

Washington County Service Authority Board of Commissioners
July 23, 2012 Annual Meeting Minutes

The regular meeting of the Washington County Service Authority Board of Commissioners was called to order by the Chairman at 7:00 PM.

ROLL CALL

Commissioners Present:

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

WCSA Staff Present:

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

Consultants Present:

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

Also Present:

Mrs. Dawn Figueiras, General Counsel

3. Approval of the Agenda

Mr. Cornett presented the Board with an Amended Agenda. Mr. Coleman motioned to approve the Agenda, Mr. Miller seconded followed by Board approval voting 7-0-0-0.

4. Public Query & Comment

Mr. Larry Bays had comments for the Board. He began saying, I am from the Benhams area and land owner on Cedar Creek Road.

I had an old college professor about forty years ago that said "look beyond

the numbers" I think that is good council for you. When you make the rules for rates and things you need to look beyond the numbers to see the impact it has for the man on the street or in the company. If you look at new hook up or tap fee for WCSA effective July 1, it is \$4,560; you know what it is. That is a 297% increase since 2006. The reason we give for that is we are trying to call charge cost causer, using the new regulatory regiment that is called System Development Charges or Impact Fees. According to what I have read, it is used in rapid growth areas like Florida. In rapid areas you are always trying to keep up your capital program up with demands. In Washington County last year, we had 94 new residential building permits. I do not think that is rapid growth, do you? I believe this policy has unintended consequences, I hope it is unintended, on limiting the growth in Washington County. I believe it is particularly detrimental to low income families and those just starting. I built my first home in Westwood in 1977. Mr. Stephon may not remember but I got in the front seat of his Corvette to take him over to look at my house. Mr. Trivet built both our houses. I don know if you remember that. Mr. Stephon said, Yes I do.

If I were trying to get started in this county today I couldn't do it. If we look beyond those numbers and see the impact it has on the people. In Washington County Virginia, the per capita income is \$9,000 less than the state average. The medium income is \$21,000 less. The medium price of a house is the \$130,000 less in Washington County, yet we have a fee that is 4 to 5 time greater than others in this area. If it wasn't so horrific it would be laughable.

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In WCSA documents dated March of last year, they showed their forecast of new residential customers was 140% under forecast for 2010. They were projecting in 2011 they were going to be 429% under forecast.

What's the outcome of this type of decision? We all know the building industry is in recession, deep recession. In fact, if you look at building permits comparing 2011 to 2008, nationally, building permits were down 32% in 2011 compared to 2008. Now you would think in Washington County where unemployment is not as high as the rest of the nation that it wouldn't be that high. You would think it would be between 25% to 30%; but it's down 49%. And the really interesting thing about that number, if you look at the average cost per building permit, they are up 140%. So the average cost for the building permits is up 140% in 2011 compared to 2008 in Washington County. Why is that? Because we have pushed out the low income and starter homes in this county by this policy.

WCSA likes to say they are charging cost causer, but I believe an impartial and independent review of these rates would show undue discrimination that are not just unreasonable but arbitrary. I haven't seen any cost causer rates based on distance. I haven't seen any cost causer rates based on those that live alone that may have lower volumes than the volume rates we have.

I have one thing I would like to say to you; stop it. Stop this madness because it is killing the low income and those who are trying to get started in this county. I know that it was in good contenance when you did this. I think the results are surely showing it is not working. And, I think you have to, if your job is appointed by the Supervisors is to

protect this community. Now I understand that you are trying to protect the quality of water and growth in the community and things like that. But the end results are not happening. We are killing low income construction in this county. I think if you look at the data impartially you will see that. I believe that if we had an independent review of the rate structure here, I would say you would find discrimination. And so I challenge you to look beyond the numbers. Look at the numbers and see the impact it has on the people in the community, because that is your job. Thank you for this time. There were no questions from the Board.

