

**Washington County Service Authority Board of Commissioners
May 21, 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 7:03 PM.

ROLL CALL

Commissioners Present:

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

Commissioners Absent

Mr. Gerald Cole, Chairman
Mr. Sam Kiser

Staff Present:

Robbie Cornett, Interim General Manager
Kim Roberts, Controller
Ella Ratcliffe, Information Systems Manager

Consultants Present:

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

Also Present:

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

3. Public Query and Comments

None

4. Approval of Agenda

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

5. Consent Agenda

- Minutes from April 23, 2007
- Routine Reports

- Financial Statements for February and March 2007
- Check Register ending 04/30/07

Items removed from Consent Agenda

None

Mr. McCall made a motion to approve the Consent Agenda. Mr. McCall'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 assistance to the staff on proposals on the agreement that had been proposed with the Town of Abingdon and the City of Bristol concerning the Exit 13 and 14 areas. They had provided some draft reports to Mr. Cornett to distribute to the Committee member to review for the meeting schedule with the County on May 29th, 2007.

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

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completed the preliminary design and are working on the final design. They are waiting to hear comments from the staff.

Route 58 Water Storage Facilities

Mr. Aden reported that they were revising the grading plan and have worked some with Boring Inc. to look more closely at what needed to be done.

Route 58/Watauga Road Waterline Improvements

Mr. Aden reported that they were waiting on easement acquisition. Mr. Cornett stated that they had an employee at that time attending the Washington County School Board meeting to obtain the last easement on the project.

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

Lime Hill/Walker Mountain Road Project

Mr. Lane reported that they had the plans completed and should have them to the staff in a few days.

Clear Creek/Lee Highway Project

Mr. Lane reported that this project is near completion. Mr. Rector questioned whether they had heard any questions or complaints on the restoration of this project. Mr. Cornett stated that Matthew Lane had met with Mr. Cole and had rode the project from end to end a couple of months ago and looked at some items. He stated that as far as he knew that all these items had been addressed.

Mr. Kevin Heath reported on the following projects:

White's Mill Road

Mr. Heath stated that that he had learned that the WCSA staff had made an offer to the landowner of the tank site and had received a response back that was not favorable to WCSA. He stated that he did have a meeting with the staff for some alternative site locations to serve the project area. Mr. McCall questioned Mr. Cornett on why this offer was not favorable. Mr. Cornett commented that the landowner had stated that some of his children were interested in building on the property and did not want the tank as a permanent fixture to the property. He did say the compensation was favorable and they had not given up and was still trying to negotiate with this property owner and would bring other options back to the Board for review. Mr. Cornett stated they are presently trying to obtain easements while they are still trying to negotiate the tank site.

Orchard Hill Road

Mr. Heath stated that they had submitted preliminary plans to the WCSA staff and have received authorization to submit these to the Health Department. He also stated that they still had not received word on whether the Town of Damascus has received word on their funding application with DHCD.

7. General Manager's Report and Update

Mr. Cornett reported on the following:

Significant Field Work

- 29 leaks were repaired
- 5 breaks were repaired
- 38 water taps made
- 4 wastewater tap made
- 26 after hours maintenance call-outs
- 87 customers were telephoned following unusually high usage

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- 0 customers were notified that their water was to be turned off
- \$9,647.00 was abated for 68 customers with water leaks

Construction in Progress

- **Blackwell Chapel** – SB Construction has installed all of the lines, made all of the taps, completed all of their pressure testing, has completed some of their punch list and is in the process of completing their bacteriological testing. Crosspointe Contracting has 300' of mainline, one road/stream bore, one stream (only) bore and one PRV to construct before they can begin pressure testing and disinfection of the water line on their contract.
- **Twin Oaks Road**- SB Construction has begun to mobilize equipment and has delivered pipe to the project site and a preconstruction meeting was held on May 17th, 2007. Construction was set to begin today Monday, May 21st.

Projects in Design or Pre-Construction Phase

- Green Valley Poultry Waterline and Fire Hydrant- We plan to draft minimum plans and use the small purchases procurement policy to solicit contractors to construct the project later this spring/summer.
- Mendota Road (Phase 1)- Preparing to begin design
- Denton Valley Road- Preparing to begin design
- Tumbling Creek Road- Preparing to begin design

Administrative Items

- Mr. Cornett mentioned that WCSA was recognized last month in the Water World Magazine as being the recipient of the Virginia Department of Health's prestigious Excellence in Waterworks Performance Award.
- Mr. Cornett presented to the Board an Economic Development Guide.

This guide was a collaboration effort among WCSA and Corporate Image Staff (WCSA's Public Relations firm).

- Recently three WCSA Water Treatment Operators (Beverly Gaylor, Craig Debusk and Melissa Elswick) attended, as a part of their continuing education credits, the annual Virginia AWWA conference. While at this conference these three entered and won the top ops jeopardy challenge. Mr. Cornett congratulated these operators on this achievement as this is not an easy accomplishment. This was the preliminary round and the State finals are to be held in September at Hampton, Virginia.

