

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

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:03pm.

ROLL CALL

Commissioners Present:

Mr. Joe Chase, Chairman
Mr. D.L. Stout, Vice Chairman
Mr. Prince Coleman
Mr. Devere Hutchinson
Mr. Dwain Miller
Mr. Frank Stephon, IV
Mr. Kenneth Taylor

WCSA Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
April Helbert, Engineering Manager
Carol Ann Shaffer, Administrative Assistant

Consultants Present:

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

Also Present:

Mr. Mark Lawson, General Counsel

3. Approval of the Agenda

Mr. Cornett had no additions or corrections to the Agenda. Mr. Coleman motioned the approval of the Agenda. Mr. Miller seconded the motion and the Board approval voting 7-0-0-0.

4. Public Query & Comment

There was no public query or comment.

5. Approval of the Consent Agenda

- Minutes for the January 25, 2013 Regular Meeting.

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

Mr. Hutchinson made the motion to approve the Consent Agenda. Mr. Stephon seconded the motion and the approved voting 7-0-0-0.

6. Engineer's Report and Update

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

- **Exit 13 Sewer Project Phases 2A**
Mr. Amos' updated the Board on the meeting held with WCSA Staff January 14th to discuss the Project. The scope of the Project has changed enough that it warrants an update to the PER, he added. A&A is working on developing a scope of services to present to WCSA for their consideration by the end of this week so it can be presented for Board consideration at the March Board Meeting. Mr. Amos said, we plan to revise the scope of that PER so it may be used as a basis for funding applications in the future as well. It would include changes the scope of the line work and performing the Environmental Review associated with Phase 2A of the Project.

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

- **Raw Water Intake and Raw Water Line Replacement**

Filters five through eight have been disinfected and placed on line and are operating properly reported Mr. Lane. The Contractor continues to work on filters one through three.

Change Order No. 6 will be presented for Board consideration in tonight's meeting. TLG continues to work with WCSA staff to complete the Intake as soon as possible.

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

- **Emory Meadowview Sewer Study**

A meeting to review WCSA Comments with staff was held on February 13, 2013. TLG is in contact with Mount Rogers and continues to seek funding options for sections of the Project. Mr. Lane expects to report their findings to the Board at the March Board Meeting.

- **Exit 13 Wastewater Project Phase 1 & Exit 13 Force Main Project**

Frizzell Construction is conducting start-up and testing procedures on the Pump Station in Contract 1, said Mr. Lane. Ramey has 600 feet of line yet to install in Phase 2A. Mendon has completed Phase 2B and will be presenting a Clean-up Change Order on Phase 2B this evening, he added.

- **Galvanized Waterline Replacement Project – Phase 1 & 2**

We are wrapping up close-out paperwork and hope to present a Clean-up Change Order to the Authority on Phase 1 in March, reported Mr. Lane. Final plans for the construction of Phase 2 Galvanized Waterline Project are finished and have been submitted to Regulatory and Funding Agencies. TLG hopes to ask the Board's consideration to advertise Phase 2 for Bids at the March Board Meeting.

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

The draft Engineering Report has been completed and submitted to WCSA staff for review. We are working with WCSA and MRPDC to submit funding application to DHCD and VDH for funding, Mr. Lane added.

- **Mendota Water System Source Improvements**

Contract documents are being reviewed by legal counsel. Mr. Lane expects this Project to be under construction in the next two weeks.

- **Nordyke Road Water System Project**

Mr. Lane reported Project designs have been approved. TLG staff is working on obtaining the necessary easements. TLG hopes to advertise the Project for Bids as soon as the easements are acquired.

- **Oak Park Sewer Project**

Tipton Construction is working on Contract 2A and is almost complete. This Project is on schedule, Mr. Lane stated.

- **Western Washington County Sewer Study.**

Mr. Lane reported on the Study saying, work on obtaining the Beaver Creek Discharge Permit continues. TLG expects to have a date for the first Technical Advisory Meeting (TAC) soon.