5. Approval of the Consent Agenda

- Minutes: June 25, 2012 Regular Meeting Minutes
- Routine Reports for June 2012.
- Financial Statement for June 2012.
- Check Register and General Manager Financial Report for June 2012.

Mr. Stephon made the motion to approve the Consent Agenda. The motion was seconded by Mr. Stout and was approved by a 7-0-0-0 Board vote.

6. Engineer's Report and Update

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

- **Route 58 Water Supply Improvements Project**

AHE is working on PER Amendments and Environmental Review documents, as well as addressing review responses for the US Fish and Wildlife Service, according to Mr. Heath. He expects to complete environmental reviews after comments have been received and then prepare funding applications for submittal. We are working with Staff on preliminary tank site locations.

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- **Green Spring Water Line Replacement**

Mr. Heath said they have secured the approval from the Town of Abingdon for erosion Control Permits and have responded to the Norfolk Southern Railroad comments.

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

Mr. Heath said AHE has completed draft plans for Rich Valley Road/Whites Mill Road portion and submitted them to WCSA staff today for review. AHE has scheduled a meeting with the Health Department to review environmental clearances.

- **Abingdon Storage Tank Study**

Mr. Heath reported they are working on a the first draft of the Draft Study and plan to have that available for WCSA review very soon

- **Whites Mill Road**

Mr. Heath reported they were negotiating final closeout activities with Tipton Construction as all construction was complete. AHE is also negotiation a final clean-up Change Order for Tipton's Contract and will circulate that for approval. Lastly, they are working on the completion of Record Drawings and the final Contract Close-out. AHE will be working with staff to discuss how to best utilize the remaining contingency funds.

Mr. Steven Steele of Anderson and Associates (A&A):

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

Mr. Steele said they were working to obtain user agreements for Phase 2A. The majority of those users are commercial users, making it more difficult to receive their responses. A&A staff will be working diligently the rest of July and August to collect the outstanding user agreements for the

Phase 2A Project. Mr. Steele reported their response rate on Phase 2A was about 55%. A&A has mapped out the areas where people have signed user agreements and where they have not, to look into catering to those pockets where people are favorable to the project.

Mr. Steele reported the goal for Phase 3 was to get response out to those individuals after Labor Day.

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

- **Galvanized Water Line Replacement Project**

Mr. Bobby Lane reported that Division 1 and 2 of the Phase 1 Galvanized Line Project is substantially complete, the clean up change orders will be presented later in the meeting.

- **Bristol Area Water Service Restructuring from BVU to WCSA**

He then reported on the Bristol Switch-over Project saying Division 3 the reedy Creek Project were all nearing completion.

Mr. Matthew presented the Board with a summary sheet on division 1 and 2 of the Galvanized Line Project. The first project Mr. Matthew Lane detailed was the WCSA Galvanized Waterline Replacement Project, Division 1 - Glade Spring project, saying, the original project was to replace 20,395 linear feet of main line and 3,796 linear feet of service line with new PVC, ductile iron and copper waterline within and directly adjacent to Glade Spring. The Original project cost was \$986,794.85. The project as constructed replaced 24,589 linear feet of main line and 7,933 linear feet of service line with new PVC, ductile iron and copper waterline with a final project cost of \$1,043,558.86. This project directly affected 267 customer

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meters and required disturbing 115 driveways. In addition to rep deteriorating galvanized waterline, the project improved pressures and fire flows (adding 6 new fire hydrants) throughout the entire Glade Spring community.

Next, M. Matthew Lane discussed details of the WCSA Galvanized Waterline Replacement Project for Division 2 – Western Washington County. He began saying the original project was to replace 35,059 linear feet of main line and 13,630 linear feet of service line with new PVC, ductile iron and copper waterline within Western Washington County. The original project cost was \$1,769,604. The project as constructed replaced 36,177 linear feet of main line and 4,201 linear feet of service line with new PVC, ductile iron and copper waterline with a final project cost of \$1,378,743.59. The project directly affected 316 customer meters and required disturbing 172 driveways. In addition to replacing deteriorating galvanized waterline, the project improved system reliability and fire flows (adding 31 new fire hydrants) within Lowery Hills, Evergreen Hills, Skyland, Prestonwood and Battle Hills Subdivisions.

