

**Washington County Service Authority Board of Commissioners**  
**September 26, 2016 Regular Meeting Minutes**

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:00 pm.

**ROLL CALL**

Commissioners Present:

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

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager  
Kimberly Boyd; Treasurer, Controller  
Melinda Jett, Controller  
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant  
Dave Cheek; Operations Manager  
Mark Osborne; Technical Manager  
Johnny Lester, Maintenance Manager  
Kenneth Perrigan, Meter Manager

Consultants Present:

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

General Counsel Present:

Mark Lawson; Elliott, Lawson & Minor

**3. Approval of the Agenda**

Mr. Nelson motioned to approve the Agenda as presented. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

Mr. Taylor asked that Agenda Item 13 be moved to Agenda Item 6.

Mr. Nelson made a motion to amend the original motion and approve Mr. Taylor's request. Mr. Campbell

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

**4. Public Query and Comment**

There was no public query or comment.

**5. Approval of the Consent Agenda**

A. Approval of Minutes:

- August 22, 2016 Annual Meeting Minutes

B. Routine Reports: August 2016

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

C. Financial Reports: August 2016

- Balance Sheet
- Income Statement
- Check Register/General Manager Financial Report

D. Consideration of a Bond Resolution for the Exit 13 Phase 2A Sewer Project - *Kim Boyd*

Mr. Lawson requested a change in the minutes on the top of the right-hand column on page 5 of 15. The minutes state "but the transaction was applicable solely to you and your company and you are both members of groups of three or more so you could participate and vote in that transaction." That should read "but the transaction was NOT applicable solely to you."

Mr. Nelson motioned to approve the suggested change in minutes. Mr. Campbell seconded and the Board approved voting 7-0-0-0.

Mr. Nelson then made a motion approving the Consent Agenda. Mr. Campbell and the Board approved

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voting 7-0-0-0. Please see attached Disclosure Statement from Mr. Taylor.

**13. Consideration of Field Communications Proposal – Dave Cheek**

Mr. Cheek discussed the following presentation, Field Communications Overall Plan and Radio Bid Decision.

**Discussion Items**

- Bid Process
- Proposals
- Radio Evaluations
- How to Leverage this Asset
- Staff Recommendation

**Proposal Process**

- Field Communications Team Assembled
  - WCSA Department Heads, Jennifer Ball, Robbie Cornett, Wayne Campbell and Mike White
- Reviewed Critical Needs
- Received Presentations from Multiple Radio and Cell Phone System Suppliers
- Developed RFP (Copy at the Board's stations)
- Advertised August 8th, 2016
- 3 Companies Requested and were sent Proposal Packages
- Opened Proposals on August 25th, 2016
- Department Heads Evaluated Loaner Radios set up very similar to our specs
- The Team tabulated Bids
- The winning bid was for \$194,773.50, slightly below the \$200,000 budget
- Radios were evaluated by each department and made recommendations

- The radios worked very well in the different test areas such as Denton Valley and the South Fork Intake
- The Board approved and WCSA has purchased a tower in Brumley Mountain
  - Mr. Campbell has challenged the Team to leverage that asset

Mr. Cheek said the radio systems can be used to transmit data from the flow systems back to our SCADA system. Mr. Cheek also hopes to replace cell phones with the radio system. He also discussed the possibility of using the radio system for meter reading as well. Mr. Cheek is looking into the possibility of using the radio system to transmit data at night for example when the radios aren't being used. The system is capable of intergraded voice and data (IV&D) and Mr. Cheek would like to learn more about leveraging the benefits of the system. Many other counties have an IV&D system for fire and police and have many uses for the system. This system is an investment that can save us money going forward, stated Mr. Cheek. Mr. Cheek is working with other companies on the possibility of using the system to receive data from the field and get data out in the field.

The coverage is excellent said Mr. Cheek.

**Staff Recommendation**

- Recommend that we accept 2 Way Communications Bid with the Following
  - WCSA & Field Communications Team to Review Quantities Again to Determine if some Cost Savings Can be Realized

Mr. Cheek said the Bid said unit pricing is to stay the same.

Mr. McCall asked what the coverage percentage was for the radios.

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Mr. Perrigan said there were no issues in the areas tested by the meter department. Mr. Osborne said the only area he saw issues was in Poor Valley.

Mr. Lester had the only areas he had issues was around North Fork River Road and Tumbling Creek. The system worked well for Mr. Lester in well in Taylor's Valley, Mill Creek and Mendota areas.

Mr. Cheek said one place where cell phones worked well and the radios did not is on Interstate 81, exits 1 to 3.

Mr. Cheek said he was surprised how well the radios worked and their clarity.

Mr. Campbell said he commended everyone for their work with the radios but said he had a gut feeling that was not good. Mr. Campbell said we need to resubmit the radios bids. We have a letter out there that could come back to haunt us, Mr. Campbell stated.

Mr. Campbell made a motion to resubmit the radios for bids. He said it would not hurt to put it off another month. Mr. Campbell said we need to cover ourselves and the Board of Commissioners and we do not need to put our CEO in any hot water.

I second the motion because we need to do what is right, said Mr. Nelson.

Mr. Taylor said he felt like we had a system that worked as well as any system. But said he did not want any legal issue that was going to affect him, anyone on the Board or anyone on the staff. Mr. Taylor asked Mr. Lawson if there was any potential legal problems with the email WCSA received claiming the Request for Proposal (RFP) is geared one way (to one product).

It is potentially a problem, said Mr. Lawson.

Even if it wasn't a problem, I want to do what is right here, stated Mr. Nelson. RFP's are for a purpose; to give each

body a right to bid on the products people are asking for. It is the right thing to do. It is to protect the public, to protect the rate payers. We need to do what is right, stated Mr. Nelson. Mr. Nelson continued saying, waiting another month, we may get to the same conclusion, but the process needs handled correctly.

Mr. Smith said first, what is the problem and second, if we re-advertise for bids, the person that won the bid could come back on us too. Mr. Smith said he did not know what the problem is.

Mr. Taylor said his understanding is a complaint has come back that in the RFP the equipment is geared to one manufacturer. Am I correct Mr. Taylor asked Mr. Lawson?

