

**Washington County Service Authority Board of Commissioners**  
**August 25, 2008 Regular 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. Gerald Cole, Chairman  
Mr. Sam Blaylock  
Mr. Scott Rector, Vice-Chairman  
Mr. Joe Chase  
Mr. Frank Stephon, IV  
Mr. D.L. Stout  
Mr. Kenneth Taylor

Commissioners Absent

none

Staff Present:

Robbie Cornett, General Manager  
Kim Roberts, Controller  
Ella Ratcliffe, Information Systems Manager  
Doug Canody, Chief Engineer  
Amanda Paukovitz, Administrative Assistant

Consultants Present:

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

Also Present:

Mr. Mark Lawson, General Counsel  
Charles and Tony Byrd, Kelkar Court Apartments  
Douglas Blackburn, Orchard Hill Road  
WCSA Employees

**3. Public Hearing: Notice of Intent to Apply for USDA Rural Development Funding for Phase 1 of the Exit 13 Area Wastewater Collection Project**

Mr. Cole opened the floor for a public hearing and requested Mr. Randall Hancock of Draper Aden to

inform the Board about this hearing. Mr. Randall Hancock stated that from the previous meeting they had assisted the WCSA staff in applying for funds from the Department of Agriculture and Rural Development to complete the Exit 13 wastewater project. He stated that one of the requirements for this funding was to have a public hearing to give the public the opportunity to comment and give them some information about the project. He said that they do have maps available for review and would be glad to answer any questions. Mr. Cole opened the floor for public comments on the Exit 13 Area Wastewater Collection Project. There was no public comment. Mr. Cole requested a motion to close the public hearing. A motion was made by Mr. Stout to close the floor for comments. Mr. Stout's motion was seconded by Mr. Stephon. The motion was passed by a unanimous vote of the Board.

**4. Public Query and Comment**  
**Mr. Douglas Blackburn from Orchard Hill Road**

informed the Board that some of the residents of this community wanted him to express concerns about the low pressure problems in the area. He said he had been told in the past that these problems would eventually be fixed and was told that this was in the budget for repair. He said that he would like to have good service before he dies and he was paying for a service that he could not use. He said that he would appreciate anything the Board could do help this community. Mr. Cole questioned Mr. Blackburn on how many people this problem affected. Mr. Blackburn

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said that there was around six to seven house within this area that was on one line. He thought this was a one inch line that had been in place for years. He said that it had been washed out and a temporary line had been installed. Mr. Stout stated that Mr. Heath would be reporting on this project during the Engineering Report and Update and maybe he could answer some additional questions about this project for him.

#### **5. Approval of the Agenda**

Mr. Cornett requested that Items 9 and 10 be removed from the agenda. A motion was made by Mr. Chase to remove these items and approve the agenda. Mr. Chase's motion was seconded by Mr. Rector and approved by a unanimous vote.

#### **6. Consent Agenda**

- Minutes from July 28, 2008
- Routine Reports for July 2008
- Financial Statements for June 2008
- Check Register ending 07/31/08

#### **Items removed from Consent Agenda**

Mr. Cornett stated that he did have some corrections to the July 28<sup>th</sup> meeting minutes. The changes included a correction from a regular meeting of the Board to state an annual meeting for this date, also Mr. Daniel Reynolds was not present at this meeting and should have stated Mr. Kenneth Taylor being present. The minutes should also have reflected under the General Manager's Report and Update a handout was presented to the Board showing all projects in construction.

The last correction should reflect that the regular meeting for December was noted as being held other than the fourth Monday of the month. The date reflected as December 22<sup>nd</sup> actually is the fourth Monday of the month and asterisk should be removed from the schedule.

Mr. Chase made a motion to approve the Consent Agenda with the corrections stated. Mr. Chase's motion was seconded by Mr. Stout. The motion was approved by a unanimous vote.