Mr. Matthew Lane then stated, due to the support from WCSA crews in the field, the project moved along much more smoothly. Without their assistance, this project would not have been as successful. Thank you for their assistance.

Mr. Bill Skeen of Maxim Engineering

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

Mr. Skeen reported on this project saying both projects were funded by the Virginia Department of Health and have been combined into one project with two

separate construction contracts. Mr. Skeen went on to say, Maxim has a meeting with VDH to review and submit design drawings and specifications and will submit permit applications to appropriate agencies pending VDH approval. Mr. Skeen said they expect to be close to advertising this project next month.

• *Larwood Acres / Exit 1 Wastewater Feasibility Study*

Mr. Skeen said Maxim and WCSA Staff had a Project Scoping Meeting and plan to have a Task Order for this project available for approval at the next Board Meeting.

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

Mrs. Helbert reported on the Sutherland Community Project, saying documents were being submitted to a number of agencies next week and expects to be able to advertise for this project in 30 to 60 days.

She also informed the Board that the Engineering Depart expects to be able to close out most of the outstanding Project Development Projects due to expected addition to the department.

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 June:

Water Production

- Produced over 216 million gallons of drinking water from WCSA and more than 27 million gallons of water for the Town of Abingdon.

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- Continued coordination and support of the expansion of our Middle Fork Drinking Water Plant.

Distribution

- Coordinated the outside purchase of more than 16 million gallons of drinking water.
- In total, 7.52 million gallons per day (MGD) of drinking water was distributed to our customers in June.

Meter Department

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

Customer Service

- \$8,972.12 was adapted for 62 customer water leaks.
- \$7,351.73 was written off as bad debt three years old.
- 24 water taps applied for.
- 191 reconnections/transfers of service.
- 3,682 accounts with late charges added.
- 1,015 disconnect notices processed.
- 92 disconnects for non-payment.

Maintenance

- 41 leaks.
- 9 major breaks repaired.
- 17 water taps.
- 49 after hour maintenance call-outs.
- Assisting Galvanized Line and Reedy Creek Road contractors with mainline taps.

Wastewater

- Treated more than 9 million gallons of wastewater.

Administrative Items

- Please join me in welcoming Mr. Ryan Kiser EIT to the WCSA Team as Staff Engineer. Mr. Kiser comes

to us from VDOT after 11 years as an Environmental Specialist and Inspector and holds a Bachelor of Science Degree from the University of Virginia's College at Wise in Environmental Science.

- I am pleased to report that Rural Development has provided closing instructions for transferring the Town of Damascus debt to WCSA. This has allowed CSA and the Town to establish August 9, 2012 as the transition of ownership date.
- At your stations you will find a copy of Water Basics for Decision Makers. This book includes helpful information for governing bodies from regulatory framework to customer classification, as well as information on various water sources such as wastewater, water treatment plant operations, distribution collecting and financing to offer a few.
- WCSA received a notice from BVU that their water rates have increased effective June 27, 2012 by 20% and our water purchase rates will increase accordingly.

9. Election of Officers for the 2012-2013 Fiscal Year *Chairman*

Mr. Stephon motioned to nominate Mr. Joe Chase as Chairman. Mr. Taylor seconded the motion and the Board approved voting 6-0-1-0, with Mr. Chase abstaining.

Mr. Stephon motioned to nominate Mr. Stout to the office of Vice Chairman.

Mr. Taylor motioned to Close Vote, Mr. Miller seconded the motion to Close Vote. Mr. Taylor seconded the Vice Chairman nomination and the Board approved with a vote of 7-0-0-0.