Mr. Bill Skeen of Maxim Engineering

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

Maxim has received Health Department technical approval of plans and specifications and has received Health Department approval to advertise for Bids. Mr. Skeen expects to ask the Board's permission to advertise for Bids at the March Board Meeting.

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

Currently, we are developing alternatives to evaluate for public wastewater service and treatment in the Study area, stated Mr. Skeen. Maxim will be presenting WCSA staff with evaluations and cost analysis for alternatives to for their review within the next two weeks.

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

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

- **Green Spring Water Line Replacement**

The Contract has been awarded to Tipton Construction. AHE is in the process of circulating Contracts and Bonds and waiting on Tipton to get those back for final approval. We expect to issue a notice to proceed prior to the March Board Meeting, Mr. Heath added.

- **Route 58 Water Supply Improvements Project**

Rural Development has approved the Environmental Assessment. AHE continues to work with Rural Development on funding applications.

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

AHE has advertised and received Bids for Hillandale Road and Red Fox Lane. We are in the process of reviewing comments from the Environmental Review for Rich Valley Road/Whites Mill Road, Mr. Heath reported.

The Public Hearing is scheduled for Thursday, February 28th. If the hearing goes well and we are successful in obtaining the remaining easements, we would be in a position to advertise this part of the Project prior to the March Board meeting if the Board so chooses, Mr. Heath stated.

This part of the Project could be approved by the Board for Advertisement, subject to obtaining the necessary approvals and easements, advised Mr. Cornett.

Mr. Stout motioned to approve Rich Valley Road/Whites Mill Road for contingent on obtaining the necessary approvals and easement. Mr. Hutchinson seconded the motion and the Board approved with a 7-0-0-0 vote.

- **Smyth Chapel Area Water Improvements Study**

Mr. Heath reported work continues on developing the PER for this Project.

- **Abingdon Water Storage Improvements Study**

AHE will submit a Draft PER to WCSA for review following tonight's meeting.

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

This project has been temporarily placed on hold at the request of WCSA, said Mr. Heath.

- **Eastern Washington County Water Study**

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

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

Mrs. Helbert reported on the Sutherland Project, saying Plans, Specifications and Contract Documents have been approved by all agencies except TDOT. WCSA continues to work on obtaining approvals from TDOT.

Mr. Miller asked if all the work for the Sutherland Project was in Tennessee. Mrs. Helbert said, as far as customers go, all the work was in Tennessee.

Mrs. Helbert then discussed Childress Hollow saying WCSA hopes to have the Project ready for Advertisement as soon as VDH receives money in the fall of 2013.

Mrs. Helbert then commented on the Hidden Valley Project saying we are starting the Funding Acquisition process. Mrs. Helbert hopes the County will request DHCD Community Development Block Grant monies for this Project. The first Public Hearing is February 26th at 6:30 pm. The second

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

Public Hearing will be on March 12th at 6:30 pm.

Mrs. Helbert then updated the Board on the Phase 3 Sewer Project saying there were 110 potential connections in this area. WCSA has received 32 (29%) User Agreements, there were 16 (14%) decline and are still waiting on 62 to respond. We plan to meet this week and discuss how to obtain the outstanding remaining User Agreements, she added. Mrs. Helbert then updated the Board on the Virginian Phase VI and Washington Way Projects. Retesting water and sewer lines is underway in both areas and repairs are being made, she reported.

8. General Manager's Report & Update *Robbie Cornett*

Mr. Cornett referred to his General Manager's Report and Update at the Board's stations. He reported on the following noteworthy WCSA performance & accomplishments from all departments during the month of January:

Water Production

- Produced over 201 million gallons of drinking water from WCSA and more than 30 million gallons of water for the Town of Chilhowie.

Distribution

- Coordinated the outside purchase of more than 12 million gallons of drinking water.
- In total, 6.9 million gallons per day of drinking water was distributed to our customers for the month.

Meter Department

- 143 customers were telephoned following unusually high usage.
- 320 customers were notified that their water was to be turned off for nonpayment.
- 122 meters were lifted for non-payment.

- 98.91% (21,794) of all (22,035) meters read with radio with the remainder (241) requiring a manual read.

