

**Washington County Service Authority Board of Commissioners
July 27, 2009 Annual Meeting Minutes**

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by Mr. D.L. Stout (the Commissioner with the longest tenure, besides the Chairman and Vice Chairman) at 7:01 PM.

ROLL CALL

Commissioners Present:

Mr. Joe Chase
Mr. Prince Coleman
Mr. Frank Stephon, IV
Mr. D.L. Stout
Mr. Kenneth Taylor

Commissioners Absent:

Mr. Sam Blaylock
Mr. Gerald Cole, Chairman

Staff Present:

Robbie Cornett, General Manager
Kim Roberts, Controller
Amanda Paukovitz, Administrative Assistant
Mark Osborne, Staff Engineer

Consultants Present:

Randall Hancock, PE, Draper Aden Assoc.
Kevin Heath, PE, Adams-Heath Engineering
Matthew Lane, PE, The Lane Group, Inc.

Also Present:

Mr. Mark Lawson, General Counsel
WCSA Employees

3. Public Query and Comment

Nick Shortridge, 15031 Mendota Road

When asked by Mr. Taylor where exactly he lives, Mr. Shortridge explained that he lives ½ a mile down Mendota Road (between Robert Hughes and where WCSA had equipment parked at one time). He expressed that he signed an easement for the project; however, he did not hook on. He was aware of the project at the time, but was unaware of the recent price increase. Mr. Shortridge wanted to see if there was any way that

he could be connected for the lower fee. Mr. Cornett said we would need to consider this proposition. He wanted to make sure whether or not Mr. Shortridge signed the petition. Mr. Shortridge explained that the petition may have been presented to his renters, but it did not circulate to him. He also met with Mr. Osborne the other day to follow-up. Mr. Cornett would like to look into the matter further before a decision is made. Mr. Taylor asked if Mr. Shortridge's dad had hooked on; Mr. Shortridge explained that they had already moved from there. Mr. Chase asked if the petition would have gone to the service address or the property owner; Mr. Cornett said he is not sure. He explained that the project champion usually goes door to door, but he would have to double check. Mr. Cornett said he would be happy to follow-up and get back with Mr. Shortridge, who provided an address for follow-up information to be sent.

4. Approval of the Agenda

Mr. Cornett had no additions or changes to the agenda. Mr. Taylor moved to approve the agenda. Mr. Taylor's motion was seconded by Mr. Chase, and was approved by a vote of 5-0-0-2.

5. Approval of the Consent Agenda

- Minutes for May 18, May 27, June 1, June 8 and June 22, 2009.
- Routine Reports for June 2009.
- Financial Statement for June 2009.
- Check Register and General Manager Financial Report for June 2009.

Mr. Chase made a motion to approve the Consent Agenda. Mr. Chase's motion was seconded by Mr. Stephon, and was approved by a vote of 5-0-0-2.

6. Engineer's Report and Update

Mr. Matthew Lane of The Lane Group,

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Inc. reported on the following projects:

- **Galvanized Line Impact Study**

They have had much activity this past month. Rural Development recommended that they divide the project into three \$10 million phases for funding purposes. They have done so and have assisted staff with preparing the application to RD for Phase 1 funding. Mr. Lane asked for the Board's concurrence to move forward with the funding application; Mr. Cornett explained that the project meets with the staff's approval and recommendation. Mr. Stephon made the motion to authorize Lane Engineering to carry-on with the project. Mr. Stephon's motion was seconded by Mr. Chase and was approved by a vote of 5-0-0-2.

Mr. Lane thanked the Board and also added that they completed the field work last week with Harley & Rodney; field work was finished in three days and they are working on the final analysis.

- **Reedy Creek Water System Design Project** has been completed and they do have health department (VDH) approval now. Staff continues to obtain necessary easements. Once easements are obtained, and with the Board's concurrence, they can advertise for bid.

- **Western Washington County Water Study**

Have completed preliminary phasing and cost estimates for the entire project. The project looks at all unserved areas in northwestern Washington County. They have set a meeting with staff for Aug. 7. Following that, they can finish the report and submit to staff for review.