That is correct, said Mr. Lawson. Mr. Lawson said to be candid; Mrs. Figueiras, Mr. Cornett, Mr. White and I had a conversation today. What we learned for the first time today was there was apparently another vendor in the service area that was specked out of the RFP that could have provided the service. That was not clear before. If it is true that there is a provider that could submit equipment that would meet specifications within the required service area, and they didn't submit a response to the RFP, perhaps it is ok. Mr. Lawson said he was not saying it was a "slam dunk" one way or the other. I'm just saying there are issues because it seems the specs were so specifically drawn that only one vendor could possibly respond accurately to meet the specs. That being the case, our concern was that it (RFP) potentially violated the VPPA, explained Mr. Lawson. Mr. Lawson said he was not saying it was a "slam dunk" he was just saying it was questionable.

Mr. Nelson said it not only questionable about that but is also questionable about

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pricing and things. We need to make sure we are getting a competitive price for this product. We need to be careful here in my opinion. I think we have a situation and all we need to do is the right thing, go back out and re-advertise stated Mr. Nelson.

Mr. Smith said he did not understand why it wasn't done right the first time; if there is a problem. Mr. Smith said the Board of Supervisors had bids all the time.

It is how this occurred that is the problem, it is not the one bid, Mr. Nelson said.

Mr. White said the Board received bids on trucks 6 months ago; which I brought to Mr. Cheek's attention; same scenario. Only one person could bid on the trucks because it had an exhaust brake on it. That is a proprietary spec and no other company could bid on that truck. One person bid, we bought that truck. Mr. White said it is no different than this bid. Mr. White said it was for the first trucks, before the last trucks; the Ford trucks. The only one that could bid on that was Ford because Ford is the only vendor offering an exhaust break on that truck. That is no different than this bid right here, stated Mr. White. So why is this all being picked on; because I had something to do with it? Or, why didn't you go back and check on this truck bid? That's what I want to know, exclaimed Mr. White.

Because, on this particular case, there was an individual that brought it to our attention, said Mr. Nelson. On the truck, I will tell you I knew nothing about that until tonight. So, on this particular occasion, our counsel brought it to our attention; that there was an issue, said Mr. Nelson. "Mike, I will tell you personally, my concern is that we have one Board member who is writing an

RFP for the Service Authority", said Mr. Nelson. He continued saying, the RFP's should be the responsibility of the General Manager and if there is a decision that is going to be made that affects this Board, it should be the entire Board that has a vote on that document; not one individual Board member, stated Mr. Nelson. Mr. Nelson said, from his prospective, he was saying if this process had been followed through correctly, we would be voting on this tonight and it would be the right product for the Service Authority to have. But with the information that has been provided, Mr. Nelson said his concern was we wrote an RFP to specifically exclude other companies.

That's what you heard, stated Mr. White. That's what I was told, stated Mr. Nelson.

We wrote an RFP that would work for this company and would be operable to all fire, police and EMS agencies in the Town of Abingdon; that's how that RFP is written. "So I guess you need to get your information corrected", Mr. White said to Mr. Nelson.

Mr. White continued saying, you can do whatever you want. I am through with your radio system. I worked a year too much on this and it just seems like it is tit for tat. "So guys, I've tried to help you guys, employees so whatever comes out I hope your happy", said Mr. White.

Mr. McCall said he doesn't do much bidding but gets involved some. If we have a problem, we have a problem; but if we don't it costs' a lot to put these bids together. The company that was the low bidder has a valid complaint too. We have to be right both ways. We have to be careful both ways, stated Mr. McCall. Mr. Nelson said I want to be very careful here and don't want to be misconstrued; I am not saying I don't want to move

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forward with getting the radio system to help the rate payers. What I'm saying is the process that was described to me from our legal counsel has concerns in it. The easy way to correct those concerns as described to me is to re-bid this project and let it go from there. Mr. Nelson said, all I am trying to do is the right thing. To have the comments that I heard that were made, we can't do that! We have to have full disclosure; we are working for the rate payers here. I just think we can work through it. Is one more month going to cause us that much concern? That is a question the Board has to answer, said Mr. Nelson.

Mr. Campbell said, I don't feel like one month will cause us any concern. Mr. Campbell said his concern was what he heard from legal. We need to cover Mr. White, myself, all the staff and all the Commissioners. One month is not going to hurt us; two months probably won't hurt us. Probably, this just needs to be re-bid. Mr. Campbell said that was his gut feeling.

Mr. Smith asked what was wrong with the RFP. He asked Mr. Cheek what he would change.

Mr. Cheek said the question with the RFP is was it too exclusive to one company, one make. Mr. Cheek said he did not know the answer yet. Motorola is the same as Ford or Chevy, multiple people can bid Motorola. Motorola is the standard here for Fire and Police Departments so that is understandable from that prospective. Mr. Cheek said there was a serviceability factor in the RFP. One company, Mobile Communications voiced concerns that the RFP was too tailored to Motorola. Mobile Communications does not offer Motorola, they offer an alternative. If there are other Motorola dealers in this area that can us with a service and can

bid, that is the thing, said Mr. Cheek. Mr. Cheek said he believed there were other dealers in the area.

Mr. White said he checked on that today. Motorola dealers were just like Ford or other dealerships; they cannot bid in certain areas. Motorola dealerships are territorial, so I guess that is why the other one did not bid, stated Mr. White. So, there wasn't another Motorola dealer that could have submitted a bid, stated Mr. Lawson.

That's the worst one, stated Mr. Nelson. Mr. White said, not with the territorial thing.

Mr. Lawson quoted the Code of Virginia 2.2 4300: Rules governing contract awards be made clear in advance to compotation as specifications reflect the procurement needs of the purchasing body, rather than being drawn to favor a particular vendor and said that is what the law says. If there is even twice concern that the way the specs were drawn was to favor a particular vendor, I think you have a problem, stated Mr. Lawson.

That's what I think, stated Mr. Campbell.

Mr. Lawson said, again, our advice is just to make sure the Authority and Commissioners do not get in hot water or are embarrassed.

