

Washington County Service Authority Board of Commissioners
September 28, 2015 Regular Meeting Minutes

The Regular Meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 6:07 pm.

ROLL CALL

Commissioners Present:

Mr. Kenneth Taylor, Chairman
Mr. Mark Nelson, Vice Chairman
Mr. Wayne Campbell
Mr. Devere Hutchinson
Mr. Jim McCall
Mr. Dwain Miller
Mr. Mike White (arrived at 6:30 pm)

WCSA Staff Present:

Robbie Cornett; Secretary, General Manager
Kimberly Boyd; Treasurer, Controller
Carol Ann Shaffer; Assistant Secretary, Administrative Assistant
Dave Cheek, Operations Manager
Mark Osborne, Distribution Manager
Ken Perrigan, Meter Manager
Holly Edwards, Customer Service Manager
Ryan Kiser, Staff Engineer
Bobby Gobble, Assistant Maintenance Manager
George Thomas, Utility Coordinator

Consultants Present:

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

General Counsel Present:

Mrs. Dawn Figueiras; Elliott, Lawson & Minor

3. Approval of the Agenda

Mr. Cornett asked that Agenda Item 10 be moved to Agenda Item 4. Mr. Nelson motioned to approve the change, Mr.

Hutchinson seconded and the Board approved voting 6-0-0-1.

4. Consideration of Request by David Bradley Concerning a Wastewater Line - *David Bradley*

Mr. David Bradley of 605 Azalea Drive in Glade Spring, Virginia addressed the Board about the sewer line that was installed on his property in 1998. Mr. Bradley said he has been trying to get someone to look where the sewer line was installed since 1998 Mr. Cornett finally looked at it a couple of months ago.

Mr. Bradley said he had a half acre of land and when the sewer line was installed, they (contractors) showed me where it would be installed. Mr. Bradley had a blueprint that according to him was not the original blueprint that showed where the line would be installed on his property.

Mr. Taylor asked if he had the original blueprint.

Mr. Bradley said he did not have the original blueprint. He said the original blueprint showed the sewer line would be installed on edge of his property not across the middle of his property. Mr. Bradley reiterated the blueprint he had was not the original blueprint he saw. He said he would have never agreed to an easement for a sewer line ran through the middle of his property.

Mr. Bradley said there was a 30 foot right of way on the corner of his property and the sewer line could have been installed there, in the alley he said.

Mr. Bradley said installing the sewer line in the middle of his property ruined his and his wife's property. "That's our asset, that is what me and my wife have worked for", stated Mr. Bradley. Mr. Bradley said if his children wanted to set up a double wide on his property they

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couldn't do it because the sewer line "is ten feet on both sides." If the engineers would have installed the sewer line the right way, it would not have affected our property.

Mr. Bradley said he has been fighting this for a long time and the only one that would look at it (where the line was installed) was Mr. Cornett.

The engineer at the time the line was installed was Randall Hancock, said Mr. Bradley.

He said when he came home from work one day, "they ran that line right through the middle of my property and I have been trying to fight this since then", stated Mr. Bradley.

Mr. Bradley said his property was his biggest asset, "we have a nice place."

Mr. Bradley said they could only use half of his property.

Mr. Bradley said he and his wife would have never let the line be installed across his property like it was. He said he has been trying to fight this since 1998 and Mr. Cornett was the only one that would come and look where the line was installed. He continued saying, Mr. Cornett could vouch for him that "they did a bad job".

Mr. Bradley said he did not want to lose his asset; what he has worked for. He tried for years to get someone to look at it and according to Mr. Bradley, it seemed no one wanted to deal with it and push it under a rug. Mr. Bradley said, that's not right; it's not right to take my land away from me like that.

Mr. Bradley said "they can do something better...they can compensate me or buy that piece of land and do what they want to with it", he stated.

Mr. Bradley said anyone with any sense would have known to check the right of way before installing that big sewer line. "I did not put a sewer line in to

accommodate our whole neighborhood, I put a sewer line to accommodate me", stated Mr. Bradley.

Mr. Bradley said he came today to see what could be done.

Mr. Bradley said he was losing a lot of money, losing his assets. He said as he and his wife get older, they will not be able to take care of it,

Mr. Bradley said it would have been easier to correct in 1998 but they wouldn't do anything.

Mr. Bradley said his biggest asset was his property and if you have children, you want to leave assets to your children and "when you put that sewer line in, you decreased the value" of his property.

Mr. Taylor asked what size the sewer line was.

Mr. Cornett said 8 inches.

Mr. Taylor asked Mr. Bradley if he had any other building on his lot.

Mr. Bradley said he had a corner building. The line was installed in front of his garage he said and he had to leave ten feet on each side. Once you take ten feet on both sides, there is no land left, he stated. Mr. Bradley said the line was installed from corner to corner across his land "and it ruined it". Mr. Bradley said he couldn't put anything on his land because of the sewer right of way.

Mr. Bradley said he and his wife agreed to give a right of way for the sewer line, but not where the line was installed.

Mrs. Bradley said the line was installed along the fence line until they reached their land, and they came straight across the Bradley's land. Mrs. Bradley said we want to know why they did not come along our fence line also. Mrs. Bradley said they did sign (an easement) but they did not sign to have it (the sewer line) come through the middle of our yard like that. "We are trying to find out why our

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land was destroyed and nobody else's was", stated Mrs. Bradley.

Mr. Hutchinson inquired about the map Mr. Bradley said he was shown other than the map he had.