#### **7. 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 stated that they were continuing to work with Rural Development and they were trying to convince the people in Richmond that the archeological study may not need to be done. They are working to try to get some public information together for the meeting scheduled on September 18<sup>th</sup>.

##### **Glove Drive Waterline Improvements**

Mr. Hancock reported that at the last meeting they had requested the Board approve this project for bid and they did receive comments back from Virginia Department of Health and Department of Transportation. They have responded back to these comments and will work on advertisement for bid.

##### **Route 58 Water Storage Facilities**

Mr. Hancock reported that they are proceeding with the grading portion of this project so it can be bid as a separate

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contract and the final plat will be provided by Dividing Line for the access easement from Boring Inc. They hoped to have this by the middle of September.

**Route 58/Watauga Road Waterline Improvements**

Mr. Hancock reported that this project is moving on very well. Mr. Hancock stated that Little B had installed approximately 85% of water line and Boring Contractors has completed their installation of water line on this project.

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

**Lime Hill/Walker Mountain Road Project**

Mr. Lane reported that the notice to proceed has been issued and on this project and they have set the date of completion as January 15<sup>th</sup>, 2009. He said that the contractor has been a little slow on getting started and they had drafted a letter to send to S. B. Construction to request them to provide a revised schedule.

**Raw Water Intake and Water Treatment Plant Expansion**

Mr. Lane reported on **Task Order #1- Interim Water Withdrawal Permit-** Mr. Lane stated at the last meeting he and Mr. Cornett had a meeting with the Department of Environmental Quality this Thursday to discuss the permit. He said that the activity on this project was rapidly coming to a close. **Task Order #2 and Task Order #3 & 4 which is the Preliminary Engineering Report and Raw Water Intake and Water Treatment Plant Expansion-** He stated that they have completed and submitted

their alternative evaluation and have met with the Authority staff on August 13<sup>th</sup> and looked at the alternatives and cost estimates. They have also had their preliminary engineering conference with the Virginia Department of Health on August 19<sup>th</sup> and he felt the alternatives received were well received by the Health Department. Mr. Lane said in the next 30 days they would be completing the preliminary engineering report and design for submittal. He said they advised the Health Department that the schedule is to have the preliminary engineering report submitted by September.

**Mr. Kevin Heath reported on the following projects:**

**White's Mill Road**

Mr. Heath said that since the last meeting there had been continued negotiation of easements and have one more to obtain. Mr. Heath requested authorization to bid this project contingent on receiving the last easement. Mr. Stephon made motion to authorize bidding this project in contingent upon receiving the last easement. Mr. Stephon's motion was seconded by Mr. Taylor and passed by a unanimous vote.

**Orchard Hill Road**

Mr. Heath said that they also have Health Department approval and all the easements have been obtained. This project is ready to bid for construction. Mr. Heath respectfully requested the Board consider authorizing bidding this project. Mr. Cornett stated that he also endorsed the project for bid. A motion was made by Mr. Stout to authorize for bid of construction of the Orchard Hill

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Road project. Mr. Stout's motion was seconded by Mr. Blaylock and passed by a unanimous vote.

**8. General Manager's Report and Update**

Mr. Cornett reported on the following:

**Significant Work**

**Water Production**

- Produced 202,465,035 gallons of drinking water

**Distribution**

- Coordinated the outside purchase of 27,728,872 gallons of drinking water

**Meter Department**

- 202 customers were telephoned following unusually high usage
- 511 customers were notified that their water was to be turned off due to non-payment

**Customer Service**

- \$3,337.50 was abated for 36 customer water leaks
- \$6,973.95 was written off as bad debt three years old (July 2005)

**Maintenance**

- 39 Leaks
- 15 major breaks
- 61 water taps (unusually high)
- 4 wastewater taps
- 57 after hours maintenance call-outs

**Wastewater**

- Treated 8,629,000 gallons of wastewater

**Noteworthy Construction Projects**

- Wild Cherry Lane- With the exception of a short portion of the line on Tiki Way, WCSA forces have substantially completed the project. Meter changeovers and cleanup are in progress.
- Rustic Lane- Our project on Rustic Lane is complete. This project eliminated a leaking water line that ran through an area resident's basement behind Builders

Supermarket. We replaced about 1,200 feet of galvanized water line with 6" PVC, and installed one fire hydrant and moved 6 customers to the new line.