Mr. Taylor said, going back to Mr. Smith's questions; you have to change something in the RFP to re-bid it.

Right, said Mr. Lawson.

If we don't change anything, there will be a lawsuit coming the other way, I think stated Mr. McCall

One thing I think we can change is to add an "or equal" statement in the RFP. Then we need to determine how to decide, said Mr. Cheek.

Is there an equal Mr. Taylor asked Mr. White?

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Not that would be operable with the Town of Abingdon and other public works around here, answered Mr. White. Mr. Lawson said you may end up in the same place.

That's fine, we would be covered stated Mr. Campbell.

But you will be covered stated Mr. Lawson.

Mr. Smith said might not.

But that is up to us to decide what we intermingle in with this radio system, said Mr. Campbell.

If I were going to bid, I would look at what the bid was that came in and I would put it if I got a second chance, that's what is going to happen, said Mr. Smith.

That's normal; that happens said Mr. Taylor.

There are other comments in this about these other companies. There were other comments that are in these emails that give me concern, said Mr. Nelson.

Call Capitan Coleman at the Sherriff's Office and ask him and don't ask me, stated Mr. White.

When you specifically put in emails things like that, it puts us in a tough position, said Mr. Nelson.

Mr. White addressed Mr. Nelson saying, so you would rather buy something that is lower quality, no service just because you want to be safe.

No sir, said Mr. Nelson. What I would rather do is follow the law and allow everyone to bid and take those bids and work through and pick whatever the best solution is for the county after we have gone through a fair and competitive process, Mr. Nelson stated.

Mr. White said Mr. Cornett has several emails from that company crying or whatever you want to call it. First they want to change the date saying, oh, we can't meet the spec now but if you

change the date we will meet the spec. Why did they need to change the spec? Didn't you get that Robbie? You got an email wanting you to change the date. Then they lied to us and said there were frequencies, the state got all the frequencies; that's untrue too. They went tit for tat with Mr. Cornett on several emails, which Mr. Cornett has documented and forwarded to me, said Mr. White. They could have bid but they did not bid. The spec is open with a point system like Mr. Cheek has set up. If you cannot comply, take an exception. You get a 10 or 5. They could still have bid if they wanted to. That's what will happen again. Bid if you want to, you will still be on a point system. Nobody eliminated anybody from that spec. Anybody could have bid on it, said Mr. White.

What did your email say about that company, Mr. Nelson asked Mr. White? What did it say; that they destroyed this county's radio system and it cost \$300,000 to get it put back online with the Sherriff's Department. And they are the cause of WCSA not having a radio system now. That is fact. That is not hearsay; that is fact and I can prove it, stated Mr. White.

Did it not say other things in that email, asked Mr. Nelson.

I don't know, I don't remember. I don't have the email in front of me, said Mr. White.

This email you are talking about, where did it come from? Where did you get it, Mr. Smith asked Mr. Nelson?

Mr. Nelson said it came from our general counsel.

So our counsel is keeping all our emails now, asked Mr. White.

No, it was brought to his attention by the General Manager. Then it was brought to the Chairman's and Vice Chairman's

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attention; that's how this occurred answered Mr. Nelson. I can tell you, I have more things to do than to worry about this. I didn't try to create anything here to have to deal with, stated Mr. Nelson.

Did you do a Freedom of Information request, Mr. Smith asked Mr. Lawson?

I'm sorry, said Mr. Lawson.

Mr. Smith again asked Mr. Lawson; did you do a Freedom of Information request to get that email?

Mr. Lawson answered saying, I got it from the client. I got it from our client, WCSA. But understand that someone can issue a FOIA request and get the same email, Mr. Lawson stated.

I understand, that is what concerns me, stated Mr. Nelson.

Mr. Taylor said he appreciated Mr. White and everyone who has put time in this project. But, if we have hired legal counsel here and legal says there is a potential problem. I have been through enough of this stuff here in the last 8 years. I'm tired of potential things hanging over my head. I'm just being up front, stated Mr. Taylor

Here is an email on August 19<sup>th</sup> from Mike Cochram saying "After looking over the RFP, it seems to be proprietary towards Motorola", said Mr. Lawson.

Mr. Smith said, "That's just his opinion; everybody's got one you know".

Mr. Lawson

How long are we going to kick this can, asked Mr. Smith?

We have kicked it enough right here, stated Mr. Taylor. Mr. Taylor asked Mr. Lawson directly; do you see a potential problem on the RFP that has been submitted and bid on that could come back to haunt this Board?

Yes, stated Mr. Lawson. From what I understand, in one instance the involvement of a sitting Commissioner

in creating the RFP and wasn't created necessarily by staff. I know there is some dispute about that, but there was Commissioner involvement, and the fact the specs were apparently so drafted. And I believe we also have reason to believe that Mr. White; in a conversation with Mrs. Figueiras and Mr. Cornett said that he drafted the RFP in such a way that only the one vendor would be able to get the bid; and that is problematic, said Mr. Lawson.

Mr. Taylor and Mr. Nelson both said that was what was explained to them.

I want to be upfront with you, Mr. Taylor said to Mr. White.

Mr. Nelson then said to Mr. White, I want to be real clear here. I have told you everything that was explained to me to the best of my ability.

Mr. Lawson said I am looking at an email from August 24<sup>th</sup> from Mr. White to Mr. Cornett about the fact that....

Mr. Smith spoke up and said, Mr. Chairman, I think we need to maybe air out dirty laundry in Closed Session if it continues like this because this is not right.

And that's fine too, said Mr. Lawson.

To answer your question, Mr. Chairman, yes, I do think there are problems, potential problems, stated Mr. Lawson.

Mr. Taylor said personally, he appreciated each and every one who worked on the project. But, I do not want a problem, if there is a potential problem. He continued saying there is a motion and a second on the table, to change the RFP and re-submit the RFP for new bids. Mr. Taylor asked for all those who were in favor to raise their right hand.

One moment, said Mr. White. That needs to be RFP because they said it was a bid process. Make sure when you put that out it is RFP. The lawyer said it was

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a bid process, your proposal said it is RFP. That was something, the other day that was not clarified. So, let's clarify that please, stated Mr. White.