Customer Service

- \$10,602.88 was adapted for 90 customer water leaks.
- \$8,229.25 was written off as bad debt three years old.
- 2 water taps applied for.
- 167 reconnections/transfers of service.
- 5,138 accounts with late charges added.
- 1,378 disconnect notices processed.
- 122 disconnects for non-payment.
- 20,904 active water accounts
- 2,083 active sewer accounts

Maintenance

- 19 leaks
- 4 major breaks repaired
- 4 water taps
- 43 after hour maintenance call-outs.

Wastewater

- Treated 14 million gallons (2011 average monthly flow was 10.8 million) of wastewater at Hall Creek (rainfall 8.86")
- Treated 14.1 million gallons of wastewater at Damascus (rainfall 12.91")

Administrative Items

- Leak Adjustment Policy – As the Board and Staff have noted, WCSA appears to have an inordinate number of leak adjustments and the total dollar amount of the adjustments appears high. Since 2007, when we issued 628 abatements, the number of abatements has increased each year and in 2012 we issued 1,100. Abatements totaled \$75,658 in 2007 and \$179,741 during 2012. These are not favorable trends and are out of

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

keeping with WCSA's long held adage about the "wise use of water". Staff is currently surveying other utilities to learn of their policies and experience for comparison to WCSA's.

- Billing Policy – The U.S. Postal Service recently announced that it plans to discontinue Saturday mail delivery in August of this year. WCSA bills are mailed on Fridays and are due within 15 days thereafter. It appears that the bill to the customer will be delayed by one day and if they mail it to WCSA, it could be delayed by one day if they pay by mail. Staff is currently evaluating the Postal Services change and the impact this may have on our customers.
- Our compensation and benefits committee met again today. We hope to have a report and recommendation for the Board soon.
- As we mentioned at January's meeting, January was a difficult month for our Operations Division. We were unable to enumerate all that occurred during January at that meeting. Without going into detail, I would briefly add that more rainfall led to Reservation Spring in Taylor Valley being taken off line for a second time. Filter chemical cleaning due to turbidity at Mill Creek once again reduced production there and snowfall led to power outages at the Mill Creek Drinking Water Plant and several pumping stations and subsequently the use of standby generators. I would like to commend our Operations Personnel for their tireless efforts to maintain seamless service to WCSA customers during a trying month and for doing so in a safe manner.
- As the Board is aware, we are a member of the Virginia Water and Waste Authorities Act Association where I have the honor of serving as a Director. VWWAA's primary activity is to monitor and support or oppose legislation that could positively or adversely impact Authorities. At your station, for review later, is a list of bills of interest that we followed this year.
- At your station is some of the information we track on a monthly basis dating back to 2007. I would draw your attention to the following:
 - During 2012, we saw the second lowest number of leaks repaired during the period which should be attributable to the reduction of galvanized line.
 - 2012 saw the second lowest number of new water and sewer connections during the period (2010 was the lowest for water and 2011 for sewer) and this seems to be tracking with the lower number of building permits not only locally but regionally and nationally.
 - 2012 callouts for maintenance was the second highest during the period and likely due to the amount of water system replacement projects being undertaken by WCSA.
 - Abatements, as I mentioned earlier, continue to increase.
 - Bad debt three years old that was written off increased and is the second highest over the 5 year period. This increase may be due in large part to one account that was allowed to remain connected. The debt owed is \$16,593.01

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

9. Consideration of Change Order No. 1 for the Exit 13 Phase 1 Sewer Project, Contract 2B *Matthew Lane*

According to Mr. Lane, this was the only Change Order issued for the entire portion of the Project. He expressed his pleasure in presenting the Change Order as it was a decrease in Contract Price.

Mr. Hutchinson motioned to approve Change Order No. 1 for the Exit 13 Phase 1 Sewer Project, Contract 2B. Mr. Miller seconded the motion and the Board approved voting 7-0-0-0.

