

**Washington County Service Authority Board of Commissioners
April 23, 2007 Regular Meeting Minutes**

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

ROLL CALL

Commissioners Present:

Mr. Sam Kiser
Mr. Phil McCall
Mr. Daniel Reynolds
Mr. Scott Rector, Vice-Chairman
Mr. D.L. Stout

Commissioners Absent

Mr. Gerald Cole, Chairman
Mr. Sam Blaylock

Staff Present:

Robbie Cornett, Interim General Manager
Kim Roberts, Controller
Doug Canody, Chief Engineer
Ella Ratcliffe, Information Systems Manager

Consultants Present:

Bill Aden, PE, Draper Aden Associates
Randall Hancock, PE, Draper Aden Associates
Bobby Lane, PE, Lane Engineering
Kevin Heath, PE, Adams-Heath Engineering

Also Present:

Mr. Mark Lawson, General Counsel
Ms. Dawn Figueiras, General Counsel
WCSA Employees

3. Public Query and Comments

None

4. Approval of Agenda

Mr. McCall made a motion to approve the agenda. Mr. Kiser seconded. The motion passed 5-0-2.

5. Consent Agenda

- Minutes from March 26, 2007
- Routine Reports

- Check Register ending 03/31/07

Items removed from Consent Agenda

None

Mr. Kiser made a motion to approve the Consent Agenda. Mr. Kiser's motion was seconded by Mr. Stout. The motion was approved by a 5-0-2 vote.

6. Engineer's Report and Update

Mr. Bill Aden and Mr. Randall Hancock with Draper-Aden reported on the following projects:

Sewer O & M Analysis

Mr. Hancock reported that they had provided some preliminary numbers and reviewed an agreement that had been proposed with the Town of Abingdon and the City of Bristol concerning the Exit 13 and 14 areas. They had presented the preliminary analysis to Mr. Cornett and Ms. Roberts.

Seven Springs Secondary Supply

Mr. Aden reported that they had submitted the PER to the staff for review and then would be sending the PER to the Health Department for approval. They are waiting to hear comments from the staff.

Glove Drive Waterline Improvements

Mr. Aden reported that they had submitted the PER to the staff to review and they would be sending it to the Health Department. They have already completed the preliminary design and are working on the final design. They are waiting to hear comments from the staff.

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Route 58 Water Storage Facilities

Mr. Aden reported that Mr. Cornett had a meeting with Bob Jones and they had some additional information that had been requested from them and they were processing the information. He stated that after everything had been evaluated they would have Dividing Line draft a plat of easement and get the acquiring right of way on the new road. They would try to bring more information back at the next meeting.

Route 58/Watauga Road Waterline Improvements

Mr. Aden reported that they had completed the design on the pressure reducer valve vault and had planned a profile for the line on Good Hope Road. There are waiting for the completion of easements on the rest of the project before they could move ahead.

Mr. Kiser questioned the status on the acquisition of easements on Watauga Road. Mr. Cornett stated that there were still three easements that needed to be obtained. He stated that they had met with one of the landowners and had several conversations with them and the other two had not agreed to grant the easements yet.

Mr. Bobby Lane with Lane Engineering reported on the following projects:

Emergency Generator Project

Mr. Lane reported that they had an inspection early in April and were able to issue substantial completion on April 4th. The contractor provided training from the equipment provider for the WCSA staff and the generator is currently on line and ready to operate whenever the need arises.

Clear Creek/Lee Highway Project

Mr. Lane reported that all the water line had been completed construction except for a part of the 12 inch water line from the proposed Target entrance to the city limits. They are waiting on the commercial contractor to do the grading before he can complete the rest of the work.