Mr. Bradley said the map he had was not the map he was shown.

In the map they showed you, how did that line run, asked Mr. Hutchinson.

Using the map Mr. Bradley had, he explained how the line was supposed to have been installed.

Mr. Hutchinson asked if the other property owners were complaining because the line cut across their property.

Mr. Bradley responded saying they are Mr. Hutchinson and Mr. Bradley continued discussing where Mr. Bradley thought the sewer line should have been installed.

Mr. Hutchinson thanked Mr. Bradley for his explanation.

Mr. Taylor said none of the current Commissioners were on the Board when that sewer line was installed. He asked Mr. Bradley what he would like to see happen.

Mr. Bradley said run another line beside the building but he wanted the right of way in his yard so he could do what he wanted with his land. Anyone with common sense; a good engineer or supervisor; would have said we can't ruin this man's property. Mr. Bradley said he was putting the ball in the Commissioner's hands and said Mr. Cornett could get back with him.

Mr. Bradley said he has been fighting this for 16 years and it didn't make sense he was losing his property over it.

Mr. Bradley said

I know everyone on this Board can agree, if you have assets, the biggest asset you will have in your life is your home and property", stated Mr. Bradley.

Mr. Bradley thanked the Board for listening. Mr. Taylor and Mr. Cornett thanked Mr. Bradley.

5. Public Query and Comment

There was no public query or comment.

6. Approval of the Consent Agenda

B. Routine Reports: August 2015

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

C. Financial Reports: August 2015

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

D. Consideration of Amendment No. 4 to the WCSA The Lane Group Engineering Agreement for the 12 MGD Water Treatment Plant Upgrade, Raw Water line and South Fork Intake Project - *Ryan Kiser*

E. Consideration of Change Order No. 1 for the Hidden Valley Water Project - *The Lane Group*

F. Consideration of the Galvanized Water Line Replacement Project, Phase 2, Order No. 1, Divisions 1-3 - *The Lane Group*

G. Consideration of Amendment No. 1 to the Engineering Agreement Between WCSA and The Lane Group for the Route 58 Water Supply Improvements Project (*Ryan Kiser*)

H. Consideration of Revised Amendment No. 1 to the Engineering Agreement between WCSA and The Lane Group for the Galvanized Line Phase 2 Water Project - *Ryan Kiser*

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Mr. McCall had a question August legal expenses. There are two legal firms used for the Tolling Agreement, one charged \$9,000 and the other charged \$4,000. Mr. McCall asked why two attorneys needed to be involved with the Tolling Agreement.

Mr. Cornett said we started with one attorney and changed to another mid-way.

Mr. Nelson said this Tolling Agreement was important to us to protect our rights. Our local attorneys needed the contract expertise from the attorneys that worked with WCSA on that particular project. Mr. McCall said he agreed with that but why didn't they let them do I agree with that "but why didn't they say let them do it and save us \$4,000; that's a lot of money to do the same thing."

Mr. Cornett reported the Williams McMullins did find an error with their invoice, after the report was generated, so their invoice will be \$1,000 less.

Mr. McCall said that is an important thing so use the expertise and don't double up.

Mr. Cornett said he tried to avoid the overlap and tried to start with the less expensive option with EL&M. Then when we felt like we needed to bring the bigger horsepower with the expertise of Williams and McMullins who has the expertise in drafting Tolling Agreements we contacted Mr. Mason to keep Mr. Lawson or Mrs. Figueiras from having to develop an agreement, perhaps from scratch, they have never developed before.

I understand it, it is just a lot of money stated Mr. McCall.

Mr. Taylor called for a motion.

Mr. Nelson motioned to approve the Consent Agenda with a second from Mr. Campbell. The Board approved the motion voting 6-0-0-1.

7. Engineer's Report and Update

Bill Skeen of Maxim Engineering:

- Larwood Acres / Exit 1

Mr. Skeen said the Study was complete. The end result is three separate sewer projects. The first will service Larwood Subdivision; about 100 homes with failing septic systems. Maxim changed their design from the effluent delivery septic tank concept to gravity sewer. This project will include an eight inch gravity sewer line that will tie into BVU's system and will cost approximately \$2.3 million.

The second project is at Exit 1 along Gate City Highway and will cost an estimated \$2.3 million. The third piece of the project is around Dishner Valley and will service the Virginia section of the Pinnacle at a cost of about \$2.3 million.

Mr. Skeen said the next step will be for WCSA to prioritize these different projects then Maxim will seek funding.

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

- Exit 13 Sewer Project Phase 2A
A&A submitted Final Plans to VDOT and DEQ. They do have approval from the county and expect approval from DEQ and VDOT to follow the first of October.

- Exit 13 - Phase Sewer Design
Surveyors began work mid-August. Mr. Amos is looking forward to finishing the field portion of surveying the first week of October. That will allow A&A to finalize a preliminary set of plans to submit to WCSA staff for approval.

Mr. Miller asked how long it would take to get Preliminary Plans.

Mr. Amos said he expected approval to come in the next 4 to 6 weeks; so, around the middle of November or the first of December he said.

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Mr. White arrived at 6:30 pm.

Bobby Lane of The Lane Group (TLG)

Mr. Lane first thanked the Board member for consideration of the Change Orders approved in the Consent Agenda.

- Mill Creek Water System Source Improvements

Mr. Lane then reported on Mill Creek.

Mill Creek was placed on line since last meeting and is working real well. Mr. Lane said he hesitated to say in monthly reports just how amazing that is amazing and want to be sure the Board understood the story.