Mr. Taylor asked if there was any further discussion.

Maybe we should get another opinion from somebody else instead of one, said Mr. Smith. Can we just table this until we get advice from somebody else, asked Mr. Smith?

I don't think so, stated Mr. Campbell.

If we table it, what would we table it for, Mr. Taylor asked Mr. Smith?

Well, to get (an opinion) from another lawyer, maybe from Ms. Phillips. Because she knows a lot about that, she has been doing it for about 20 years. We (Board of Supervisor's) do RFP's all the time, said Mr. Smith.

No; just let it go, Mr. White said to Mr. Smith.

Mr. Taylor then asked for a Board vote. The Board approved the motion to change the RFP and re-submit the RFP for new bids with a 4-1-2-0 vote. Mr. Miller, Mr. Campbell, Mr. Taylor and Mr. Nelson voted in favor of the motion. Mr. McCall opposed the motion saying he was satisfied with the way the project was bid. Mr. McCall said he didn't want a law suit from the other side because he understood the other side. Mr. Smith and Mr. White abstained from the vote.

Mr. Taylor excused himself from the meeting at 6:40 pm. Mr. Nelson was the acting Chairman for the remainder of the meeting.

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

Mr. Cornett then discussed the presentation for August, 2016.

- Cash Reserves – *Kim Boyd*

**Personnel:**

- Melinda Jett – Controller
- Floyd Hines – Electrician
- Cody Hawkins – Crew Worker

**Safety:**

- August 2016
  - 12,559 Hours Worked
  - OSHA Recordable Incidents
    - Cut Thumb on Wrench Slip
- Preventable Vehicular Accidents
  - None
- Safety Training
  - Fire Safety

**Financials - New Water Connections:**

- 9 new water connections
- 100 new water connections for 2015.
- All-Time (106 Years): 200 connections per year

**Financials - Water Revenue:**

- \$178,569 above projections.

**Financials – Expenses:**

- Non-Departmental \$79,441 Over Budget
  - Due to legal fees and water withdrawal permitting fees0
- Administration \$64,291 Under Budget
- Customer Service \$4,141 Under Budget

**Financials - New Wastewater Connections:**

- No new connections in August
- 10 new water connections for 2015.
- All-Time (21 Years): average 109 connections per year

**Financials - Wastewater Revenue:**

- Year to Date: \$17,290 above projections.

**Financials – Wastewater Expenses:**

- Year to Date - \$1,345 Over Budget
  - Due to legal fees, liability insurance, workers compensation and telephone expenses

**Customer Service:**

- 211 Reconnection / Transfers of Service



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- 2015 Average 183
- 144 for \$16,936 Abatements
  - 2015: Average 108 for \$19,256
- Customer Policy Under Consideration:
  - 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
  - Inside Leaks Not Requiring Receipt or Proof
- Water and Sewer Service Line Insurance Request for Proposals

**Accounting**

- Open Enrollment
  - About 80% participation
  - Thanks to the accounting staff for their work and participation with open enrollment.
- Audit Preparations
  - Post Field Work Report: An Immaterial Finding (Rate Code 42; \$1,500)
  - Present the Audit Report to Committee OR Full Board OR Both?

After a brief Board discussion, the Board decided to have the findings presented to the committee including Mr. Nelson and Mr. Campbell. A Draft Report will be presented to the full Board before the committee meets with the auditor.

- Internal Controls and Fringe Benefit Audit
  - Cell Phone Policy: DRAFT Circulating
  - Uniforms: Examining
  - Door Prizes: Record/Gross up Wages to Offset tax
  - Cash Receipts/Disbursements: In Progress

- Inventory: Considering Quarterly Counts
- Cashing Personal Checks: Discontinued
- Cash Reserve Report
  - Presented tonight by Kim Boyd

**Notables:**

- Water Withdraw Permit
  - Pending:
    - Revised Modeling
- Mr. Cornett said a more favorable modeling position from DEQ is expected particularly for the South Fork Intake.
  - Richmond Meeting
- Beaver Creek Wastewater Discharge Permit
  - TMDL Awaiting EPA Approval
  - EPA had minor questions.
  - Permit Approved After EPA Approval
- Kiwanis
  - How WCSA Serves our Community
- Kevin Ball
  - Congratulations on Class 3 License

Mr. Cornett said the IDA was interested in achieving gravity flow sewer service to three lots in Oak Park. Mr. Cornett referred to a map showing the three lots. The larger lot, lot 10, is vacant, Blue Ridge Beverage, the middle lot and Chris Renee Cosmetics, the lower lot.

The two red lines on the map end at a point where Halls Bottom Road crosses Interstate 81. If a pump station were placed there, in addition to the existing pump station servicing the Green Briar Subdivision along Industrial Park Road, gravity flow would be feasible.

The sewer flow could be pumped back to the Town of Abingdon or to BVU or could be intercepted at the new Wastewater Treatment Plant if one is constructed.

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The IDA is interested in working with WCSA to fund this project or a project that encompasses a larger area offering sewer service to residents in the immediate area.

The IDA met with and asked the Mount Rogers Planning District Commission to meet with WCSA to begin pursuing possible funding for the project.

**Looking Ahead**

- Annual Audit
- Water Quality
- Water Withdrawal Permit
- Beaver Creek Discharge Permit
- Energy Audit/Meter Replacement

**WCSA Cash Reserves – Kim Boyd**  
**Restricted**

- Required by Bond Covenants
- Rural Development:
  - 10% per Month until One Annual Debt Service Payment is Established.
  - Used for Emergency Maintenance, Repairs and Debt Service Payment Should the Need Arise.
- Audited Annually.
- Virginia Resources Authority:
  - None Required.
  - Net Revenues Available for Debt Service are Required to Equal at Least 115% of the Principal and Cost of Funds on the Local Bonds.

