

Washington County Service Authority Board of Commissioners
May 23, 2011 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. Joe Chase, Chairman
Mr. D.L. Stout, Vice Chairman
Mr. Prince Coleman
Mr. Devere Hutchinson
Mr. Dwain Miller
Mr. Frank Stephon, IV
Mr. Kenneth Taylor

Staff Present:

Robbie Cornett, General Manager
Kimberly Harold, Controller
Amanda Paukovitz, Administrative Assistant
Mark Osborne, Technical Manager
April Helbert, Staff Engineer

Consultants Present:

Randall Hancock, PE, Draper Aden Assoc.
Bobby Lane, PE, The Lane Group.
Kevin Heath, PE, Adams-Heath Engineering
Stevie Steele, PE, Anderson & Associates

Also Present:

Mr. Mark Lawson, General Counsel
WCSA Employees

3. Approval of the Agenda

Mr. Cornett provided an Amended Agenda for consideration. Mr. Stephon made the motion to approve the Amended Agenda. Mr. Stephon's motion was seconded by Mr. Miller and was approved by a 7-0-0 Board vote.

4. Public Query & Comment

There was no Public Query & Comment.

5. Approval of the Consent Agenda

- Minutes: March 28 Regular Meeting, March 28 Recessed Meeting (Held on 4/21/11 at 6 PM), March 28 Recessed Meeting (Held on 4/21/11

at 7 PM) & April 25 Regular Meeting.

- Routine Reports for April 2011.
- Financial Statement for April 2011.
- Check Register and General Manager Financial Report for April 2011.

Mr. Hutchinson made the motion to approve the Consent Agenda. Mr. Hutchinson's motion was seconded by Mr. Coleman and was approved by a 7-0-0-0 vote of the Board.

6. Engineer's Report and Update

Mr. Randall Hancock of Draper Aden Associates (DAA) reported on the following projects:

- **Route 58 Water Storage Tank**

The tornado caused some devastation on-site. There was no damage structurally, but the scaffolding was torn down. Last week, the contractor completed the exterior walls of the tank and hopes to have the interior walls installed this week. They have a progress meeting scheduled for this Thursday. The project is not as far behind as they originally thought it would be due to the tornado.

- **Exit 13 Sewer Project Phase 1 & Exit 14 Interceptor**

From an engineering standpoint, these projects are at a standstill. DAA is working with Legal Counsel and WCSA Staff to continue to acquire easements. There are later agenda items to consider amendments to the project.

Mr. Bobby Lane of The Lane Group, Inc. reported on the following projects:

- **New Raw Water Intake, Raw Waterline and Drinking Water Treatment Plant Expansion (6.6 MGD to 12 MGD)**

Mr. Lane reported last meeting that they have been waiting for the intake contractor to begin work; he has and is

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moving along quickly. The 12 MGD Expansion is moving along schedule and the raw waterline is nearing completion. The contractor did have related damages due to the storm; the tornado blew the right-of-way full of trees.

- **Galvanized Line Replacement Project**

The three contractors continue to move forward. As of the end of April, Classic City Mechanical had constructed about 10,600 linear feet (LF) in Glade Spring and about 11,400 LF in the Lowry Hills section of Washington County (which is nearing completion). Boring Contractors has constructed over 18,000 LF of waterline [in and around the Town of Abingdon]. The project is approaching and has probably already reached 50,000 LF of galvanized waterline replaced in the month of April.

- **Task Order #8: Water Treatment Plant Interim Expansion (4.6 MGD to 6.6 MGD)**

The contractor is nearing completion. They are expecting to get the 6.6 MGD expansion up and running before the end of July. The plant should be able to produce another 2 MGD by August 1.

- **Reedy Creek Road Water Improvements**

They have advertised the project for construction bids and hope to have bid results to report to the Board before the next Board Meeting.

- **WCSA Administration Building**

The project is moving towards completion. They hope to be substantially complete within a couple weeks. Mr. Lane has received references from the roofing contractor. He is working with Mr. Cornett to get the new roof contract awarded.

- **Damascus Sewer Study**

A Kickoff Meeting is scheduled for

[tomorrow] morning with WCSA Staff and Town of Damascus representatives.