Mill Creek was producing 2.5 MGD on a daily basis and it the plant went off line. Because of the technical ability of the WCSA Staff and the Town of Chilhowie no one was out of water. There were no boil water notices and to Mr. Lanes knowledge there was not even a drop in pressure to those served by the Mill Creek Plant. It is worth telling what a herculean effort the WCSA Staff put forth and how well they and the Town of Chilhowie worked together so residents probably did not even know there was an issue at all.

Mr. Lane also pointed out, during that time the Middle Fork Drinking Water Plant, the South Fork Intake and the Middle Fork Intake had to produce an additional 2.5 MGD of water daily for 7 months when Mill Creek went off line. MR. Lane said that was a credit to the operators and Staff. Mr. Lane said that being able to produce 2.5 MGD for 7 month shows the system is very strong. Quite frankly, said Mr. Lane, I do not know of another system anywhere that could do that.

The Mill Creek Plant and Intakes continue to work well. The turbines are operating and they generating power.

Mr. Lane received the Raw Water Pump Report on the South Fork Intake. The pumps are operating within the curves. There was an overheating issue with the pumps at the South Fork Intake but Mr. Lane believes that was a result of power surges and power source issues that have been repaired and the pumps are running at a cooler temperature. Mr. Lane will forward that report to Mr. Cornett and Mr. Cheek in the near future.

TLG continues to wait for high turbidity and icing that will come in the fall and winter but now things are looking good and are Mr. Lane said he was very optimistic about how the plant will perform under those conditions.

Another noteworthy item is the Tobacco Commission did agree to fund the Mid-Mountain Project in grant funds of \$250,000. Along the SWIFA commitment of \$250,000 will allow for the completion submission of an application of \$250,000 being finalized by Mount Rogers.

Mr. Lane said another notable item is the receipt of the Draft Permit from DEQ. The Draft Permit means the regulatory agencies responsible for permitting the discharge into Beaver Creek agree with the effluent limits TLG proposed. And, as far a regulatory agencies are concerned, are ready to issue a permit. That is very positive and has been a long time coming, stated Mr. Lane. Mr. Lane said there has to be a TMDL meeting with DEQ, have a public meeting on the total maximum per day loading then a Public Notice for the Permit. DEQ will then wait for public comment. If there is no public comment of an adverse or significant nature, DEQ will issue the Discharge Permit. If there are significant adverse comments, DEQ will address them, there will be a Public Hearing and then Mr. Lane hopes DEQ will issue the Discharge Permit.

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- Galvanized Waterline Replacement Project – Phase II

Division 2 lacks installation of a few hundred feet of mail line. There are also 3 bores and some meter tie-ins that need to be completed.

Thomas Construction is working on Division 3 and is about 3 to 4 weeks away from having work on the main line completed.

- Hidden Valley Water System Improvement

At days end, only about 800 feet of main line was left to install. One of the 4-lane lane bores is complete and there is one left to complete. Project Time will be up the first part of November and Mr. Lane believes the Project will be complete by then.

- Route 58 Water Supply Improvements Project

TLG is working on a draft for submittal to WCSA approval for the installation of line on Route 58 along Drape Road.

- Smyth Chapel Area Water Improvements Study

TLG completed the PER and WCSA Staff continue work on this project, reported Mr. Lane.

8. Water and Waste Construction Projects Update – Ryan Kiser

Mr. Kiser updated the Board on the following In-House Capital Improvements Projects:

- Childress Hollow – The VDH funding agency has approved the bidding process. Mr. Kiser plans to issue Little Henry a Notice of Award on October 7, 2015. Then bonds and insurance will be submitted to counsel and to VDH for approval, the will proceed with issuing the Notice of Award in November.
- Haskell Station – Staff continues with design of the Project.

- Richie Road – Staff made contact with the large property owner last week and are waiting on a return call to schedule a meeting to discuss the easement.

Mr. Kiser provided the Board with an update on the following Projects Under Review:

- Love's Travel Shop – The contractor is now laying gravity line. Mr. Kiser is waiting to receive pump station stigmatics for approval.
- Exit 19 Development (Shops at Fifteen Mile) – This Project is now under way.
- Phippen Sewer Phase 4 –Line work is complete. Mr. Kiser is waiting on test reports to be able to close out the Project.
- Fairfield Inn Project – Work has begun on this Project. Draft Plans have been approved and Mr. Kiser is waiting to hear back from the developer.
- Legacy Village – Staff reviewed preliminary plans, made comments and responded to flow information requests.

9. Operations Report and Update – Dave Cheek

In Mr. Cheek reviewed the following Operations Update for August 2015:

Discussion Items:

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

Year to Date we are \$145,000 Under Budget:

- With Adjustments for Accrual Reversals Removed; Otherwise \$235,000 Under Budget.

2015 August Water Production Highlights:

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- SFI & MFDWP Issue Resolution
 - Scheduled Weekly Meeting with TLG until we can correct open issues

Mr. Cheek said the team continues to keep things in focus and take care of issues.

- Conducted Field Electrical Review with Respect to Lightning Protection with Engineers and AEP

Mr. Gobble worked with an outside consultant on lightening issues and had good results working together on issues.

- Focusing on Ice and Turbidity Ahead of Winter and River Conditions
 - Locating Similar Intakes for Field Trip

- Mill Creek Membrane Plant – Koch Restart

Mr. Cheek had an old Koch Membrane filter from the Mill Creek Plant for the Board to see. He said the membrane cartridge contains 100,000 fibers that filter the water as it passes through. There are 120 Koch cartridges in the Mill Creek Plant.