**General Operating**

- 120 Days of Operating Expense
- Uses
  - Unplanned Expense
  - Plant Goes Down
  - Line Fails
  - Pump Station Breakdown
  - Litigation

**Repair and Replacement**

- Recover Non-recurring Expenses for Aging Infrastructure
- Initial Target Equal to Depreciation

- Could be Revised Over Time to Align with Asset Management Goals

**Rate Stabilization**

- 10% of Annual Revenue
- Uses:
  - Mitigate Large One-time Increases
- Causes:
  - Reduction in Revenue
  - Increased Expense
  - Fuel
  - Chemicals

The Rate Stabilization Reserve (target 10% of annual rate revenue) is a fund to mitigate large, one-time rate increases. Rate stabilization reserves can smooth out rate increase by supplementing the increase in expense or reduction in revenue with transfers from the fund, explained Mrs. Boyd.

**Water Reserves 06/30/2016**

Mrs. Boyd referred to a water reserves chart. If WCSA is fully funded Column one is from the Rate Model. If WCSA fully funded the reserves in all those categories, we would be at \$9,570,000.

Column two is for fiscal year 2016. WCSA has \$1.1 million in restricted reserves as the 10% is being added monthly.

WCSA meets the operating reserves at \$2,783,000. We do not quite meet the repair and replacement reserve as we are at \$2,958,000 with the goal at \$2,964,000.

The middle column is the Rate Model projections. At fiscal year-end 2016, WCSA is projected to be at \$5.2 million and we are at \$6.9 million; we are over Rate Model projections. WCSA is in year 3 of the 5 Rate Model.

In 2017, WCSA is budgeted to be at \$7,077,000 and were budgeted to be at \$6,077,000 in the Rate Model, running

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about \$1 million over budget based on the Rate Model.

Mr. Nelson said WCSA is still under the \$9.5 million Rate Model projection to fund the reserves.

Mrs. Boyd said, correct, we are trending ahead of the curve but still have not reached the \$9.5 million mark.

**Wastewater Reserves 06/30/2016**

Fully funded reserves would be at \$1.5 million. WCSA is ahead of schedule for fiscal year 2016 at \$2.9 million. Those funds will be depleted as we make repairs to the Hall Creek Wastewater Treatment Plant and Damascus Wastewater Treatment Plant as those expenses have not hit yet.

The Rate Model projected us to be at \$1.2 million for fiscal year 2016. We are budgeted to be at \$3 million by the end of 2017. At the end of 2017, we are projected to be at \$1.5 million.

Mr. Nelson said, so on wastewater, we have fully funded the reserves and there are funds there to fund the projects we have in the pipeline now.

That is correct, said Mrs. Boyd.

So, we have \$1.3 million that can be used for wastewater projects, stated Mr. Nelson.

Yes sir, said Mrs. Boyd.

From a trajectory standpoint, it looks like we are on or slightly ahead of our 5 year target, said Mr. Cornett.

We are ahead in both water and wastewater, stated Mrs. Boyd.

Mr. Miller asked when WCSA's reserves would be fully funded.

Mr. Cornett answered, 2019. Relative to the fiscal year, we are ahead of the target but not up to the 2019 target yet; but of course we are not to year 2019, said Mr. Cornett.

But we are trending to get to the 2019 target if things continue as they have been, said Mr. Miller.

Yes, said Mr. Cornett.

Mr. Nelson said the big nut we tried to crack was the depreciation with repair and replacement because we wanted to build our own monies so we didn't have to rely on borrowing funds.

Absolutely, said Mrs. Boyd.

That is the big one, if we can get to that mark it will really serve long term, stated Mr. Nelson.

If we continue to keep overtime and legal expenses under control, we should get there quick, stated Mr. McCall.

Mr. Nelson said the other part is fuel costs going down. There were a lot of things built in that were helping. All the work that has been done by WCSA employees to keep costs at a fair rate to the rate payers. It will be key to have these reserves. At the end of 2019, the total debt with the projected capital projects will be around \$85 million. We are talking about having about 10% of our debt in reserves. There will be other things that come along or things we need to do to get water to people, said Mr. Nelson.

**7. Water and Wastewater Construction Projects Update – Ryan Kiser**

Mr. Kiser updated the Board on the following projects.

**Inside Engineering Projects:**

- Haskell Station Road Extension Project

VDH has approved the plans and specs for this project. .

Advertise Project – October 2nd

Pre-Bid – October 20th

Bid Opening - November 3rd

Board Review of Bids - November 28th

- Ritchie Road Water Line Project

WCSA is working with landowner from the Old Saltworks side and has sent landowner an easement to review. Staff

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has a tentative meeting with the property owner this Thursday 29<sup>th</sup> to discuss the easement.

- Bradley Sewer Relocation in Glade Spring

Staff met with Mr. Bradley and provided an easement for his review. Mr. Bradley said he would like his attorney to review the easement. Once that is complete, staff will complete the relocation plans.

- Hawthorne Drive Line (replacement by WCSA personnel)

WCSA is working on the plans so they can be submitted to VDH for approval. The project will require about 800 to 1,000 feet of line replacement.

**Potential New Water Line Extensions:**

- Rattle Creek Road

Mount Rogers is going to resolicit residents for low to moderate income (LMI). Staff continues to work with Mount Rogers contacting residents.

- Archery Range and Mary's Chapel Road

To date we have received interest surveys that confirm 10 out of 25 residents have agreed to connect if there was a project.

- Chip Ridge Water Line Extension Project

Funding application was submitted to Mount Rogers. Staff was advised in a meeting last week from MRPDC that they were reviewing the applications.

**Private Development Projects:**

- Love's Travel Stop

Staff is working on closing out the project.

- Exit 19 Development

Construction continues onsite and RPR continues to monitor work. Maintenance has set the meters for this project. The next steps will be monitoring the back flow devices.

- Pippin Sewer Phase 5

Sewer line is being tested. Project will be closed out once testing is complete.

- Chris Renee Cosmetics Oak Park Project is at a standstill, no further developments.

- Meadows Project (Abingdon Exit 17)

Staff is waiting to receive revised plans.

- Green Springs Road Re-Alignment This project has been approved for construction.

- Highlands Community Services Baugh Lane

Staff received revised plans is in the process of reviewing those plans.

- Restaurant Exit 19

Staff received revised plans and has approved the project for construction.