To construct a project of this magnitude and only have one Change Order; a Clean-Up Change Order; that is for a decrease in Contract Price really speaks to the cooperation between the Engineer, Contractor and the Owner, stated Mr. Cornett. Mr. Cornett then expressed his appreciation to the Contractor, Engineer and Staff for making that happen.

10. Consideration of Permission to Advertise the South Fork Intake Project *Robbie Cornett*

Mr. Cornett reminded the Board, at the Board of Commissioners last meeting on January 28th, a schedule for completing the South Fork Intake Project was presented and approved. The schedule called for a March 3, 2013 Advertisement Date. For that reason, we are asking the Board to authorize the Advertisement of the remaining South Fork Intake Project work, he said. Plans and specifications are being finalized now.

Mr. Stephon motioned to approve advertisement. Mr. Stout seconded and the Board approved with a 7-0-0-0 vote.

11. Consideration of Drinking Water State Revolving Funds for Haskell Station Road and Hidden Valley

Phase 1 Water System Extension Projects *April Helbert*

DWSRF applications are due April 1, 2013, Mrs. Helbert stated.

She then discussed Haskell Station Road Water System Improvements and Extensions Project saying, approximately 1,400 feet of 2 inch waterline will be replaced with new line and extend approximately 3,273 feet of 4 inch diameter water line. Currently, there are 18 existing customers and 5 potential new customers, of which, 4 of those have signed User Agreements. The estimated cost of this project is \$202,316. WCSA's initial cash contribution is \$1,500 per committed new connection for a total of \$6,000. WCSA would then seek funding from VDH for \$196,316. Mrs. Helbert reminded the Board, in 2012 WCSA applied for and received an offer of funding for this Project. The offer made in 2012 was not financially feasible. Mrs. Helbert proposed reapply for funding in hopes of receiving a feasible offer.

Mrs. Helbert then discussed the Hidden Valley Area Water System Extension Phase 1 Project, saying the estimated cost is \$796,700. WCSA received 36 of the 56 User Agreements that were solicited for this Project. Currently, WCSA is pursuing the following funding:

- WCSA - \$54,000 matching funds
- MRPDC - \$70,000 grant
- CVDH DWSRF - \$213,500 loan or grant
- CDCG - \$426,500 grant

Mrs. Helbert asked the Board consideration to contribute \$1,500 per committed connection and permission to submit funding applications for both Projects.

After a brief discussion, Mr. Taylor motioned to approve the Mrs. Helbert's

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

request. Mr. Stout seconded and the Board approved the motion voting 7-0-0-0.

12. Consideration of Commissioners to Serve on the Rate, Fee and Charge Study Procurement Committee *Kim Harold*

As the Board is aware, WCSA is preparing for a Rate, Fee and Charge Study, stated Mrs. Harold. The last full-fledged Study began in 2008 and was adopted by the Board in 2009, she added.

The Request for Proposals (RFP) submitted to the Board for review and comment in 2012 was issued on January 4, 2013 with proposals due to WCSA by February 1, 2013. We directly solicited Proposals from 27 firms. Twelve firms responded asking for the RFP. However, we only received two Proposals (Raftelis and Municipal and Financial Service Group).

To the best of our knowledge, nationally, Springsted, Raftelis and Municipal and Financial Service Group are recognized as industry leaders. Representatives from their firms serve on the AWWA Committee who is responsible for publishing AWWA M1 Manual—Principles of Water Rates, Fees and charges, Mrs. Harold discussed.

Local and regional accounting and engineering firms do from time-to-time provide rate, fee and charge services. However, offering this service appears to depend on a variety of factors including but not limited to the firms workload, potential for political and social wrangling and complexity of the proposed project. After a review of the RFP and responses, we do not believe that a new solicitation would result in a greater response, she offered.

Mrs. Harold proposed interviewing Raftelis and Municipal and Financial Service Group. Given the importance of this work and the firm chosen to support the development of the Study, we request the Board consider two volunteers serve on the Procurement Committee. Mrs. Harold continued saying, the volunteers would be asked to review the proposals, participate in the interviews, help rank the two firms after interviews and make a recommendation to the full Board.

Mr. Chase asked why the other firms did not submit a RFP.