Mr. Miller motioned to nominate Mrs. Harold as Treasurer, Mr. Cornett as

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Secretary and Mrs. Shaffer as Assistant Secretary. Mr. Coleman made a motion to Close Vote, Mr. Hutchinson seconded the motion to Close Vote. Mr. Hutchinson seconded the motion for Treasurer, Secretary and Assistant Secretary. The Board approved with a vote of 7-0-0-0.

10. Consideration of Committee Appointments for the 2012-2013 Fiscal Year *Chairman*

Mr. Chase began saying Commissioners Stephon and Taylor currently represent WCSA on the Washington County Joint Utilities Committee. Commissioner Coleman and Robbie Cornett have been representing WCSA on the Chilhowie/WCSA Regional Water Treatment Plant Steering Committee. In addition to Mr. Coleman and Mr. Cornett, this committee is made up of two Councilman, Brent Foster and Town Manager, Bill Boswell representing the Town of Chilhowie.

Mr. Stephon motioned to reappoint Mr. Taylor and Mr. Miller to the Washington County Joint Utilities Committee. Mr. Hutchinson seconded the motion and the Board approved voting 7-0-0-0.

Mr. Hutchinson motioned to reappoint Mr. Coleman to the Chilhowie/ WCSA Regional Water Treatment Planet Steering Committee. Mr. Stout seconded the motion and the Board approved voting 7-0-0-1.

11. Consideration of the 2012-2013 WCSA Regular Board Meeting and 2013-2014 Annual Meeting Schedules *Chairman*

Mr. Taylor motioned to approve the following schedule for 2012-2013 Regular Board Meetings: August 27, 2012; September 24, 2012; October 22, 2012; November 26, 2012; December

17, 2012; January 28, 2013; February 25, 2013; March 25, 2013; April 22, 2013; May 20, 2013; June 24, 2013 and July 22, 2013 for the Annual Meeting. Mr. Stephon seconded the motion and the Board approved voting 7-0-0-0.

12. Consideration of the 2012-2013 Fiscal Year Banking Resolution *Chairman*

Mr. Chase said, presently, the following people are authorized to sign checks: the Chairman, Vice-Chairman, General Manager, Controller and Customer Service Manager. Therefore, we ask that you consider empowering the Treasurer/Controller (Mrs. Harold) 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 (Mr. Cornett) and WCSA Customer Service Manager (Mrs. Edwards) serve as the four additional persons authorized to sign checks.

Further, we ask that you consider limiting to two persons the authority to open new accounts, borrow money or obtain safe deposit boxes (currently represented by Mr. Cornett and Mrs. Harold). We ask that you consider two of the above persons to be included on the HUB resolution for items #1, #2, #4 and #6 (opening new accounts, borrowing money, safe deposit boxes and "all powers").

Mr. Stephon motioned to approve the Treasurer/Controller (Mrs. Harold) and the Chairman, Vice Chairman, WCSA General Manager (Mr. Cornett) and WCSA Customer Service Manager (Mrs. Edwards) serve as the additional persons authorized to sign checks. Mr. Coleman seconded the motion and the

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Board unanimously approved with a vote of 7-0-0-0.

Mr. Taylor motioned to approve Mr. Cornett and Mrs. Harold be included on the HUB Resolution for item #1, #2, #4 and #6. Mr. Miller seconded and the Board voted 7-0-0-0 approving the motion.

Mr. Taylor excused himself from the meeting at 7:41 PM

13. Consideration of and Engineering Agreement Between WCSA and The Lane Group for the Nordyke Road Waterline Extension Project April Helbert

Mrs. Helbert said the estimated cost of this project was \$414,829; \$29,631 per connection. She said the engineering fees as shown in the attached agreement are: \$54,000 for General Engineering, \$44,000 for RPR and \$20,100 for additional Engineering Services; totaling \$118,000. WCSA Legal Counsel has reviewed, commented and approved the Engineering Agreement.