- Chestnut Mountain Road- WCSA continues to pursue properties for a pump station and hydro pneumatic tank. All three acquisitions appear to be close. Otherwise the project is ready to advertise for bid.

- Mendota Road (Phase 1)- We are coordinating a preconstruction meeting with the contractor and expect that to occur within two weeks. Construction should begin in September.

- Denton Valley Road- Project was re-advertised for bid August 24<sup>th</sup>. Bids are due and scheduled to be opened on September 18, 2008. We plan to make a recommendation to you at the meeting on September 22<sup>nd</sup>.

- Tumbling Creek Road- Now that we have the U S Fish and Wildlife comments our plans are near completion and expected to be submitted to VDH for approval on August 29<sup>th</sup>.

- Fire Hydrants in Westwood- WCSA has contacted four area residents about serving as project champions. The project champions are to solicit contributions from their neighbors for a fire hydrant in their neighborhood on their street. Because we have seen this approach work well in other areas, we believe it will work well here. We hope to identify two more project champions and conclude this effort soon.

- Fire Hydrants in Wolf Creek Estates- The fire hydrant in Wolf Creek Estates was successfully installed last month.

- Meadowview Area Hydrant Request – WCSA is in the process

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of soliciting a project champion for this project.

**Administrative Items**

- Mr. Cornett recognized Amanda Paukovitz to the Board as the new Administrative Assistant.
- Due to a flashflood the first week of August, our water line serving a portion of Orchard Hill Road in Damascus was washed away. WCSA maintenance staff worked feverishly to install a temporary line on top of the ground to provide service. Because the replacement of the water line on Orchard Hill Road is being advertised for bid, we plan to work with the eventual contractor to eliminate this temporary water line before cold weather sets in. Mr. Cornett recognized and commended employees J. L. Lunsford, Buddy Mann, Shane Hall, Joe Malone, Larry Thomas and Johnny Lester for their labors to restore service to these customers.

**11. Capital Project Procurement Committee, Negotiation Recommendations**

Mr. Doug Canody stated that on Tuesday, August 12<sup>th</sup>, and Thursday, August 14<sup>th</sup> the following representatives of the Washington County Service Authority met to interview candidate firms who had submitted proposals to provide Engineering Services for the completion of the 2008-2009 WCSA Capital Improvement Projects. This committee included Joe Chase, WCSA Commissioner, D. L. Stout, WCSA Commissioner, Robbie Cornett, WCSA General Manager, Mark Osborne, WCSA Engineer in Training and Doug Canody, Chief

Engineer. As per Board action on July 28<sup>th</sup>, WCSA interviewed representatives from the following firms, Adams Heath Engineering, Draper Aden Associates, The Lane Group, and Thompson and Litton. These interviews were approximately one and one half hours in length and most all of the participants on the WCSA Committee found the process to be interesting and educational. Subsequently to all of the interviews the WCSA Committee representatives met and arrived at the following recommendations for the top ranked candidate for each of the CIP projects that were under consideration. The following projects were awarded as follows:

- **Reedy Creek Road- Phase 1, 2, and 3-** The Lane Group
- **Rich Valley Road/ Buffalo Pond Area Study and Report-** The Lane Group
- **Monte Vista Drive/Crescent Road Water Line Improvements-** Draper Aden Associates
- **Green Springs Road Water Line Improvements-** Adams Heath Engineering
- **Exit 13/14 Wastewater Collection System-** Draper Aden Associates
- **Galvanized Water Line Impact Study and Report-** The Lane Group
- **Abingdon Water Tank Replacement-** Adams Heath Engineering
- **Route 58 Corridors Study and Report-** Draper Aden Associates