- Interconnection Complete 9/14, VDH Approval & Commenced Operation 9/15
- Membrane Plant: VDH Approval 9/16, Re-Start 9/17 (Limited Operation)
- Improved Interlocks for Raw Water
- System Operation
 - Addressing System Time/Temperature Relationship as it Impacts Quality

Mr. Cheek they now have a line flushing system in place to ensuring good water quality for outreaching areas of the system. According to the samples, this process is showing good results, said Mr. Cheek.

Mr. Cheek discussed the Mill Creek Interconnect saying it was a very simple interconnect that ran very smoothly.

2015 August Metering Highlights:

- Division of Mines Minerals and Energy (DMME) Design/Build Process for Energy Reduction
 - Working with DMME (Charlie Barksdale)
 - Providing Critical as Requested Information to the 4 ESCO Bidders
 - Honeywell, Siemens, Johnson Controls and Wendel
- Proposals will Address Various Energy Saving Opportunities as a Result of Each ESCO's Analysis
 - WCSA can select some, all or none of the Proposed Opportunities

DMME Program – Next Steps:

- This is a very complicated program with significant commitments required by WCSA
- Proposals on the Table in Front
- Proposal Presentation Schedule
 - Honeywell 10/13 @ 8:30am
 - Johnson Controls 10/13 at 10:30am
 - Wendel Engineering 10/14 at 8:30am
- Does it make sense to have 2 Board Members Participate in the Proposal Presentations?

Mr. Cornett said it would be very similar to the Engineering Procurement process and thought it would be very helpful to have two Board members join staff presentations on October 13 and 14.

Mr. Miller and Mr. Campbell volunteered to serve on the DMME Program Committee.

Mr. Cheek said Mr. Perrigan has done a very good job handling this project and

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getting all the information together and distributing the information.

2015 August Wastewater Process Highlights:

- System Operation
 - Damascus did have a Chlorine Meter Failure
 - DEQ Notified with Action Plan
- Inflow and Infiltration
 - Team Approach with Maintenance
 - Damascus Did Not Exceed Daily Inflow in August
 - Issue Around Greenbrier Pump Station
 - Significant Improvements
 - Issue under Lee Highway that working to find a reasonable solution
- Capital Improvements
 - Reviewing DMME Proposals and weighing against current Capital Improvement Strategy for most Cost Effective

2015 August Water Maintenance Highlights:

- Galvanized Phase II Support
 - Bi-Weekly Meetings with TLG to Identify and Correct Issues
 - Try to Immediately Resolve Issues
 - Making Good Progress
 - Goal is to Make Sure we Kill all the Galvanized Line
 - Preparing for Phase III, Documenting Segments
- Routine Activities
 - Leaks – 43 (2014 Avg. 34)
 - Main Line Breaks – 1 (2014 Avg. 6)
 - Fire Hydrant: Flow Tested – 20, Repaired - 3
 - After Hours Responses – 34 (2014 Avg. 44)
- Costs

- Preventive Maintenance
 - Mobile Equipment
 - Tanks
 - Pump Stations

2015 August Distribution Highlights:

- Assisted with the Town of Chilhowie / WCSA Permanent Interconnection Project
- Solidifying Mill Creek Water Delivery System
 - Wise Pump Station
 - Lee Highway Pump Station
- Continued Fire Hydrant Training with Field Demonstrations
- Developing System to align District Meters with District Billable Metering to identify Water Loss Areas
- Executing PSV/PRV Preventive Maintenance Program
- Establishing Preventive Maintenance Programs for Pump Stations, Tanks, Gate Valves, & Fire Hydrants

Forward Looking Statement:

- Mill Creek
 - Replacement Plant Detail Engineering
- Customer Relationships
 - Fire Departments
 - Water & Sewer Customers
 - Working with Customer Service for more In House Training & Processes to Assist Both our Customers and Our Teams Understand Each Other's Concerns and Issues Better
- Costs
 - Production Costs (Water Loss and I&I)
 - After Hours Call In
 - Base Knowledge and Tracking Ability
 - Hydrants as a Device to "Stress Test" our Water Delivery System to identify Problems Early

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- Work with Engineering/Operations on How to Work Together to Obtain the Most Value in our Construction Projects
- Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests
 - Time/Temperature Effects on Water Quality Delivered to the Tap

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

Mr. Cornett presented each of the Commissioners with a framed Revenue Bond from years past.

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

Introduction:

- Safety
- Financials
- Customer Service
- Notable
- Reserves
- Ahead

Safety:

- August 2015
 - 12,080 Hours Worked
 - Four Accidents
 1. Lee Highway Head-on (No Fault)
 2. Bee Sting (No Fault)
 3. Backed into Mailbox
 4. Backed into Car
- One Injury
 - Lee Highway Head-on (Strained Wrist)
- Safety Training
 - Continued Confined Space (Operations)
 - Organized by Department Heads

- Taught by Johnny Lester, Don Cole and Tommy Dotson

Financials: New Water Connections

There were 3 new water connections for the month of August.

Financials – Water Revenue:

Water Revenue is \$51,623 above projections for the month of August.

Water Revenue Year to Date is \$155,987 above projections.

Financials – Expense:

For the month of August, excluding compensation and benefit but including overtime; Customer Service was \$9,758 over budget due to outsource mailing expenses of \$8,840 and postage for and 1,500.