Mr. Miller motioned to approve the Agreement, Mr. Hutchinson seconded and the Board approved voting 6-0-0-1.

14. Consideration of an Engineering Agreement Between WCSA and The Lane Group for General Plan Review Services April Hebert

Mrs. Helbert began by saying in May of 2011, the Board approved a Task Order between WCSA and The Lane Group (TLG) to provide as needed assistance with review of private developers submitted plans, specifications and related assistance until a replacement was found for Mr. Canody. Though we found a replacement for Mr. Canody (Mrs. Helbert) we have not found a replacement for Mrs. Helbert. Because

we are currently short a position in our engineering and need hydraulic modeling performed during these reviews but do not have the ability to model ourselves, we are asking the Board to consider a new Task Order issued under the new General Engineering Agreement between WCSA and TLG to provide these services on an as needed basis.

The enclosed Task Order provides generally the same services at the same hourly rate as the one approved in 2011 (\$95 per hour). The only thing that has changed from the previous agreement is the addition of assistance with hydraulic modeling. During the 2011-2012 fiscal year, these services cost WCSA \$4,607.50.

Mr. Stout motioned to approve the new Engineering Agreement, Mr. Stephon seconded the motion and the Board approved voting 6-0-0-1.

15. Consideration of Agreement #1 to the Emory/Meadowview/Glade Spring Conveyance and Treatment Study Engineering Agreement Between WCSA and The Lane Group April Helbert

Mrs. Helbert said, WCSA Staff requested TLG provide a cost to provide assistance for reissuance of another VPDES permit WCSA has in the area. WCSA owns but no longer operates a 0.75 million gallon per day wastewater plant adjacent to the Washington County Industrial Park. We believe there is wisdom in "maintaining" a discharge permit with DEQ should it be needed in the future as opposed to applying for a new permit. More specifically, new permits are difficult, time consuming and expensive to obtain. Amendment #1 adds \$5,200 to the cost of the project.

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Mr. Miller motioned to approve Amendment #1, Mr. Hutchinson seconded Mr. Miller's motion. The Board voted 6-0-0-1 approving the motion.

16. Consideration of an Engineering Agreement Between WCSA and Adams Heath Engineering for the Monte Vista Water System Improvements Project *April Helbert*

Mrs. Helbert began by reminding the Board in 2010-2011, WCSA procured for engineering services for several projects including Monte Vista Drive/Crescent Drive Water Line Improvements Project as described in a PER prepared by Draper Aden Associates. AHE was selected for this project. This Project provides recommended improvements in the Route 91 (Monte Vista) corridor near Glade Spring. This includes the replacement of approximately 5,500 linear feet of existing water line with new 8 inch water line, a pressure reducing valve and all associated appurtenances. The project will also include changes to the existing manual valve operating scheme as well as the demolition of the Manheim Water Storage Tank and Pump Station. The total cost of this project is \$91,000. WCSA staff negotiated this agreement with AHE over the past month. WCSA Legal Counsel has reviewed, commented and approved the task orders.

Mr. Stout motioned to approve the Engineering Agreement. Mr. Coleman seconded the motion and the Board approved voting 6-0-0-1.

17. Consideration of Change Order #1 for the South Fork Intake Project *Bobby Lane*

Mr. Lane referred to the update in the Board Book. This Change Order will add panic hardware to doors #1 and #2, add 6" of stone from access road to the intake area, add pull offs to Twin Rivers Trail to allow traffic to pass, add plywood or drywall ceiling in the raw water pump station building and install conduits for ht electrical service to the facility. This change order adds 10 days to the project and a total cost of \$36,957.58

Mr. Hutchinson asked Mr. Lane if these things were an oversight in the original contract. Mr. Lane replied, yes, these items were an oversight in the original bid. Mr. Hutchinson asked if the power company declined to install the needed conduit for electrical service (item #5). Mr. Lane answered, they did decline to install the needed conduit; the power company would pull wire but not install conduit. TLG would know to include that work in future contracts since the power company would not install conduit.