Mr. Cornett said that the other firms indicated they could not overcome unfamiliarity with our policies. Another reason some firms gave was previous work history with WCSA and other Authorities.

Mr. Taylor and Mr. Hutchinson volunteered to serve on the Rate, Fee and Charge Study Procurement Committee.

13. Debt Sett-off Collection Report and Update *Kim Harold*

Mrs. Harold referred to the Set Off Debt Report Summary at the Board's Stations (see attached). Debt Set Off is a Policy established by the Board about four years ago and allows WCSA to collect bad debt by garnishing State income tax refunds. We have been successful in the past and this year looks even more promising, she stated.

For 2009, we had 2043 inactive accounts with over \$206,000 in bad debt. The number of inactive accounts has gone down since in 2013 as compared to 2009 but we do have about the same amount of bad debt. This is due to a large account in 2013, stated Mrs. Harold

In 2009 we were able to successfully match money for 190 individuals. In

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

2012 the total matches was 232. We are on track in the second month of this year to match 182 individuals with bad debt, Mrs. Harold explained.

We collected \$24,000 total and are on track to collect \$19,800 in the second month of this year. We are able to match more customers with bad debt as the number of social security numbers increase, she added.

14. Consideration of Change Order No. 6 for the Middle Fork Drinking Water Plant Expansion Project April Helbert

Mrs. Helbert reviewed all the following items, justifications and costs associated with Change Order No. 6 from Judy Construction for the Middle Fork Drinking Water Plant Expansion Project.

- Change SCADA system color scheme.

The Specifications originally called for the red light on the SCADA system to indicate on (running / open valve) and the green light to indicate off (not running / closed valve). Though this is typical electrical design, it is opposite of what you typically see in a water treatment plant, including what we currently have and what our Staff is accustomed to. This CO will address the necessary programming and electrical revisions to match our existing SCADA. This will be an increase in contract price of \$19,700 and an increase in time of 5 day. The cost of this change will be paid for by others but is included in the CO for contractual purposes.

- Additional site work and 24" pipe fittings.

This addition consisted of adding a loading dock to the Energy Recovery Building (ERB), adding four 24" pipe fittings to the raw waterline and additional entrance excavation. The

additional fittings allowed the contractor to install the raw waterline at the proper depth to accommodate a lower entrance and additional excavation for AEP lowboys. This will be an increase in contract price of \$46,433.00 and an increase in time of 25 days.

- Landscaping at Energy Recovery Building and Water Treatment Plant.

The primary purpose of this change is aesthetic, though it will assist with keeping traffic off of the piping directly in-front of the Energy Recovery Building that only has 2 feet of ground cover after the entrance was lowered as described in Item No. 2 above. This will be an increase in contract price of \$7,343.00 and no increase in time.

- Asphalt pavement and additional gravel drive.

This addition consisted of adding an asphalt entrance suitable for a lowboy trailer access. Also, this addition includes a gravel drive to the existing sludge drying pond. This will be an increase in contract price of \$19,520 and an increase in time of 5 days.

- Blower #2 Start-up.

This addition consisted of providing blower start-up by a manufacturer's representative of an item that was provided under the previous contract (Frizzell's contract). This will be an increase in contract price of \$1,150.00 and no increase in time.

- Time extension request.

This item includes a request from Judy (Contractor) for an additional 100 days of contract time. The request is for items that were previously approved in COs 1, 2, 4, and 5. Please see attached letter dated February 8, 2013 from Judy construction for details of this request. According to the letter, Judy did not request additional time during original request due to the time constraints of the

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

project and they tried to incorporate that work into the original contract without requesting additional time. It is now apparent that additional time will be required to complete the contract. The Lane Group reviewed this request and has recommended WCSA consider adding 70 of the 100 days requested.

- Provide and Install new filter effluent valves at Filter #1, 2, and 3. This addition consists of adding new modulating filter effluent valves to the existing filters. The proposed valves will be 3-Phase and will replace the single phase valves that have caused issues in the past. In addition to existing valves causing problems in the past, it would have been hard to reinstall the existing valves in the limited space of the new plumbing arrangement; this would have caused the need for additional equipment at additional costs. Staff believes the better investment is replacing the valves and not modifying the existing valves. This will be an increase in contract price of \$20,821.00 and no increase in time.