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Mr. Canody recommended the Board of Commissioners authorize the staff to enter into negotiations with the aforementioned top ranked firms in an effort to reach an agreement and contract acceptable to both WCSA and the firms. He stated that a proposed agreement and contract would be developed and brought back to the Board for approval. Mr. Canody said that negotiations are proceeding with Draper Aden Associates for the Seven Springs Secondary Supply project and we anticipated bringing the agreement and contract for this project at the September meeting. He also said that WCSA will be meeting with the Town of Chilhowie next week to discuss engineering services procurement for the proposed Mill Creek Water Plant study and report which is also included in the 2008-2009 Capital Improvement Project list. Mr. Canody requested a motion for approval of the Engineering committee's recommendations. A motion was made by Mr. Chase to accept the firms that had been recommended by the Committee. Mr. Chase's motion was seconded by Mr. Stout and approved by a unanimous vote.

**12. Rate Study Committee, Interview Recommendations**

Ms. Kim Roberts provided the Board a handout on the Rate Study Committee's recommendations. Ms. Roberts stated that on August 21<sup>st</sup>, 2008 the rate study committee met to consider the statement of qualifications that had been received from interested parties. She said that they had expected to identify and recommend at least two firms but

after the meeting they felt that they would like to meet and interview the top three candidates. The top rated candidate for this study was Municipal and Financial Services Group. The second and third ranking groups were Rafetelis Financial Consultants and Springsted. Ms. Roberts requested the Board authorize the committee to interview the firms chosen. Mr. Stephon made a motion to interview the firms that was recommended by the Rate Study Committee. Mr. Stephon's motion was seconded by Mr. Chase and passed by a unanimous vote.

**13. Health Insurance Renewal Recommendation**

Ms. Kim Roberts presented a spreadsheet that outlined our current Health Insurance premiums. She said that WCSA had expected and planned for a 15% increase in Health Insurance premiums and was surprised to see only a 12% increase. Ms. Roberts said that the staff reviewed different plan options and came up with four different options for the board to consider. The spreadsheet that was presented showed the current insurance Option plan #1 that WCSA offers now to the employees. If there were no changes to this plan it would require a 12.1% increase in premiums. Option #2 is the current benefit level with the Morbid Obesity rider removed from the plan. Ms. Roberts said this plan would cover employee, spouses and dependents that elect to have gastric by-pass surgery and complications. She said after discussing this with our insurance agent she recommended the removal of this rider which would save

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approximately \$19,000 per year to WCSA. Option #3 would be a total change in plans to a Key Care 20 plan also excluding the Morbid Obesity rider. This change of plans would require office visit co-pay of \$20.00 per visit for a primary care physician and also a premium change of \$40.00 per visit for a specialty physician. It would also change the maximum out of pocket expense from \$2000 individual and \$4000 per family to \$3000 individual to \$6000 for a family plan. Option #4 is the actual plan we are currently on without the Morbid Obesity rider but it would change the current drug card to a 20% increase over last year premiums. Ms. Roberts stated that since all WCSA employees had forgone a portion of their cost of living increase this year and previous years the staff recommends Option #2 as the best solution for health coverage at this time. This does allow an unexpected savings with a minimal effect to the benefits coverage. After a brief discussion of the Board, Mr. Stout made a motion to accept Option # 2 as recommended by the WCSA staff. Mr. Stout's motion was seconded by Mr. Stephon and passed by a unanimous vote of the Board.