Mr. Hutchinson motioned to approve the Change Order, Mr. Miller seconded and the Board approved voting 6-0-0-1.

18. Consideration of a Resolution Authorizing and Approving the Assumption of Debt Previously Incurred by the Town of Damascus, Virginia with Respect its Sewer System, Which is to be Acquired by WCSA *Kim Harold*

Mrs. Harold referred to the Certificate of Secretary (see attached) and said that it was the revised copy that has been approved by Rural Development.

Mr. Stout motioned to approve the Resolution. Mr. Stephon seconded the motion. The Board approved the Resolution with a verbal confirmation of "YES" from Mr. Miller, Mr.

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Hutchinson, Mr. Stephon, Mr. Chase, Mr. Coleman and Mr. Stout.

19. Consideration of Galvanized Water Line Replacement Phase 1, Division 2 – Change Order #3 Bobby Lane

This change order will add 88 days to the project, said Mr. Lane, and a total decrease in contract price of \$396,221.91. Construction of Division 1 of the Phase 1 Galvanized Waterline Replacement Project is now complete. This Change Order provides a clean-up of all quantities of items installed versus quantities bid.

Mr. Hutchinson motioned to approve Change Order #3, Mr. Miller seconded and the Board approved voting 6-0-0-1.

20. Consideration of Galvanized Water Line Replacement Phase 1, Division 1 – Change Order #3 Bobby Lane

Mr. Lane informed the Board that Change Order #3 for Division 1 is a decrease of \$6,505 from original contract price but adds 50 days to the contract time line.

Mr. Stout motioned to approve Change Order #3 for Division 1. Mr. Coleman seconded the motion and the Board approved with a 6-0-0-1 vote.

24. Closed Meeting

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) (6): investment of public funds, 4. To discuss various Inter-municipal and other agreements, 5. To consider possible impacts of proposed annexation; Code of Virginia Section 2.2-3711 Paragraph (A) (7): legal advice, 6. To discuss potential

litigation, 7. To discuss various Inter – municipal and other agreements. In addition to the Board, the presence of Mrs. Dawn Figueiras, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager was requested. A second to the Motion of Closed Meeting was made by Mr. Miller and was approved by Board vote of 6-0-0-1. The Board adjourned to Closed Meeting at 8:07 PM.

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 6-0-0-1. The Board returned from Closed Meeting at 9:25 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 and Mr. Stout confirming

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that no outside discussion took place other than Closed Meeting topics.

25. Late Items

Late Item #1: Boards Consideration to Procure for Engineering Services for Mendota Water System Improvement Project Mr. Cornett

Mr. Cornett said he learned late last week after negotiating with the Department of Housing Community Development for the Mendota Water System improvements Project, that we did not include Engineering Service in that procurement. We have to be under agreement with VHCD by August 1st so we need to procure those engineering services quickly. If you authorize WCSA to do so, we can manage the procurement with WCSA quickly and not have any trouble being under contract with VHCD. We expect to bring an agreement back to the Board by the September meeting.

Mr. Miller motioned to approve the request for procurement for the Mendota Water System Improvement Project. Mr. Hutchinson seconded and the Board approved voting 6-0-0-1.

Late Item #2: WCSA Health Insurance Renewal Mrs. Harold

Mrs. Helbert referred to the spreadsheet left at the Board's stations. She then reviewed the changes that Anthem is making to the policy. WCSA currently pays a \$25 copay for both Primary Care Physician and Specialist visits. That will change to a \$50 copay for Specialist visits. We currently have a maximum out of pocket expense of \$2500 for individual and \$5000 for family. That changes to \$3000 for individual and \$6000 for family per calendar year. The amount for Hospice changes from 80/20 after deductible to no deductible, no

coinsurance meaning Hospice will be covered at covered at 100%.