- Virginian Pavilion Water Line Extension

Staff reviewed the revised plans and has approved project for construction contingent upon receiving as-built drawings for the Virginian Terrace project.

- Emory and Henry Villages

Staff is reviewing 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.

- Dollar General – Halls Bottom and Benhams

The developer has one device left to check. Once that is complete, the project will be closed out once the backflow device testing results are provide.

Mr. White asked the status of the Hughes Mountain Road and Pine Hill Road meter purchases.

Mr. Kiser said the pressure recorded was set out and recorded for about 10 days

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but the recorder did not take the readings. The pressure recorders have been set back out and staff must perform a fire flow test to determine how it will impact the critical node. Mr. Kiser has kept the resident wishing to purchase the two meters informed of the issue. Mr. Kiser expects to have results by the end of the week.

**8. Operations Report and Update –  
*Dave Cheek***

There was no Operations Report and Update.

**9. Engineer's Report and Update**

***Bobby Lane of The Lane Group (TLG)***

Mr. Lane said he spoke with Mr. Hoffman just before tonight's meeting about the DEQ Withdrawal Permit at the Middle Fork. DEQ reports they have met with Fish and Wildlife the Middle Fork Withdrawal Permit may be modified so we may withdraw 10% of the Middle Fork flow. The good news is WCSA may continue to use the existing 2 millimeter screens at the Middle Fork Intake.

It appears the flow at the Middle Fork is such that we could withdraw 6.6 MGD about 85% of the time. That is good news from a power standpoint as well. WCSA also has the fiscal capability to withdraw about 6.6 MGD and did that in the interim. That is good news.

**• Galvanized Waterline Replacement Project – Phase II, Division 5**

As of the end of August, Little B Construction is running slightly ahead of schedule, running two crews.

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

TLG has a team meeting with WCSA staff this Thursday to discuss this project.

**• Mill Creek Water System Improvements**

This will be discussed as an Agenda Item.

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

**• Exit 13 Sewer Project Phase 2A**

A&A had a pre-construction meeting with the contractor on September 8, 2016. All the agreements are in place and Mr. Amos reported they are ready to move forward with the project. The Notice to Proceed is dated for October 3, 2016. The loan closing is scheduled for October 11<sup>th</sup>.

**• Exit 13 Sewer Project Phase 3**

A&A continues to assist WCSA staff with easement work and help address land owner concerns. They have obtained 77% of the easements needed and continue to move forward to obtain easements for this project.

A&A continues to look for alternative pump station sites for this project.

Mr. McCall asked if they have hit any road blocks with easements.

We have a few that maybe problematic but are waiting until the end to talk with those land owners, stated Mr. Amos.

Mr. Miller asked how long the contract for on 2A is.

Mr. Amos said it is 210 days to final completion and 180 for substantial completion.

**10. Nassau Drive Report and Update –  
*Ryan Kiser***

We have two options WCSA was perusing to elevate concerns to help Mr. Chaney and the residents of Nassau Drive obtain access to their meters.

The first option was to get an easement for the adjacent farm owner. We determined that is not an option. The farm owner was unsure what they planned to do with the land and do not wish to provide an easement.

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Option two is required more research and involved staff pulling deeds at the courthouse and working to research the owners of the small parcel of land the service lines now occupy. It was determined there were three property owners involved with this land; Ms. Stenson, Ms. Harris and Mr. and Mrs. Dye.

Staff tried to contact the three land owners for an easement to provide meter access across the property for Mr. Chaney and Mr. Hurley.

Staff contacted Ms. Stenson. She said she was not aware of anytime where Mr. Chaney and Mr. Hurley were not allowed to cross the property to gain access to their meters. Ms. Stenson said she is willing to sign an easement or agreement allowing Mr. Chaney and Mr. Hurley to cross the property.

Staff also contacted Ms. Harris who said basically the same thing Ms. Stenson said, reported Mr. Kiser.

Ms. Stenson, Ms. Harris and Mr. and Mrs. Dye are all on the tax ticket for the property in question.

Staff is working to contact Mr. and Mrs. Dye but does not have contact information for them. Ms. Harris offered to provide contact information for the Dye's but has not provided that information to date.

There was a brief discussion about who lived in the residence.

Mr. Miller asked if Mr. Chaney would have to cross the Ryan's property to check meters.

It is undetermined at this point if the Ryan's had a right to way to his house. It will take much more research, legal research to determine that. Those three property owners are the one's listed on the property tax ticket, explained Mr. Kiser.

Mr. Cornett said the strip that the Ryan's and Miller's use to access their properties according to the property tax information for that strip of land are Ms. Stenson, Ms. Harris and Mr. and Mrs. Dye. We have pulled deeds and know who is paying taxes on that strip of land and have talked to those property owners. Without research that may be beyond our expertise, that is the best we have been able to determine, stated Mr. Cornett. Two of the three owners are willing to grant easements, said Mr. Cornett.

Ms. Stenson told Mr. Kiser she did not have funds to put toward a line extension. Ms. Stenson also told Mr. Kiser the right of way issues have been going on for several years.

Mr. Kiser gave Mr. Chaney an update and asked if he could provide WCSA with contact information for the Dye's.

Mr. Cornett thanked Mr. Kiser, Mr. Osborne and his staff for the work they put into all the research and their discussions with the land owners.

Mr. White said Mr. Chaney called him to thank you for all your work and asked that WCSA keep him updated.

Mr. Nelson thanked staff for their excellent work.

**11. Consideration of Award of the Mill Creek Improvements Project Bids – Bobby Lane**

Bids were opened and read aloud at 2:00 pm on September 15<sup>th</sup> at the Chilhowie Town Office.

The Mill Creek Project is a joint effort between the Town of Chilhowie and WCSA. When TLG applied for money for this project from Rural Development, it was in everyone's best interest for the Town of Chilhowie to be in the lead as far as the application was concerned.

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The lowest two bids were within the project budget however the lowest bidder did not follow the directions for bidding which required that prices be given for each alternative. The low bidder on Alternative # 1, rather than quote a price wrote in "No Bid". There were also questions concerning qualifications of the Alternative Bid offered by the second low bidder. These issues were discussed with WCSA and the Town of Chilhowie, staff members and the Town of Chilhowie's legal counsel.