Mr. Kevin Heath of Adams-Heath Engineering reported on the following project:

- **Whites Mill Road Improvements**

All three contractors are actively working. Tipton [Construction] has two crews working to replace existing lines. Sun Contractors is working on the pump station; they have cleared the site. Mid-Atlantic Storage has poured the tank ring wall and a portion of the foundation. They are scheduled to pour the tank floor tomorrow. All three contractors are currently working and making progress.

Mr. Stevie Steele of Anderson & Associates, Inc. (A&A) was not yet present; he will report on their projects later in the meeting.

7. Water & Wastewater Construction Projects Report and Update

Mrs. Helbert referred to the Engineering Report in the Board Books, printed on purple paper. She provided the following updates:

- **Chestnut Mountain Road**

The revised substantial completion date is June 26, which includes all weather days for the end of April.

- **Rich Valley Road/Maiden Creek**

The revised substantial completion date is August 9, which includes all weather days for the end of April.

- **Exit 13 Sewer Project Phases 2 & 3**

WCSA Staff met with A&A on May 12 to discuss scoping and their contracts.

- **Harmony Hills**

They held a preconstruction conference and are awaiting a few items from the owner/engineer.

8. General Manager's Report &

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Update

Mr. Cornett referenced his General Manager's report at the Board's stations. He reported on the following noteworthy WCSA performance & accomplishments from all departments during April:

Water Production

- Produced over 202 million gallons of drinking water.

Distribution

- Coordinated the outside purchase of more than 24 million gallons of drinking water, bringing the total drinking water distributed to our customers to about 7.3 million gallons [per day].

Meter Department

- 130 customers were telephoned following unusually high usage.
- 13 meters were lifted for non-payment.

Customer Service

- More than \$23,000 was abated for 77 customer bills.
- Little more than \$2,800 was written off as bad debt more than three years old.
- 9 water taps and 1 wastewater tap were applied for.
- Managed 174 reconnections/transfer of service requests in the last month.
- Late charges were added to over 3,500 accounts.
- 895 disconnect notices were processed and 13 disconnects were lifted for non-payment.

Maintenance

- Repaired 40 leaks and 4 major breaks.
- [Constructed] 9 water taps and 1 wastewater tap.
- Responded to 52 after hour call-outs with other related work.

Wastewater

- Treated little more than 14 million gallons of wastewater in the last month.

Accounting

- Continues to pursue the Debt Setoff Collection Program. Over \$121,000 has been submitted, to date. Little more than \$17,000 was matched for about 154 claims. Through the Debt Set-Off

Program, about \$12,000 has officially been collected and about \$1,800 has been paid by customers prior to collection.

Administrative Items

- Around March 14, 2011, the 12" cast iron waterline from Taylor's Valley, which is about 70 years old, broke between Damascus and our Middle Fork Drinking Water Plant. As a result, WCSA had to valve the river crossing "off" on both sides. Thankfully, WCSA's water system on either side of the river can be fed from two sources, Taylor's Valley Spring and the Water Plant. Unfortunately, this results in NO water storage for the Damascus area, lowers the fire flow between Abingdon and Damascus and water being blown-off into the stream until the break is repaired. WCSA, in an effort to do the "right thing", contacted the Army Corp of Engineers to gain their permission to make the repair. To date, we have yet to get their permission.

However, on April 18, 2011, because we had yet to gain approval from the Corp, we decided to make the repair the old fashioned way. Our personnel waded the river to an island, cut the waterline in two by hand, slid a 6" pipe through the existing 12" pipe and used flowable material to embed the 6" pipe through the 12" pipe to establish a good, solid river crossing. WCSA was able to place the line back into service after about a 60 day period.

Blow-off water into the stream cost WCSA \$2,300/day, for a total of a \$138,000 loss of revenue for the break.

- April resulted in no changes to the nonresidential connection fees that are *pending* or *paid for*.
- **Review of April 28 Tornado Activities and Efforts/Decisions**
 1. WCSA Actions immediately following the Thursday Storm:
 - a. Turned "fire" and "domestic" water service "off" to

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approximately 100 damaged or destroyed structures for approximately six days. WCSA water loss from 1:30 AM to 8:00 AM is estimated at 1.2 million gallons or 3,200 gallons per minute over the period due to broken lines.

b. Deployed two mobile standby generators:

i. Seven Springs Water Pump Station

ii. Glade #1 Wastewater Lift Station

c. At least three other permanent generators (one water and two sewer), which operated as designed for 24-48 hours, kept customers with running water and wastewater service.

d. Other than those who had their own plumbing damaged, there were no water and sewer service interruptions for WCSA customers.

e. Cut and removed trees along the access road to the Hall Creek WWTP. WCSA had some assistance from Asplundh, Pike & AEP.

f. At a minor wastewater lift station in the Glade area, WCSA coordinated the pump and haul of wastewater from a couple small lift stations to the treatment plant.

