completion for Contract 2 is June 4th, added Mrs. Helbert.

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 August:

Water Production

- Produced more than 208 million gallons of drinking water from WCSA and more than 30 million gallons of water for the Town of Chilhowie.

Distribution

- Coordinated the outside purchase of 10 million gallons of drinking water.
- In total, more than 7 million gallons per day of drinking water was distributed to our customers for the month.

Meter Department

- 138 customers were telephoned following unusually high usage.
- 474 customers were notified that their water was to be turned off for nonpayment.
- 111 meters were lifted for non-payment.
- Over 98% of all meters read with radio with the remaining 147 requiring a manual read.

Customer Service

- 21,000 active water accounts.

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- 2,333 active sewer accounts.
- 4 water taps applied for (2012 average 13/month).
- 2 wastewater taps applied for (2012 average 1/month).
- 3,803 accounts with late charges added.
- 220 reconnections/transfers of service.
- 1,140 disconnect notices processed with 111 requiring disconnection.
- \$8,568.67 was adapted for 57 customer water leaks (2012 average 92 abatements/month at \$14,978).
- \$3,963.64 was written off as bad debt three years old.

Maintenance

- 66 leaks which is unusually high (2012 average 32/month).
- 3 major breaks (2012 average 8/month).
- 6 water tap.
- 19 after hour maintenance call-outs.

Wastewater

- Treated more than 10 million gallons of wastewater at Hall Creek.
- Treated more than 7.5 million gallons of wastewater at Damascus.

Administrative Items

- I am pleased to announce that Dave Cheek of Lebanon, Virginia is joining the WCSA team as Operations Manager. Dave holds a Mechanical Engineering Degree from North Carolina State University and has worked in the Steel Mill Industry in various capacities including, Vice President, President, Engineer, General Manager and Superintendent since 1983. Like many of us, Dave worked while going to college and came up through the ranks at the Mill. Creating a successful environment where employees want to work and

results exceed customer and stakeholder expectations are among his many professional accomplishments. He also brings a wealth of experience in the areas of operations, planning, management and safety. Dave is to begin work in October.

- Non-revenue water for 2013 is averaging 5,136,236 gallons per month less than the 2012 or 119 gallons per minute.
- Our Annual Audit is underway. The Audit Report should be ready for presentation to the Board in November.
- The WCSA updated website is under construction and should be online later this year. Notably, the website software is to be updatable by Staff, the home page will prominently display/feature our most prominently accessed information and staff assignments are have been made so that content is current. One new feature will be notices of planned or unplanned service interruptions. Currently, planned interruptions are handled by flyers and prerecorded message on our phone system and live. Unplanned interruptions are handled by a prerecorded message on our phone system and live operator. Once the website is operational, we will notify our customers that they can learn of service interruptions via the website which will hopefully be helpful for them and reduce the call volume when service is interrupted.
- Reminder: the next Joint Utilities Meeting is scheduled for Monday, October 7, 2013. Mr. McCall and Mr. Miller are on the Joint Utilities Committee.

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- If the board individually or as a group would like to tour some of our capital projects and/or facilities, please let me know. We would be delighted to show you some of your projects and/or facilities.

Mr. McCall discussed overtime saying there was quite a decrease in August for projected overtime versus actual overtime, particularly for the Maintenance Department. Mr. McCall asked if the decrease in overtime was due to screening calls better or less call outs.

Mr. Cornett said it was a combination of things that has led to the decrease in overtime.

Mr. McCall asked if there has been any hesitation from the Department Heads on signing employee's overtime or any confrontations.

Mr. Cornett said he was not aware of any instances but it has resulted in good discussion between Department Heads and the employees.

Mr. McCall said he heard there has been a lot of discussion and said he has heard the rumors too.

Mr. Cornett said his understanding was it has resulted in good things.

Mr. McCall asked what department Engineering was in.

Mr. Cornett said Engineering was under Administration.