- **Drinking Water Plant Upgrade/
Raw Water Intake PER**

Have had discussions with USDA Rural Development (RD); the funding application has been completed and they

have had the PER approved. They have received what they believe to be the final comment letter from RD. Most of the comments made coincide with the Pilot Plant; they will be following up on those comments and will resubmit this week. They are hoping to have an approved PER very soon. They had a meeting with staff to discuss the 50% review of the final designs on July 21. They are still on schedule to advertise for interim improvements by year end.

Mr. Kevin Heath with Adams-Heath Engineering reported on the following projects:

- **Orchard Hill Road**

The contractors continue their work. All water mains have been installed; they have one remaining stream and road crossing needed to complete tie-in. Had some trouble with drill parts that needed to be replaced; are continuing with the drilling. They did have to back up and work a little harder. Once the two crossings are done, the contractor can be done with service reconnections and have substantial completion within a couple of weeks.

- **White's Mill Road**

There is not much to report. They are still awaiting a funding offer from VDH. The environmental report has been completed and they are discussing the option to receive funding from RD; they are awaiting their feedback.

Mr. Randall Hancock with Draper Aden Associates reported on the following projects:

- **Watauga Road Waterline Improvements**

Project has been completed.

- **Glove Drive Waterline Improve.**

They have completed the section on Stagecoach Road and it has been tested;

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are awaiting substantial completion from VDH. The remainder of the project is ongoing; they have approximately 27% complete in 65% of the time. The project is behind.

- **Seven Springs Secondary Supply**

Have submitted plans to VDH and have received preliminary comments back; they are addressing those comments at this time. They have had some work to do with VDOT. Project should be moving along; will be able to advertise for bid shortly.

- **Route 58 & Monte Vista Drive Studies**

DAA is moving along; they are hoping to do flow testing & pressure monitoring and have it completed next week.

- **Route 58 Water Storage Tank**

Have finished designs and are awaiting some easements before advertising the project for bid.

- **Exit 13 Sewer Project**

They are finishing up some agreements and are awaiting feedback from one funding agency. Following this, they can then proceed with the final design.

7. Water & Wastewater Construction Projects Report and Update

In Mr. Doug Canody's absence, Mr. Mark Osborne updated the Board on WCSA's Engineering Report. He noted that their departmental report can now be found in the Board Books that are distributed each month (Note: this month the report was on white paper, but next month it will be on lavender). Mr. Osborne referenced their report, and provided the following recent corrections/updates:

- **Chestnut Mountain Road**

They met with the property owner (for the proposed pump station) this past Friday. WCSA has received a signed

purchase option from Mr. Hash, but is currently negotiating for an easement in order to install the water line. This aspect of the project has been the majority of the delay in proceeding with the project, although they anticipate obtaining the easement within the next week or two. Once this easement has been obtained, we will begin negotiating for the pressure tank site. Discussions have already ensued on a couple of potential sites; they anticipate no objections.

- **Mendota Road**

At the last meeting, it was reported to the Board that liquidated damages were to be enforced [beginning June 1]. The remaining work to be completed involves pavement restorations. The letter that was sent regarding the liquidated damages was sent in an effort to expedite these restorations. Tipton [Construction] immediately began working on the road after a meeting with VDOT. WCSA awarded them substantial completion back in March. Tipton requested an extension to complete the work that was agreeable by VDOT, and had completed the project within 15 working days after receiving the liquidated damages letter. Tipton will receive payment within the next few days (at Robbie and Doug's advising) for Pay Request #4, as well as the 5% retainage. They will receive final completion dependent on VDH's approval.

- **Tumbling Creek Waterline Extension**

This project will be discussed later in the meeting.

- **Damascus Estates**

A change needs to be noted to the Engineering Report. They have proceeded with the review of the project

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and have sent the comment letter to the owner this afternoon.

8. General Manager's Report & Update

Mr. Cornett reported on the following noteworthy WCSA performance and accomplishments (June was a busy month):

Water Production

- Produced over 196 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 22 million gallons of water.

Meter Department

- 189 customers were telephoned following unusually high usage.

Customer Service

- Over \$11,000 was abated for 34 customer water leaks.
- \$4,400 was written off as bad debt more than three years old.

Maintenance

- Repaired 49 leaks and 10 major breaks.
- Constructed 47 water taps and 5 wastewater taps.
- Responded to 64 after hours maintenance call-outs.