2. WCSA policy considerations immediately following the storm:

a. Is WCSA's leak adjustment policy adequate to meet customers' needs who have leaks as a result of the storm, regardless of whether an abatement is requested?

b. Can we identify the specific customers who were impacted in this way?

c. Are customers whose service was turned "off" now to be considered as "inactive" or "active"?

d. If "active", are they to continue receiving a bill?

e. If "inactive", will we require the \$40 reconnection/transfer fee?

f. What is the ability of WCSA to communicate by U.S. Mail, phone or other means?

g. For those who desire temporary service through an existing meter while they rebuild, is there anything that WCSA needs to communicate to this customer?

h. Along with a host of questions.

3. Proposed action already being initiated [by the General Manager]:

a. Identify every customer who was impacted and had service turned "off" (used a Washington County list as a start through their GIS system and photos).

b. Plan to list them in InHANCE as inactive.

c. Do not charge the \$40 fee to reconnect for two years (May 2013).

i. If they turn the water "on" themselves, we will still see the reading and we should consider it to have never been inactive.

d. For those identified earlier, waive the following in our "high bill abatement" policy for the April [2011] and/or May [2011] readings:

i. Customers determination that it was a leak;

ii. Notify us that he/she seeks abatement;

iii. The amount of the abatement must be over \$10.

iv. The high bill must be paid when due or a dispute filed (we can declare them disputed); and

v. The bill to be paid is to be equal to the average of the two previous normal bills and not an average of the two previous bills and the high bill (typically required by our policy).

e. This abatement does not count towards the one within a 12 month period (also typically required by our policy.).

f. Inform Bond Counsel and lending agencies and gain any necessary

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approvals.

g. Continue to evaluate alternatives for communicating with storm-impacted customers, determine what, if anything, WCSA needs/wants them to know and issue a letter.

i. Address "return to sender" letters on a case-by-case basis.

h. Temporary connections to be considered on a case-by-case basis as requested or discovered.

i. Inform WCSA Board and seek their concurrence with proposals.

j. Late Fees:

i. Waive upon request after validation.

k. Monitor wastewater volume at Hall Creek, consider means of evaluating sewer laterals/cleanouts for damage resulting in I&I and take appropriate action, if any. (Note: WCSA usually does via smoke testing).

4. Storm Damage Includes:

a. Major fence damage and moderate roof damage at the Hall Creek WWTP.

b. Major damage to the generator and perimeter fence at Glade #1 Lift Station.

c. Minor building damage at WCSA's Warehouse & Administrative Office.

Mr. Chase feels WCSA's attention to the storm effects has been constructive and has generated good public relations. Mr. Stephon affirmed this. Mr. Hutchinson expressed that every little bit of help for affected customers, especially from our utility, is greatly appreciated by the community.

Mr. Cornett credited WCSA Staff, especially the three to four Maintenance Crews who were in the Glade Spring area around the clock for the four to five days following the storm. Crews from the electric company required WCSA crews to locate lines so they could set power lines; this resulted in no service interruptions. He wanted to give the Maintenance Department credit for their hard work, along with the Customer

Service Department, who received a lot of calls after the storm.

6. Engineer's Report and Update (Continued)

Mr. Stevie Steele of Anderson & Associates, Inc. (A&A) reported on the following projects:

• Exit 13 Sewer Project Phases 2 & 3

They met with WCSA Staff about a week ago and went through the project. At this point, they recommend a phased approach first and foremost. They need to spend some time doing survey work to quantify interest for the project. Next meeting, he will have an agreement ready that outlines some tasks that Mr. Cornett and other WCSA Staff members have outlined. A&A does not want to get ahead of itself; they would like to see the exact service area, who wants the service and who does not, etc. Mr. Steele offered to answer any questions the Board may have.