**14. Debt Set-Off Collection Program**

Ms. Kim Roberts reported that currently Legal Counsel and the WCSA staff are in the process of reviewing the current collection policies as well as others in similar industries. She said that these efforts are usually challenging for the public industry and water utilities to implement because of the difficulty

of locating the customers after the disconnection and relocation, especially in a renter situation. Ms. Roberts stated that they hoped to be able to bring to the Board a more detailed review of our collection analysis by the end of the calendar year. Ms. Roberts stated that one option that has recently come available in these types of situations is the Virginia Debt-Set Off program. This allows WCSA to submit unpaid debts to the state of Virginia to be withheld from their individual state income tax return. She said upon applying for this service we are required to obtain endorsement from the Board for this program. Ms. Roberts would request that the Board recommend and direct Mr. Robbie Cornett to sign the application for WCSA to participate in this program. She also recommended that the Board approve that all customers making application for service must present a photo identification and social security to be able to participate in this program. Mr. Cole questioned how much paperwork and time is required to be involved in this program. Ms. Roberts stated that we would be required to send an electronic file to them with this information. Mr. Cornett said that we already have most of this information when customers apply for service but we would also need to have a social security number in order to use this program which we do not request at the present time of application. Mr. Chase questioned if any other local utilities were currently using this type of service to collect debt. Mr. Cornett stated that he was not aware of any one at this time but

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he could check on this. Mr. Taylor questioned what the current process was to collect debt. Ms. Roberts stated that this process is currently being reviewed now and being compared to other industries to see how collection is done. Mr. Taylor made a motion and recommended that the Board table this matter until the next meeting for further consideration. Mr. Rector seconded this motion and passed by a 5-2 vote with Mr. Chase and Mr. Stephon opposing the vote.

**15. Chemical Bid Recommendation**

Ms. Kim Roberts presented the Board with a Chemical Bid tabulation sheet showing the bid results for chemicals. She said that she hoped to bring to the Board a recommendation for a responsive bidder but after reviewing these with Legal Counsel the low bidders all but two chemicals was Brenntag. She stated that the Brenntag bids notated that their prices were only guaranteed until October 31, 2008. The other bidders had also notated that their prices were subject to change also. After reviewing these bids with Legal Counsel that eliminated the bids as non responsive since bids were sought for an actual calendar year. Ms. Roberts recommended that they review the bid process and maybe shorten the length of time that was requested in the bid to a six month period and rebid the chemicals. She provided information to the Board showing prices in 2006, 2007 and 2008. This information reflected that the chemical prices had more than doubled on some chemicals.

**16. Charles Byrd, Kelkar Court Apartments**

Mr. Tony Byrd of Kelkar Court Apartments spoke on behalf of Mr. Charles Byrd. Mr. Byrd stated that they had been in real estate and construction for a long time not only in Washington County but four other states. He said they were very familiar with installations and construction of apartment complexes. Mr. Byrd stated that he had good experience in dealing with WCSA in the past and has also had the same experience with this project. He said that Mr. Canody and Mr. Cornett had been very cordial to work with. He also said that the people in the field especially Steve Sproles was very knowledgeable and were great to get along with. Mr. Byrd summarized around eight months of problems that they had experienced during construction of the Kelkar Court Apartments on Hillman Highway. He stated that they had purchased this property from Todd Carter who is H. C. Carter's son in 2002. They had purchased a rental house and the property beside the house so they could later develop the apartment complex. Mr. Byrd stated that these were modular units that came from North American Housing. He said that they came in and spoke with Doug to make sure they didn't have any issues with water and sewer. They wanted to make sure there were no issues because they had made a down payment on the units. They came in January and pulled the master plan. There is an 8 inch sewer main that goes in the middle of the property that is now owned by Heath