Spinal manipulation also changes from 80/20 after deductible to \$25 copay. Out of network visits out of pocket maximum expenses change from \$3750/\$7500 to \$4500/\$9000. We budgeted for a 10% increase for Health Coverage and the increase was actually 5.5%. The industry increases are from 7% to 12% for companies our size.

We do have active medical risks on our plan that does affect our premiums. We also had 4 high dollar claimants that could also affect our premiums.

We were offered different options for renewal. After staff review, the plan the Authority chose, since it fell under budget, was the plan offering \$25/\$50 copay, 80/20 and \$500 deductible.

Mr. Cornett offered that Board may want to establish a Committee to take a closer look at compensation and/or benefits due the time and devotion it takes to evaluate WCSA in comparison with others in our field. I think it is important to remain competitive in our field in order to attract as well as encourage and maintain quality employees; and also use the compensation and benefits survey to make sure we are not out of range with what other authorities are doing, added Mr. Cornett.

Mr. Chase said he would be in favor of having a Benefits/Compensation Committee. Mr. Stout was not in favor of the Committee saying the WCSA Staff knew more about these issues and the Board should take their recommendation on such issues.

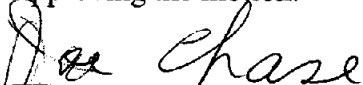
Mr. Stephon motioned to approve the recommended Anthem renewal. Mr. Stout seconded the motion and the Board approved voting 6-0-0-1.

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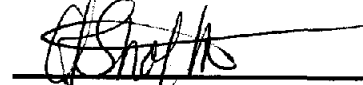
The Board will discuss the Compensation/Benefits Committee at a later date.

26. Adjourn or Recess

At 9:45 PM, Mr. Stephon motioned to Adjourn. Mr. Miller seconded the motion and the Board voted 6-0-0-1 approving the motion.



Mr. Joe Chase, Chairman



Carol Ann Shaffer, Assistant Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Washington County Service Authority (the "Authority"), hereby certifies that:

1. A regular meeting of the Board of the Authority (the "Board") was duly called and held on July 23, 2012 (the "Meeting"), at which the following Board members were present and absent:

PRESENT:	Mr. Joseph Chase	Mr. Frank Stephon
	Mr. Donald L Stout	Mr. Devere Hutchinson
	Mr. Prince Coleman	Mr. Dwain Miller


ABSENT: Mr. Kenneth Taylor

2. A resolution (the "Resolution") of the Authority entitled "RESOLUTION AUTHORIZING AND APPROVING THE ASSUMPTION OF DEBT PREVIOUSLY INCURRED BY THE TOWN OF DAMASCUS, VIRGINIA WITH RESPECT TO ITS SEWER SYSTEM, WHICH IS TO BE ACQUIRED BY THE WASHINGTON COUNTY SERVICE AUTHORITY" was duly adopted at the Meeting by the recorded affirmative vote of at least a majority of all of the members of the Board of the Authority, the ayes and nays being recorded in the minutes of the meeting as shown below:

<u>MEMBER</u>	<u>VOTE</u>
Mr. Joseph Chase	Aye
Mr. Donald L Stout	Aye
Mr. Prince Coleman	Aye
Mr. Frank Stephon	Aye
Mr. Devere Hutchinson	Aye
Mr. Dwain Miller	Aye

3. Attached is a true and correct copy of the Resolution.

WITNESS my signature and the seal of the Washington County Service Authority this 23 day of July, 2012.



Robert Cornett
Secretary, Washington County Service Authority

[SEAL]

WASHINGTON COUNTY SERVICE AUTHORITY

RESOLUTION AUTHORIZING AND APPROVING THE ASSUMPTION OF DEBT PREVIOUSLY INCURRED BY THE TOWN OF DAMASCUS, VIRGINIA WITH RESPECT TO ITS SEWER SYSTEM, WHICH IS TO BE ACQUIRED BY THE WASHINGTON COUNTY SERVICE AUTHORITY

A. The Washington County Service Authority (the "Authority") is a public body politic and corporate of the Commonwealth of Virginia (the "Commonwealth") created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 (the "Act") of the Code of Virginia of 1950, as amended (the "Code").