9. Closed Meeting: Acquisition and Disposition of Property, Investment of Public Funds & Legal Advice

Mr. Stephon moved that the Board adjourn to Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia § 2.2-3711 Paragraph (A) (3): Acquisition and Disposition of Property, 3. To Discuss and Consider the Acquisition of Real Property, Code of Virginia § 2.2-3711 Paragraph (A) (6): Investment of Public Funds, 4. To Discuss Various Inter-municipal and Other Agreements, Code of Virginia § 2.2-3711 Paragraph (A) (7): Legal Advice, 5. To Discuss Potential Litigation, 6. To Discuss Various Inter-municipal and Other Agreements, 7. To Discuss Potential Contract Litigation.

In addition to the Board, the presence of

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Mr. Mark Lawson, WCSA Counsel, and Mr. Robbie Cornett, WCSA General Manager, are requested.

Mr. Stephon's motion was seconded by Mr. Miller and was approved by a 7-0-0-0 vote of the Board. The Board adjourned to Closed meeting at 7:29 PM.

Return to Public Session

Upon a motion by Mr. Stephon, a second by Mr. Hutchinson, and a 7-0-0-0 vote of the Commissioners, the Board returned to Public Session at 9:23 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, § 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: Mr. Miller, Mr. Hutchinson, Mr. Stephon, Mr. Chase, Mr. Coleman, Mr. Taylor and Mr. Stout.

10. Consideration of Amendment #2 to the WCSA Draper Aden Associates Exit 14 Engineering Agreement

Mr. Miller made the motion to table the agenda item. Mr. Miller's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 7-0-0-0.

11. Consideration of Amendment #1 to the WCSA Draper Aden Associates Exit 13 Contract

Mr. Hutchinson made the motion to table the agenda item. Mr. Hutchinson's motion was seconded by Mr. Stout and was approved by a 7-0-0-0 a Board vote.

12. Late Items

Mr. Cornett distributed an agenda of Late Items to the Board.

Late Item #1: Consideration of Fuel Bids

Mrs. Harold referred to a handout at the Board's stations. She noted that fuel bids were opened on May 16 at 2 PM. Two bidders participated and Addington Oil was the low bidder on both [unleaded gasoline and diesel fuel]. They bid 0.0975 over rack for unleaded gasoline and 0.959 over rack for diesel fuel. Buck Oil did not bid for gasoline and bid 0.09615 for diesel fuel. WCSA Staff recommends both bids be awarded to Addington Oil, the low bidder on both. Mr. Stout made the motion to award the fuel bids to Addington Oil. Mr. Stout's motion was seconded by Mr. Taylor and was approved by a 7-0-0-0 Board vote.

Late Item #2: Consideration of Chemical Bids

Mrs. Harold referred to a legal-sized handout at the Board's stations. She noted there were 12 chemical bidders and that the recommended low bidders are highlighted in yellow. Mrs. Harold read the low bidders as follows:

- **Chemsoiv**
 - Granular Sodium Fluoride- \$0.77 [lb.]

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- Liquid Caustic Soda- \$2.74 [/gallon]
- Sodium Hypochlorite (450 gallons)- \$1.29 [/gallon]
- Liquid Caustic Soda Bulk (1,000 gallons)- \$2.74 [/gallon]
- Sodium Hypochlorite (1,500 gallons)- \$1.29 [/gallon]
- **Control Equipment**
 - Orthophosphosphate-\$9.29 [/gal.]
 - Dechlorination Tablets- \$2.44 [/lb.]
- **Brenntag**
 - Liquid Chlorine (70,000 lbs.)- 0.209 [\$ /lb.]
 - Sodium Thiosulfate- \$2.72 [/lb.]
 - Sulfuric Acid (1,000 gallons)- \$2.316 [/gallon]
- **F2 Industries**
 - [20%] Sodium Permanganate- [\$9.322/gallon]
- **JCI Jones**
 - Liquid Chlorine (28,000 lbs.)- [\$0.433/lb.]
 - Sulfur Dioxide (12,000 lbs.)- [\$0.77/lb.]

Mr. Stephon made a motion to approve the low bidders on the various chemical bids. Mr. Stephon's motion was seconded by Mr. Coleman.