Mr. Taylor asked where the majority of leaks were on galvanized line.

Mr. Cornett said the information from Maintenance did not differentiate between galvanized and other types of pipes. Mr. Cornett said he was curious because there were a significant number of leaks.

Mr. McCall said there was a major break on 58 on the cast iron pipes. Maintenance is to be commended for

fixing that leak and getting water back on for the customers.

Mr. Nelson asked Mr. Cornett if Jim Fern would be presenting the actual financial statement to the Board that is to be audited.

Mr. Cornett said historically, they have not.

Mr. Nelson asked if the Board could get a copy of the document Fern Cox will be using before the study.

Mr. Cornett said "Yes sir, we will do that".

Mr. Nelson said there was a variance to the Budget in actual water fees collected was about \$67,000 and asked if the positive variance was due to a timing difference in collections.

Mrs. Harold said it should not be due to timing differences in collections.

Mr. Nelson then asked if the Board could expect monthly water collections to be about \$1 million per month going forward versus the original Budget of \$935,000.

Mrs. Harold said those figures were not collections but were billings and they were based on the actual water usage for the month which varies according to rain fall and wet weather. She continued saying we cannot predict which months will be wet and those figures were actual billings, not collections.

Mr. Taylor asked if the 147 annual readings were a result of not having the automated capabilities to read those meters.

Mr. Cornett said they were automated but those were due to issues like a dead battery or wires being chewed so we cannot read it.

Mr. Hutchinson asked what time the Joint Utilities Meeting was on October 7th.

Mr. Cornett said the meeting was at 4:00 pm.

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9. Consideration of a Water Line Replacement Project to Address Defective Pipe *Robbie Cornett*

Mr. Cornett said there was about 1200 feet of line on Green Springs Road. Our records show this line has broken at least 6 times since we started keeping these records since 2002, he added. This is PVC pipe that has been in the ground about 15 years. We should not have had any trouble from this pipe in that time. Mr. Neely has been very gracious through the years as these 6 breaks have all occurred on his property and is affecting his driveway and landscaping. It appears that batch of pipe was defective. Mr. Cornett proposed replacing that section of pipe and bidding it out as a small project costing about \$51,000. He also proposed using Emergency Water Projects funds; with about \$110,000 in the fund; to replace this section of pipe.

The State of Virginia and other states have joined together in a class action law suit against JM Eagle; producer of a significant amount of PVC pipe in this country; for manufacturing pipe that did not meet AWWA standards, explained Mr. Cornett. For the past 2 years, WCSA has been working with the law firm that is helping the Virginia Attorney General's office, providing documentation about pipe that was installed within a certain time frame. The goal is to provide the documentation they need to further their case and to do what we can to accommodate them, added Mr. Cornett. We plan to recover some pipe to benefit the Commonwealths suit.

Mr. Taylor asked if the pipe was installed by a contractor or WCSA staff. Mr. Cornett said "WCSA staff."

We need to consider how to keep adding to reserve funds, stated Mr. Miller,

because we do not know how long pipe will last. He continued saying, this is just the beginning of what future generations are going to have to deal with and shows that we need to continue to add to reserve funds.

Mr. Nelson asked how much money in reserved funds was designated for future use as well as a project that is outside the budget. He continues saying we need to know we have the funds available for projects like this.

Mr. Nelson motioned to move forward with this project as presented.

Mr. Hutchinson said in his neighborhood a crew replaced a 10 foot section of pipe that had 10 splices in it and have torn up his neighbor's lot at least 6 times to repair it. Mr. Hutchinson said you have to consider how much money you have wasted in splicing or repairing the pipe instead of fixing it. I think you have to look at the numbers you are returning to an area to repair pipe and consider to costs of replacing the pipe.

Mr. Cornett said he agreed with Mr. Hutchinson and discussed the replacement of galvanized line. In 2002, we began to track leaks and breaks in galvanized line so we would have solid information about how much time, man hours and money went into repairing the line and the nature of the break; either man made or natural. Mr. Cornett said we track that information now so we know what capital projects are needed for line replacement instead of continued repairs.