- Fill the existing clearwell trough with concrete.

The location of the old high service pumps and the old backwash pump left a trench in the clearwell floor when these pumps were removed. This area, if left, would not have drained to the manhole that will be used to pump the old clearwell out and could have caused water quality problems. Further, if the trench were not filled, changes would be required to the proposed baffle walls that are being installed in the existing clearwell. This will be an increase in contract price of \$4,366.25 and an increase in time of 2 days.

- Taylors Valley Tank SCADA changes

The SCADA changes are necessary and consist of the addition of the Taylors Valley system (tank, 3 meters, and flow control valve) to the existing water treatment plant SCADA. This will be an increase in contract price of \$64,379.00 and an increase in time of 20 days.

Mrs. Helbert continued saying, Change Order No. 6 includes an increase in contract price of \$183,712.25. The Change Order also provides an increase of 127 days. The total Contract Price will be \$10,300,079.74 and the total Contract Times will increase to 818 days to substantial completion (or 05/12/2013) and 878 days to final completion (or 07/11/2013).

Mr. Taylor asked why there were so many more days added to the original Contract, (an addition of approximately 33%).

Mr. Lane said most were due to Change Order work. He went on to explain that 70 days were from additional Change Orders. The other are from additional work we are requesting. We may have been a bit optimistic with the original time frame, but a lot of the days are due to Change Order work, discussed Mr. Lane.

Mrs. Helbert gave more detail to the addition of days saying the Contractors have had to work around other contractors; including the Phase 1 Contractor, AEP Contractors and Highway Contractors during the progression of the Project.

There will be some items the Contractors cannot finish until we are receiving South Fork water. Those items will be discussed in the next couple of months. WCSA will offer proposed resolution to the Board for consideration, said Mrs. Helbert.

Mr. Chase asked if the Final Completion Date was still be July 11, 2013.

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

Mr. Cornett answered saying "yes". Substantial completion is now May 12, 2013, added Mrs. Helbert.

Mr. Stout asked if there was any danger heavy loads would damage the lines. Mr. Cornett said the lines located under traffic had standard cover over them. The lines where the landscaping is to be added, only had two feet of cover and we felt landscaping those areas would keep traffic off the lines.

The motion to approve Change Order No. 6 for the Middle Fork Drinking Water Plant Expansion Project was made by Mr. Miller. Mr. Stout followed with a second to the motion and the Board approved voting 7-0-0-0.

15. Consideration of Amendment No. 2 for the WCSA The Lane Group Engineering Contract for the 12 MGD Water Treatment Plant Upgrade, Raw Water Line and South Fork Intake Project April Helbert

This Amendment requests additional RPR time for the period of December 5, 2012 (original 660 day contract completion time) to the expected end of construction (April 15, 2013) for the Water Treatment Plant, stated Mrs. Helbert.

An increase for RPR services of \$54,000.00, increasing the RPR budget from \$265,200.00 to \$319,200.00. It will also allow an additional 18, 50 hour weeks for a total of 900 hours at \$60.00 per hour, she added.

Mr. Stout motioned, with a second by Mr. Coleman to approve Amendment No. 2. Voting 7-0-0-0, The Board approved the motion.

16. Consideration of Amendment No. 3 for the WCSA The Lane Group Engineering Contract for the 12 MGD Water Treatment Plant Upgrade, Raw

Water Line and South Fork Intake Project April Helbert

Amendment No. 3 provides for the additional revisions to the plans, specifications, and design documents to allow the Project to be rebid, began Mrs. Helbert. The Amendment also allows for updating the existing permits, bidding and contracting services and RPR services during construction.

The Basic Engineering Services cost was \$1,467,684, this Amendment will increase it to \$1,557,484. RPR was \$319,200 with this Amendment increasing that amount to \$397,200. This Amendment will also increase Additional Engineering Services by \$4,000 raising that amount to \$104,000.