Mr. Taylor inquired if WCSA has used all the low bidders before. Mrs. Harold clarified that WCSA has worked with Chemsolv, Brenntag and JCI Jones; she is unsure of WCSA's history with the other two low bidders without checking. Mr. Stephon's motion and Mr. Coleman's second was approved by a Board vote of 7-0-0-0.

Late Item #3: Consideration of a Resolution of Mutual Mistake

Mr. Cornett distributed a proposed resolution to the Board, noting that a mutual mistake has been made between

WCSA & The Lane Group. He encouraged the Board to review and consider adopting the resolution.

After Mr. Lawson affirmed that the resolution needed to be read, Mr. Chase asked Mr. Stephon to read the following: WHEREAS, the Washington County Service Authority is a water and wastewater utility operating in Washington County, Virginia;

WHEREAS, in January 2009, the Washington County Service Authority awarded two Master Contracts for Engineering Services, one to Draper Aden Associates and one to The Lane Group; WHEREAS, recently it became evident that the terms of the two Master Contracts are slightly different;

WHEREAS, even though the original draft of the "sample" Master Contract was written for a three-year term, and the version of the Contract eventually awarded and signed by Draper Aden Associates was for a three-year term, the version awarded to and signed by The Lane Group was only for a one-year term;

WHEREAS, after looking into this, it is evident to WCSA Staff and Elliott, Lawson & Minor that this was a mistake in the contract;

WHEREAS, after discussing this with The Lane Group, Bobby Lane confirms that they were also under the mistaken impression that their Master Contract was a [three]-year contract and is further supported by the fact that task orders have been issued to Lane under this Master Contract in 2010 and 2011;

WHEREAS, WCSA Counsel believes that the contract law doctrine of "mutual mistake" can be applied to this situation; and

WHEREAS, mutual mistake doctrine in essence means that both parties "thought" the term was three years, both parties acted as though the term was three years, and the contract can be "reformed" now to reinstate [Note: "reinstate" later clarified by Mr. Lawson to be a typo that should actually

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read "restate"] it and modify the language of the contract to conform to what everyone thought was in the contract already.

THEREFORE, BE IT RESOLVED, that the Washington County Service Authority's Board of Commissioners hereby authorizes the General Manager or his/her designee to execute a reformed and restated Master Contract with The Lane Group Incorporated.

Mr. Hutchinson made the motion to approve the resolution as presented (see attached). Mr. Hutchinson's motion was seconded by Mr. Miller and was approved by a Board vote of 7-0-0-0.

Late Item #4: Consideration of a Task Order Between WCSA and The Lane Group for Private Developer Assistance

Mr. Cornett assured the Board that ordinarily they would provide task orders for consideration prior to the meeting. However, this task order is timely as they receive private developer work very regularly. After speaking with The Lane Group, Mr. Cornett believes they have a task order that would assist WCSA with review of private developer submitted plans, specifications and other such needed assistance until a replacement is found for Mr. Canody. He asked the Board to review the task order and added that The Lane Group provides this type of service for two other utilities. Mr. Cornett noted that Matthew Lane is the proposed representative to serve WCSA in this capacity. He has a good record of providing such assistance. [Robbie Cornett], Mark Osborne and April Helbert have reviewed the task order and recommend it to the Board for their approval.

Mr. Taylor inquired if Mr. Lane would provide assistance as needed; Mr. Cornett affirmed this. Mr. Taylor asked if Mr. Lane would be providing the

necessary technical assistance and PE signatures on plans; Mr. Cornett affirmed this as well.

Mr. Stephon made the motion to approve the task order as presented (see attached). Mr. Stephon's motion was seconded by Mr. Stout.

Mr. Taylor inquired, if approved, when the task order would become effective. Mr. Cornett clarified it would become effective tonight.

Mr. Stephon's motion and Mr. Stout's second were approved by a Board vote of 7-0-0-0.

Late Item #5 Consideration of a Resolution Authorizing the General Manager to Resolve the Exit 13 and Exit 14 Engineering Services Agreement with Draper Aden Associates

Mr. Cornett distributed a proposed resolution to the Board, addressing the engineering contracts for the Exit 13 and Exit 14 Projects. He encouraged the Board to consider the resolution.