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Brothers. They were told that they could upgrade the main to an eight inch and serve the apartments. He said that he was informed that he would need to pay for a water and wastewater connection for each unit which totaled around \$72,000. He said that he spoke with Mr. Canody and he said that he would provide a letter stating that water and wastewater was available to get the building permit. He said a few months passed by and they starting to set units. He said that he had hired a contractor from Smyth County to make sure of what was required of him and what WCSA was responsible for. He said that he later learned that WCSA did not have an easement for the 6" lateral across the road to get into the 8" main. He said he then called H. C. Carter about the history of the property. He told him that the house is facing Hillman Hwy and the Meadowview side of the lot is higher than the Emory side of lot. He said that initially there was a clean out put on the other side which is the Meadowview side. Mr. Cornett stated that this was installed in September 1996. He said that at that time he had called Mr. Cornett and Mr. Leo Hockett and he didn't pursue any easements and he called later to say that he had put a bathroom in the basement of the house and the clean out was put in on the upper side of the house and it needed to be put in on the lower side to serve the bathroom in the basement. He said a few weeks later the new clean out was in and they had bored under the road to go across to the joining property. He said the land changed ownership in 2004 so the original

people that gave permission to run the 6" lateral to the 8" main no longer resided at this residence. They tried to pursue an easement from the Heath Brothers because WCSA had not record on file at their office or at the court house. Mr. Byrd said that the Heath Brothers attorney got involved from this point and sent them a letter that they had installed a sewer line on their property and they were trespassing and required them to move the sewer line within 10 days or they were going to move it for them. He stated that they had not installed this line because it was there when they bought the property in 2002. They pursued the easement from the Heath Brothers and their attorney and were unable to secure one at a reasonable cost. He said after this they were told that they could go toward Emory about 450 feet to connect. At that time they also discovered that they there were no easements to get from their property to the manhole. He said that they did not have any choice but install a pump station for 18 apartments to get sewer across the road. He also said they had to reroute all of their water lines and absorb \$100,000 in development costs that they should not have had to do. He also said this amount did not include lost rental income because they had tenants that had signed leases for August 1<sup>st</sup>. He said all this also required them to do a pump and haul which would cost about \$1000 a week until they get the pump station in service. He said that Mr. Canody had helped them get the permit for the pump station and they would have it by Friday of that week. He said that one of the

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conditions of their pump station was to put the house that has been on the sewer since 1996 on the pump station so they don't have the issue across the road. Mr. Byrd said that there is a condition of this pump station use that they would now have to pay a subsidy of \$500.00 a month which totaled \$6000 a year. All these conditions had put them in a position over the life of 20 years on this project and a \$100,000 of initial investment and \$120,000 in subsidies in 20 years that they had not planned on having. Mr. Byrd said that if WCSA was in his position that you would have wanted to know that this project was going to cost \$250,000 more than they had intended in 20 years than they had thought 8 months ago. He said that for this reason they were here tonight was to request the Board to reconsider the subsidy requirement. He said that they have put in pump stations and managed and developed around 850 apartments and 40 assisted living facilities and have put in pump stations in three different states and have never been required to do a subsidy. Mr. Byrd said that he wasn't asked to do any special favors they just wanted to be dealt with fairly. He also said that they wouldn't want to spend this entire extra expense that this is not refundable. He said that they didn't feel that anyone here had intentionally misled anyone. Mr. Cornett questioned Mr. Byrd about the existing lateral that had been supplying the house since 1996 if the line could supply gravity flow to the apartments that would be constructed. Mr. Charles Byrd stated that on the lower side of the road it

was around 3 feet below the road and even if they had to install an 8" lateral there they could have bored wherever they needed to because is about 8 feet different where the sewer main goes. Mr. Cornett said that the alignment of any gravity line that would have lead from down to the apartments to the line that WCSA and the Heath Brothers line would have followed the same route. Mr. Cornett said that the easement they had pursued with the Heath Brothers did not follow the same route. Mr. Byrd said that he had talked with Mr. Cornett and Mr. Canody about relocating the line and it would have been better suited to the property if they did this. Mr. Byrd said that they thought if they had been agreeable to do this any way they would have wanted to do this. Mr. Canody said that this would have required them to expand the 6" line to an 8" line because state regulations require them to do this if they service more than 6 residential connections. Mr. Byrd said that they were in agreement to do this if they needed to. Mr. Rector questioned Mr. Byrd if the lot next to the Heath Brothers house closes to Emory was owned by the Heath Brothers. Mr. Rector said that WCSA had paid Mr. Jim Watson, Sr about \$40,000 about 4 or 5 years ago because WCSA had put a sewer line diagonally across his property and wanted to know if Mr. Watson still owned this property. Mr. Cornett stated that at the time they were installing the sewer line and seeking easements from the land owners the property in question was in dispute between Reelia Watson and Jim Watson and their parents were deceased and