8. Presentation of WCSA's 2007/2008 Budget

Ms. Kim Roberts presented the Board with a handout of the proposed 2007/2008 Fiscal Year Budget. Ms. Roberts stated that it was easy for her to recognize the procedures and approach that WCSA has used in the past to develop the budget being the Capital Projects approach. Ms. Roberts stated that this is a two part approach which would identify our Capital needs and our cash outlay for the upcoming year. She then reviewed a list of proposed schedule of line extensions, upgrades and \$1500 Projects. She stated that this list had been compiled by the WCSA staff, Washington County Board of Supervisors and WCSA customers. The Authority had tried to identify areas where service was inadequate or non-existent. They had reviewed the in-house resources and felt that they could not complete all of these projects in the upcoming fiscal year. They had identified five, \$1500

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projects and upgrades that were the most critical. Mr. Roberts also reviewed the Departmental and Capital needs. She stated that she had met with all the Department Heads and reviewed with them what had been spent in their budgets for the current year and what they would need to budget for in the upcoming year. She reviewed each Department budgets. She did state that all Departments had been under budget for the 2006-2007 Budget year. She also discussed the Capital Project lists. She stated that there are three ways that this are funded. They are funded thru Operational Revenues or Reserves, Grants or loans, or Private investors. She also reviewed the new project items and their funding for the upcoming year. She reviewed the total Capital expenses and cash flows that would needed to fund all of the projects and departmental needs. She also showed projections for each Department totals for the upcoming year which also included insurance and compensation considerations for both the water and wastewater funds. She stated that in both departments that we were still funding our depreciation which is good so we can keep our equipment up to date for the upcoming years. She stated that she had added a new total sheet that shows the total budget amounts for each fund at a glance. Ms. Roberts also stated that they had met with the current Health Insurance agent and they did anticipate an increase of around 25% in the insurance premium but they would need to wait to see around the time of renewal what it might be. She also stated that last

years wages were around a total of 2.7 million with the projected wages at full staff would be around 2.8 million. This amount did include some salary changes. She indicated that the cost of living rate is 2.57% for April based on the national standard. She hoped to have the May cost of living averages by the Budget workshop meeting. Ms. Roberts recommended applying a cost of living raise at 2% and a 2% performance evaluation average based on each employees performance evaluations. She stated that they would go into more detail at the Budget Workshop scheduled for June 11, 2007. Ms. Roberts also stated that this was only a draft and some of the amounts could change before the Budget Workshop meeting. She requested if anyone had questions that they could call her or Mr. Cornett before the Budget meeting. Mr. Cornett commended Ms. Roberts for her work on getting the Budget together.

Asbestos Abatement Policy Adoption

Mr. Robbie Cornett stated that the Board had been given a copy of an Asbestos Abatement Policy in their update packet for review. Mr. Cornett stated that for about six months now he had been addressing the need for this type of policy that gives our employees that work in the field some type of guidance on how to do this safely. He stated that he had talked to other utilities and had evaluated the OSHA guidelines, and had also spoken to WCSA employees regarding this proposed policy. Mr. Blaylock question on

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whether these employees were certified to work in the environment. Mr. Cornett stated that they had taken training on this and it also required a physical examination and pulmonary exam. Mr. McCall questioned whether they were doing chest x-rays and pulmonary exams on these employees to see how things looked now verses later down the road. He stated that sometimes it takes 15 to 20 years for the effects of asbestos to show up. Mr. Cornett recommended that the Board make a motion to adopt the new policy. He also stated that Legal Counsel had reviewed this and found it to be acceptable. A motion was made by Mr. McCall that they adopt the proposed Asbestos Abatement Policy and was seconded by Mr. Stout. The motion was passed by a unanimous vote.

10. Closed Meeting, Personnel and Investment of Public Funds and Acquisition and Disposition of Property

Mr. Blaylock 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) (3): Acquisition and Disposition of Property; the discussion or consideration of the acquisition of real property for public purposes, or of the disposition of publicly held property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

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 and Mr. Bob Game are requested. The motion by Mr. Blaylock was seconded by Mr. McCall. The motion passed (5-0-2). The Board adjourned to Closed meeting at 7:45 p.m.

Return to Public Session

Upon motion by Mr. Stout and second by Mr. McCall, the Board returned to Public Session at 11:33 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

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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. Blaylock, Mr. McCall, Mr. Rector, Mr. Reynolds, Mr. Stout,

NAY: none

Absent: Mr. Kiser, Mr. Cole

10. Late Items

Mr. McCall moved that the Board in accordance with the Virginia Public Procurement Act Code of Virginia Section 2.2-4303 subsection (F) authorize the General Manager to exercise the Emergency Procurement of Engineering services, for the East Central Water and Sewer Project without limitation; the Engineering services shall include all design, surveying, permitting, easement and plat documentation, and construction phase services.

Mr. McCall also moved that the Board recognize that the East Central Water and Sewer Project will require the acquisition of private

easements and that in the eventuality some private easements are not voluntarily granted so as to meet the necessary time constraints, that the Board authorize the use of eminent domain to acquire the necessary easements.

Both motions made by Mr. McCall were seconded by Mr. Stout and passed by a unanimous vote.

Mr. Cornett presented a handout to the Board on a revision of the Personnel Policy relating to Personnel Records. Mr. Cornett stated that Legal Counsel had also reviewed these changes and recommended the Board consider approving them. Ms. Figueiras stated that these changes had arisen after Mr. Cornett had meet with each Department Manager after the Policy had been adopted at the last meeting. She stated that one issue was there were more than one personnel file for each employee kept in different locations concerning payroll and medical information. She recommended that these records need to be kept separate under lock and key for limited access. A motion was made by Mr. McCall to accept the Personnel Policy revision and seconded Mr. Reynolds and passed by a unanimous vote.

11. Adjournment

Mr. Stout made a motion to adjourn. Mr. Blaylock seconded. The motion passed 5-0-2. The Board adjourned at 11:39 p.m.

Mr. Scott Rector, Vice-Chairman

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Ella Ratcliffe, Assistant Secretary