Mr. Chase asked Mr. Hutchinson to read the following:

WHEREAS, the Washington County Service Authority is a water and wastewater utility operating in Washington County, Virginia;

WHEREAS, in May 2009, the Washington County Service Authority awarded an engineering services contract to Draper Aden Associates for the Wastewater Collection System for (the) Exit 13 Area, (of) Washington County, Virginia;

WHEREAS, in November 2009, the Washington County Service Authority awarded an engineering services contract to Draper Aden Associates for the Exit 14 Sewer Interceptor;

WHEREAS, in April 2011, the Washington County Service Authority awarded an engineering services amendment (#1) to

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Draper Aden Associates for the Exit 14 Sewer Interceptor;

WHEREAS, the services under each of the three above mentioned contracts have reached or are nearing a milestone;

WHEREAS, little if any additional work can occur on either project without amendment of the engineering agreements by the Washington County Service Authority and Draper Aden Associates;

WHEREAS, the Board of Commissioners and Staff of the Washington County Service Authority think it is in the best interest of the Washington County Service Authority to award the remaining work to be performed by an engineer on these two projects to a different firm;

THEREFORE, BE IT RESOLVED, the Washington County Service Authority's Board of Commissioners hereby authorize the General Manager [or] his/her designee to administer the necessary work that will result in a fair and reasonable termination of the Washington County Service Authority Draper Aden Associates contracts and execution of new contracts with a different engineering firm.

Mr. Stout made the motion to approve the resolution (see attached). Mr. Stout's motion was seconded by Mr. Miller and was approved by a Board vote of 6-0-1-0 (1: Mr. Taylor abstained).

Late Item #6: Advertisement of the Exit 13 Wastewater Collection Project for Construction Bids in July 2011

Mr. Cornett explained there are three minor tasks that need to be wrapped up before the Exit 13 Wastewater Collection Project is advertised, which are: 1) update of the Use and Income Statement, 2) engineers report to our attorney that permits and approvals are in hand, and 3) Board action to condemn any remaining easements prior to the loan closing and start of construction. Those three items need to be wrapped up prior to advertisement. However, they

also realize that the Exit 13 project, if built, cannot discharge to the Town of Abingdon's wastewater system without completion of the Exit 14 Project. The Exit 13 Project has been awarded \$980,000 of Southern Rivers' grant funding through the Department of Housing and Community Development (DHCD). The Exit 13 Project was supposed to be complete by August of this year. WCSA runs the risk of losing the funds if we do not act on them very soon, according to DHCD. There is no magic number or date that Mr. Cornett is aware of when we would lose the \$980,000 in grants. WCSA has been at risk of losing the funds multiple times and DHCD has "gone to bat" for WCSA to keep those funds. At this point, especially during budget time, we are apt to lose the funds.

Mr. Cornett clarified that in moving forward with the Exit 13 Project, July of this year is a realistic time frame to advertise the project for bids, award the project and begin construction in late summer/early fall. WCSA hopes to seize those grant funds and not lose them. The risk we take in doing so is the outstanding Exit 14 project.

WCSA is in need of two approvals: one from the Town of Abingdon and the other from the majority landowner of the project, Clifton, Stewart & Yeary, granting permission to cross their property with a sewer force main and collection line. He explained that if either party delays us beyond what WCSA finds reasonable, we could get into trouble. Worst case scenario, WCSA may have the Exit 13 Project completed without a place to discharge. Mr. Cornett explained we will have to pay careful attention to timing; WCSA has about six months beyond the

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proposed schedule before we get into timing issues with completion of the Exit 14 Project.

Mr. Cornett noted the advantage of proceeding with an advertisement in July is there is less of a risk in losing the \$980,000 of grant funds. The disadvantage is the two parties could delay the Exit 14 Project, to the point WCSA constructs a project it cannot use. He expressed there should not be any reason why WCSA cannot gain approval from the Town of Abingdon for the redesign that is currently being considered for the Exit 14 Project, as discussions with them have gone well. Discussions with Clifton, Stewart & Yeary regarding the easements have gone well so far. The scenario would bring about a two- or three-party easement (to WCSA and the Town of Abingdon). He thinks WCSA and Clifton, Stewart & Yeary have reached what WCSA sees as a fair easement agreement. If WCSA can get the Town of Abingdon to concur or suggest changes, we should have a good easement agreement there. Mr. Cornett recommends that the Board consider allowing WCSA to move forward as soon as possible; we would propose to advertise the Exit 13 Project in July 2011 for construction bids.