Year to Date, Non-Departmental is \$29,859 over budget due to withdrawal fees of \$62,328 and flood insurance fee of \$11,404.

Financials - New Wastewater Connections:

There were no new wastewater connections in June, July or August.

Financial - Wastewater Revenue:

Wastewater revenue was \$1,769 below August projections and \$1,083 above year to date projections.

Financials - Wastewater Expenses:

August expenses were \$3,838 over budget due to a \$3,589 workers compensation claim.

Year to Date, wastewater is \$6,922 over budget due to workers compensation claims of \$7,178.

Customer Service:

- 21,166 with 30 Inactive accounts becoming Active Accounts
- 2,350 (up 3 in August) Active Wastewater Accounts
- 193 Reconnection/Transfers of Service
- 87 Disconnects for Nonpayment (1,246 Issued)
- 116 for \$19,627.19 Abatements

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- \$7,145.86 Bad Debt Write-offs
- 4,401 Accounts with Late Fees, Nearly 20% of the Customer Base

Notables:

- Possible Mendota Road Water Extension
 - Background:
 - 58,600 Feet of 8" Water Line
 - Water Storage Tank
 - Pump Station
 - Pressure Reducing Valve
 - Control Valve
 - \$3,579,600 Total Cost
 - 113 Existing Residents

Assuming 80% of existing residents agree to connect to public water that will be 91 residents. Assuming they use 5,000 gallons of water per month; typical usage; that will generate \$48,922 a year in revenue. That amount of revenue will enable WCSA to debt service a \$1.2 million loan for 40 years at 2.25% interest. With total construction costs of about \$3.68 million that leaves a gap of \$2.3 million. How do we close that gap? Mr. Cornett said WCSA was grant eligible by the slightest of margins. Rural Development has a \$17,000 per connection threshold for projects they are willing to fund. Mr. Cornett said right now, connection fees are above \$30,000 per connection, well out of range.

Mr. Cornett is hoping Rural Development will calculate connection fees after the VHCD grant funds are subtracted to meet the threshold.

- Next Step?
 - Option 1:
 - Engage Rural Development Again About \$1.28 Million Loan and \$1.0 Million Grant Subject to DHCD \$1.0 Million Grant and if Positive

- Hire MRPCD to Solicit Required DHCD Income Surveys (60% Must be LMI) and WCSA User Agreements (80% Min. Required for DHCD)
- If Process is Started, Difficult to say to the Community Later, We Can't Do the Project.
- Option 2:
 - Keep Looking for Other Feasible Funding Alternative
 - May Take Time and Funding Agency Program Changes
- Human Resources
 - Health Insurance Open Enrollment
 - Thank You for our Health Insurance!!!

Mr. Cornett said Staff feedback has been nothing but positive. Mr. Cornett said he was very appreciative for the Board's support and commitment to Staff.

- Joey Forster
 - Class 2 Water Operator
- Mr. Forster has been with WCSA just over two years and is passing his exams as soon as he is eligible to take them.

- Operational
 - Mendota Source Change: SCPSA to Well

Mr. Cornett said WCSA had to change from the SCPSA water supply back to the well due to water quality issues; water not meeting expectations. WCSA has been in contact with SCPSA and they said there were changes made in the summer that lead up to those results and are making further adjustments. Mr. Cornett said a letter to all the Mendota customers.

- Mill Creek Online and Working Well

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Mr. Cornett expressed his gratitude to all the WCSA employees and the Town of Chilhowie employees for all the work that has gone into keeping water flowing to Chilhowie and bringing the Mill Creek Plant back on line.

- Customer Relations
 - Lowry Hills Homeowners Association Meeting
 - Mr. Hutchinson Attended Representing the WCSA Board
 - Availability of Wastewater Service
 - Water Pressure Questions

There were 2 residents that had more water pressure than they would like and one that did not have enough. Mr. Cornett thanked Mr. Cheek, Mr. Osborne and Mr. Gobble for their work installing pressure recording devises. As a result we could determine the residents had pressure reducing valve issues.

- Financial
 - 2014-2015 Fiscal Year Audit
 - Possibly, One Finding

Mr. Cornett said there may be one issue; a timing issue with submissions to the Virginia Retirement System that may or may not be noted in their findings. The Virginia Retirement System has not yet published the information local governments need to finish their audits.

Mrs. Boyd said Mrs. Cox informed her today that some were out and when WCSA received their information from the Virginia Retirement System to let her know. Mr. Boyd said she has not received the information yet.

- Intergovernmental
 - Town of Saltville
 - Explore Opportunities
 - Joint Utilities
 - WCSA Projects Update
 - Bristol, Tennessee
 - Stonegate Meter Readings

- Capital Projects
 - Mill Creek Improvements Project
 - Williams Mullen-Membrane Specification Review
 - DEQ Withdraw Permit
 - Richmond DEQ Permit Writers Source Tour
- Gifts and Gratuities Policy
 - Staff Reviewing Current Policy
 - Proposed Revisions Soon
- Mid-Mountain Zone 108 Funding
 - \$2.1 Million Project
 - \$1.1 Million Rural Development Loan/Grant Secured
 - 2014 WCSA Commits 100,000 GPD Water Capacity to SWIFA for Highlands Business Park Subject to SWIFA Obtaining \$500,000 Tobacco Grant and \$500,000 Appalachian Regional Commission (ARC) Grant
 - SWIFA 2014 Application Unsuccessful
 - SWIFA 2015 Application Summary
 - 9/2 SWIFA's \$500,000 Request Referred to VRA for Credit Analysis (Loan)
 - 9/10 Unsolicited by WCSA, SWIFA Commits \$250,000 to Project and Asks Tobacco to Match Funds
 - SWIFA Engages Tobacco SWEDC Members
 - 9/23 Tobacco Commits \$250,000 to Project Subject to \$500,000 ARC Funding
 - ARC Application Due September 30, 2015
 - WCSA Consider \$211,436 Commitment of Funds for ARC Application?