Wastewater

- Treated over 9.4 million gallons of wastewater.

Administrative Items

- WCSA would like to welcome Ricky Atrip to WCSA as a Wastewater Operator. Ricky worked for 14 years with the Town of Lebanon and holds a Class 1 Wastewater Operator's License. His experience and knowledge of the wastewater industry will be a valuable asset to WCSA.
- The WCSA Safety Committee is sponsoring a coloring and drawing contest for the children of WCSA employees. The first place winner for each of the three age groups are to be presented with their prizes at the August 24th Board Meeting.
- WCSA Maintenance and Drinking Water Staff had to turn "off"

Reservation Spring again due to high turbidity for the fifth time this year on June 21. The Spring remained "off" for 33 hours, which meant they had to haul tanker loads of drinking water to Taylor's Valley during the outage (Note: heavy rains have caused the increase in turbidity. Turning the Spring "off" one to two times per year is normal, but not five).

- Also, during the time that Reservation Spring was out, WCSA had to operate its temporary Seven Springs Secondary Supply Pump to make up for reduced water production at Mill Creek; this too was due to high turbidity. (Note: this is the pump station that is being replaced through DAA's project).
- Development of a brochure for prospective/new customers is underway which will provide information about: 1) how to seek financial assistance for water and wastewater taps, 2) interest-free financing from WCSA for connections and 3) a brief explanation about WCSA's two-part (tap and system) connection fee and what each part consists of. Hopefully, the brochure will be in new customer packets next month; a copy of the brochure will be shared with the Board.

9. Election of Officers, 2009-2010 Fiscal Year

Mr. Stephon made the motion to re-elect Mr. Cole as Chairman. Mr. Stephon's motion was seconded by Mr. Chase and Mr. Cole was re-elected as Chairman by a 5-0-0-2 vote.

Mr. Stephon made the motion to elect Mr. Chase as Vice Chairman. Mr. Stephon's motion was seconded by Mr. Taylor and Mr. Chase was elected as Vice Chairman by a 4-1-0-2 vote (1: Mr. Chase).

Mr. Stout asked who currently holds the positions of Treasurer, Secretary and Assistant Secretary. Mr. Cornett

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explained that Ms. Roberts, himself and Mrs. Paukovitz, respectively, currently hold those positions.

Mr. Taylor made the motion to re-elect the same individuals in office who currently hold the abovementioned positions. Mr. Taylor's motion was seconded by Mr. Coleman and by a 5-0-0-2 vote, Ms. Roberts, Mr. Cornett and Mrs. Paukovitz were re-elected as Treasurer, Secretary and Assistant Secretary to the Board, respectively.

10. Appointments to Represent WCSA, 2009-2010 Fiscal Year

When asked by the Board, Mr. Cornett explained that currently, Mr. Stout and Mr. Stephon represent WCSA on the Washington County Joint Utilities Committee and Mr. Rector and [Mr. Cornett] represent WCSA on the Chilhowie Regional Treatment Facility Steering Committee. He noted that historically, one Commissioner and the General Manager have represented WCSA on the committee; however, that does not have to be the case.

Mr. Stout asked to be removed from the Washington County Joint Utilities Committee; it has been hard for him to make it to the meetings. However, he nominated Mr. Chase to take his place. Mr. Chase asked how often the committee meets; Mr. Cornett explained that they meet every other month.

Mr. Stephon nominated himself to be reappointed to the committee also.

Mr. Taylor made the motion to appoint Mr. Blaylock and reappoint Mr. Cornett to the committee.

After some discussion by the Board, Mr. Taylor made the motion to vote on all suggestions. Mr. Taylor's motion was seconded by Mr. Stout, and was approved by a 5-0-0-2 vote of the Board.

11. Approval of the 2009-2010 WCSA Regular Board Meeting Schedule and the 2010-2011 Annual Meeting

After receiving a brief explanation by Mr. Cornett (and after clarification of the need for a motion by Mr. Lawson), Mr. Stephon made the motion to approve the 2009-2010 WCSA Regular Board Meeting Schedule and the 2010-2011 Annual Meeting. Mr. Stephon's motion was seconded by Mr. Taylor and was approved by a 5-0-0-2 vote of the Board.