Upon an inquiry from Mr. Chase, Mr. Cornett affirmed that the motion would not include any contingencies.

Mr. Stephon made the motion to proceed with advertisement of the Exit 13 Wastewater Collection Project for construction bids in July 2011. Mr. Stephon's motion was seconded by Mr. Hutchinson and was approved by a Board vote of 7-0-0-0.

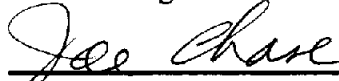
Mr. Cornett thanked the Board.

13. Adjourn or Recess


Mr. Taylor made the motion to recess until Monday, June 6, 2011 to Consider Approval of:

1. 2011-2012 Fiscal Year Budget.
2. 2011-2012 and 2012-2013 Rates, Fees and Charges Adjustments.

Mr. Taylor's motion was seconded by Mr. Miller. Mr. Lawson inquired of the time for the recessed meeting; Mr. Cornett clarified it as 7 PM. Mr. Taylor's motion and Mr. Miller's second was approved by a 7-0-0-0 vote of the Board. The meeting was recessed at 9:52 PM.



Mr. Joe Chase, Chairman



Amanda Paukovitz, Assistant Secretary

Washington County Service Authority

RESOLUTION

WHEREAS, the Washington County Service Authority is a water and wastewater utility operating in Washington County Virginia;

WHEREAS, in January 2009 the Washington County Service Authority's awarded two Master Contracts for Engineering Services, one to Draper Aden Associates and one to the Lane Group;

WHEREAS, recently it became evident that the terms of the two Master Contracts are slightly different;

WHEREAS, even though the original draft of the "sample" Master Contract was written for a three-year term, and the version of the Contract eventually awarded and signed by Draper Aden Associates was for a three-year term, the version awarded to and signed by the Lane Group was only for a one-year term;

WHEREAS, after looking into this, it is evident to WCSA staff and Elliott Lawson & Minor that this was a mistake in the contract;

WHEREAS, after discussing this with the Lane Group, Bobby Lane confirms that they were also under the mistaken impression that their Master Contract was a 3-year contract and is further supported by the fact that task orders have been issued to Lane under this Master Contract in 2010 and 2011;

WHEREAS, WCSA Counsel believes that the contract law doctrine of "mutual mistake" can be applied to this situation; and

WHEREAS, mutual mistake doctrine in essence means that both parties "thought" the term was three-years, both parties acted as though the term was three years, and the contract can be "reformed" now to reinstate it and modify the language of the contract to conform to what everyone thought was in the contract already.

THEREFORE, BE IT RESOLVED, the Washington County Service Authority's Board of Commissioners hereby authorizes the General Manager or his/her designee to execute a reformed and restated Master Contract with the Lane Group Incorporated.

Motion by: Mr. Hutchinson Seconded by: Mr. Miller

Aye 7 Nay 0 Absent 0

This 23 day of May 2011

Joe Chase
Joe Chase, Chairman

Attest:

Amanda Paukovitz
Amanda Paukovitz, Assistant Secretary/Treasurer

TASK ORDER 0809-2011-2

Washington County Service Authority (OWNER) and The Lane Group, Inc. (ENGINEER)

This is Task Order No. 0809-2011-2, consisting of 3 pages.

Task Order

In accordance with paragraph 1.01 of the Standard Form of Agreement Between Owner and Engineer for Professional Services – Task Order Edition, dated January 26, 2009 ("Agreement"), Owner and Engineer agree as follows:

1. Specific Project Data

A. Title: General Plan Review Services

Description: The WCSA receives Construction Documents and Supporting Information from Developers and Engineers involving extensions and other modifications to WCSA water and sewer systems. This information must be reviewed by the WCSA for compliance with WCSA standards and Commonwealth of Virginia Regulations. In addition, the present and future impact of the proposed expansions on the existing WCSA water and sewer system must be evaluated. The Work would include Engineering Review of the Construction Documents and Supporting Information.