Mr. Lane stated that Mr. Cornett had requested that Lane Engineering work on a project detail on water line replacement of the WCSA system. Mr. Lane provided the Board with a handout showing pipe sizes all over the county. He also stated that the system consisted of a wide variety of materials. These included PVC, Ductile Iron, and Cast Iron with leaded joints, Asbestos Cement Line, Stainless Steel and Galvanized Line. He stated that most of this data had been compiled by WCSA staff. Mr. Lane explained that 86% of the leaks and breaks had occurred in pipe 2" or less. He stated that 22% of the system was galvanized line and most of the size was 2" or less in diameter. He expressed that this type of line was probably the oldest lines in the system and was part of the source of customer complaints. He stated that around 30% of water produced by WCSA is unaccounted for. He stated that galvanized pipe cannot be fixed because it is old and falls apart. Mr. Lane stated that the goal for the Authority would be to replace the galvanized line. He covered 3 different strategies for replacing this line. He stated that the Authority's goal should be to replace most of this type of line by the year 2010. This could be done in multiple contracts and would cost around 18 million dollars. In order to do this they

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would have to obtain the money for this project. They had researched several funding options which included U. S. Department of Agricultural & Rural Development for a 40 year loan with an interest rate of 4.125%. They would secure this loan with Revenue Bonds. He said that there was a possibility that their interest rate may go down. Another option could possibly be with Virginia Municipal League and the Virginia Association of Counties. He stated that the annual cost would be around \$900,000 a year minus savings. There would be several ways that this replacement could benefit the Authority. He stated there would be three things that would need to be done in order to begin this type of project. They would need to do a Preliminary Engineering Report, an Environmental Assessment, and the Application. He stated that they would like to propose that this application be submitted around the first of May. He stated that they had already had a public meeting and published a notice.

Mr. Cornett stated that they would need to evaluate where the 60% of galvanized line would need to be replaced first and they would also need to evaluate how this would impact water rates if they proceeded to borrow funds for this project. He stated that they were including these projected amounts in the upcoming budget to see how it would impact the Authority. All this information would be presented to the Board before any decisions would be made.

Mr. Kevin Heath reported on the following projects:

White's Mill Road

Mr. Heath stated that the WCSA staff is currently working on obtaining easements. He reported that they had been made aware of some minor changes of the water line alignment on 2 to 3 locations. He stated that he understood that the appraisal for the water tank site had been returned to the Authority.

Mr. Cornett reported to the Board that they did meet with the landowner and reviewed the preliminary survey to show what land was to be purchased and what easements would need to be obtained for access to the property and for the water lines. He also discussed a ball park figure based on the appraisal that they have had done. Mr. Cornett stated that the landowner had left with the plans and wanted to discuss this with his children and his wife before a decision could be made. He stated that he would get back to him later in the week.

Mr. Kiser questioned whether this would be divided into contracts. Mr. Heath stated that this would be considered and it would be advantageous to do the tank separately from the rest of the project.

Orchard Hill Road

Mr. Heath stated that they had been working on the completion of the draft set of plans for the water line replacement for Orchard Hill Road water line and should have them completed sometime this week to submit to the WCSA staff for review. He stated that they still had not received any word on the application submitted by the Town of Damascus for a Block Grant.

7. General Manager's Report and Update

Mr. Cornett reported on the following:

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Significant Field Work

- 26 leaks were repaired
- 3 breaks were repaired
- 24 water taps made
- 6 wastewater tap made
- 32 after hours maintenance call-outs
- 86 customers were telephoned following unusually high usage
- WCSA forces constructed a new metal roof on the Alvarado Pump Station
- 427 customers were notified that their water was to be turned off
- \$4228.00 was abated for 45 customers with water leaks

Construction in Progress

- **Blackwell Chapel** – SB Construction has remaining to install 700’-6” line and one PRV vault. Crosspointe Contracting has 1200’-6” line, 400’-4” line and two stream crossing to complete.

Projects in Design or Pre-Construction Phase

- Walker Mountain/Lime Hill Road
- Green Valley Poultry Waterline and Fire Hydrant
- Mendota Road (Phase 1)
- Denton Valley Road
- Tumbling Creek Road

Administrative Items

- Congratulations to Beverly Gaylor who in February successfully achieved her Class 1 Water Operators License.
- Also, Congratulations to Kim Roberts who in March successfully passed part two of the four part CPA Certification Exam.
- I would like to commend employees Johnny Lester, Bobby Gobble, Larry Sullins, Ronnie Sullins, Steve Carter, Rick Boyd, Henry Osborne, Shane Hall, Raymond Bailey, Jack Garrett, Doug Canody, and Julie Novak of Draper Aden Associates all of whom supported the recent

installation of a temporary emergency pump to supply water to the Seven Springs portion of our system.