12. Banking Resolution

Ms. Roberts explained that with each new fiscal year, the Board has to reelect those who can sign on the banking account. She made reference to the proposed Banking Resolution and noted that presently, the following people are authorized to sign checks: the Chairman, Vice Chairman, General Manager (Robbie Cornett), Controller (Kimberly Roberts), Chief Engineer (Doug Canody) and the Customer Service Manager (Jenny Manuel).

Ms. Roberts expressed that "[WCSA] recommends that the Board empower the Treasurer/Controller (herself), and at least four additional persons to be included on the HUB resolutions item #3 and #5. It is suggested that the Chairman, Vice Chairman, WCSA General Manager Robbie Cornett and Customer Service Manager Jenny Manuel, along with herself [Controller Kim Roberts] serve as the five persons authorized to sign checks.

Further, [WCSA] recommends the Board limit to two persons the authority to open new accounts, borrow money, or obtain safe deposit boxes, which is currently Robbie Cornett and herself (Ms. Roberts). [WCSA] recommends the Board select two of the above persons to

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be included on the HUB resolution for item #1, #2, #4 and #6 (opening new accounts, borrowing money, safe deposit boxes and "all powers")."

Mr. Chase made the motion to approve the Banking Resolution. Mr. Chase's motion was seconded by Mr. Coleman, and was approved by a 5-0-0-2 vote.

Mr. Stephon made the motion to approve WCSA's Recommendations for the Resolution. Mr. Stephon's motion was seconded by Mr. Taylor, and was approved by a 5-0-0-2 vote of the Board.

13. Resolution of Commendation of Scott Rector

Mr. Cornett explained that usually after a Board Member has completed his term of service, the Board has adopted a resolution of commendation for their service; he encouraged them to consider the same for Mr. Scott Rector.

Mr. Cornett read the following suggested language for the resolution:

WHEREAS, Scott Rector, esteemed citizen of Washington County, Virginia, served with dedication and diligence as a Commissioner of the Washington County Service Authority from July 1997 to June 2009; and

WHEREAS, Commissioner Rector represented the customers of the Service Authority in the Monroe Magisterial District of Washington County in a worthwhile and capable manner; and

WHEREAS, Commissioner Rector contributed to the expressed purpose and goals of the Service Authority by serving in the finest tradition as a commissioner,

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the said Washington County Service Authority, duly assembled to conduct business on this 27th day of July, 2009, does hereby unanimously adopt this RESOLUTION OF COMMENDATION, in full recognition of, and in gratitude for, the above enumerated

services and contributions, and wish Mr. Rector well in all future endeavors.

Mr. Stephon made the motion for approval of the Resolution. Mr. Stephon's motion was seconded by Mr. Taylor, and was approved by a 5-0-0-2 vote of the Board.

14. Building Committee Appointees

To review and to bring Mr. Coleman up to speed (as this is his first WCSA Board Meeting), Mr. Cornett explained that WCSA has been working on plans to renovate the lobby, leaking roof and to make improvements to the Main Office's HVAC system. He noted that WCSA has procured The Lane Group, Inc. for the job. Mr. Blaylock & Mr. Rector had been appointed to that committee. Mr. Cornett thought the Board might want to appoint someone to replace Mr. Rector, as he is no longer on the Board.

Mr. Stephon made the motion to reappoint Mr. Blaylock and appoint Mr. Coleman to the WCSA Building Committee. Mr. Stephon's motion was seconded by Mr. Chase, and was approved by a 5-0-0-2 vote of the Board.

15. Tumbling Creek Waterline Extension Project, Consent to Advertise for Bid

Mr. Osborne provided background on the Tumbling Creek Waterline Extension Project. He noted that in 2006, WCSA received a loan for \$63,502 for the construction of 3,760 linear feet of 4" waterline, as illustrated on the map provided. Mr. Osborne proceeded to give an approximated description of the project's location. They have obtained all of the environmental clearances necessary to construct the project and have received all needed easements. As stated in the Board Book's Engineering

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Report, five out of six potential people have completed the new user agreement, at a cost per connection of \$12,700; this cost is pretty typical and all easements have been obtained.