These expenditures may be recoverable; if not, WCSA will be responsible to bear these costs, explained Mrs. Helbert.

The figures in this Amendment were included in our claims, stated Mr. Cornett.

Mr. Lane said these monies were not payable to the Engineering Firm until Substantial Completion.

With this particular Amendment, TLG will bill WCSA at Substantial Completion (around March 2014). Normally, WCSA is billed monthly, Mr. Cornett explained.

Mr. Hutchinson motioned to approve Amendment No. 3 for the WCSA and The Lane Group Engineering Contract for the 12 MGD Water Treatment Plant Upgrade, Raw Water Line and South Fork Intake Project. Mr. Stephon seconded and the Board approved voting 7-0-0-0.

17. Consideration of Construction Bids for the Hillandale Road Water System Extension Kevin Heath

AHE received a total of eight Bids for this Project, reported Mr. Heath. The

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

Bids were structured to include a Base Bid and one Additive Bid item. The Base Bid included the water line routing from the point of connection to the last customer's property line. The Additive Bid included extending the proposed water line further to the last customer's driveway entrance instead of the initial property line, explained Mr. Heath.

Valley Construction of Saltville Virginia was the lowest bidder for both the Base Bid and Additive Bid.

When comparing the Original Project Funding Budget to the Post-Bid Revised Budget, we are over the original Funding Budget by about \$21,757. AHE has been in contact with the Health Department, advised them of these numbers and asked for direction. Originally, WCSA thought they would design the project in house, but based on their current work load, are unable to do that. Engineering design costs were an additional \$7,500, said Mr. Heath. The Health Department indicated they would consider providing additional funds for Engineering Services after the Project Bids. Mr. Heath said, we are going back to them asking for these additional monies.

Mr. Heath requests permission to issue Notice of Award to Valley Contractors for Base Bid (\$67,220), if the VDH awards the requested funds in the form of a grant. If we do not receive a favorable response from the Health Department, we table any action on the Project until the March Board Meeting.

Mr. Cornett stated, when we applied for funding, WCSA intended to do Engineering in house but based on our work load, need assistance. That is why that line item wasn't considered originally, he stated.

Mrs. Helbert went stated, the Original Cost Estimate for funding was done in 2011.

Mr. Hutchinson motioned to award construction to Valley Construction in the amount of \$67,220 pending VDH funding approval. Mr. Miller seconded and the Board approved with a vote of 7-0-0-0.

18. Consideration of Construction Bids for the Red Fox Lane Water System Extension *Kevin Heath*

According to Mr. Heath, a total of nine Bids were received for this Project. The low bidder was Crosspointe Contracting, Inc. of Abingdon Virginia. The revised Project Budget indicates a projected funding shortfall of \$15,820.

Mr. Heath recommended awarding the Bid to Crosspointe Construction in the amount of \$64,020, pending a favorable response from VDH for the additional funds needed. Mr. Heath recommended the Project be tabled until the March Board Meeting if the VDH does not award funding.

Mr. Taylor motioned to award the Bid to Crosspointe Construction pending grant funding from the VDH. Mr. Coleman seconded and the Board voted 7-0-0-0 approving the motion.

19. Closed Meeting

At 8:22 pm, Mr. Stephon 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 prospective candidates for employment, assignment, appointment, performance, demotion, salaries, disciplining, or resignation of employees of the public body; Code of Virginia Section 2.2-3711 Paragraph (A) (6): investment of public funds, 4. To discuss various inter-municipal and other agreements; 5. To discuss various agreements existing and

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

proposed related to the South Fork Intake. Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice, 6. To discuss potential litigation, contract litigation or both. 7. 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 was requested. A second to the Motion of Closed Meeting was made by Mr. Stout and was approved by Board vote of 7-0-0-0.

Return to Public Session:

Mr. Stephon read the following **Return to Public Meeting**; Mr. Chairman, I move that the Board return to Public Session. The motion was seconded by Mr. Stout and approved by Board vote of 7-0-0-0. The Board returned from Closed Meeting at 9:41 pm. Mr. Stephon 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. Stephon, Mr. Chase, Mr. Coleman, Mr. Taylor and Mr. Stout confirming that no outside discussion took place other than Closed Meeting topics.