Miller seconded Mr. Nelson's motion and the Board approved voting 5-0-0-2.

10. Consideration of a Water Sale/Purchase Agreement Between WCSA and Russell County Public Service Authority *April Helbert*

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Mrs. Helbert referred to the revised Purchase Agreement at the Board's stations. She continued saying this Agreement was received this morning and was not yet in its final stage. Mrs. Helbert discussed page 1, the confirmation of 10,000 gallons/day saying this was sufficient but could be increased to meet VDH guidelines.

The Lane Group is working on gallons per minute needed and pressure.

The connection fee on the next page, does need to be finalized, stated Mrs. Helbert. The possibilities could include Russell County installing and paying for everything up to the county line, including the master meter. Mrs. Helbert pointed out that the master meter cost and the additional footage of water line that will need to be installed is included in the budgeted costs discussed at the August meeting.

Mrs. Helbert then discussed rates on page 4 saying Russell County proposed a bulk rate of \$4.18 per thousand gallons of water. Russell County pays the Town of Lebanon a bulk rate of \$3.80/thousand gallons. Russell County has to pump and maintain that water. In essence, Russell County added 10% to their bulk price. In our opinion, that does seem reasonable, she added.

Page 6 says our rates will change as the Town of Lebanon's rates change and will continue to be 10% more than the Town of Lebanon's rates. Those rates will increase yearly, effective on July 1st of each year.

Section 12 on page 6 is being reviewed by Mr. Cornett and ELM to determine its relevancy and could be eliminated from this Agreement.

There are two options or two alternatives for consideration, said Mrs. Helbert. First, with the fast approaching deadline, we could request a 30 day extension

from VDH. Secondly, the Board could approve the Draft Agreement and allow Mr. Cornett the authority to work out the final details.

Mr. Taylor said his main concern was a water shortage. He asked if this would reach 60 to 70 people when it was all said and done.

Mrs. Helbert said based on 5,000 gallons per month per residential customer, you can service 60 residents. VDH guidelines are different and Mrs. Helbert thought talking to Russell County to increase the amount of water we purchase would be beneficial.

Mr. Taylor said he would like to see that happen.

Mr. Miller asked how much water Russell County had to sell.

Mr. Cornett said he was not sure we knew that and not sure why they stated 10,000 in the agreement. Mr. Cornett assured the Board WCSA would get that number increased as much as possible.

Mr. Cornett said he was sure the issues could be resolved Russell County before the DHCD deadline but not sure we can get the issues resolved and back to the Board before the DHCD deadline.

Mr. Cornett said the Russell County Board authorized the agreement with details being worked out with the service authority. The same thing could be done here; allowing Mr. Cornett and staff to work out the remaining details with Russell County and follow through with executing the Agreement. Alternatively, WCSA could seek an extension with DHCD and bring back for Board approval at the October meeting.

Mr. Taylor suggested the Board allow staff to continue work out the details of the Agreement.

Mr. McCall said he agreed but, to take heat off the WCSA staff; since this was a long term contract, the Board would

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have two volunteers that work with staff to finalize the contract.

Mr. Hutchinson agreed with Mr. McCall saying this is long term contract and needs to be approved as soon as possible.

Mr. Taylor stated the items that needed to be changed in the contract were minimal.

Mrs. Helbert said they are minimal things and said the 10,000 gallons per day would be sufficient for Phase 1.

Mr. Taylor said he would like to think beyond that and would like to the water purchase amount to be set in the contract.

Mr. McCall made a motion that two Commissioners would work with WCSA staff and sign off on the final contract with Russell County. Mr. Taylor and Mr. McCall volunteered to serve. Mr. Nelson seconded the motion and the Board approved voting 5-0-0-2.