- I would like to commend our water treatment and distribution staff who earned the Virginia Department of Health’s prestigious Excellence Award for the third year in a row.
- Each year the VDH Office of Drinking Water recognizes systems that demonstrate excellence in performance, operations, treatment, and distribution of drinking water to the public. The Office of Drinking Water will announce this year’s winners and present awards at noon on May 10, 2007 at the Hotel Roanoke and Conference Center in Roanoke, Virginia.
- It is exciting to be recognized by the Virginia Department of Health as one of a few outstanding water systems in the State, and I am honored to be part of this team of water industry professionals. Winning this award for the third time demonstrates our commitment to deliver clean, reliable drinking water to the citizens of Washington County.

8. Engineering Contract for Walker Mountain and Lime Hill Road

Mr. Doug Canody, Chief Engineer presented a handout to the Board for a proposed Engineering Contract between WCSA and Lane Engineering for the design and contract administration for the Walker Mountain and Lime Hill Road water line improvements. He stated they had selected Lane Engineering from a group of Engineers who had submitted a statement of qualifications. They have negotiated a contract with Lane Engineering which is now being presented to the

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Board for approval. Mr. Canody stated that this contract had been reviewed by the WCSA staff, Legal Counsel and Mr. Kiser. He stated that the construction cost of this project would be around \$544,000.00. Mr. Canody recommended the Board accept the contract proposal to Lane Engineering that is being recommended by the staff. Mr. Cornett stated that they would normally have presented this in advance before the meeting but they felt this was a crucial project to expedite as soon as possible. Mr. Kiser stated that he had reviewed the contract and felt that everything had been evaluated. Mr. Kiser did question Lane Engineering on whether they would need permits for railroad and stream crossings. Mr. Kiser also stated that he would think that it be very important that they have inspectors on this project. A motion was made by Mr. Kiser that they accept the contract with Lane Engineering that was recommended by the staff. Mr. Kiser's motion was seconded by Mr. Reynolds and passed by a vote of 5-0-2.

9. Closed Meeting, Personnel and Investment of Public Funds and Consultation with Legal Counsel Regarding Personnel Policy Manual.

Mr. Kiser 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: Discussion, consideration or interviews of prospective candidates for employment; assignment,

appointment, promotion, performance, demotion, salaries, disciplining or resignation of specified public officers, appointees, or employees of any public body; and evaluation of the performance of departments where such evaluation of performance of departments necessarily involve discussed specific individuals; and Code of Virginia Section 2.2-3711 Paragraph A (6): Investment of Public Funds, Discussion or Consideration of the investment of public funds where competition or bargaining is involved where if made public initially the financial interest of the governmental unit could be adversely affected and Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal Advice; Consultation with legal counsel and briefing by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purpose of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

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In addition to the Board, the presence of Mr. Mark Lawson, and Ms. Dawn Figueiras, WCSA Counsel and Mr. Robbie Cornett, WCSA Interim General Manager is requested. The motion by Mr. Kiser was seconded by Mr. Stout. The motion passed (5-0-2). The Board adjourned to Closed meeting at 7:50 p.m.

Return to Public Session

Upon motion by Mr. Kiser and second by Mr. McCall, the Board returned to Public Session at 10:32 p.m.

Certification of Closed Meeting

Whereas, the Washington County Service Authority has convened to a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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. The motion passed 5-0-2.

AYE: Mr. Kiser, Mr. McCall, Mr. Rector, Mr. Reynolds, Mr. Stout,

NAY: none

Absent: Mr. Blaylock, Mr. Cole

10. Late Items

Mr. Cornett requested the Board's pleasure to convene to a Called Meeting on Monday, June 11th at 7:00P.M. for a Budget Workshop meeting. A motion was made by Mr. Reynolds to have a Budget Workshop on June 11th. Mr. Reynolds motion was seconded by Mr. Stout. The motion was passed by a unanimous vote.

Mr. Kiser made a motion that the Board adopt the revised Personnel Policy Manual that had been submitted by the Interim General Manager. Mr. Kiser's motion was seconded by Mr. Reynolds. The motion passed by a unanimous vote.

11. Adjournment

Mr. Stout made a motion to adjourn. Mr. Kiser seconded. The motion passed 5-0-2. The Board adjourned at 10:36 p.m.

Mr. Scott Rector, Vice-Chairman

Ella Ratcliffe, Assistant Secretary