20. Late Items

Late Item #1: Budget Proposal for the 2013-2014 Fiscal Year *Robbie Cornett*

Mr. Cornett directed the Board to the 2013-2014 Proposed Budget located at their stations, for their review. He proposed having a workshop on March 25th at 5:00 pm to review the Budget. Compensation and benefits are not presently updated as they are under review by Committee, he added.

Due to the Steering Committee Meeting to be held this week, the Chilhowie Budget is also under review, said Mrs. Harold. There are also some departmental expenditures that are under review, as well as CIP Projects that have scheduled Bid Openings until the end of the Budget Year. Those numbers will be updated as they come available, Mrs. Harold explained.

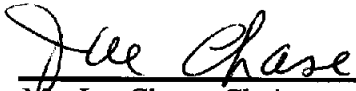
Mr. Cornett said, though the Board generally approves the Budget in June, we want to present the Board with this information now to allow time to discuss any items that may need a closer look.

Mr. Cornett went on to say, in the next couple of weeks, we will be in contact with the members of the Rate, Fee and Charge Study Procurement Committee to discuss possible dates to interview the firms that submitted RFP's for that Study.

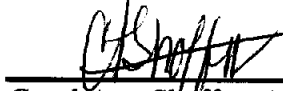
Washington County Service Authority Board of Commissioners
February 25, 2013 Regular Meeting Minutes

21. Recess

At 9:48 pm, Mr. Taylor motioned recess until March 25, 2013 at 5:00 pm. Mr. Coleman seconded Mr. Taylor's motion followed by approval from the Board with a vote of 7-0-0-0.



Mr. Joe Chase, Chairman



Carol Ann Shaffer, Assistant Secretary

Set Off Debt Report Summary

	2009	2010	2011	2012	2013	
<i>January</i>	\$3,647.96	\$3,166.13	\$4,009.97	\$ 5,069.23	\$ 190.38	1-30-2013 IRS filing delay
<i>February</i>	\$4,624.74	\$4,957.14	\$9,345.85	\$11,679.76	\$19,871.84	As of 2-25-2013
<i>March</i>	\$1,577.85	\$1,121.96	\$2,224.05	\$ 3,456.00		
<i>April</i>	\$1,307.91	\$ 801.65	\$1,062.19	\$ 2,435.47		
<i>May</i>	\$ 33.43		\$ 394.01	\$ 1,112.06		
<i>June</i>	\$ 235.72	\$ 292.91	\$ 342.57			
<i>July</i>	\$ 33.80	\$ 55.00		\$ 105.62		
<i>August</i>			\$ 32.00	\$ 28.04		
<i>September</i>		\$ 180.48	\$ 40.95	\$ 118.29		
<i>October</i>		\$ 42.50		\$ 72.78		
<i>November</i>						
<i>December</i>		\$ 93.21				
Total	190 for \$ 11,461.41	122 for \$10,710.98	177 claims for \$17,451.59	232 claims for \$24,077.25	182 for \$19,871.84	As of 2-25-2013
Inactive Accts	2,043 for \$206,174.00	1,781 for \$211,043.78	1,632 for \$218,626.22	1,721 for \$232,260.35	1,567 for \$230,599.08	
Accounts Submitted	553 for \$ 38,821.31	560 for \$94,124.28	682 for \$121,253.21	968 for \$176,281.26	1,221 for \$211,437.23	As of 2-25-2013
Matched	190 for \$ 11,461.41	122 for \$10,710.98	177 for \$17,451.59	232 for \$24,077.25	182 for \$19,871.84	As of 2-25-2013
Collected thru Set-off	\$ 11,007.40	\$10,248.60	\$16,753.03	\$23,038.33		As of 2-25-2013
Customer Paid	\$1,466.23	\$1,598.36	\$1,846.41	\$1,768.39	\$606.67	As of 2-25-2013