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they were in dispute of the property at that time. He said that neither party was willing to give an easement and ask them to condemn them nor whoever owned the property would they be willing to grant WCSA an easement at no charge. He said that neither party wanted to try to claim interest with both parties signing the easement. He said the time of the process the contractor asked Mr. Jim Watson who was the neighboring land owner at the time if he could store some material on the property outside of the easement that we condemned. He said that they had a gentleman's agreement with Mr. Watson at that time to do that in exchange of cleaning up the property which the contractor did do. He said the day the grass was sowed and spread with straw WCSA received a letter from his legal counsel informing us that we had gotten off the easement that we had condemned and they were requesting \$25,000 since we got off the easement. He said that he believed this property is still owned at this time by Mr. Reelia Watson, Jr. currently. Mr. Blaylock questioned if the six inch lateral belonged to WCSA. Mr. Cornett said that the lateral that Mr. Byrd referenced tonight is a lateral that was put in after the sewer pipe was built. He said that lateral that was put in by WCSA was on the Meadowview end of the property. He said this was installed to serve the upper portion of the house and after the sewer service was built the downstairs bathroom was built sometime between the design and installation of the line. He said at that time H. C. Carter contacted Mr.

Cornett and then at that time Mr. Bowman, Operations Manager and Mr. Hockett to review the situation and from that point he was not certain but the line was put in from our main to the house and has been providing service to this house since that time. Mr. Byrd said the way that H. C. Carter explained this to him that when the lateral was installed during the time of the passing of his mother in law that they came back to the house and the lateral was never connected to the first lateral installed. Mr. Byrd said that there were two laterals installed at the house on the upper and lower side of the house. Mr. Byrd said they made every effort to get an easement for the Heath Brothers to resolve this issue. Mr. Byrd said they were doing temporary pump and haul and they had lost tenants due to the delay. After further discussion of the Board, Mr. Cole stated that this matter would be discussed further in closed session.

**17. Closed Meeting; Personnel, Acquisition and Disposition of Property, Investment of Public Funds, and Legal Advice**

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;

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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 and Code of Virginia Section 2.2-3711 Paragraph (A) (7): Legal advice; Consultation with Legal counsel and briefing by staff members or consultations pertaining to actual or probable litigation, where such consultation with legal counsel employed or retained by the public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes 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 this matter.

In addition to the Board, the presence of Mr. Mark Lawson, WCSA Counsel and Mr. Robbie Cornett, WCSA General Manager. The motion by Mr. Blaylock was seconded by Mr. Rector. The motion passed (7-0-0). The Board adjourned to Closed meeting at 8:30 p.m.

**Return to Public Session**

Upon motion by Mr. Rector and second by Mr. Stephon, the Board returned to Public Session at 10:25 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 7-0-0.

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AYE: Mr. Chase, Mr. Stephon, Mr. Stout, Mr. Taylor, Mr. Rector, Mr. Cole, Mr. Blaylock

NAY: none

Absent: none

**18. Late Items**

Mr. Cornett said that he would like to inquire the Board's preferences of a recessed Board meeting at the September 22<sup>nd</sup> meeting to either meet on September 29<sup>th</sup> or September 30<sup>th</sup>. After a brief discussion of the Board the date was scheduled for a recessed meeting until September 29<sup>th</sup> at 7:00 p.m.