2. Services of Engineer

Services of ENGINEER will include the following:

- A. Documents and Supporting Information, including but not limited to Design Plans, Design Notes, Hydraulic information, Specifications, and Plats, will be reviewed for compliance with WCSA Standards and Commonwealth of Virginia Regulations. The effect, both present and future, of proposed modifications to the WCSA water and sewer system will be evaluated. The Engineer will provide, in writing to the designated WCSA representative, comments and recommendations regarding Approval, Disapproval or recommended modifications of the Documents and Supporting Information.
- B. Engineer will attend meetings as necessary with WCSA Staff, Developers, Engineers and Washington County Officials to discuss the proposed extensions or other modifications to the WCSA water and/or sewer systems.
- C. As requested, Engineer will conduct site visits during construction to determine compliance with the approved Documents.
- D. Engineer may also provide certifications required by various funding and regulatory Agencies for on-going WCSA projects.

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Washington County Service Authority (OWNER) and The Lane Group, Inc. (ENGINEER)

3. Owner's Responsibilities

Owner shall provide Engineer with all pertinent information regarding the proposed development and the water and sewer systems (i.e. flow and pressure recordings). However, if directed by the Owner, Engineer will conduct the necessary pressure recording, flow testing and other system evaluations as may be necessary for plan review. Owner shall secure permission for Engineer to access the proposed development sites.

4. Times for Rendering Services

Engineer will provide review services in a timely manner so as to meet the schedules and commitments of the WCSA.

5. Payments to Engineer

A. Owner shall pay Engineer for services rendered on an hourly basis in accordance with the attached standard hourly rates. Mr. Matthew Lane, PE will be the primary reviewer. His time will be billed at \$95 / hour.

6. Consultants: None

7. Other Modifications to Agreement: None

8. Attachments: Standard Hourly Rates

9. Documents Incorporated By Reference: Master Agreement for Professional Services including Exhibits A, B, C, E, G and H.

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Washington County Service Authority (OWNER) and The Lane Group, Inc. (ENGINEER)

Terms and Conditions: Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

The Effective Date of this Task Order is May 23, 2011.

OWNER: Washington County Service Authority ENGINEER: The Lane Group, Inc.

By: [Signature]

By: [Signature]

Name: Robbie Cornett

Name: Bobby R. Lane, PE

Title: General Manager

Title: President

Engineer License or Firm's
Certificate No. 0402008114
State of: Virginia

DESIGNATED REPRESENTATIVE FOR
TASK ORDER:

DESIGNATED REPRESENTATIVE FOR TASK
ORDER:

Name: _____

Name: Matthew Lane

Title: _____

Title: Vice President

Address: _____

Address: P.O. Box 1340
Chilhowie, VA 24319

E-Mail
Address: _____

E-Mail
Address: mlane@thelane-groupinc.com

Phone: _____

Phone: (276) 646-2520

Fax: _____

Fax: (276) 646-2380

Washington County Service Authority

RESOLUTION

WHEREAS, the Washington County Service Authority is a water and wastewater utility operating in Washington County Virginia;

WHEREAS, in May 2009 the Washington County Service Authority awarded an engineering services contract to Draper Aden Associates for the Wastewater Collection System for (the) Exit 13 Area, (of) Washington County, Virginia;

WHEREAS, in November 2009 the Washington County Service Authority awarded an engineering services contract to Draper Aden Associates for the Exit 14 Sewer Interceptor;

WHEREAS, in April 2011 the Washington County Service Authority awarded an engineering services amendment (#1) to Draper Aden Associates for the Exit 14 Sewer Interceptor;

WHEREAS, the services under each of the three above mentioned contracts have reached or are nearing a milestone;

WHEREAS, little if any additional work can occur on either project without amendment of the engineering agreements by the Washington County Service Authority and Draper Aden Associates;

WHEREAS, the Board of Commissioners and Staff of the Washington County Service Authority think it is in the best interest of the Washington County Service Authority to award the remaining work to be performed by an engineer on these two projects to a different firm;

THEREFORE, BE IT RESOLVED, the Washington County Service Authority's Board of Commissioners hereby authorize the General Manager or his/her designee to administer the necessary work that will result in a fair and reasonable termination of the Washington County Service Authority Draper Aden Associates contracts and execution of new contracts with a different engineering firm.


Motion by: Mr. Stout Seconded by: Mr. Miller

Aye 6 Nay 0 Absent 1 (Mr. Taylor)

This 23 day of May 2011

Joe Chase
Joe Chase, Chairman

Attest:



Amanda Paukovitz

Amanda Paukovitz, Assistant Secretary/Treasurer