11. Consideration of an Engineering Agreement Between WCSA and The Lane Group for the Hidden Valley Phase 1 Project *April Helbert*

TLG completed this Study earlier this year, began Mrs. Helbert. Their Study recommended dividing the project into two phases. Phase 1 was selected by determining who could be gravity fed from the Russell County system, while considering those that signed user agreements. Phase 1 could potentially serve 48 connections. Of those 48, 36 have committed to purchase a connection. Phase 1 would include the construction of approximately 3,500 linear feet of 6 inch water line in Russell County, a master meter, approximately 14,750 linear feet of 6 inch and smaller line, a pressure reducing valve and 6 fire hydrants and other appurtenances. The total opinion of probable construction

costs is \$780,325 and include materials for the line in Russell County, added Mrs. Helbert.

Assuming the maximum estimates for Basic services, Additional Services and RPR, brings the total to \$995,975.

Mrs. Helbert reported the total amount of funding to date for the project was \$956,850. The \$39,125 shortfall is primarily related to the additional water line in Russell County. Mrs. Helbert said the hope was to save money in the areas of administration, right of way and/or permitting and not need additional monies; however VDH is willing to cover the shortfall or WCSA could pay the amount at a later date.

WCSA staff negotiated this Agreement with The Lane Group over the past month. Legal Counsel has reviewed, commented and approved the agreement. Mr. McCall asked if plastic or ductile lines were considered for this project.

Mr. Lane said because of the conditions in that area, I think we should put in ductile lines.

Mr. McCall said there was a big price difference in the two.

Mr. Lane said there is, but considering the amount of rock an pressures in the area he thought ductile line would be better. In areas where the pressure would allow us to do so, we could take bids on both.

Mr. McCall suggested adding that option to the agreement.

Mr. Nelson asked if there was any opportunity to cut engineering costs.

Mr. Lane said he understood and realized the project was financially disadvantaged and so their price for basic engineering is significantly less than the curve amount. For that reason, Mr. Lane said he did not know if they could reduce the basic engineering fee more. We will do our best to minimize

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the hourly numbers, stated Mr. Lane, but have already taken the basic cuts.

Mr. Hutchinson motioned to approve the Agreement. Mr. McCall seconded and the Board approved voting 5-0-0-2.

12. Consideration of Oak Park Sewer – Contract 2B – Change Order No.1
Bobby Lane

Mr. Lane provided a Post Bid Budget for the Oak Park Sewer Project to the Board (see attached).

Mr. Lane reminded the Board that this Project had been broken down into three Contracts; Contract 1 - the sewer lift station; Contract 2A - the force main from the lift station to the gravity sewer and Contract 2B - the gravity sewer.

The Contract amount at the time of the award was \$1,325,500 and Boring Contractors was the low bidder for Contract 2B.

There were differences between the bid quantities versus the actual installed quantities. Mr. Lane discussed some of those differences in quantities. The 15 inch road crossing significantly exceeded the estimate, increasing about \$70,000. The reason for this, Mr. Lane said, is because TLG had shown the casing pipe would extend out about 5 feet on each side. Due to the location of the bore and the amount of traffic in that area, VDOT required the casings be extended to the top of the slope, increasing the installed pipe about 140 feet.

Also, TLG also an increased number of 6 inch clean-outs and an additional three manholes were installed. The additional manholes were installed to get around utility lines that were discovered during construction.

Due to VDOT requirements, Mr. Lane explained, paving exceeded the budgeted amount by \$11,000.

There were also some negatives for the Project. When you add the additional costs and savings, the total increase for Change Order No 1 is \$76,687.50, stated Mr. Lane.

Contract times were increased 33 days to account for weather days throughout the project.

Mr. Lane continued saying the overall budget cost is expected to increase about \$100,000 by the time all three contracts are finalized. Mr. Lane expects there to be a decrease in the cost to power the pump station.