B. On December 19, 2011, the Board of Commissioners (the "Board") adopted a resolution authorizing the Authority to acquire the sanitary sewer system (the "Damascus System") currently owned by the Town of Damascus, Virginia (the "Town"), subject to (1) certain approvals by Rural Development, USDA and (2) the Town's compliance with Section 15.2-1800 of the Code.

C. On February 15, 2002, the Town issued its General Obligation Sewer System Bond, Series 2002 (the "Series 2002 Bond") to the United States of America acting through the Rural Utilities Service, Department of Agriculture ("Rural Development") for purposes of financing certain improvements to the Damascus System in the original principal amount of \$973,000.

D. In connection with the acquisition of the Damascus System, the Authority has determined to assume the Series 2002 Bond.

E. Since the Authority does not have the power to issue indebtedness on a general obligation basis, Rural Development has required as part of the Authority's assumption of the Series 2002 Bond that the Authority establish a debt service reserve account (the "Debt Service Reserve Account") in the amount of one full annual installment of debt on the Series 2002 Bond.

F. The Series 2002 Bond will be secured by a pledge of the revenues derived by the Authority from the ownership and operation of its sewer system, which will include the Damascus System ("Revenues"), on a parity with the Authority's outstanding Sewer System Revenue Refunding Bond, Series 2008 (the "2008 Bond"), Sewer System Revenue Bond Taxable Series 2011A (the "2011A Bond"), Sewer System Revenue Bond Taxable Series 2011B (the "2011B Bond," and together with the 2008 Bond and the 2011A Bond, the "Existing Parity Indebtedness") and any additional bonds which are secured by a pledge of Revenues and issued on a parity basis, including the Authority's Sewer System Revenue Bonds, Taxable Series 2012 which is expected to be issued on or before August 2012.

NOW, THEREFORE, after consideration and in furtherance of the public purposes for which the Authority was created, be it resolved that:

1. Authorization of Assumption; Pledge of Revenues. The Authority authorizes the assumption of the Series 2002 Bond in connection with the acquisition of the Damascus System


and the establishment of the Debt Service Reserve Account. The Series 2002 Bond shall be a limited obligation of the Authority and is payable exclusively from the Revenues. The Series 2002 Bond will be secured on parity with the Existing Parity Indebtedness, and any additional bonds issued on a parity basis, with respect to the pledge of Revenues. Neither the Commonwealth of Virginia nor any of its political subdivisions, including the Authority, shall be obligated to pay the principal of and interest on the Series 2002 Bond or other costs incident to it except from the Revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its political subdivisions, including the Authority, is pledged to the payment of the principal of the Series 2002 Bond or other costs incident to it. The issuance of the Series 2002 Bond does not directly, indirectly, or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the Authority, to levy any taxes for the payment of the Series 2002 Bond.

2. Execution of Documents. The Chairman and Vice Chairman of the Authority, either of whom may act, and such officers and agents of the Authority as may be designated by either of them, are authorized to execute and deliver on behalf of the Authority such assumption agreement, documents, instruments, amendments, amended and restated bond or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the assumption of the Series 2002 Bond and the other transactions contemplated in this Resolution; and all of the foregoing previously done or performed by such officers or agents of the Authority, are in all respects approved, ratified and confirmed.

3. Filing of Resolution. Counsel to the Authority is authorized and directed to file a certified copy of this Resolution with the Circuit Court of Washington County, Virginia, pursuant to Section 15.2-5126 of the Code of Virginia of 1950, as amended.

4. Effective Date. This Resolution shall take effect immediately.

Adopted this 23 day of July, 2012.



Joseph Chase
Chairman, Washington County Service Authority



Robert Cornett
Secretary, Washington County Service Authority