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Mr. Cornett asked the Board to consider a motion authorizing the commitment of \$211,436 for the completion of the Appalachian Regional Commission Application.

Mr. Nelson said you do not expect those funds needed to fulfil this Project.

That's right, said Mr. Cornett.

Mr. Nelson asked how the \$211,436 was factored into the reserves, would WCSA still have adequate reserves and would there need to be any increase in the current fees structure to meet targets previously set.

Mr. Cornett said there is adequate capacity in reserves to handle the \$211,436 commitment and so there will be no need for rate adjustments.

Mr. Nelson motioned to commitment of \$211,436 for the ARC Application to be used if needed. Mr. Hutchinson seconded and the Board approved voting 7-0-0-0.

Ahead:

- Energy Service Companies
 - Back of the Envelope Interviews October 13 and 14
- Water Withdrawal Permit
 - DEQ VWP (Virginia Water Protection) Permit
- Western Washington County Water Reclamation Facility
 - DEQ VPDES (Discharge Virginia Pollutant Discharge Elimination System) Permit
 - BVUA & Town of Abingdon Talks

Mr. McCall asked if existing Mendota customers were included in the equation for the line extension.

Mr. Cornett said there are roughly 60 existing Mendota customers. As far as DHCD and Rural Development funding is concerned, they will only allow us to count existing customers that do not have access to public water. So, those 60

customers have not been counted as part of the extension project.

Mr. Taylor would like to continue with the Mendota Project.

Mr. McCall wanted to discuss the Bradley issue. He said he knew Mr. Cornett would keep exploring and said Staff is doing such a good job other things, this (the Bradley issue) was something that really needed to be looked into and not 6 or 12 months from now.

Mr. Nelson said Mr. Tony Rector came to him about this. Mr. Nelson said the issue is Mr. Rector and Mr. Bradley really believe they were told the sewer line was to go along the fence line. Mr. Bradley has been upset about it since then but could never get any traction from anyone to talk about it. If you look at it, it does what Mr. Bradley said to his property. There were other properties in Glade that were done that same way, stated Mr. Nelson.

Mr. Nelson said he happened to be a Board meeting in 1998 the night Ms. Perry brought up the same situation.

Mr. Nelson said he wanted to help Mr. Bradley but I don't know what we can do.

Mr. McCall said the first thing is get an engineer down there and see if the line runs downhill and if the line can make a small change and it still gravity flow.

Mr. Nelson said then it was about \$7,500 to move the line, but probably cannot move it today for \$7,500.

Mr. McCall thought it would be simple enough to do in house.

Mr. Cornett said not right now. It would be worth putting a transit on the property to see which way the sewer will flow.

Mr. Hutchinson asked if there is any record of previous map that he was shown in 1998. Mr. Hutchinson said he

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understood Mr. Bradley's position. If I were told they were going to install the line along my fence line and I come home from work and the line cuts across my back yard, I would not have been as kind as Mr. Bradley was, stated Mr. Hutchinson.

Mr. Hutchinson agreed with Mr. McCall; send engineers to see if it is feasible to move the line down to the fence line and what the cost would be to do that. We do not want to alienate everyone in the community. Mr. Hutchinson said he understood the Board back then agreed to take no action but he felt like the Board today needed to take another look and try to accommodate Mr. Bradley if at all possible.

Mr. Nelson asked if that was a motion. Yes, I will make a motion to do that, stated Mr. Hutchinson.

A motion was made by Mr. Hutchinson and seconded by Mr. Nelson.

To clarify, Mr. Taylor said the motion was to research.

Mr. Hutchinson spoke up saying the motion is to have engineers evaluate the possibility of moving the line to the fence line and give a cost factor to do so. Mr. Taylor said this would be about 200 feet of line and a manhole.

Yes, said Mr. Cornett.

If WCSA did the work, \$7,500 wouldn't be enough stated Mr. Taylor.

Mr. Hutchinson did not think \$7,500 would cover the cost but said we need to look at what we need to do to correct a wrong, if there is a wrong. We need to accommodate our customers when possible. Mr. Hutchinson said it may not be practical to do that but felt it was worth exploring.

Mr. Taylor asked if Mr. Hutchinson thought Mr. Bradley 100% wanted the

line moved or if he wanted compensation.

Mr. Hutchinson said he was not one to say what someone's intentions were but thought WCSA should look into the cost to move in that direction and said they could always negotiate with someone. Mr. Hutchinson said Mr. Bradley was adamant he saw another map and had to give Mr. Bradley the benefit of doubt.

Mr. Nelson said if Mr. Rector were here, he would say the same thing.

Mr. Taylor asked if that study could be done in house.

We should be able to do that, stated Mr. Cornett.

Mr. Taylor asked if there was any further discussion.

Mr. Miller thought this would open up a can of worms.