This Change Order can be funded from contingency funds. After this Change Order, TLG expects there will be approximately \$700,000 remaining for this project. TLG is working with WCSA and the Tobacco Commission to evaluate alternatives for the extension of additional monies for the Project.

Mr. Lane recommended the approval of Change Order No. 1.

Mr. Miller motioned to approve Change Order No. 1 with a second by Mr. Hutchinson. The Board approved voting 5-0-0-2.

13. Consideration of WCSA's 12 MGD Water Plant Expansion Project – Change Order No. 9
Bobby Lane

TLG continues to utilize contingency funds for project improvements.

This Change Order will add 386 days to contract time to allow for completion of the Intake. The Water Plant cannot be completed until the Intake is finished, said Mr. Lane. TLG added 90 days to the projected Intake completion date, moving the Water Plant Expansion Completion date to June 21, 2014; an additional 386 days. The Contractor will not be working continuously throughout the next 386 on the Water Treatment Plant (WTP) but certain items cannot be

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finalized at the WTP until the Intake is completed.

Mr. Lane then discussed the items that made up the Change Order:

- Item 1: \$12,998.85 provides for a 300 amp breaker for P3D in panel P3.

Mr. McCall asked about the time extension discussed earlier (additional 386 days to contract time) and how the contractor would charge WCSA for the additional days.

Mr. Lane said the contractor was not charging for the delay but said he expects the contractor will charge a remobilization fee and TLG is still negotiating the fee with the contractor. Mr. Lane said the fee were associated with personnel; to be sure employees are available to continue work on the WTP when the Intake is finalized. Mr. Lane explained that remobilization fee dropped significantly when Judy Construction was awarded the Intake bid because the majority of the people the contractor would have to remobilize for the WTP will be working at the Intake.

- Item 2 and 3: \$14,595.00 provides for the installation of a gate and communications system at the entrance of the WTP.

Mr. Lane said this system would give the WTP employees the ability to communicate with people who enter the facility and monitor who is on property.

- Item 4: \$9,845 provides for a coating on the exterior concrete walls of WTP building.
- Item 5: \$3,334 to provide electrical power to the Taylors Valley meter vault.
- Item 6: \$16,441 provides for additional asphalt between the finished Water Pump Station and the WTP.

- Item 7: \$6,520 to replace the Loss of Head transmitters at filters #1, 2, and 3.

- Item 8: \$998 to install Panel P3A-A for increased electrical service.

Mr. Lane said Change Order No. 9 includes an increase in contract price of \$64,731.85 and 386 days in contract time. This amount will be covered in contingency funds and Mr. Lane recommended the Board approve Change Order No 9.

Mr. McCall asked how often WCSA employees had to go to Taylors Valley. Mr. Cornett said "daily".

Mr. McCall asked if any of the items Mr. Lane discussed will "curtail" daily visits to Taylors Valley.

Mr. Cornett answered saying "no". He explained that any excess water from Taylors Valley was released through a valve into the blue water storage tank on site through the meter valve vault. Operators allow the water to flow from that water tank into the plant so it can be pumped through the system. Anytime the spring in Taylors Valley is off line, there is another vault that allows water to flow back toward Damascus by way of a pressure reducing valve which is the item Mr. Lane discussed in Item 5.

Mr. Cornett continued saying, staff had to fiscally drive to Taylors Valley and manually collect samples daily to meet VDH requirements.

Mr. McCall motioned to approve Change Order No. 9. Mr. Hutchinson seconded and the Board voted 5-0-0-2 approving the motion.

14. Consideration of Nordyke Road Water System Extension Construction Bids Bobby Lane

According to Mr. Lane, bids for this project were very competitive. The low

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bidder on the Project was Tipton Construction with a bid of \$279,413.