At a continued meeting of the Town Council held on September 22<sup>nd</sup>, Council members heard recommendations from TLG and attorney and voted to reject all bids and re-advertise the project.

TLG will meet with WCSA and Town of Chilhowie staff to discuss revised bid documents and re-advertise the project for bids.

Mr. Nelson asked when the project would be completed as that time frame had been moved out.

Mr. Lane said this would push that date out again. Depending on the meeting with respective staffs Mr. Lane said he is hopeful to re-advertise the project in October and receive bids in November.

Mr. Nelson asked what the project completion date was for the project.

The initial project completion date was in the fall of this year. Mr. Lane thought the project was about 18 months off the original projected date.

What was put in place temporarily, will that carry us through this additional time frame, asked Mr. Nelson.

Mr. Lane said it was his opinion it would be ok. WCSA staff is doing a very good job of monitoring and operating the Mill Creek Plant. There are safe guards in place to protect the membrane currently in place. Mr. Lane said he believed

WCSA and Town of Chilhowie staffs were doing all they could to ensure the existing membranes would last until they were ready to be retired.

Mr. Nelson asked if there was an issue with grant funding or loan funding due to the time extension.

Mr. Lane said, no sir. He spoke with Rural Development and they are aware of what is being done and understand why it is being done and they are ok with it as far as funding is concerned, said Mr. Lane.

Mr. Nelson said with the partnership, half the funds are grant funds.

Mr. Lane said \$1.8 million, yes sir.

Mr. Miller asked what the issue was with the second low bid.

On the Alternative, which they offered MEMCOR membranes for, it appeared to TLG upon review, there was a qualification and an exception taken on the warranty, said Mr. Lane. And we took that into account as we can by the Information for Bidders. It becomes an issue if the bids are all objective but in addition to the fact our lowest bidder had a problem, that was also a factor in rejecting any and all bids, explained Mr. Lane.

Mr. Lane said he was very hopeful all three bidders would bid again on the project.

**12. Consideration of Proceeding with Project 3727, Phase 1 – Robbie Cornett**

Mr. Cornett said in looking at the number of existing county residents without water, as far as address structures are concerned there are 3727 address structures without access to public water.

Historically, WCSA responds to customer requests for water. WCSA works with a project champion, survey residents, collect user agreements. In

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areas with more than 50% participation, WCSA tries to secure funding and move forward with the project.

The question that has developed in the past few months from some of the Commissioners and Board of Supervisors member, Saul Hernandez is to be more pro-active. One way to be more pro-active is to use this resident data base of 3,727 residents. Do we want to send out a survey to these 3,727 residents gauging their interest in water? If so, we want to be sure to temper expectations and residents understand the possibility of water service is based on interest.

Mr. Cornett said he saw more of a phased approach; if there is adequate interest in an area of the county, the next effort is to solicit user agreements, try to seek funding, design the project and secure easements.

Some projects can come together quickly and other times it may take years.

Another thing to consider with surveying is it can be quite intensive as there are a lot of residents to correspond with.

One question Mr. Cornett asked the Board to consider if their expectation is that WCSA or someone helping WCSA speaks to every resident. Mr. Cornett said if that is the expectation, WCSA would need help. Based on prior surveys, we may receive response from half of those surveyed, the other half we have to call or go visit. If the Board is reasonably satisfied with just the survey and not to follow up with phone calls or going door to door, Mr. Cornett thought WCSA could handle internally.

If we want that follow-up, that help might come from the Mount Rogers Planning District Commission or help from local college students that might be interested.

Mr. Cornett asked for the Board's thoughts.

Mr. Nelson said his concern is sending the survey to places WCSA did not have the capability to serve. The Board wants to provide service to as many places as possible but some appear to be cost prohibitive. The thing about surveys is it gets people believing a project is coming, said Mr. Nelson.

You are saying false hope, stated Mr. McCall.

Mr. Nelson said his opinion was surveying groups you know you can provide service to would work better.

Mr. Miller thought getting interest in the corridors, where we can branch off another line; where the backbone is already established. Areas like Konnarock will be hard to service.

That area only has 71 residents and it is a huge area said Mr. McCall.

It is a great report; a remarkable accomplishment overtime. We want to service the other 3,727 but Mr. Nelson said he was concerned, that because WCSA is surveying, water is coming in a short time frame.

Mr. Cornett said it may very well be difficult to temper expectations. Surveying the main corridors like Mendota Road and Rich Valley Road where there has been interest off and on but not to the level of 50%.

Mr. Nelson thought those areas would be the ones to pursue.

Those are two prominent corridors and if it be the Board's pleasure, WCSA would tailor surveying efforts to those areas.

Mr. McCall thought concentrating on those areas would be better dollars spent and not get false hope to those in some areas. It is like cell phones, there are some areas you choose to live where there is no service said Mr. McCall.



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Last year, we did research on Mendota Road, but not a total picture from residents being serviced by Scott County. Putting those in the equation would help the numbers I'm sure, said Mr. McCall.

Mr. Nelson thought it was a worth project just isolate it so people aren't saying, you sent us a survey, when are we getting water.

Mr. McCall thought is speaks well of the Board that they look at serving the entire county and not just one Commissioner's area.

As Mr. Taylor would say, water is a necessity for people and we are trying to do what we can to provide it, said Mr. Nelson. It is not about one District; it is about where we can provide service economically and feasibly. There are places that you can't get to but hopefully there's other ways.

**14. Consideration of Water and Sewer Service Line Insurance Proposals – Robbie Cornett**

The service line insurance idea came about as the Abatement Policy Committee considers various options to reduce water loss and loss of revenue. Not only loss of revenue to WCSA but for customers having to pay higher bills even after their abatement. We are abating about \$19,000 per month.

An opportunity we see helping with this is service line insurance and another is a fixed based meter reading system. One of the major reasons for high water bills is time from when the leak starts and when it is repaired. Some customers are able to repair the leak quickly, and other it may take months to repair the leaks. One advantage of service line insurance if a customer chooses to elect that is the response time.