Mr. Hutchinson said we may be doing that. If there was a mistake made we need to correct it and look at the costs to correct the mistake, stated Mr. Hutchinson. Mr. Hutchinson felt like the Board needed to do something; Mr. Bradley has been dealing with this for 16 years and no one has done anything. Mr. Hutchinson thought it was time the Board show an effort and look into this matter. If we can't do it, we can't do it but let's at least put forth the effort, stated Mr. Hutchinson.

Mr. Taylor called for a Board vote. The Board unanimously approved the motion with a 7-0-0-0 vote.

11. Consideration of New vs. Refurbished Jet-Vacuum Truck Analysis – Dave Cheek

Mr. Cheek reviewed the following presentation for a WCSA Vac-Truck:

Discussion Items (Objective):

- Manufacturer
- New vs Refurbished

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- Break Point on Price
- Major Component Replacement Costs
- Next Step
 - Decision
 - Procurement Process

Manufacturer:

- Highly Specialized Equipment with a limited number of Suppliers
- Two Main Suppliers:
 - Vactrol
 - Vac-Con
- WCSA Assembled a Team (Bobby Gobble & Floyd Wyatt) to visit actual users
 - Visited Utilities in TN, VA & KY
 - Operators with experience with both highly recommended the Vac-Con

New vs Refurbished (Targeted Refurbished at about 50% of New):

- Used
 - What we Have Found: Early to Mid 2,000's
 - Generally \$135,000
 - 40 - 50,000 miles
 - 1,500 -2,000 hours on Aux Engine
 - Warranty: As Is
 - Water Pump - \$10,022
 - Vac Fan - \$19,429
 - Hydra-Static Pump - \$8,252
- New
 - Single Axle:
 - \$250,000
 - Tandem:
 - \$275,000 w/Camera
 - Warranty
 - 5 Year (min) on Vac Components
 - Truck Chassis/Power Train per Manufacturer

Vacuum Truck Decisions:

- New vs Refurbished

- Board's Discretion
- Procurement Process
 - Depending on New vs Refurbished
 - Per Written Virginia Procurement Policies and Procedures

Mr. Nelson asked how many hours the vac-truck would be used, how much will it be used on an annual basis.

Mr. Cheek said on an annual basis cleaning lines as we are required to...

Mr. Cheek thought about the answer.

Mr. Campbell asked how many times a week it would be used.

Mr. Gobble thought it would be used two days a week at least.

Mr. Nelson said once you get the cleaning done that has to be done, how often will the jet vac-truck be used after the first two years?

Mr. White said the jet vac-truck is a multi-purpose truck it is a sump truck and a hydro-excavator. It will be used for multiple tasks. WCSA could look at things like renting the truck when we are not using it, to recuperate some money.

Mr. Nelson said that is what we wanted to do; to be able to lease a truck from others and they were not willing to do that because they might need it.

Mr. White said the way WCSA will be using the truck; it will not be idol that much.

Mr. Nelson said it will be idol 3 days a week, more than 50% of the time.

Mr. Cheek said that 2 days a week is for cleaning the sewer lines. This jet vac-truck does have the hydro and because of that, we think we will use the truck quite a bit. Presently,

Mr. Cornett asked Mr. Cheek to describe how the hydro unit works and what that option will allow WCSA to do. The jet will clean the line and the vac will suck

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it out but explain what the hydro feature gives you.

Mr. Cheek said when he looked at the truck, he thought about the work maintenance did, the physical work, and how the hydro option use for hydro excavation would improve safety and efficiency. Mr. Cheek reminded the Board of the photo that showed maintenance hand digging a line around a gas line. The line had to be hand dug because the gas line. We could have used the hydro-excavation option and pumps to blast water out to emulsify the soil and suck it up, to eliminate the need for hand digging. Mr. Cheek said the thought is when fixing a leak, call Ms. Utility, bring the jet-vac-truck out, hydro excavate the area, maintenance comes out and fixes the leak and move on. Mr. Cheek said that is where he saw a lot of use for this truck, for efficiency, safety and the cleanliness of hydro excavating. Per regulations, we have to clean or jet the sewer lines and camera them.

Mr. Nelson asked if the refurbished truck had the hydro option.

Mr. Cheek said some refurbished trucks had the hydro option and that would be added to the procurement specs.

Mr. Hutchinson said, so the truck is not only for vacuum purposes but it would be a time saver for labor and repairs.

Mr. Cheek said yes, for a lot of our repairs, using the hydro option would save time.

If there is a water line break and there are other utilities in that vicinity, rather than digging with a backhoe or excavator or even hand digging, this truck with the hydro excavator can used to basically turn the dirt into a milkshake and suck it up without harming any other utility lines or pipes, stated Mr. Cornett.

Mr. Nelson said the real question is whether purchase a new or refurbished truck.

Mr. Cheek said, right.

Mr. Campbell said if you by a refurbished unit, a lot of times you are buying someone else's problems.

Mr. Nelson said there are so many different uses for those trucks, you may find one that hasn't had as much need or usage. He said he would hate to see WCSA buy a brand new truck when we can use that other \$140,000 and help install water lines in Mendota for example.

Mr. Nelson then mad a motion to approve moving forward with a refurbished truck. Mr. Miller seconded Mr. Taylor said 2 days a week is 800 hours a year; truck rate is \$150 to \$165 per hour. That equates to \$100,000 or 40% of the jet vac-truck cost. Mr. Taylor said he had bought troubles and also bought good used trucks. If the truck is going to be used 800 hours a year, Mr. Taylor said it is better to buy a new jet vac-truck. If is the truck is only going to be used 200 hours a year, he recommended buying a refurbished truck. Mr. Taylor said the key is to know how often the truck would be used. The thing to do is rent the truck out when it is not being used, but then you may need something and it is not available, said Mr. Taylor.