As a result of Tipton being the low bidder on many projects, TLG talked with Tipton Construction and asked that they provide a list of available equipment, available personnel and a list of sub-contractors they plan to use for this Project as well as a list of other projects they have under contract. Tipton did provide the information requested by TLG and Tipton intends to sub-contract a considerable amount of the trenching work on this Project to a local contractor. After reviewing the information Tipton provided, TLG believes Tipton will be able to complete the work on time within the constraints of the Project. For that reason, Mr. Lane recommended the Board award the Project to the low bidder, Tipton Construction, for a base bid amount of \$279,413; contingent on concurrence from the VDH.

Mr. Miller inquired about the projected Notice to Proceed.

Mr. Lane answered saying, 45 to 60 days.

Mr. Taylor asked what the time limit for the Contract was.

Mr. Lane said the time limit was 120 days, and then it would be a winter time job.

Mr. Taylor asked if the Project work would be done on the shoulder and if there were any road crossings.

Mrs. Helbert said it was on the shoulder.

Mr. Lane said he thought there would be at least two road crossings.

Mr. Nelson motioned to accept the low bid for this Project from Tipton Construction for \$279,413. Mr. Miller seconded and the Board approved with a 5-0-0-2 vote.

15. Consideration of Whites Mill / Rich Valley Road Water System Extension Construction Bids Kevin Heath

Mr. Heath said bids for this Project were opened on September 10th. He then referred to a summary letter, bid tabulation sheet and map of the project (see attached).

Mr. Heath discussed the Project area and referred the Board to the map. The Project is about 32,000 linear feet that will connect the three different pressure zones (in red on the map). It connects Greendale Elementary which is on the Route 19 pressure zone, extends along Rich Valley Road and connects to the end of a line that is fed from the Route 40 pressure zone and continues south along Whites Mill Road to the Whites Mill Project.

Mr. Heath explained the intent of the Project is to accomplish a couple of things:

1. To extend service to 49 potential customers.
2. To connect three different pressure zones.

Mr. Heath discussed the cover letter saying bids were opened on September 10th. Of the three bids received, the low bidder was Tipton Construction at \$1,437,857.50.

Mr. Heath said the funding in hand for the Project was a loan in the amount of \$1,394,102 from the VDH. WCSA's contribution to the Project is \$78,000. This leaves a shortfall of about \$211,000 to complete the Project with a 5% contingency.

Mr. Heath said A&A has contacted the VDH for additional funds. The VDH responded with a non-committal offer, and said they would make an offer based on the final evaluation of funds needed for this Project.

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Mr. McCall asked if the pressures were high enough that ductile line would be needed.

Mr. Heath said the pressures were high in the valleys and ductile pipe would be needed for the bulk of the Project. Lower pressure PVC pipe could be used in the Whites Mill area for a short distance, state Mr. Heath.

Mr. Nelson made a motion allowing WCSA to request funding from the VDH in the amount of \$211,000. Mr. McCall seconded and the Board voted 5-0-0-2 approving the motion.

16. Closed Meeting - Stricken

17. Late Items

Late Item 1:

Mr. McCall said legal fees for August were very high and asked if that was due to law suit.

Mr. Cornett answered saying "Yes Sir."

Mr. McCall said he thought legal fees were too high.

Mr. McCall then discussed the cost of water service. He said he was in favor of having the Study completed. He continued saying he would not make a motion tonight since there were two members not present and respectively he would not make a motion; but did intend to make a motion at the October meeting to temporarily lower the connection fee. Mr. McCall said he would like to see how that would do for a while. Mr. McCall stated one good Project is Hidden Valley. Mr. McCall thought more people would sign user fees for the Hidden Valley Project if connection fees were lower. He continued saying, "not doing away with anything but to just freeze the hook up rates until the Study is complete. At that time, we have a Public Hearing and go through the whole process again."

Mr. Lawson referred to the memo drafted by ELM dated August 22nd that was presented by Mrs. Figueiras to the Board at the August meeting. Mr. Lawson said that memo detail the process for changing connection fees.

Mr. McCall asked if it was illegal that the prior Board voted to do away with water and sewer inspection fees.