Mr. Cornett stated that he and Mr. Canody had two funding resolutions for consideration. Mr. Canody stated that we have an opportunity to receive funding thru the Mount Rogers Planning District Commission. He said that we have selected two projects that have some money set aside for helping fund a planning type project. He said that it was suggested by the Town of Chilhowie to help fund the cost of the PER report for the Mill Creek Plant. He also presented a resolution for pursuing the funding opportunities for the Seven Springs Secondary Supply Project. Mr. Canody recommended the following resolutions for adoption of the Board. This resolution read as follows,

**WHEREAS**, the Board of Commissioners of the Washington County Service Authority (WCSA) is dedicated to pursuing funding opportunities for needed capital improvements projects; and

**WHEREAS**, the Board of Commissioners is desirous of

cooperating with the Town of Chilhowie in conducting an engineering study of the needs, potential improvements and expansion of the Mill Creek Water Treatment it owns jointly with the Town of Chilhowie,

**THEREFORE BE IT RESOLVED**, that this resolution authorizes the staff prepare an application for funding the engineering study and submit it to the Mount Rogers Planning District Commission (the agent for the funding agency); and **THAT** the WCSA General Manager has the authority to sign this application and make available additional information as may be required by Mount Rogers Planning District Commission (agent) or the actual source of the funding.

This resolution shall take effect immediately.

The second resolution read as follows:

**WHEREAS**, the Board of Commissioners of the Washington County Service Authority (WCSA) is dedicated to pursuing funding opportunities for needed capital improvements projects, and

**WHEREAS**, the Board of Commissioners recognizes the critical need for the Seven Springs Secondary Supply project and recognizes that the funding currently offered through the Mount Rogers Planning District Commission, if obtained, requires WCSA to match the funding obtained dollar for dollar if an offer of funding is accepted by WCSA,

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**THEREFORE BE IT RESOLVED**, that this resolution authorizes the staff prepare an application for funding all or a portion of the construction of the proposed Seven Springs Secondary Supply and submit it to the Mount Rogers Planning District Commission (the agent for the funding agency); and THAT the WCSA General Manager has the authority to sign this application and make available additional information as may be required by Mount Rogers Planning District Commission (agent) or the actual source of the funding.

This resolution shall take effect immediately.

Mr. Canody requested the approval of these resolutions presented. A motion was made by Mr. Stephon to adopt the resolutions presented. Mr. Stephon's motion was seconded by Mr. Rector and passed by a unanimous vote.

Mr. Cornett said that Bobby Lane with the Lane Group mentioned to him after the staff's recommendation tonight and the Board's endorsement if WCSA could negotiate with them for a study of the Pine Hill/ Route 58 corridor. He said that there was still time if they had their application in by the end of the month to solicit planning grant funds from the Health Department that might fund these projects. Mr. Cornett requested that the Board endorse WCSA to apply for those funds to the Health Department. A motion was made by Mr. Chase that WCSA endorse the Lane Group to make application for these funds. Mr. Chase's motion was

seconded by Mr. Stout and approved by a unanimous vote.

Mr. Cole said regarding the Byrd request they would need to check with Legal Counsel regarding a few other questions on the matter. Mr. Byrd questioned when they would be able to connect to the sewer system that they would need to have an agreement. He also questioned how much time would it be before a decision would be made. Mr. Lawson stated that he would need to get more information on the matter before they could adequately advise the commission. He said they hoped to have this information back in a week or two but the next meeting would not be held until September. Mr. Byrd said that he didn't feel it was fair that they would have to wait another month because it accumulates another \$5000 to \$6000 of hauling expense before that time. Mr. Cole stated that as a Board they feel they need some more legal information before a decision could be reached. Mr. Byrd questioned whether they would be willing to reimburse them for this cost. Mr. Cole said they would hopefully have an answer to all these questions before the next meeting.

**19. Adjournment**

Mr. Rector made a motion to adjourn. Mr. Taylor seconded. The motion passed 7-0-0. The Board adjourned at 10:45 p.m.

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Mr. Gerald Cole, Chairman

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Ella Ratcliffe, Assistant Secretary

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