Mr. Taylor said he would have to pay \$200 per hour for a truck and have it available when needed; you aren't taking on the risk (of maintaining the truck)

Mr. Cheek said another thing to consider is the procurement process. If we find a refurbished truck we want, we need to be able to purchase it quickly before someone else does.

Mr. Cheek said initially, the truck will be used for cleaning or jetting lines,

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cameraing the lines and making repairs. Then the truck will be used more for hydro excavation. Mr. Cheek feels using the truck 2 days a week is a conservative estimate but feels 4 days a week is a bit high so between 2 and 3 days a week is more realistic.

The unit will be sitting at the site most of the time, it will not be running for a straight 8 hours, stated Mr. Miller and thinks 400 hours of usage a year is too high.

Mr. Hutchinson said anytime you refurbished vehicle, there are service records and maintenance schedules attached to that vehicle showing repairs and costs of those repairs. The key thing is refurbished, and not used. If you find a refurbished truck, you should find records telling what has been done to that vehicle as far as repairs or replacement; so you aren't necessarily buying a problem. Mr. Hutchinson said he did not have a problem purchasing refurbished as long as the service and maintenance records were included. If there are no service or maintenance records associated with the vehicle, Mr. Hutchinson said he would be leery of purchasing that vehicle. Mr. Hutchinson said you have to be careful what you buy.

Mr. Miller said 2,350 sewer customers is not a lot considering we have over 20,000 water customers.

Mr. White said the Board voted in June not to purchase a refurbished truck and asked why they were back to it again.

Mr. Cornett said the vote in June was split, 3 approving and 3 opposed; Mr. Nelson was absent that night.

Mr. Miller said there are other opportunities out there that could be looked at.

Mr. Taylor said the Board approved \$250,000 for the purchase of a jet vac-

truck and his personal feeling was the Board was not buying a truck. If the Authority wants to buy a used truck, with their money; we (the Board) approved the money; and if the Authority buys a good truck, it is good; if the truck is bad, the Authority made a bad decision. Mr. Taylor continued saying, we approved the money, if they (the Authority) want to buy a used truck, buy a used truck; it is bad, you (the Authority) mad a bad decision. Mr. Nelson said he agreed with Mr. Taylor.

Mr. McCall said considering water loss alone and how quick this unit will allow the Authority to put a band aid on a water line and keep water service to customers. Mr. McCall said you can't do that with a backhoe but you could with that truck (with hydro). Safety alone is worth a lot of it; new or used truck makes no difference. Safety alone...when someone is in a hole working and you can't put a trench box in the hole because of a gas line for instance but could use the truck for hydro excavation; for safety alone ...

Mr. Nelson said he would amend his motion to allow WCSA Management to move forward moving in the direction they feel is best for the usage of that truck and the money that is spent. Mr. Nelson continued saying, As Mr. Taylor said, in the original budget we have that set aside for this purchase and I do not have a problem amending my motion to let Management determine which way to go.

Mr. Hutchinson agreed. He said if you are interested in purchasing a refurbished truck, you are going to have to decide if it is worth the money based on the service and maintenance records.

The Board set aside \$250,000 for you (the Authority) to use at your discretion

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to purchase a vehicle and Mr. Hutchinson said that is a decision you are going to have to make.

Mr. Hutchinson seconded Mr. Nelson's Motion to Amend the original Motion. At Mrs. Figueiras' direction, the Chairman called for a vote on the Motion to Amend the original Motion. The board voted 5-2-0-0 approving the Motion to Amend with Mr. White and Mr. McCall opposing.

The Chairman then asked the Board to vote on the approved Amended Motion. The Board approved with a 5-2-0-0 vote; Mr. White and Mr. McCall opposed.

12. Consideration of a Resolution to Commend Frank Stephon – Robbie Cornett

Mr. Nelson made a motion to approve the Resolution commending Mr. Stephon for his excellent service on the WCSA Board. Mr. McCall seconded and the Board approved voting 7-0-0-0.

13. Closed Meeting

At 8:05 pm, Mr. Nelson moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act;

Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property: To consider and discuss the possible purchase of property for wastewater pump stations at the following locations: a. Near Beaver Creek east of Bristol VA; and b. Near Cedar Creek south of Meadowview.

2. Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds: To consider and discuss: a. Ongoing negotiations with Bristol Virginia Utilities Authority.

3. Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice: To

consider and discuss the Bradley Property in Glade Spring, VA.

In addition to the Board the presence of Mrs. Dawn Figueiras, WCSA Counsel; and Mr. Robbie Cornett, WCSA General Manager was requested.

Mr. Campbell seconded the Motion of Closed Meeting and the Board approved voting 7-0-0-0.

Return to Public Session:

At 9:29 pm, Mr. Nelson made a Motion to Return to Public Session. Mr. Miller seconded and the Board approved with a vote of 7-0-0-0.

Mr. Nelson read the following Certification of Closed Meeting;

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

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

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14. Late Items

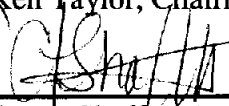
There were no late items.

15. Adjourn - 9:30 pm

Mr. Nelson made the motion to Adjourn.

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



Mr. Ken Taylor, Chairman

Carol Ann Shaffer, Assistant Secretary