Mr. Lawson said "it was not done appropriately."

Mr. McCall said two wrongs do not make a right and asked if it would be illegal for the Board to freeze connection fees.

Mr. Lawson said it not be in compliance with the law.

Mr. McCall then asked if it was a law or a recommendation from AWWA.

Mr. Lawson said it was a law and that information is set forth in the memo dated August 22nd that was presented to the Board.

There was a brief Board discussion regarding the number of water taps applied for and installed in August. Mr. Cornett said maintenance installed 6 water taps in August.

Mr. Cornett offered to identify the taps as residential, commercial or industrial taps in his report to the Board.

Mr. McCall said he was interested in knowing if the taps were installed for a \$300,000 or \$400,000 house or at a doublewide.

Mr. Cornett asked if a service address would help.

Mr. McCall said the address would help; "If they live in Hidden Valley, they would probably be in shacks and in Rey Valley, mansions."

Mr. McCall said more information would be helpful.

Mr. Nelson said, what you are telling us tonight, is there is no leeway in that

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memo from a legal standpoint that you are aware of.

Mr. Lawson said "correct."

Mr. Nelson asked Mr. Lawson if the memo was his absolute opinion with no leeway.

Mr. Lawson said, "Yes, that is correct."

Mr. Taylor asked Mr. Lane if the \$718,000 remaining from the Oak Park Sewer Project could be used for existing contracts.

Mr. Lane said the Tobacco Commission would have to approve how those monies are used, since it is Tobacco Commission monies. TLG and WCSA staff are investing ways to use the remaining funds. Once those options are identified, TLG and WCSA will present them to the Tobacco Commission.

Mr. Taylor asked if those funds would be used for new Projects or existing Projects.

Mr. Lane said they were looking into many different options.

Mr. Taylor asked if the remaining monies could legally be used for existing contracts.

Mr. Lawson said you would have to look at the 25% and if there was any change in material in the Contract.

Mr. Cornett explained that IDA and Tobacco Commission would have to approve any changes for the use of the remaining monies.

Mr. Taylor thanked everyone for their involvement with the meeting.

18. Recess to October 21, 2013 for a Board Policy Workshop:

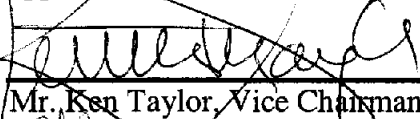
Mr. Cornett referred the Board to the bound packet which contains the information that will be discussed at the Recessed Meeting Workshop.


Mr. Cornett then referred the Board to the calendar on tab 18 of the Board Book

that listed possible dates for the Recessed Meeting.

The Board had a brief discussion regarding available dates for the Recessed meeting.

At 8:12 pm, Mr. Nelson motioned to recess until October 21, 2013 at 6:00 pm for a Board Policy Workshop. His motion was seconded by Mr. Miller and approved with a 5-0-0-2 Board vote.


Mr. Ken Taylor, Vice Chairman


Carol Ann Shaffer, Assistant Secretary



**Post Bid Budget- Oak Park Sewer Project
Updated 8/19/2013**

ITEM	After Bid Opening	Current (Projected)
Construction	\$2,521,516.00	\$2,621,561.00
Power to Pump Station	\$ 100,000.00	\$ 50,000.00
Additional Improvements	\$ 283,632.00	\$ 0.00
Land and Rights	\$ 100,000.00	\$ 10,977.00
Administration and Legal	\$ 75,000.00	\$ 9,494.00
Permits	\$ 50,000.00	\$ 0.00
Basic Engineering	\$ 289,000.00	\$ 289,000.00
Additional Engineering	\$ 75,000.00	\$ 45,130.00
Resident Project Inspection	\$ 146,400.00	\$ 98,000.00
Contingency	\$ 252,152.00	\$ 50,000.00
Total	\$3,892,700.00	\$3,174,162.00

Projected funding available after Project Construction = **\$718,538.00**