Mr. Osborne expressed that WCSA would like to request a motion be made by the Board to approve the project's advertisement for bid. If this does indeed come to fruition, he explained that the results would be obtained, reviewed and presented at the next board meeting with a recommendation from the Engineering Staff.

Mr. Chase asked how many connections the project involves. Mr. Osborne explained that out of a possible six homes, five will be connected to the system. Mr. Taylor asked how many homes lie above the project area; Mr. Osborne said there are none. Mr. Cornett explained to the Board the reasoning for them to take action and move forward; their movement is the milestone that makes these projects happen.

Mr. Taylor made the motion to allow the bid to go forward for advertisement. Mr. Taylor's motion was seconded by Mr. Stephon, and was approved by a 5-0-0-2 vote of the Board.

16. Closed Meeting: Personnel, Acquisition & Disposition of Property, Investment of Public Funds and Legal Advice

Mr. Cornett referenced the blue tabbed Closed Meeting motion. He noted that four items have been recommended for tonight's Closed Meeting.

Mr. Chase 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) (1): Personnel, 1. To Discuss and Consider the General

Manager's Performance and Salary, Code of Virginia Section 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property, 2. To Discuss and Consider the Acquisition of Real Property and to Discuss and Consider the Disposition of WCSA Real Property, Code of Virginia Section 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 3. To Discuss Various Inter-municipal and Other Agreements, Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice, 4. To Discuss Various Inter-municipal and Other Agreements.

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

Mr. Chase's motion was seconded by Mr. Taylor and was approved by a 5-0-0-2 vote of the Board. The Board adjourned to Closed meeting at 7:42 PM.

Return to Public Session

Upon a motion by Mr. Chase, a second by Mr. Stephon, and a 5-0-0-2 vote by the Commissioners, the Board returned to Public Session at 10:30 PM.

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

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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: Mr. Chase, Mr. Stephon, Mr. Coleman, Mr. Taylor and Mr. Stout.

17. Late Items

Mr. Taylor made the motion to increase Mr. Cornett's salary by \$2,500 effective July 1, and for his review/salary curtailments to be talked about at the regular meeting in June which is the anniversary of his contract. Mr. Taylor's motion was seconded by Mr. Chase, and was approved by a 5-0-0-2 vote of the Board.

Mr. Stephon made the motion to authorize Mr. Cornett to move forward with the agreement [between Southwest Virginia Land Development Corporation and WCSA for the construction of a sewer line near Exit 14 of I-81]. Mr. Stephon's motion was seconded by Mr. Taylor, and was approved by a 5-0-0-2 Board vote.

Upon Mr. Lawson's recommendation, Mr. Stephon made the motion for a one page addendum to Mr. Cornett's contract to reflect the abovementioned changes. Mr. Stephon's motion was seconded by Mr. Chase, and was approved by a 5-0-0-2 vote of the Board.

Mr. Cornett brought to the Board's attention that some of the votes during the open meeting were unclear (i.e. some of the motions and seconds, along with action taken by Mr. Stout, who was serving as Facilitator/Chairman of the meeting). Mrs. Paukovitz reviewed her notes and affirmed that the Board would

need to revoke on Agenda Item #10.

Mr. Stephon made the motion that Mr. Chase be elected and [Mr. Stephon] be re-elected to represent WCSA on the Washington County Joint Utilities Committee. Mr. Stephon's motion was seconded by Mr. Taylor and was approved by a 5-0-0-2 Board vote.

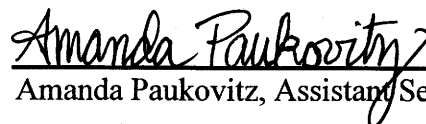
Mr. Taylor made the motion to elect Mr. Blaylock & re-elect Mr. Cornett to represent WCSA on the Chilhowie Regional Treatment Facility Steering Committee. Mr. Taylor's motion was seconded by Mr. Chase and was approved by a 5-0-0-2 vote of the Board. Signatures needed for various approved resolutions were discussed.

18. Adjournment

Mr. Stephon made the motion to adjourn the meeting. Mr. Stephon's motion was seconded by Mr. Chase and was approved by a 5-0-0-2 vote of the Board at 10:38 PM.



Mr. D.L. Stout, Commissioner



Amanda Paukovitz, Assistant Secretary