In June 2015 WCSA met with HomeServe, American Water Resources, and Utility Service Partners to discuss the possibility of providing service line insurance to our customers for water and/or sewer. Once the Committee and Board decided this may be helpful for our customers and WCSA, we advertised a Request for Proposals on July 17, 2016. Proposals were due Thursday August 4, 2016. We received two proposals; HomeServe and American Water Resources. Utility Partners did not send a proposal as they merged with HomeServe in July.

The Committee met September 13, 2016 to review & discuss the proposals that we received. Both providers are similar in the services they can provide, however, the Committee has selected HomeServe as the top ranked offeror. We based our conclusion on the following:

HomeServe Water Service Line monthly cost to the customer is \$4.49 and Sewer Service Line is \$6.99 or combined \$10.49 monthly.

American Water Resources Water Service Line monthly cost to the customer is \$4.99 and Sewer Service Line is \$8.99 or combined \$11.99 monthly.

Both providers offer "off-bill" and "on-bill" billing. However HomeServe recommends "off-bill" billing so WCSA does not have to be responsible for the payments for the service line program.

The retention rate for HomeServe is 89% to 93% as American Water Resources retention rate is 75% to 80%.

Both providers provide a warranty of one year on the service and parts of any repair.

Both companies offer a portion of proceed back to the utility to use for example for a program for

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disadvantaged customers. Administrating those funds may be difficult at best. So, we went back to HomeServe and asked if we forfeited those funds could the premiums be reduced. HomeServe indicated the price would drop by about \$.50 per month by forfeiting those funds.

We also asked if we could add frozen pipe coverage to the policy. HomeServe said we could add that coverage at a cost of about \$.50 per month. That coverage would be for outside pipes only and include unfreezing pipes. We must decide if that would be an option of the insurance.

The Committee recommendation to the Board is to recognize HomeServe as the top ranked offeror and begin negotiating a five-year Contract with HomeServe.

HomeServe would be permitted to use WCSA's logo and or seal and our customer data base.

Mr. Nelson thought some people would use this insurance as a budgeting tool, as a way for them to be able to pay the smaller amount monthly in case something happens. It allows them to be prepared. We see many times when bills are very high, people want to pay but do not have the means to do so which takes us to the abatement process.

Mr. Nelson said his concern is, does the company have the means to stand behind the insurance for five years.

They certainly do, stated Mr. Miller.

If HomeServe has the means to stand behind it then it is up to the customer, stated Mr. Nelson. We are providing an additional opportunity to the customer, it is their choice whether they take it or not.

A lot of people do not realize they do not have this on their home owner's policy, stated Mr. Miller. It could cost several thousands of dollars to fix a water leak

and many people do not have those means. Mr. Miller said this is an opportunity for customers to have insurance for that. HomeServe does off bill also so it won't be a huge effort on staff, said Mr. Miller.

Mr. Lawson asked if the retention was people who remained their customers.

Yes said Mr. Cornett.

That is a good satisfaction rating said Mr. Lawson.

Mr. Cornett said McCall, serving on the Dispute Committee, can probably recall several disputes we've had the past several years where at least in part, the leak took several months to repair resulting in a bill that was difficult even after the abatement. If a customer elected for the insurance, response time for the most part is about 24 hours.

If we can collect 25% of the abatements, that is \$5,000 a month or \$60,000 a year or \$600,000 every 10 years. That would put in a lot of water lines, stated Mr. Nelson. Mr. Nelson said he did not think it would solve the entire problem but would give customers an opportunity.

Mr. McCall said his concern was the 30% to 40% of customers that could not afford the insurance. We have had interest from churches and other groups that have helped with some water bills. Mrs. Edwards has been great, if there is a problem to call Faith in Action and some other groups for help. Those groups are there if we just had someone to put them together that could take care of the 30% to 40% who cannot afford it. They could be someone outside WCSA said Mr. McCall.

Mr. Nelson said what he thought Mr. McCall was saying is those people who get in trouble are proud people too and it makes it difficult. Unless they ask for help, it is hard to put those parties together. Mr. Nelson said his hope is this

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would work, and the abatements were decreased to a low number. Then we could consider subsidizing because we would have funds and it would be much cheaper.

It is in the proposal that HomeServe would fix help some customers that were in need of help, said Mr. Miller.

Mr. Cornett could not remember just how HomeServe worded that. Basically, it is the company attempt to build good will in the community.

It is their (HomeServe's) community reinvestment, stated Mr. Nelson.

HomeServe may not be able to help all but could help some, stated Mr. Miller.

Mr. McCall said to see how things go with the insurance and put this group together if it is still needed.

Mr. Nelson said he thought what would really help is the success stories that come of this. That will help HomeServe shoe they will do what they say they will do.

Mr. Miller motioned to approve the five-year contract negotiations with the low bidder, HomeServe to provide service line insurance. Mr. McCall seconded and the Board approved voting 6-0-0-1

**15. Closed Meeting – 7:59 pm**

Mr. McCall 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.
  - ii. Easement and property acquisition related to the Exit 13 Phase 3 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.
    - ii. Easement and property acquisition related to the Exit 13 Phase 3 Project.
3. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice:
  - a. Consultation with legal counsel and briefings by staff pertaining to possible litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of WCSA.

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

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

**16. Return to Open Meeting – 8:43 pm**

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

Mr. Nelson read the following Certification of Closed Meeting;

Whereas, the Washington County Service Authority has convened a

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

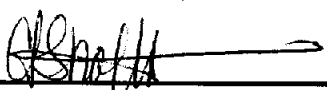
**15. Late Items**

Mr. Campbell motioned to approve a Baking Resolution updating the Controller position from Kim Boyd to Melinda Jett and naming Melinda Jett as the WCSA Treasurer. Mr. McCall seconded and the Board approved voting 6-0-0-1.

**16. Adjourn – 8:45 pm**

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

  
\_\_\_\_\_  
Mr. Mark Nelson, Vice Chairman

  
\_\_\_\_\_  
Carol Ann Shaffer, Assistant Secretary